



## **Annual Report and Financial Statements**

31 July 2022

ROSE BRUFORD COLLEGE OF THEATRE AND PERFORMANCE

Company number: 00508616

[www.bruford.ac.uk](http://www.bruford.ac.uk)

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## Legal and Administrative Information

<b>Governors</b>	Jennifer Sims (Chair) George Littlejohn (Vice Chair) Christopher Chappell Sylvia Darkwa-Ohemeng Rogan Dixon Dr Anni Domingo Vivien Goodwin Sarah Howard Caroline Jenkins Professor Brian Lobel Hassan Mahamdallie Clarie Middleton Professor Mike Saks Janet Smith Professor Steven Spier Mike Whittaker
<b>President</b>	Bernardine Evaristo OBE
<b>Secretary</b>	Jim Benson
<b>Principal &amp; CEO</b>	Professor Mary Officer (acting)
<b>Key management personnel</b>	Professor Stephen Farrier (Head of Research & Postgraduate Studies) Joseph Lowe (Director of Finance and Operations) Stuart Page (Head of Undergraduate Studies) Angela Taylor (Academic Registrar)
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<b>Charity Registration</b>	307907
<b>VAT Registration</b>	GB 6807 15232
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<b>External Auditors</b>	Buzzacott LLP 130 Wood Street London EC2V 6DL
<b>Bankers</b>	HSBC UK plc

## Chair's Introduction

This has been a year of significant change for the College. As Chair of the Board of Governors I am proud of the way that governors, the senior leadership team, and all college staff, have responded to the challenges, working together to ensure that the high standard of work for which the College is renowned carries on uninterrupted for the benefit of our students. Our different views, perspectives, expertise, and experience have united us in a strong commitment to take the College forward to ensure its future success and stability

The start of the academic year 22/23 has seen a change in our college leadership. Clarie Middleton resigned from the College after five years as Principal. We thank Clarie for the significant contribution she has made during her time with us, and we wish her much success in the future.

Professor Mary Oliver was appointed as Acting Principal in October 2022 and is committed to maintaining the values of equity, diversity and inclusion that underpin the work of the College.

Mary brings to the role an impressive background as a writer and performance maker. Before joining Rose Bruford College as Vice Principal in 2021, she served as Dean of the School of Media and Performance at the Arts University Bournemouth. She will continue to lead the development of the curriculum, the College's strong industry links and its world leading status.

The year saw the appointment of two new governors – Janet Smith and Vivien Goodwin. Both are leaders in their respective fields, Janet as a Principal of Havering Further Education and Sixth Form Colleges, Vivien as Senior Vice President for Concord Theatricals Europe. We welcome them to the Board and are pleased to have the benefit of their expertise.

After eight years in post, Head of the School of Performance Niamh Dowling was appointed Principal of RADA. Under her leadership we greatly expanded the number of undergraduate and postgraduate programmes, creating the formation of the new postgraduate school. We thank Niamh for the outstanding contributions she made to the college during her time at Rose Bruford College.

A major initiative for the College this year was the decision to take responsibility for the students displaced by the closure of the Academy for Live and Recorded Arts (ALRA) at both their Wigan and London campuses. This was a bold action that brought national recognition for the College which was applauded for its actions in supporting these young people, a decision in keeping with the values of our organisation. The ALRA initiative brought a great deal of additional work for staff across the College but it has been a great success, with students able to continue to the end of their courses with the very minimum of disruption after what was a traumatic time.

The College, alongside many others in the sector, has continued to experience financial issues. We have put in place key initiatives to address these issues. These are focused on growth in student numbers, increased efficiency in the delivery of the curriculum and fund raising. Progress in these initiatives gives us confidence that we will move onto a firmer financial footing in the next academic year and beyond.

The year has seen the College emerge from a global pandemic as an institution determined not to be offset from its mission. I would like to thank Professor Oliver and the senior leadership team, and all the college staff for their hard work, during what have been challenging and uncertain times. I thank the members of the governing body and committees for their commitment, advice and support during the last year and Bernardine Evaristo for her active support as President of the College.



Jennifer Sims  
Chair of Governing Body



## Principal's Report

Still recovering from the impact of the pandemic, students and staff returned to campus without restrictions for the first time in two years. There has been a significant increase in demand for accessing student support services. Nevertheless, student retention and performance remained high with over 90% retention and the majority of programmes achieving 100% retention post-attrition.

We produced 40 full scale productions over the course of the year with level five and six students accessing further workplace experience from one of the fifty leading industry specialists that offer work placements and internships to our students internationally. Our reputation as the UK's leading international drama school has been maintained with a successful bid for Turing mobility funds and an increase in US partners to 13 colleges and universities taking part in exchange programmes. Our two campuses in Arthaus, Berlin and the National Theatre Institute at the Eugene O'Neill Centre in Connecticut continue to recruit students well onto MA and MFA performance programmes.



There was lower than expected recruitment to the undergraduate technical arts, design, and production management subject areas, which continues to be a sector wide challenge for the specialist provider, as the profession changed significantly during the pandemic. These skills shortage have become an acute problem for the vocational specialist provider, relying on current industry specialist. The lack of investment in the talent pipeline at a schools and tertiary level is also creating challenges due to the changes in emphasis away from the creative subject disciplines and cuts to arts budgets, meaning that potential applicants are unaware of the wide range of technical job roles available to them.

In April 2022, along with seven other providers, Rose Bruford College was approached by government regulators the Office for Students to gauge our interest in taking on the students from the Academy of Live and Recorded Arts (ALRA) which was about to enter receivership. The college was selected as the preferred provider after offering to accept all the ALRA's students. Over the course of one month two new campuses were opened in South West London and Wigan and renamed RBCSW and RBC Wigan to reflect their geographical locations and the College recruited 274 students in-year.

A successful Capitol Resource bid provided an additional £1.98 million investment into technical resources, allowing the College to upgrade and make fully accessible its lighting and audio equipment and to invest in a new state of the art XR stage for the Centre for Digital Production. Rose Bruford College is the only drama school in the world currently with this provision, which will provide unique training for both technical arts and acting students, in addition to creating continued professional development for sector partners, where there are currently acute skills shortages in working with this facility.

2022 saw significant successes for alumni at the Laurence Olivier Awards, with 11 nominations; Cabaret, where five of our Costume graduates worked on the wardrobe team. Alumnus David Carlyle was nominated for a BAFTA for his supporting role in the hit series 'It's A Sin', while Stephen Graham has been awarded an OBE, nominated for leading actor and won 'best mini series'. At the end of 2021 our college president, Bernardine Evaristo, was announced as the new president of the Royal Society of Literature, becoming the society's first writer of colour to hold the position and the second ever female president in its 200 year history. Visits by Bill Nighy, Zoe Ashton, Rosalee Craig, Matthew Baynton, Adjoa Andoah, Patrick Woodroffe OBE, Paule Constable and our President Bernardine Evaristo, have brought world leading artists to enrich the student learning experience, enhancing the hundreds of industry professionals who work with us, to offer skills, advice and experience of how to secure and sustain life-long creative careers.

At our graduation ceremony in September 2022, fellowships were awarded to RBC alumni, film and TV producer Sara Huxley, producer Simon Carr and writer, actor and director Mathew Baynton. Four Honorary Fellowships were awarded to ex-governor Paul Dale, Afrobeat musician Dele Sosime, producer and director Tarik Iskander and CEO of White Light, Bryan Raven. At the ceremony we were joined by graduating students from RBCSW and Wigan who were awarded degrees from St. Mary's of Twickenham at the Rose Bruford College graduation ceremony, fully acknowledged and reflecting the year in which the College had fully accepted these new students.

A handwritten signature in blue ink, appearing to read 'Mary Oliver'.

Professor Mary Oliver  
(Acting) Principal and Chief Executive Officer

## Operating and Financial Review

### Vision

The College's Strategic Plan 2019/20-2024/25 sets out the following vision: 'to create the change-makers'. Building on our founding belief that teaching, learning, creative practice, arts and industries all speak one to another, our vision for Rose Bruford College of Theatre and Performance is for an institution that creates the change-makers of the future.

### Mission

The mission underlying the College's Strategic Plan is to 'achieve social as well as cultural impact through delivering the highest quality vocational training and education across a wide, innovative spectrum of learning and teaching that delivers proactive graduates who are creative, empowered, employable, inclusive and diverse, ethical and intercultural in outlook.'

### Values

The integrity of the College lies in the belief that the programmes we offer, the research we undertake and our engagement with industry and wider society are all an articulation and reflection of who we are and what we value; it is this that should continue to guide and underpin our future.

Our core values, as articulated by staff and students, are the foundation of Rose Bruford College and the ones we will work to maintain; integrity, creativity and inclusion. Staff at Rose Bruford College want to have an impact and make a difference for future generations and this is reflected in the current and planned teaching and learning methods and choice of programmes, the staff we attract, the students who come here, the professional partnerships we sustain, our research, our collaborators, and our international partners.

### Strategic report

During 2021-22 the College has delivered against its five-year strategy approved by the Board of Governors in 2019:

- Provide an inclusive, collaborative and supportive student experience which empowers, equips and transforms students' personal and professional growth in the wider creative industries.
- Develop and enhance the academic offer to ensure it is inclusive, innovative and empowering.
- Recruit and retain a current, industry-engaged and diverse staff cohort enabled and empowered to develop and challenge the students themselves, and the wider industry.
- Facilitate organisational growth and resilience and underpin staff and student transformation and empowerment by developing the academic offer, alternative income streams and professional systems and services.
- Become a world leading centre of excellence and a leader of good practice across all areas of access and participation within HE, and particularly within the small specialist creative sector.

Rose Bruford College of Theatre and Performance is one of the foremost Drama Schools in the UK with a growing reputation internationally. The College is also one of the UK's largest, in terms of student numbers and the variety of its professional training options. Our graduates are moving into ever increasing number of roles across an expanding range of entertainment and media platforms. We welcome national and international students onto both BA and MA degree programmes in performance, design, management, technical arts and foundation diploma courses. Flexible part-time (online) and short courses, are also an important part of our portfolio of provision. Over the last year we have increased CertHE provision through a partner provider in music and music business, targeted at a specific demographic of students in central London, and we continue to develop our two international partnerships in the US and Germany, with which we deliver high quality MA and MFA programmes in a range of performance practices. We use our respected performing arts training methods and technical arts expertise to help build global partnerships and communities, working worldwide with partner institutions on student and staff exchanges, collaborative projects and wider research initiatives.

## Operating and Financial Review

Proud of its history of innovation that saw Rose Bruford College introduce the UK's first undergraduate degree course in Theatre in 1976 and the first Batchelor of Arts courses in Actor Musicianship and Lighting Design in 1994, the College continues to push the boundaries of training in theatre, performance and technical arts.

### Resources

Facilities and infrastructure: RBC has state-of-the-art facilities to in all aspects of theatre arts. Our facilities currently include the following: a 330-seat theatre-in-the round; a 100-seat end-stage theatre; a black-box studio theatre; ten fully-equipped rehearsal, movement and voice training studios; four fully-equipped lighting design laboratories; a digital arts complex with two recording studios and offline video and audio suites (see below); a costume/wardrobe complex; a scenic workshop with specialist prop-making facilities; theatre design studios with computer-aided design facilities and individual workspaces; and stage management offices and production teaching studios. We are currently the only drama school in the UK with an XR stage. This investment builds on our existing motion capture system, providing training for both our technical artists and designers and our performers and actors, offering cutting edge skills with which enhance their ability to gain employment.

RBC has made, and continues to make, significant efforts to ensure that the physical and digital resources are 'fit for purpose' and used effectively to aid student learning and research. The RBC Library houses over 50,000 items to support the performance and design research and teaching, and also includes our Special Collections, an IT suite, academic support and equipment and music stores. There has been a significant growth in the library's commitment to and engagement with digital resources. The e-book provision has grown from 100 titles in 2015 to 2,500 titles. Regular inductions are held for all students, and a well-read weekly email highlights for all students and staff of the Library's existing and new resources.

## Review of the year

### Financial Strategy

As the College embraces the changes caused by reduced government funding and HE legislative changes, the fallout of Brexit, the impact of COVID-19 and wider competition from new providers entering the HE market, the College has developed a strategic course that will deliver financial sustainability over the next five years while maintaining and promoting our unique identity. The additional specialist provider funding provided by the OfS for the next five years, will make a significant contribution to supporting the high quality, intensive learning environment, however the uncertainty of a volatile recruitment market, recent high rates of inflation and increasing costs of living, combined with space constraints, challenge our ability to grow at pace. We are implementing a range of key priorities to ensure that our costs continue to be tightly managed, whilst also introducing mitigations through additional income generation by making strategic investments to grow, with additional capacity in international recruitment and fundraising. The latter will target grant income, increases in commercial income and donor campaign, a model which more closely reflects the mitigating actions of other small specialist providers.

We have used the freedoms conferred by our 2016 award of Taught Degree Awarding Powers (TDAP) to further develop and introduce new provision, creating new partnership agreements and are developing new cognate programmes of study at undergraduate level with multiple exit pathways to ensure our learning offer is relevant and compelling to current applicants. We constantly review our programmes to keep step with our priorities as well as developments in a fast-changing industry and socio-economic political climate.

### Academic Strategy

Over the last year RBC has been undertaking a number of significant academic developments that will impact positively on its future and set in place a model of good practice within the higher education sector, particularly with regard to ensuring that equity, diversity and inclusivity are at the heart of every student's learning experience. We have completed an academic restructure and recruited new staff to the college to lead two newly formed undergraduate and postgraduate schools.

## Operating and Financial Review

Full consultation with Academic Teams and SMC was undertaken on the development of a new Academic Strategy and approved by the governing body in September 2021. The overarching aims of the academic strategy are to:

- Remain financially sustainable
- Recruit to target
- Reduce the workload for staff
- Embed EDI into all courses – removing any barrier to any student in reaching their full potential

We are undertaking an in-depth examination of our learning and teaching methods at a holistic level in order to address each of the priorities.

### Academic Development

Staff have fully engaged in a co-design process with the involvement of both academic and operational team staff teams, who have interrogated the strategic aims of the academic strategy and undertaken an in-depth examination of our interdisciplinary and collaborative learning methods. With a commitment to place EDI at the heart of all learning experiences, Learning Outcomes are to be replaced by more inclusive Learning Themes. We are strengthening our interdisciplinary, collaborative and performative pedagogies with an increased focus on student led-learning and increased optionality. Our existing externally engaged approach to learning and an expansion of our civic relationships combined with strengths in pedagogical research and knowledge exchange, will create a more diverse and pro-actively engaged innovative learning environment.

### External Partnerships

The College continues its partnership working, developing more links with the further education sector and in particular through its partnership with Lewisham College which houses our postgraduate school working alongside students from the FE sector. This gives rise to greater opportunities for collaboration and progression.

In 2021, the newly validated Cert HE in Music Business and Song-writing at the Notting Hill Academy of Music was successfully launched. This year two further Cert HE courses were successfully validated at NHAM and 55 students were recruited to the three courses in September 2022. These bespoke one-year courses have been developed in response to industry demand and the student demographic in the Notting Hill district. This partnership has extended RBC's reach both geographically and demographically, making a significant contribution to our access and participation agreement.

### Additional student intake following closure of the Academy of Live and Recorded Arts (ALRA)

In April 2022, along with 7 other providers, Rose Bruford College were approached by the OfS to gauge our interest in taking on the students from the Academy of Live and Recorded Arts which was about to be taken into receivership. The college was selected as the preferred provider after offering to accept all of the ALRA's students from two campuses in SW London and Wigan.

New staff were recruited, the majority from the existing ALRA staff. Two campuses were opened over the course of one month, utilising the existing Wigan provision at the historic Trencherfield Mill studios at Wigan Pier for the newly named RBC Wigan, and hiring three different professional theatre studios BAC, Brixton House, Omnibus and space at Morley College to house the new RBCSW students.

One month later, in May 2022, 274 students formally joined Rose Bruford College, supported by a combination of newly contracted and existing central service teams. Led by the senior team at RBC supported by all RBC departments, this was a highly successful logistical endeavour that showed the college's values in practice in our commitment to supporting the sector and our ability to work affectively at speed.

The final year BA Hons Professional Acting students graduated on time and were awarded their degrees from the original validating partner St. Marys of Twickenham, the students receiving a warm welcome at RBC's graduation ceremony in September 2022. Masters students in Acting and the second year of Directing continued into the Autumn term before completion. MA Directing and MA Linklater students will continue until summer 2023. Levels four and five BA Hons Professional Acting students, continue to be taught out as Rose Bruford College students under our assessment regulations.



## Operating and Financial Review

### Access and Participation

Access and participation is at the heart of the College's ambitions for the student experience. This is demonstrated by the College's strategic plan from 2019-2025, which aims to provide an inclusive, collaborative and supportive student experience. This will be achieved by empowering, equipping and transforming students' personal and professional growth in the wider creative industries.

The College is performing well against the targets for Access and Participation agreed with the Office for Students (OfS) for students from the Global Majority, where the College exceeded the target of 18% in 2021-22 by recruiting 20% of students from this category. We also recruited well in terms of our targets for mature students where over 45% of students were mature, compared to a target of 19%. We also exceeded the target for neurodiverse students and those with a sensory or physical disability. The combined target was 43.2% and recruitment stood at 47.7%

The College is still working towards targets relating to POLAR4Q1 (students from backgrounds with the lowest proportion of progression to HE) where our recruitment stood at 11% in 2021-22 compared to a target of 18%.

### Retention

The national average for retention in UK full time undergraduate courses is 83%. The college currently has an overall retention rate of 90.8 %. Of the fifteen full-time undergraduate programmes, nine retain over 90%, four over 80% and two in the high 70's. Like all small institutions, small numbers impact more significantly on statistical data. We are introducing a retention project to focus on three programmes where retention is under the national average. We will be undertaking a mapping exercise and examining the reasons for the higher than average numbers of student leavers on these programmes contextually. Post-attrition, the statistics show very high completion rates, with eight programmes achieving 100% and six achieving over 90%.

### National Student Survey

The National Student Survey (NSS) 2022 results were released on 6 July 2022. The overall satisfaction at RBC is 69.43% (against a benchmark of 71.94%), which is a reduction from an overall satisfaction level of 79.21% in 2021. Although the results are disappointing overall, compared to the 2021 results, they were not entirely unexpected, given that this is the year of graduating students who were most affected by the pandemic, with disrupted learning across two of their three years of study. The results vary considerably across programmes, with some notable highs across the subject disciplines, and low scores which directly align the sector wide skills shortages, also pandemic related. The college wide academic review and increased staffing in skills shortage areas, are already putting in place measures to improve the student experience overall.

### Student Support

As a result of concerns for increasing numbers of students seeking support, we are currently undertaking a review of the Student Services and Academic learning support. An interim report reveals that the number of students that approached the support systems during the first three weeks of the autumn term had risen by 35%. The numbers of student accessing Student Services systems continues to be higher than average, we can see that 74% of our undergraduate population and 55% of our overall student population are accessing the service for a range of support needs with a 33% increase in students asking for support for mental healthcare issues. We can see this need growing in the sector, as both Nightline, the student helpline, and *The Guardian* have reported these numbers are up significantly on the already on the post-pandemic -inflated numbers. Measures are in place to increase specialist support in this area and also to address the need for resilience to be built into all levels of learning.

### Staff Development

Rose Bruford College pro-actively engages with staff development. Over the last year staff have engaged with activities that align with both strategic developments and in response to both student and staff feedback. The training has covered a wide range of pedagogical and student facing subject areas and is a direct reflection of the mission, vision and values of the college. The subjects covered include Coaching led learning methods, Supporting neurodiverse learners, Anti-racism training for all staff and L4 and PGT students, EDI training for all staff and L5 and PGT students, Supporting students with mental healthcare issues, Supporting learners with Dyslexia.

## Operating and Financial Review

### Equity Diversity and Inclusivity

Equality and Diversity: RBC's mission, values and strategic aims reflect our long-standing commitment to diversity and inclusion. Our core values are integrity, creativity and inclusion, and they are embedded in all that we do. To support our strategic aim to recruit and retain a diverse cohort of staff who are enabled and empowered to undertake research, we have an equal opportunities policy that covers all the protected characteristics, which is regularly reviewed. The Equality and Diversity Committee, reporting directly to the Senior Management Committee, oversees the policy and ensures it is implemented. The Director of RKE sits on this committee to ensure it pays due regard to research matters. Our commitment to EDI runs through all our services and forms a central role in defining our behaviours and values.

### Research and Knowledge Exchange

The strategic aims for research and impact were set out in RBC's strategic plan for research following our submission to the REF in 2014. The primary aim set out at this point in time, has been to establish a practice-led and sustainable research culture. RBC's research culture has continued to develop over the past 7 year years in ways that reflects our identity which is vocational, diverse, collaborative and inclusive. Our perspective is international and multicultural, with the potential for intercultural performance in both discipline-specific and interdisciplinary contexts. The size of our submission has increased by 50 per cent to 8.9 FTE since 2014, evidence we are delivering the aim set out in our research strategy to build capacity.

The REF results demonstrated several positive comparisons between 2021 results and 2014 results, and overall they show consolidation and some progress from 2014. The proportion of 4\* quality elements doubled from 7% in 2014 to 14% in 2021, and the overall 'grade point average' improved. We are particularly pleased that over one in five of the publications submitted by the College to REF2021 were categorised as of 4\*(world leading) quality. As a teaching intensive organisation with a small but growing research portfolio, we are pleased that the results show a positive trajectory which bodes well for the future.

We continue to develop our research environment in several areas including: the production of high-quality research outputs; the development of postgraduate programmes including research degree programme; further supporting staff at all career stages to undertake research; the development of funding opportunities; and the development of partnerships in academia of international standing and the performing and creative arts industry at local, national and international levels.

On partnerships and impact, our strategy foregrounds industry partnerships and community collaborations as part of the research ethos at RBC. Our long-standing expertise in performance and design processes, community and applied theatre arts, new writing and directing has been complemented more recently by an embracing of new technologies working with external partners.

Since 2019 RBC has implemented a series of mechanisms to ensure the long-term sustainability and vitality of its research environment, with a number of initiatives including: the appointment of a Director of Research and Knowledge Exchange, the establishment of research funding pools, competitive funding calls providing seed funding and project funding and a continuation of the Research Acceleration Fund, which offers financial support on an annual basis to a specific research project. Strategic investment building on existing research strengths, including a major investment into participatory research has complimented investment into early career researchers.

Additional in-year funds for developing the research capacity of the college (£134K) in addition to the normal QR funding and the one off KE funding (£193K) intended for providers who do not qualify for HEIF funding, have been welcomed. These valuable increases have been distributed both in response to open calls, and also strategically, to include training and talk series aimed at early career researchers. We have made strategic growth investments into research development across all research centres and by investing in a new international researcher in residence scheme, with high impact and experienced artist researchers who will support and mentor staff as part of their commitments during their contracted periods of research.

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Further investment into staff development has focused on training in Research Ethics with the establishment of a research ethics committee. RBC's continued subscription to GuildHE Research and further investment into the GuildHE supported repository, has proven extremely beneficial. With the appointment of a new Director of RKE, the college is now entering into a more strategically led Research and Knowledge Exchange growth trajectory.

### Capital Resource Investment

Building on the Catalyst award of 2018, through which we have developed the Centre for Digital Production, RBC was awarded a follow-on award of £1,998,840 in 2021, achieved through the competitive capital resource funding scheme for small specialist providers of technical courses. The bid proposed an upgrade and improvement of physical access to equipment in Lighting and Audio with further investment into state of the art production technology, through the purchase of an XR stage which builds upon the highly impactful motion capture suite, in the Centre for Digital Production. The investment into Motion Capture technology is both a teaching tool for improving production technology skills and also supports a skills expansion in Actor Training. It and has proven to be both a unique asset within RBC's portfolio and also greatly improved the employability skills of our graduate actors. The new XR Stage is a cutting edge technology which Executive Officer in Charge of Industrial Light and Magic, Sue Lyster, confirmed as vital to the future of film and entertainment production. We are the only small specialist provider with such technology which will have multiple purposes as a teaching, research and knowledge exchange asset. The partner companies that we are working closely with to both inform and deliver our industry level learning experience include White Light, National Theatre, Ambersphere, Avolites, Durham Marengi, Imagination, Robe and one of Europe's biggest lighting production company the Italian based Clay Paky.

### Employability

The College prepares its performance graduates for careers primarily on stage and screen and our design, management, craft and technology graduates for production roles across the full breadth of the creative industries. With an established portfolio of acting, performance, technical arts, design and production programmes at both undergraduate and postgraduate levels, our alumni fully contribute to the creative industries talent pipeline globally. Our students learn through a variety of pedagogical methods including praxis based learning in studio and working to professional standards in professional settings. Over the course of the last year, the college supported forty fully realised theatre productions across the undergraduate and postgraduate courses and for the first time wrote and produced two original short films. This production schedule increased during the summer term with the addition of the new RBC SW and RBC Wigan undergraduate and postgraduate students, adding a further eight full scale performances to the existing schedule. 93% of the Acting students were signed by agents before graduation.

### Engagement with industry

The RBC annual industry event *Face to Face* was attended by 90 attendees from the full range of technical arts and production job sectors. This event puts graduates in a direct relationship with employers seeking new talent from which students in the technical subject areas are employed. All production and technical arts students are offered the opportunity to undertake work placements, many of these paid internships. Students regularly work for international brands or overseas including Hoi Polloi – Malta, Norwegian Cruise Line, Florida US, Stuttgart Staatstheater Opera House, Germany, as well as the UK's leading theatres including Royal Opera House, National Theatre and Royal Shakespeare Company. This year students joined the world wide stadium tours of the Rolling Stones and Ed Sheeran, and TV shows including *This Morning* and *Eastenders*. RBC partners with over fifty international companies spanning fifteen countries supporting placements each year, to ensure our graduates are employment ready.

In 2022 the RBC International Advisory Board was created. Alumni and industrial leaders from across the UK and US are part of this impactful group, who act as both advisors on current practices and work as advocates for the college and our graduates. In 2022 RBC was recognised by EPIC games as an official academic UNREAL partner, bringing new resources, technical support and skills opportunities for our digital artist and designers.

The student run annual Symposium was staged successfully after two years of absence due to Covid, in a whole campus takeover for three days with a range of events: performance, music, installations, technical demonstrations and Independent Research Project outcomes. Symposium ran simultaneously with Production Futures, a trade event

## Operating and Financial Review

which presents the latest in screen and stage technology and was attended by specialists from across the UK and was attended by students, industry and alumni, many of whom hold senior roles in the UK's leading theatre venues.

### Financial review

The financial statements presented to the Board of Governors reflect the results of the College for the year ended 31 July 2022.

The College's Statement of Comprehensive Income for the year to 31 July 2022 shows an overall surplus of £2,167k (2021: loss £1,206k). This surplus is stated after a non-cash pension actuarial surplus of £2,821k (2021: surplus of £759k), non-cash service costs and interest charges (FR 102 adjustments) of £422k (2021: £365k) and restructuring costs of £17k (2021: £3k).

After removing these items, there is an operational deficit of £215k, a improvement of £1,382k from the year ended 31 July 2021 when an operational deficit of £1,597k was recorded. This is shown in Table 1.

**Table 1: Operational Surplus / (Deficit)**

	2017-18 £000s	2018-19 £000s	2019-20 £000s	2020-21 £000s	2021-22 £'000
Income	9,428	9,499	10,138	10,130	12,587
Operational expenditure	9,262	9,188	9,333	11,727	12,802
<b>Surplus / (Deficit) for the year</b>	<b>166</b>	<b>311</b>	<b>805</b>	<b>(1,597)</b>	<b>(215)</b>

The improvement in the operational outturn for 2022 was driven by additional revenue from Research England, postgraduate students, and grant support from the Office for Students in relation to the ex-ALRA students. The benefit of this additional income was partially offset by additional expenditure, particularly in relation to professional services fees and external space hire, as easing COVID restrictions allowed a return to face-to-face teaching, and premises were needed for the ex-ALRA students.

The following table details how the operational outturn, which is considered a better guide to financial performance, reconciles back to each years' total comprehensive income statement.

**Table 2: Reconciliation between the Operational Surplus / (Deficit) and Total comprehensive income**

	2018-19 £000s	2019-20 £000s	2020-21 £000s	2021-22 £000s
Total comprehensive expenditure for the year	605	(126)	(1,206)	2,167
Less: LGPS actuarial loss / (gain)	874	533	(759)	(2,821)
Add: LGPS service, interest & admin. adjustments	297	386	365	422
Less: Profit on disposal of fixed assets	(1,465)	-	-	-
Add: Restructuring costs	-	12	3	17
<b>Operational Surplus / (Deficit) for the year</b>	<b>311</b>	<b>805</b>	<b>(1,597)</b>	<b>(215)</b>

### Income

In 2021-22 the College has generated income of £12,587k (2021: £10,130k), a very strong increase of 24%. This is broken down by the key income streams in the following table.

## Operating and Financial Review

**Table 3: Income**

	2017-18 £000s	2018-19 £000s	2019-20 £000s	2020-21 £000s	2021-22 £000s
OfS grants	1,178	857	1,278	825	1,060
Research England grants	63	63	63	71	407
Tuition fees	6,449	6,699	7,135	7,422	9,313
Other income	1,737	1,870	1,647	1,812	1,806
Investment income	1	10	15	-	1
<b>Total income</b>	<b>9,428</b>	<b>9,499</b>	<b>10,138</b>	<b>10,130</b>	<b>12,587</b>

In the above table, OfS funding peaks in 2019-20, due to specific funding for the Catalyst project. Funding increases in 2021-22 relate to specific funding for the ALRA student transfer project. This amounted to £492k, leaving the balance of £568k, a reduction of £257k; a consequence of adverse changes in funding policies. These were the removal of the Outer London Allowance and the teaching grant for our main subject areas being reduced by 50%. This was offset by increased research funding, including the award of Knowledge Exchange funding.

Other income peaks in 2021, despite COVID restrictions. This is due to two legacies (£265k), compared to none in 2022, as well as COVID job retention government scheme payments. More positively in 2022, income from the Christopher Court residence recovered, increasing by £176k, as the rent-free period during Spring 2021, did not recur.

In 2022, student numbers grew by 42%. While this is due to general growth across the College, the largest contributor was the ALRA student transfer project. Further detail is provided in the following table.

**Table 4: Student Numbers**

Category	2018-19			2019-20			2020-21			2021-22		
	H	O	T	H	O	T	H	O	T	H	O	T
Undergraduate full-time	510	32	542	540	29	569	574	32	606	768	38	806
Undergraduate part-time (FTE)	38	6	44	21	5	26	19	6	25	26	9	35
Postgraduate full-time	21	16	37	15	20	35	29	29	58	98	48	146
Postgraduate part-time (FTE)	17	-	17	14	2	16	10	1	11	20	1	21
Foundation (non-accredited)	46	10	56	53	16	69	53	17	70	82	25	107
<b>Total</b>	<b>632</b>	<b>64</b>	<b>696</b>	<b>643</b>	<b>72</b>	<b>715</b>	<b>685</b>	<b>85</b>	<b>770</b>	<b>994</b>	<b>121</b>	<b>1,115</b>

H = Home / EU, O = Overseas (excluding EU), T = Total

To provide a better underlying comparison with previous years, the following table breaks down the 2021-22 student FTE between those who started the year with the College, and those who transferred during the year.

**Table 4b: Student Numbers 2021-22, EX-ALRA disaggregated**

Category	College			Ex-ALRA			2021-22		
	H	O	T	H	O	T	H	O	T
Undergraduate full-time	579	35	614	189	3	192	768	38	806
Undergraduate part-time (FTE)	26	9	35	-	-	-	26	9	35
Postgraduate full-time	57	36	93	41	12	53	98	48	146
Postgraduate part-time (FTE)	20	1	21	-	-	-	20	1	21
Foundation (non-accredited)	60	25	85	22	-	22	82	25	107
<b>Total</b>	<b>742</b>	<b>106</b>	<b>848</b>	<b>252</b>	<b>15</b>	<b>267</b>	<b>994</b>	<b>121</b>	<b>1,115</b>

H = Home / EU, O = Overseas (excluding EU), T = Total

## Operating and Financial Review

When analysed from a perspective of the percentage change, other than 2021, undergraduate growth has been steady, but slowed in 2022, after allowing for the student transfer project. This reflected poor recruitment in the technical arts and digital courses, and this is being addressed by a new approach to these programmes with the 'single academic framework' project. For postgraduate students, growth has been strong over the past three years. The Foundation programme has shown growth.

**Table 5: Percentage growth in student numbers**

Category	2020 Vs 2019 %			2021 Vs 2020 %			2022 Vs 2021 %			2022 Vs 2021 % (Excluding ex-ALRA)		
	H	O	T	H	O	T	H	O	T	H	O	T
Undergraduate	9	(5)	8	6	6	6	32	8	30	2	16	3
Postgraduate	(8)	13	(2)	62	45	55	151	63	113	97	23	65
Foundation (non-accredited 'level 3')	15	60	23	-	6	1	55	47	53	13	47	21
Total	2	13	3	7	18	8	45	42	45	8	25	10

H = Home / EU, O = Overseas (excluding EU), T = Total

### Operational Expenditure

Operational expenditure excludes the adjustments for the LGPS scheme. Given these can vary outside of the College's day-to-day control, and are non-cash, operational expenditure is considered a good indicator of the College's financial performance.

**Table 6: Operational Expenditure**

	2017-18 £000s	2018-19 £000s	2019-20 £000s	2020-21 £000s	2021-22 £000s
Staff costs	4,686	4,096	4,575	5,255	5,268
Other operating expenditure	4,175	4,685	4,274	6,061	7,083
Depreciation	401	407	484	411	451
Interest payable	-	-	-	-	-
<b>Total expenditure</b>	<b>9,262</b>	<b>9,188</b>	<b>9,333</b>	<b>11,727</b>	<b>12,802</b>

As noted previously, expenditure increased during the COVID-19 pandemic, as the student experience was prioritised. During 2022, staff costs were strongly controlled, whilst operational expenditure increased. This increase was mainly caused by the student transfer project, and was covered by additional income, and also by non-pay course costs. In 2022, depreciation increased due to the additional OfS funded capital project, as noted above.

### Capital grants

Following a successful competitive bidding process, the College was awarded £1,999k (2021: £Nil) of capital grants from the Office for Students, and this was all receivable in the year. At the year-end, the College was holding deferred capital grants of £5,511k (2021: £3,665k) applicable to the Rose Theatre, Catalyst project as well as funds awarded in 2022.

### Fixed assets

The College has total fixed assets of £10,272k (2021: £8,721k). This increase mainly related to the expenditure of the Office for Students capital grants, as noted above. Other funds were spent on IT and workshop equipment plus equipment to bring facilities for the ex-ALRA students up to a standard consistent with the Rose Bruford experience.

## Operating and Financial Review

### Cash flow

The statement of cash flows shows a net increase in cash of £105k (2021: decrease £739k). The net cash inflow from operating activities was £149k (2021: outflow £307k). The main reason for this net cash inflow from operating activities, when there is a deficit of £654k before gains and losses, is because of significant non-cash items in the operational expenditure. The main items are depreciation (£451k) being in excess of the release of capital grant income (£151k) and non-cash LGPS adjustments (£466k).

The years positive cash flow, the first since 2018, when an investment property was sold, is a visible indicator of the College's improving financial position.

### Reserves policy

The accumulated revenue reserve of £5,227k (2021: £3,060k) represents the net unrestricted funds at the College's disposal. Governors have set a target to maintain free reserves at as close a level as possible to three months of the College's operating costs. Given that this is current equivalent to approximately £2.7m, reserves remain in excess of the agreed target.

## Principal risks and uncertainties

Risk assessment and risk management arrangements continue to be reviewed by the College in order to safeguard corporate interests and reputation as part of its Strategic Plan.

The College's risk register is reviewed regularly by the Senior Leadership Team and by the Audit Committee. The risk register identifies key risks, the likelihood of those risks occurring, their potential impact on the College and the actions being taken to reduce and mitigate the risks.

Outlined below are the College's current significant strategic risks, together with the mitigation measures in place.

### Risk number 1: Failure to increase student numbers

The College needs additional student numbers to manage reduced funding from the Office for Students and a static home student fee. This growth needs to be tilted towards International and postgraduate students due to the higher fee that can be charged. As a small specialist institution, without this additional income, the College's risks not having the resources necessary to maintain viability.

*Mitigation:* Under a new Principal, the College's output is being revitalised, with the academic structure of the College moving from two 'schools' into a single academic structure, covering undergraduate and postgraduate courses. As part of this academic programmes are being reviewed, with a shift towards courses that can recruit in sufficient numbers, that are relevant to our industry, and attractive to both UK and international students. Separately, the generation of additional income through better use of the campus for external business, especially outside of term-time, is being targeted.

### Risk number 2: Inadequate IT systems that disrupt the efficient running of the College

Some aspects of the College's IT systems are ageing, have a reliance on individuals, and are sub-optimally configured, with the consequence that user efficiency is reduced, and business continuity is put at risk.

*Mitigation:* Following a thorough review in 2021, a new approach to IT is underway. A strategy of moving more applications to the cloud, simplifying the network infrastructure, and targeted investment in industry standard equipment is being implemented. 'Key-individual' dependence has been reduced by having a third-party contractor, with knowledge of our systems, contracted to step in when internal resource needs assistance.

### Risk 3: Unaffordable pension arrangements

The College is a member of two defined benefit pension schemes, the teachers pension scheme and the local government pension scheme. These schemes have employer contribution rates currently set at 23.68% and 19.1% respectively, are considerably above the 3% employer contribution rate mandated by the Government. Additionally,



## Operating and Financial Review

LGPS results in additional charges to expenditure, that although initially non-cash items, reflect the obligations made by the College to its employees. In 2022 employee pensions cost the College £1,207k, almost 10% of total expenditure, compared to approximately £114k for a standard statutory scheme. For these reasons defined benefit schemes have become very unusual in the private sector. The College finds itself as outside the public sector, but with membership of these schemes, something that is out of line with most employers, and the cost risks becoming unaffordable.

*Mitigation:* Along with many other higher education providers the College is reviewing its membership of LGPS and looking at organisational structures that would reduce the costs of teachers pensions for some non-core activities. These would, over time, reduce employer pension costs.

### **Risk 4: Inflation increases costs beyond what is affordable**

External expenditure pressures include the general increase in price inflation to levels not seen for a generation, with the impact being increased by the regulated home student fee continuing to be held at £9,250. Implementing nationally agreed pay awards and annual pay increments for many staff also results in increases to staff costs. Consequently, expenditure could increase beyond levels that are affordable relative to the College's income.

*Mitigation:* Expenditure budgets are being carefully reviewed, and new more efficient ways of teaching are being introduced. The Board will carefully consider whether to use its discretion in implementing national awards, being aware that it can only proceed as is affordable.

### **Risk 5: Deterioration of the estate**

Whilst most of the Lamorbey Park campus is modern and in good condition, some areas, particularly the listed Lamorbey House, are in poorer condition and should be refurbished to provide the expected standard. The poor condition also results in higher day-to-day maintenance and energy costs when compared to a refurbished building. The costs associated with maintaining the estate will be challenging to incorporate into future expenditure plans.

*Mitigation:* The estates maintenance budget is being set at a level that should maintain the standard of the estate, whilst funds for refurbishment are sought.

### **Risk 6: Difficulty of maintaining a high quality student experience against a backdrop of reducing Office for Students funding**

As a small specialist provider, the College seeks to offer a conservatoire experience for its students. As this tends to involve greater contact hours, industry engagement and small group working, and professional standard productions, this is increasingly challenging to provide within the framework of the regulated fee of £9,250. The risk is that if the College can no longer afford to offer a 'conservatoire' experience, it will not be able to attract students, and therefore be in a spiral of decline.

*Mitigation:* The College is seeking to increase both the total number of students, and the proportion of International students, as being a way to maintain the necessary average fee level. Strategies for fundraising and further non-higher education income are also being developed.

## Going concern

The College's activities, together with the factors likely to affect its future development, performance and position are set out above. The financial position of the College is set out in the above 'Financial Review' and stated in the primary accounting statements and the accompanying notes.

The College achieved a significantly smaller deficit in 2022, when compared to 2021. It was also cash positive, also an improvement compared to 2021. This means that the College starts the year 2023 in a stronger financial position. Work to reduce costs, and the positive changes from the 'single academic framework', which are expected to result in courses that are both attractive to the market, and affordable to deliver, are also being implemented. The recent award of additional OfS teaching grant of £1m per year, for the five years from 2022/23, has had a material impact on the College's financial position.



## Operating and Financial Review

The Board has conducted its assessment, in the context of the College currently having no borrowings, but assets that could, as has been the case in the past, be used to secure working capital funds. The Board has reviewed monthly cash flows through to July 2024, and detailed budgets for 2022/23 and 2024/25. All of these documents show the College having positive cash balances, with a reasonable margin for working capital, for both 12 months from the date of this report's approval, and for the foreseeable future.

As discussed in the proceeding section on the principal risks, the College does face a number of challenges, the primary risk being a failure to recruit to target for October 2023. Should this risk occur, there would be a further strain on cash flows. But, having taken account of the mitigations, also noted above, and acknowledging the sensitivity of cash flows to these risks occurring, the Governors are satisfied that their impact is manageable.

Therefore, having considered the above information, the Governors consider that it is appropriate for the College to prepare its Financial Statements on a going concern basis.

### Equal opportunities

Rose Bruford College is committed to promoting equality of opportunity in all areas of employment and study. We work towards an environment where all employees and students can develop to their full potential regardless of gender, disability, race, colour, marital status, ethnic origin, sexual orientation, age and religious or political affiliation. We aim to ensure current and future employees and students recognise Rose Bruford College as an organisation which demonstrates equal opportunities.

Equal Opportunities at Rose Bruford College means:

- respecting and valuing diversity and benefiting from those differences
- promotion of equal opportunity in all aspects of employment and in the service to our students
- creating a harmonious environment to work and study in and in which discrimination has no part
- basing all employment, business, and academic decisions on merit
- building an environment where staff and students can achieve their full potential.

In the development of the College's strategic plan, the institution is committed to becoming a thriving and diverse higher education provider with a reputation as the institution of first choice, for students and staff from a wide diversity of backgrounds. The College also strives to be an integral part of local, national and international communities.

### Environment and sustainability

During 2022, the College has reinvigorated its Environment and Sustainability Committee after a hiatus due to COVID-19 and staff changes. The Committee developed an action plan for the College that promoted healthy living and sustainable lifestyles to staff and students. The Board is currently considering its implementation.

### Employment of disabled persons

Applications for employment by disabled persons are always fully considered and guaranteed an interview, subject to meeting the selection criteria for the post. If existing employees become disabled every effort is made to continue their employment with the College and arrangements will be made for reasonable adjustments, support and training as appropriate. It is the College's policy that the training, career development and promotion of disabled persons should, as far as possible, be identical with that of other employees.

### Employee involvement

The College places considerable value on the involvement of its employees and on good communication with them. All staff attend regular briefing meetings and are encouraged to participate informally and in formal discussion at those meetings and through a range of administrative and academic committees. The College has in place a Recognition and Facilities Agreement with the University & Colleges Union and UNISON and as part of that agreement the Joint Negotiating Consultative Committee meets regularly.

## Statement of Corporate Governance and internal control

The following statement is provided to enable readers of the annual report and financial statements of Rose Bruford College of Theatre and Performance (the College), to obtain a better understanding of its governance and legal structure. This covers the period from 1st August 2021 to 31st July 2022 and up to the date of approval of the Financial Statements.

### Constitution and activity

The College, incorporated in 1952, is registered under the Companies Act 2006, as a company limited by guarantee without share capital. The College is a registered charity within the meaning of Part 3 of the Charities Act 2011. The Governors, are the Trustees for the purposes of the Charities Act 2011 and are Directors under the Companies Act 2006.

The principal activity of the College is the provision of higher education in theatre and related arts as a specialist College within the UK Higher Education sector. The College is primarily funded by grants from the Office for Students and tuition fee income from students.

In the event of the company being wound up, the liability of each member, who are the Governors, is limited to £2.

### Public Benefit Statement

As a registered charity there are many ways that the College provides benefits both to the wider public good and particularly to groups which might otherwise be excluded from higher education because of financial circumstances. The Principal's report above, demonstrates the range of activities undertaken during the year which benefit both the general and local public, and those which focus on groups at historically under-represented in Higher Education.

In setting and reviewing the College's objectives and activities, the Governing Body has had due regard to the Charity Commission's guidance on the reporting of public benefit and particularly to its supplementary public benefit guidance on the advancement of education.

The College actively encourages applications from all groups in society, and promotes, as part of its heritage, an inclusive community spirit where all can benefit from a diversity of cultural exchanges and from learning of each other's life experiences.

The College sees its mission as a combination of educational and artistic endeavour, fulfilling its obligations as a registered charity to promote engagement and to contribute broadly to society by providing a range of education and training opportunities and supporting research in the theatrical arts and technologies. In doing so it continues to offer support to those who might otherwise find it difficult to study; and to offer encouragement to a wide range of participants. Its vision of theatre and community is an inclusive one, promoting understanding through the sharing of cultural differences.

### Governors

The members who served on the Board of Governors (the Board) during the year and up to the date of signature of this report were as listed in the table below:

Name	Date of Appointment	Date of Resignation	Status of Appointment	Committees Membership <sup>(1)</sup>	Board Attendance <sup>(2)</sup>
Jennifer Sims (Chair)	05-11-13	-	Independent	Remuneration Governance Estates Strategy	100%
George Littlejohn (Vice-Chair)	21-09-17	-	Independent	Audit	100%
Christopher Chappell	17-01-23	-	Independent	-	NA
Sylvia Darkwa-Ohemeng	01-03-21	-	Independent	Governance	33.3%
Rogan Dixon	23-11-17	-	Independent	Finance & General Purposes (Chair)	83.3%
Dr Anni Domingo	01-03-21	-	Independent	Finance & General Purposes Remuneration	50%

## Statement of Corporate Governance and internal control

Name	Date of Appointment	Date of Resignation	Status of Appointment	Committees Membership <sup>(1)</sup>	Board Attendance <sup>(2)</sup>
Vivien Goodwin	01-06-22	-	Independent	-	100%
Sarah Howard	01-05-19	-	Independent	Audit	50%
Caroline Jenkins	01-05-20	-	Staff	-	100%
Professor Brian Lobel	18-01-22	-	Staff	-	100%
Hassan Mahamdallie	19-08-15	-	Independent	Audit Finance & General Purposes Remuneration (Chair)	33.3%
Mary Oliver	30-09-22	-	Ex-Officio (Principal)	Finance & General Purposes Governance	NA
Professor Mike Saks	20-08-14	-	Independent	Finance & General Purposes	100%
Professor Steven Spier	01-07-20	-	Independent	Governance (Chair)	66.7%
Janet Smith	01-04-22	-	Independent	Audit	50%
Bronwyn Teasdale	06-01-23	-	Student	-	NA
Jess Verri	06-01-23	-	Student	-	NA
Mike Whittaker	24-11-22	-	Independent	-	NA
Rod Brown	03-07-14	31-12-22	Independent	-	66.7%
Akshita Brahma	01-08-21	30-06-22	Student	-	33.3%
Don Massey	03-07-14	30-06-22	Independent	Audit (Chair)	100%
Clarie Middleton	09-01-18	30-09-22	Ex-Officio (Principal)	-	100%
Monisha Shah	19-08-15	01-10-21	Independent	-	100%
Thomas Wilson	21-08-17	31-12-21	Staff	-	100%
Key:					
(1) As at the date of Financial Statements approval					
(2) Meetings during 2021/22 and where the person was a Governor					

Additionally, the Governors thank Patricia Ambrose and Colin Campbell for their service on, respectively, the Finance and General Purposes and Remuneration Committees'.

### The Board

The Board of Governors, the majority of whom are non-executive, comprises persons appointed under the Articles of Association. The role of the Chair of the Governors is separated from the role of Principal and Chief Executive. The matters specially reserved to the Board of Governors for decision are set out in the Articles of Association, by custom and under the OfS Conditions of registration. The Board holds to itself the responsibilities for ongoing strategic direction of the College, the appointment and dismissal of designated office holders and approval of major developments. It receives regular operational reports from the Chief Executive.

It is the Board's responsibility to bring independent judgement to bear on issues of strategy, performance, resources and standards of conduct. 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 and personnel related matters such as health and safety and environmental issues.

All Governors are able to take independent professional advice in furtherance of their duties at the College's expense and have access to the College Secretary, who is responsible to the Board for ensuring that all applicable procedures and regulations are followed. The appointment, evaluation and removal of the Secretary is a matters reserved to the Board.

The Board 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 free from any business or other relationship which could materially interfere with the exercise of their independent judgement. There is a clear division of responsibility in that the roles of the Chair and Accounting Officer are separate.

The Board meets on six occasions during the year and undertakes an annual development day.

## **Statement of Corporate Governance and internal control**

The Board conducts its business through a number of committees. Each committee has terms of reference, which have been approved by the full Board. These committees are; Finance and General Purposes Committee, Audit Committee, Governance Committee, Remuneration Committee and the Estates Strategy Committee. All of these Committees are formally constituted, with Board approved terms of reference, and a membership of appropriately qualified and experienced persons.

### **Audit Committee**

The Audit Committee meets three times each year and provides a forum for reporting by the College's internal and financial statements auditors. This includes access to the Committee for independent discussion, without the presence of College management. The Committee also receives and considers reports from the main Higher Education funding and regulatory bodies as they affect the College's business.

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

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

The Audit Committee also advises the Board on the appointment of internal and financial statements auditors, and their remuneration for audit and non-audit work, as well as reporting annually to the Board. The Principal and Chair and both excluded from membership of this Committee but attend at the discretion of the Committee Chair.

### **Estates Strategy Committee**

The Estates Strategy Committee is principally responsible for leading in the formulation of, and for keeping under review, the Estates Strategy for the development of the College's estate in line with the College Strategic Plan.

### **Finance & General Purposes Committee**

The Committee is responsible for monitoring College finances, student recruitment, retention and satisfaction, health & safety, staffing issues and estates management.

### **Governance Committee**

The Governance Committee is principally responsible for the selection and nomination of any new Governor for the Board's consideration. It also oversees Governor induction, training, and development.

### **Remuneration Committee**

The Committee's responsibilities are to make recommendations to the Board on the remuneration and benefits of the Principal and CEO as well as other senior post holders. The Committee complies with the Committee of University Chairs (CUC) Higher Education Senior Staff Remuneration Code. Neither the Chief Executive and Principal nor any other member of the executive is a member of the Committee.

Details of remuneration for the year ended 31 July 2022 are set out in the financial statements.

The College Secretary maintains a register of financial and personal interests of the Governors. The register is available for inspection at the registered address, noted in the 'Legal and Administrative information' section above.

### **Appointments to the Board**

All appointments to the Board of Governors are a matter for the consideration of the Board as a whole. The Governance Committee is responsible for the selection and nomination of any new member for the Board's consideration. The Board is responsible for ensuring that appropriate training is provided as required. Members of the Board are usually appointed for a term of office not exceeding four years and may serve for a second four-year term.

### **Board performance**

The Board undertakes an annual performance review through a survey of all Governors. The report on the assessment is discussed at the Board's annual development day.

## Statement of Corporate Governance and internal control

### Scope of responsibility and delegation

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.

The Board has delegated the day-to-day responsibility to the Principal, as Accounting Officer, for maintaining a sound system of internal control that supports the achievement of the College's policies, aims and objectives, whilst safeguarding public funds and assets. These systems of internal control are required to be in accordance with the responsibilities assigned to her in the terms and conditions of registration for the period to 31 July 2022 between the College and the Office for Students (OfS). She is also responsible for reporting to the Board any material weaknesses or breakdowns in internal control.

### Corporate Governance

The College endeavours to conduct its business:

- in accordance with the seven principles identified by the Committee on Standards in Public Life (selflessness, integrity, objectivity, accountability, openness, honesty and leadership);
- in accordance with the CUC's Higher Education Code of Governance as issued by the Committee of University Chairs in September 2020; and
- having due regard to the UK Corporate Governance Code 2016, insofar as it is applicable to the higher education sector.

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

The Governing Body recognises that, as a body entrusted with both public funds, it has a particular duty to observe the highest standards of corporate governance at all times. In carrying out its responsibilities, it takes account of the Higher Education Code of Governance, noting that the code foresees that institutions may adopt the code, whilst explaining non-compliance. In the opinion of the Governors, the College complies with the provisions of the Code, except in respect of the Audit Committee Chair. For an interim period, the Chair will remain in office, whilst no longer being a member of the Governing body, in order to allow the Board to appoint additional Trustees sufficiently experienced and qualified to undertake this role.

The Board of Governors, through its various committees, has continued to carry out its responsibilities in setting policy and monitoring the performance of the College. The Board of Governors has formulated an ongoing process for identifying, evaluating and managing the College's significant risks, which is regularly reviewed by the Board of Governors, and which accords with the internal control guidance in the UK Corporate Governance Code as deemed appropriate for higher education.

### Risk Management

The Board 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 Board is of the view that there is a formal ongoing process for identifying, evaluating and managing the College's significant risks that has been in place for the year ended 31 July 2022 and up to the date of approval of the annual report and accounts. This process is regularly reviewed by the Board.

## Statement of Corporate Governance and internal control

### Internal Control

#### System of internal control

The Board of Governors is accountable for internal control and therefore has responsibility for maintaining a sound system of internal control that supports the achievement of the College's Strategic plan, and for reviewing its effectiveness. The system of internal control is designed to manage rather than eliminate the risk of failure to achieve these strategic aims and objectives; it can therefore only provide reasonable and not absolute assurance of effectiveness.

The Audit Committee's role in this area is confined to a high-level review of the arrangements for internal control. The Board's agenda includes a regular item for consideration of risk and control and receives reports thereon from the Senior Leadership Team and the Audit Committee. The emphasis is on obtaining the relevant degree of assurance and not merely reporting by exception. This is a regular area revisited throughout the financial year.

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. This includes:

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

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. It is based on an ongoing process designed to identify and prioritise the risks to the achievement of College policies, aims and objectives, to evaluate the likelihood of those risks being realised and the impact should they be realised, and to manage them efficiently, effectively and economically. The system of internal control has been in place in Rose Bruford College for the year ended 31 July 2022 and up to the date of approval of the annual report and accounts.

The system of internal control is based on an ongoing risk management process designed to identify the principal risks to the achievement of the strategic aims and objectives; to evaluate the nature and extent of those risks; and to manage them efficiently, effectively and economically. The system of internal control is underpinned by compliance with the requirements of the core Controls Assurance standards:

- Governance
- Financial Management
- Risk Management
- Data Quality Assurance

The College has an internal audit service, provided by RSM, conforms to the 'International Standards for the Professional Practice of Internal Auditing' and the 'International Professional Practices Framework' (IPPF) as published by the Global Institute of Internal Auditors (IIA). The work of the internal audit service is informed by an analysis of the risks to which the College is exposed, and annual internal audit plans are based on this analysis. The analysis of risks and the internal audit plans are endorsed by the Board on the recommendation of the Audit Committee.

## Statement of Corporate Governance and internal control

The appointed Internal Auditors provide the Board with a report on internal audit activity in the College at least annually. The report includes the internal auditors' independent opinion on the adequacy and effectiveness of the College's system of risk management, controls and governance processes.

For the year for 2021/22, RSM concluded that 'there are weaknesses in the framework of governance, risk management and control such that it could become inadequate and ineffective'. The Board acknowledges this statement and considers that progress is being made to improve controls and implement recommendations.

### Review of effectiveness

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

- the work of the internal auditors
- the work of the executive managers within the College who have responsibility for the development and maintenance of the internal control framework
- comments made by the College's financial statements auditors

The Accounting Officer has been advised on the implications of the result of her review of the effectiveness of the system of internal control by the Audit Committee, which oversees the work of the internal auditor and other sources of assurance, and a plan to address weaknesses and ensure continuous improvement of the system is in place.

The Senior Leadership Team receives reports setting out key performance and risk indicators and considers possible control issues brought to their attention by early warning mechanisms, which are embedded within the departments and reinforced by risk awareness training. The Senior Leadership Team and the Audit Committee also receive regular reports from internal audit and other sources of assurance, which include recommendations for improvement.

Based on the advice of the Audit Committee and the Accounting Officer, the Board is of the opinion that the College has an adequate and effective framework for governance, risk management and control, and has fulfilled its statutory responsibility for *"the effective and efficient use of resources, the solvency of the institution and the body and the safeguarding of their assets"*.

### Going concern

In accordance with applicable law, United Kingdom Generally Accepted Accounting Practice and with the Articles of Association, the Governors of Rose Bruford College of Theatre and Performance are responsible for the administration and management of the affairs of the College, including ensuring an effective system of internal control, and are required to present audited financial statements for each financial year.

After making appropriate enquiries, the Board considers that the College has adequate resources to continue in operational existence for the foreseeable future. In reaching this conclusion, it notes the measures that the Senior Leadership Team have taken measures to address the strategic risks identified in the Operating and Financial Review. For this reason, it continues to adopt the going concern basis in preparing the financial statements. This judgement is discussed in more detail in the going concern section, also in the Operating and Financial Review.

### Statement of Governors Responsibilities for the Financial Statements

The Governors are responsible for keeping proper accounting records which 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 Companies Act 2006, the Statement of Recommended Practice on Accounting for Further and Higher Education, other relevant accounting standards, and the Accounts Direction issued by the Office for Students. In addition, the Governors, through their designated officer holder, are required to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the College and of the surplus or deficit and cash flows for that year.

## Statement of Corporate Governance and internal control

In causing the financial statements to be prepared, the Governors must ensure that:

- suitable accounting policies are selected and applied consistently
- judgements and estimates are made that are reasonable and prudent
- applicable accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements
- financial statements are prepared on the going concern basis unless it is inappropriate to presume that the College will continue in operation. The Governors are satisfied they have adequate resources to continue in operation for the foreseeable future; for this reason, the going concern basis continues to be adopted in the preparation of the financial statements

The Governors have taken reasonable steps to:

- ensure that funds from the Office for Students are used only for the purposes for which they have been given and in accordance with the OfS Terms and Conditions of Funding for Higher Education Institutions for the period to 31 July 2022 and any other conditions which may from time to time be prescribed
- ensure that there are appropriate financial and management controls in place to safeguard public funds and funds from other sources

### Disclosure of information to auditors

The Governors who held office at the date of approval of this report confirm that:

- so far as they are each aware, there is no relevant audit information of which the College's auditor is unaware; and
- each Governor has taken all the steps that he or she ought to have taken as a Governor in order to make himself or herself aware of any relevant audit information and to establish that the company's auditor is aware of that information.

Approved by order of the Governors on 26 January 2023 and signed on its behalf by:



Jennifer Sims  
Chair of Governing Body



Professor Mary Oliver  
Principal, Chief Executive and Accounting Officer (acting)



## Independent auditor's report

### Independent auditor's report to the members of Rose Bruford College of Theatre and Performance

We have audited the financial statements of Rose Bruford College of Theatre and Performance ('the College') for the year ended 31 July 2022 which comprise the statement of comprehensive income, the statement of changes in reserves, the balance sheet, the statement of cash flows, the principal accounting policies, and the related notes. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) and the Statement of Recommended Practice on Accounting for Further and Higher Education.

#### Opinion on financial statements

In our opinion the financial statements:

- give a true and fair view of the state of affairs of Rose Bruford College of Theatre and Performance as at 31 July 2022 and of its income and expenditure, gains and losses, changes in reserves and cash flows of the College for the year then ended;
- have been properly prepared in accordance with the requirements of the Companies Act 2006 and with United Kingdom Generally Accepted Accounting Practice and the Statement of Recommended Practice on Accounting for Further and Higher Education; and
- in all material aspects, funds received for specific purposes administered by the College have been applied only for the purposes for which they were received, and managed in accordance with relevant legislation;
- in all material respects, funds from the Office for Students (OfS), UK Research and Innovation (including Research England), the Education and Skills Funding Agency and the Department for Education have been applied in accordance the relevant terms and conditions; and
- the requirements of the OfS's Accounts Direction to higher education institutions has been met.

#### Basis for opinion

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

#### Conclusions relating to going concern

In auditing the financial statements, we have concluded that the Governors' 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.

## Independent auditor's report

### Other information

The Governors are responsible for the other information. The other information comprises the information included in the annual report other than the financial statements and the auditor's report thereon. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

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 in the other information. If, based on the work we have performed, we conclude that there is a material misstatement in this other information, we are required to report that fact.

### Opinion on other matter 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 Governors' report including the strategic report for the year for which the financial statements are prepared is consistent with the financial statements; and
- the Governors' report including the strategic report has been prepared in accordance with applicable legal requirements.

### Matters on which we are required to report by exception

In the light of the knowledge and understanding of the College and its environment obtained in the course of the audit, we have not identified any material misstatements in the Governors' report including the strategic report.

We have nothing to report in respect of the following matters which we are required to report to you in, in our opinion:

- the statement of internal control included as part of the Corporate Governance Statement is inconsistent with our knowledge of the College;
- the College's grant and fee income, as disclosed in the notes to the accounts, has been materially misstated; or
- the provider's expenditure on access and participation activities for the financial year has been materially misstated; or
- adequate accounting records have not been kept; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of Governors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

### Responsibilities of Governors

As explained more fully in the Governors' responsibilities statement, the Governors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the 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 board members are responsible for assessing the College's ability to continue to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the board members intend to liquidate the College or to cease operations, or have no realistic alternative to do so.

## Independent auditor's report

### Auditor's responsibilities for the audit of financial statements

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

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

- Our approach to identifying and assessing the risks of material misstatement in respect of irregularities, including fraud and non-compliance with laws and regulations, was as follows:
- the engagement partner ensured that the engagement team collectively had the appropriate competence, capabilities and skills to identify or recognise non-compliance with applicable laws and regulations;
- we identified the laws and regulations applicable to the College through discussions with management, and from our knowledge and experience of the sector;
- we focused on specific laws and regulations which we considered may have a direct material effect on the financial statements or the operations of the College, including the Further and Higher Education Act 1992, funding agreements with the OfS and associated funding rules, OfS regulations, data protection legislation, anti-bribery, safeguarding, employment, health and safety legislation, and principle relevant conditions of OfS registration;
- we assessed the extent of compliance with the laws and regulations identified above through making enquiries of management and inspecting legal correspondence; and
- identified laws and regulations were communicated within the audit team regularly and the team remained alert to instances of non-compliance throughout the audit.

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

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

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

- performed analytical procedures to identify any unusual or unexpected relationships;
- tested journal entries to identify unusual transactions; and
- assessed whether judgements and assumptions made in determining the accounting estimates set out in the accounting policies were indicative of potential bias.

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

- agreeing financial statement disclosures to underlying supporting documentation;
- reading the minutes of Governors' meetings;
- enquiring of management as to actual and potential litigation or claims; and
- reviewing any relevant correspondence regulators and legal advisors.

## Independent auditor's report

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

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

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

### Use of our report

This report is made solely to the College'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.



31 January 2023  
Katharine Patel, Senior Statutory Auditor  
for and on behalf of Buzzacott LLP  
130 Wood Street  
London  
EC2V 6DL

**Statement of Comprehensive Income**  
Year to 31 July 2022

	Notes	2022 £'000	2021 £'000
<b>Income</b>			
Funding body grants	2	1,467	896
Tuition fees	3	9,313	7,422
Other income	4	1,806	1,812
Investment income		1	-
<b>Total income</b>		<b>12,587</b>	10,130
<b>Expenditure</b>			
Staff costs	6	5,646	5,575
Other operating expenditure	7	7,100	6,063
Depreciation		451	411
Interest payable		44	46
<b>Total expenditure</b>	8	<b>13,241</b>	12,095
<b>Deficit before other gains and losses</b>		<b>(654)</b>	(1,965)
Actuarial gain in respect of pension schemes	14	2,821	759
<b>Total comprehensive income / (expenditure) for the year</b>		<b>2,167</b>	(1,206)
<b>Represented by:</b>			
Restricted comprehensive income		-	-
Unrestricted comprehensive income / (expenditure) income		2,167	(1,206)
		<b>2,167</b>	(1,206)

## Statement of Changes in Reserves

Year to 31 July 2022

	Income and expenditure account £'000	Revaluation reserve £'000	Total £'000
<b>Reserves balance at 1 August 2020</b>	<b>3,521</b>	<b>745</b>	<b>4,266</b>
Deficit from the income and expenditure account	(1,965)	-	(1,965)
Other comprehensive income – actuarial losses	759	-	759
Transfers between revaluation and income & expenditure reserves	10	(10)	-
<b>Total comprehensive income for the year ended 31 July 2020</b>	<b>(1,196)</b>	<b>(10)</b>	<b>(1,206)</b>
<b>Reserves balance at 31 July 2021</b>	<b>2,325</b>	<b>735</b>	<b>3,060</b>
<b>Reserves balance at 1 August 2021</b>	<b>2,325</b>	<b>735</b>	<b>3,060</b>
Deficit from the income and expenditure account	(654)	-	(654)
Other comprehensive income – actuarial losses	2,821	-	2,821
Transfers between revaluation and income and expenditure reserves	10	(10)	-
<b>Total comprehensive income for the year ended 31 July 2022</b>	<b>2,177</b>	<b>(10)</b>	<b>2,167</b>
<b>Reserves balance at 31 July 2022</b>	<b>4,502</b>	<b>725</b>	<b>5,227</b>

**Balance Sheet**  
As at 31 July 2022

	Notes	2022 £'000	2022 £'000	2021 £'000	2021 £'000
<b>Fixed assets</b>					
Intangible assets	9		127		161
Tangible assets	9		10,145		8,560
			10,272		8,721
<b>Current assets</b>					
Debtors	10	576		704	
Cash at bank and in hand		2,196		2,091	
		2,772		2,795	
<b>Liabilities</b>					
Creditors: amounts falling due within one year	11	(2,172)		(2,066)	
<b>Net current assets</b>			600		729
<b>Total assets less current liabilities</b>			10,872		9,450
Creditors: amounts falling due after one year	12		(5,199)		(3,545)
			5,673		5,905
<b>Provisions</b>					
Net pension liability	14		(446)		(2,845)
<b>Total net assets</b>			5,227		3,060
<b>Unrestricted reserves</b>					
Income and expenditure account			4,502		2,325
Revaluation reserve			725		735
<b>Total unrestricted reserves</b>			5,227		3,060

Approved by the Board of Governors and signed on its behalf by:



Jennifer Sims  
Chair of Governing Body



Professor Mary Oliver  
Principal, Chief Executive and Accounting  
Officer (acting)

Approved on 26 January 2023  
Rose Bruford College of Theatre and Performance  
Company registration No. 00508616 (England and Wales)

**Statement of Cash Flows**  
Year to 31 July 2022

	<b>2022</b> <b>£'000</b>	<b>2021</b> <b>£'000</b>
<b>Cash flows from operating activities</b>		
Deficit for the year	<b>(654)</b>	(1,965)
<b>Adjustment for non-cash items</b>		
Depreciation	<b>451</b>	411
Decrease / (Increase) in debtors	<b>128</b>	(54)
(Decrease) / Increase in creditors due within one year	<b>(90)</b>	1,007
Pensions costs less contributions payable	<b>422</b>	365
<b>Adjustment for investing or financing activities</b>		
Investment income	<b>(1)</b>	-
Interest payable	<b>44</b>	46
Capital grant income	<b>(151)</b>	(117)
<b>Net cash flows provided by / (used in) operating activities</b>	<b>149</b>	(307)
<b>Cash flows from investing activities</b>		
Capital grants receipts	<b>1,999</b>	-
Investment income	<b>1</b>	-
Payments made to acquire fixed assets	<b>(2,000)</b>	(386)
<b>Net cash flows (used in) investing activities</b>	<b>-</b>	(386)
<b>Cash flows from financing activities</b>		
Interest paid	<b>(44)</b>	(46)
<b>Net cash flows used in financing activities</b>	<b>(44)</b>	(46)
<b>Increase / (Decrease) in cash and cash equivalents in the year</b>	<b>105</b>	(739)
Cash and cash equivalents at beginning of the year	<b>2,091</b>	2,830
<b>Cash and cash equivalents at the end of the year</b>	<b>2,196</b>	2,091



## Notes to the financial statements

### 1 Accounting policies

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

#### a) 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 Office for Students' accounts direction for periods beginning on or after 1 August 2020, and in accordance with Financial Reporting Standard 102 – "The Financial Reporting Standard applicable in the United Kingdom and Republic of Ireland" (FRS 102). The College is a public benefit entity and has therefore applied the relevant public benefit requirements of FRS 102.

The preparation of financial statements in compliance with FRS 102 requires the use of certain critical accounting estimates. It also requires management to exercise judgement in applying the College's accounting policies.

#### b) Subsidiary

As the subsidiary company, Rose Bruford (International) Limited has been dormant for the current and preceding years and has no material assets or liabilities, the College is not presenting consolidated financial statements.

#### c) Basis of accounting

The financial statements are prepared in accordance with the historical cost convention, as modified using previous valuations, as deemed cost at transition for certain non-current assets.

#### d) Going concern

The financial position of the College is set out in the above 'Financial Review' and stated in the primary accounting statements and the accompanying notes.

The College achieved a significantly smaller deficit in 2022, when compared to 2021. It was also cash positive, also an improvement compared to 2021. This means that the College starts the year 2023 in stronger financial position. Work to reduce costs, and the positive changes from the 'single academic framework', which are expected to result in courses that are both attractive to the market, and affordable to deliver, are also being implemented.

The Board has conducted its assessment, in the context of the College currently having no borrowings, but assets that could, as has been the case in the past, be used to secure working capital funds. The Board has reviewed monthly cash flows through to July 2024, and detailed budgets for 2022/23 and 2024/25. All of these documents show the College having positive cash balances, with a reasonable margin for working capital, for both 12 months from the date of this report's approval, and for the foreseeable future.

The College does face a number of challenges, the primary risk being a failure to recruit to target for October 2023. Should this risk occur, there would be a further strain on cash flows. But, having taken account of the mitigations, also noted above, and acknowledging the sensitivity of cash flows to these risks occurring, the Governors are satisfied that their impact is manageable. Having considered the above information, the Governors consider that it is appropriate for the College to prepare its Financial Statements on a going concern basis.

#### e) Recognition of income

Income is recognised according to its categorisation, as detailed below:

- **Recurrent Grants**

The recurrent grants from the OfS, representing the funding allocation attributable to the current financial year, are credited directly to the income and expenditure account.

- **Tuition fees**

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

## Notes to the financial statements

### 1 Accounting policies (continued)

- **Investment Income**

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

- **Donations and endowments**

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

- **Capital grants**

Government capital grants are capitalised, being held as deferred income, and recognised in income over the expected useful life of the asset, under the accruals method as permitted by FRS 102. Other capital grants are recognised as income when the College is entitled to the funds, subject to any performance related conditions being met.

#### f) Accounting for post-employment benefits

Post-employment benefits to employees of the College are principally provided by the Teachers' Pension Scheme (TPS) and the Local Government Pension Scheme (LGPS). These are defined benefit schemes, which are externally funded.

The TPS is an unfunded scheme. Contributions to the TPS are calculated so as to spread the cost of pensions over employees' working lives with the College in such a way that the pension cost is a substantially level percentage of current and future pensionable payroll. The contributions are determined by qualified actuaries on the basis of valuations using a prospective benefit method. The TPS is a multi-employer scheme and the College is unable to identify its share of the underlying assets and liabilities of the scheme on a consistent and reasonable basis. The TPS is therefore treated as a defined contribution plan and the contributions recognised as an expense in the income statement in the periods during which services are rendered by employees.

The LGPS is a funded scheme. The assets of the LGPS are measured using closing fair values. LGPS liabilities are measured using the projected unit credit method and discounted at the current rate of return on a high-quality corporate bond of equivalent term and currency to the liabilities. The actuarial valuations are obtained at least triennially and are updated at each balance sheet date.

The amounts charged to staff costs, as incurred, are the current service costs and the costs of scheme introductions, benefit changes, settlements and curtailments. Net interest on the net defined benefit liability/asset is also recognised in the Statement of Comprehensive Income and comprises the interest cost on the defined benefit obligation and interest income on the scheme assets, calculated by multiplying the fair value of the scheme assets at the beginning of the period by the rate used to discount the benefit obligations. The difference between the interest income on the scheme assets and the actual return on the scheme assets is recognised in other recognised gains and losses.

Actuarial gains and losses are recognised immediately in other recognised gains and losses.

#### g) Short term employment benefits

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

#### h) Non-current assets - Tangible fixed assets

Land and buildings are stated in the balance sheet at valuation on the basis of depreciated replacement cost. Certain items of fixed assets that had been revalued to fair value on or prior to the date of transition to the 2019 FE HE SORP, are measured on the basis of deemed cost, being the revalued amount at the date of that revaluation.

Depreciation is provided on all tangible fixed assets, at rates calculated to write them off, less residual value, over their expected useful lives as follows:

## Notes to the financial statements

### 1 Accounting policies (continued)

- Long leasehold land and buildings: 50 years
- Christopher Court long leasehold: 35 years
- Leasehold improvements: 30 years
- Temporary buildings: 30 years
- Fixtures and fittings: 10 years
- Equipment (excluding IT), including furniture: 10 years
- Computers and other IT equipment: 4 years

No depreciation is provided on freehold land.

Where land and buildings are acquired with the aid of specific grants, they are capitalised and depreciated as above. The related grants are credited to a deferred income account within creditors and are released to the income and expenditure account over the expected useful economic life of the related asset on a systematic basis consistent with the depreciation policy. The deferred income is allocated between creditors due within one year and those due after more than one year.

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.

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

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

Equipment costing less than £1,000 per individual item is recognised as expenditure in the period of acquisition. All other equipment is capitalised at cost.

#### i) Non-current assets - Intangible fixed assets

Perpetual computer software licences and associated external installation costs, and with a minimum cost of £1,000, are categorised as intangible assets, and depreciated over a period of four years.

#### j) Borrowing costs

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

#### k) Cash and cash equivalents

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

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

#### l) Taxation

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

## Notes to the financial statements

### 1 Accounting policies (continued)

The College is partially exempt in respect of Value Added Tax, so that it can only recover a small proportion of the VAT charged on its inputs. Irrecoverable VAT on inputs is included in the costs of such inputs and added to the cost of tangible fixed assets as appropriate, where the inputs themselves are tangible fixed assets by nature.

#### m) Financial liabilities and equity

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

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

#### n) Provisions and contingent liabilities

Provisions are recognised when the College has a present legal or constructive obligation as a result of a past event, it is probable that a transfer of economic benefit will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. Where the effect of the time value of money is material, the amount expected to be required to settle the obligation is recognised at present value using a pre-tax discount rate. The unwinding of the discount is recognised as a finance cost in the statement of comprehensive income in the period it arises.

A contingent liability arises from a past event that gives the College a possible obligation whose existence will only be confirmed by the occurrence or otherwise of uncertain future events not wholly within the control of the College. Contingent liabilities also arise in circumstances where a provision would otherwise be made but either it is not probable that an outflow of resources will be required, or the amount of the obligation cannot be measured reliably.

Contingent liabilities are not recognised in the balance sheet but are disclosed in the notes to the financial statements.

#### o) Judgements in applying accounting policies and key sources of estimation uncertainty

Preparation of the financial statements requires Governors to make significant judgements and estimates.

The items in the financial statements where these judgements and estimates have been made include the estimation of the useful economic life of tangible fixed assets for the depreciation charge and periodic calculation of provisions.

Fixed assets are depreciated over their useful lives considering residual values, where appropriate. The actual lives of the assets and residual values are assessed annually and may vary depending on several factors. In re-assessing asset lives, factors such as technological innovation and maintenance programmes are taken into account. Residual value assessments consider issues such as future market conditions, the remaining life of the asset and projected disposal values.

The present value of the Local Government Pension Scheme defined benefit liability depends on several factors that are determined on an actuarial basis using a variety of assumptions. The assumptions used in determining the net cost (income) for pensions include the discount rate. Any changes in these assumptions, which are disclosed in the notes to the Financial Statements, will impact the carrying amount of the pension liability. Furthermore, a roll forward approach which projects results from the latest full actuarial valuation performed at 31 March 2019 has been used by the actuary in valuing the pensions liability at the balance sheet date. Any differences between the figures derived from the roll forward approach and a full actuarial valuation would impact on the carrying amount of the pension liability.

## Notes to the financial statements

### 1 Accounting policies (continued)

#### p) Long term maintenance

Expenditure on long-term maintenance is charged to the statement of comprehensive income as incurred.

#### q) Leased assets

Rentals paid under operating leases are charged to the statement of comprehensive income on a straight-line basis over the lease term.

#### r) Foreign currencies

Transactions denominated in foreign currencies are recorded at the rate of exchange ruling at the dates of the transactions. Monetary assets and liabilities denominated in foreign currencies are translated into sterling either at year end rates or, where there are related forward exchange contracts, at contract rates. The resulting exchange differences are dealt with in the determination of income and expenditure for the financial year.

#### s) Reserves

Reserves are classified as restricted or unrestricted. 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.

### 2 Funding body grants

	2022 £'000	2022 £'000	2021 £'000	2021 £'000
<b>Recurrent funding</b>				
Office for Students – Teaching	482		570	
Research England - Research	407		71	
Office for Students - Other	427		139	
		1,316		780
<b>Release of deferred capital grants</b>				
Office for Students - Equipment	33		-	
Office for Students - Buildings	118		116	
		151		116
		1,467		896

### 3 Tuition fees

	2022 £'000	2021 £'000
Home full-time undergraduate	6,064	5,544
Home full-time postgraduate	798	357
Home part-time undergraduate	174	19
Home part-time postgraduate	9	2
Overseas (non-EC) undergraduate	661	526
Overseas (non-EC) postgraduate	877	465
PhD	14	-
Non-credit bearing course fees	716	509
	9,313	7,422

## Notes to the financial statements

### 4 Other income

	2022 £'000	2021 £'000
Rent receivable - Campus	62	29
Rent receivable - student residences	1,318	1,143
Research grants	-	103
ERASMUS and other grants	98	56
Income from donations and legacies	7	272
Income from short courses and productions	47	18
Other income	274	191
	<b>1,806</b>	<b>1,812</b>

### 5 Details of grant and fee income

	2022 £'000	2021 £'000
Grant income from the Office for Students	1,060	825
Grant income from Research England	407	71
Grant income from other bodies	98	159
Fee income for taught awards	8,583	6,913
Fee income for research awards	14	-
Fee income for non-qualifying courses	716	509
	<b>10,878</b>	<b>8,477</b>

### 6 Staff costs

	2022 £'000	2021 £'000
Staff costs during the year were as follows:		
Wages and salaries	4,062	4,134
Social security costs	413	367
Other pension costs	1,154	1,071
Restructuring costs	17	3
<b>Total staff costs</b>	<b>5,646</b>	<b>5,575</b>

The average number of employees, on a headcount basis, as analysed by function was:

	2022	2021
Tutorial	80	80
Administrative	67	59
Technical	15	9
Premises	8	3
	<b>170</b>	<b>151</b>

The Governors received no remuneration in respect of their services as Governors. During the year ended 31 July 2022, certain members of the College staff (excluding the Principal (see below)) served as Governors and received remuneration (including benefits-in-kind and pension contributions) for teaching and management services amounting to £85,987 (2021: £93,570). Expenses were paid to, or on behalf, of one Board member were £117 (2021: £Nil). This represents travel and subsistence expenses incurred in attending Board, Committee meetings and events in their official capacity. Two (2021: Nil) Independent Governors' received remuneration of £4,920 (2021: £Nil) in respect of short terms visiting professional engagements undertaken at the College.

## Notes to the financial statements

### 6 Staff costs (continued)

#### Key management personnel

Key management personnel members of the Senior Leadership Team, those persons having authority and responsibility for planning, directing, and controlling the activities of the College. In 2021 this function was undertaken by the Senior Management Committee.

	2022 No	2021 No
The number of key management personnel, including the Accounting Officer, was:	6	8
Key management personnel emoluments are made up as follows:	2022 £'000	2021 £'000
Salaries	453	598
Benefits in kind	4	11
	457	609
Pension contributions	94	104
Total emoluments	551	713

Numbers of staff members with emoluments (including taxable benefits but excluding employer's pension contributions) in excess of £100,000:

	2022 No	2021 No
£125,001 - £130,000	-	1
£130,001 - £135,000	1	-
	1	1

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

The Principal's (Accountable Officer) salary is set by the Remuneration Committee. The Committee complies with the Committee of University Chairs (CUC) Higher Education Senior Staff Remuneration Code.

#### Principal's emoluments

	2022 £	2021 £
Salaries	126,472	124,603
Benefits in kind	3,641	3,310
	130,113	127,913
Pension contributions	24,156	23,799
Total	154,269	151,712

The salary payable, on a full-time equivalents basis, to the Accounting Officer is 3.1 times the median whole-time equivalents salary of £40,516 excluding emoluments and 3.2 times the median salary of £48,620 including employer pension contributions and other employment benefits.

#### Compensation for loss of office

There were two (2021: Nil) payments to staff as compensation for loss of office, totalling £16,710 (2021: £Nil).

## Notes to the financial statements

### 7 Other operating expenses

	2022 £'000	Restated 2021 £'000
Academic departments	2,820	1,749
Academic services	97	52
Premises	2,631	2,531
Administration	1,016	1,235
Other expenses	536	496
	<b>7,100</b>	<b>6,063</b>

#### Other operating expenses include:

	2022 £'000	2021 £'000
External auditor's remuneration:		
Financial statements audit	22	19
Other services	17	13
Internal audit	23	29
Operating leases:		
Land and building	864	845
Equipment	24	23

### 8 Analysis of expenditure by activity

	Staff costs £'000	Other operating expenses £'000	Depreciation £'000	Interest charge £'000	2022 Total £'000
Academic departments	3,085	2,820	132	-	6,037
Academic services	930	97	-	-	1,027
Premises	213	2,631	268	-	3,112
Administration	1,116	1,016	51	44	2,227
Other expenses	302	536	-	-	838
	<b>5,646</b>	<b>7,100</b>	<b>451</b>	<b>44</b>	<b>13,241</b>

	Staff costs £'000	Other operating expenses £'000	Depreciation £'000	Interest charge £'000	Restated 2021 Total £'000
Academic departments	3,176	1,749	107	-	5,032
Academic services	850	52	-	-	902
Premises	238	2,531	267	-	3,036
Administration	973	1,235	37	46	2,291
Other expenses	338	496	-	-	834
	<b>5,575</b>	<b>6,063</b>	<b>411</b>	<b>46</b>	<b>12,095</b>



## Notes to the financial statements

### 9 Fixed assets

	Intangible -software £'000	Long leasehold land and buildings £'000	Leasehold improve- ments £'000	Other assets including FFE £'000	Total 2022 £'000
<b>Cost or valuation</b>					
At 1 August 2021	237	11,014	1,266	5,841	18,358
Additions	18	-	15	1,967	2,000
Disposals	-	-	-	-	-
At 31 July 2022	255	11,014	1,281	7,808	20,358
<b>Depreciation</b>					
At 1 August 2021	76	4,149	140	5,270	9,635
Charge for the year	52	222	47	130	451
Disposal	-	-	-	-	-
At 31 July 2022	128	4,371	187	5,400	10,086
<b>Net book value</b>					
At 31 July 2022	127	6,643	1,094	2,408	10,272
At 31 July 2021	161	6,864	1,126	570	8,721

The cost and valuation of land and buildings is as follows:

	Freehold land £'000	Long leasehold £'000
At valuation in October 1995	-	1,400
Subsequent additions at cost	-	9,614
	-	11,014

Valuations were prepared in October 1995 by an independent firm of Chartered Surveyors. As a specialised property unlikely to be sold to a single occupier on the open market for a continuation of its existing use, the basis of valuation is depreciated replacement cost, not open market value for the existing use.

The valuations had been made in accordance with the Statement of Asset Valuation Practice and Guidance Notes published by the Royal Institution of Chartered Surveyors.

Land and buildings with a net book value of £6,643k (2021: £6,864k) and a cost of £11,014k have been partly funded from Treasury sources. Should these particular properties be sold, the College would either have to surrender the grants received to the Treasury or use them in accordance with the HEFCE Memorandum of Assurance and Accountability with the Higher Education Funding Council for England. The total exchequer interest in the estate at to 31 July 2022 is £2,520k (2021: £569k).

### 10 Debtors

	2022 £'000	2021 £'000
Trade debtors	216	397
Other debtors	103	99
Prepayments and accrued income	257	208
	576	704

## Notes to the financial statements

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

	2022 £'000	2021 £'000
H M Revenue and Customs	107	89
Trade creditors	388	158
Pension schemes	91	79
Accruals	491	527
Advance fee income and deposits	779	1,093
Deferred capital grants	316	120
	<b>2,172</b>	<b>2,066</b>

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

	2022 £'000	2021 £'000
Deferred income – government capital grants	5,199	3,545
	<b>5,199</b>	<b>3,545</b>

Deferred income relates to government capital grants which are recognised as income over the life of the assets to which they relate.

#### Deferred Income

	2022 £'000	2021 £'000
Deferred income at 1 August 2021	3,665	3,783
Released during the year	(151)	(118)
Resources deferred in the year	1,997	-
Deferred income at 31 July 2022	<b>5,511</b>	<b>3,665</b>

### 13 Lease commitments

#### Operating leases

The College has the following total commitments under non-cancellable operating leases:

	2022		2021	
	Land and buildings £'000	Equipment £'000	Land and buildings £'000	Equipment £'000
No later than one year	959	9	847	10
Between 1 and 5 years	3,906	17	3,479	25
After 5 years	22,543	-	20,944	-
	<b>27,408</b>	<b>26</b>	<b>25,270</b>	<b>35</b>

The land and buildings commitment at 31 July 2022 relates to the thirty five year long lease arrangement with Purelake New Homes Limited for the 168 room student accommodation and teaching space at Christopher Court, Station Road, Sidcup, Kent from September 2015. These figures are derived using the 2022/23 confirmed rent payments, and are subject to an annual increase equal to the Retail Prices Index.

## Notes to the financial statements

### 14 Defined benefit obligations

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

	2022 Total £'000	2021 Total £'000
<b>Teachers' Pension Scheme:</b>		
Contributions paid	457	464
<b>Local Government Pension Scheme:</b>		
Contributions paid	328	304
FRS 102 (28) adjustment	361	303
<b>Total pension cost for year within staff costs</b>	<b>1,146</b>	<b>1,071</b>

The pension costs are assessed in accordance with the advice of independent qualified actuaries. The latest formal actuarial valuation of the TPS was 31 March 2016 and of the LGPS 31 March 2019. There were no outstanding or prepaid contributions at either the beginning or the end of the financial year.

#### Teachers' Pension Scheme

The Teachers' Pension Scheme (TPS) is a statutory, contributory, defined benefit scheme, governed by the Teachers' Pensions Regulations 2010, and, from 1 April 2014, by the Teachers' Pension Scheme Regulations 2014. These regulations apply to teachers in schools and other educational establishments, including academies, in England and Wales that are maintained by local authorities. In addition, teachers in many independent and voluntary-aided schools and teachers and lecturers in some establishments of further and higher education may be eligible for membership.

Membership is automatic for teachers and lecturers, but they are able to opt out of the scheme.

#### *The Teachers' Pension Budgeting and Valuation Account*

Although members may be employed by various bodies, their retirement and other pension benefits are set out in regulations made under the Superannuation Act 1972 and are paid by public funds provided by Parliament. The TPS is an unfunded scheme and members contribute on a 'pay as you go' basis – these contributions, along with those made by employers, are credited to the Exchequer under arrangements governed by the above Act.

The Teachers' Pensions Regulations 2010 require an annual account, the Teachers' Pension Budgeting and Valuation Account, to be kept of receipts and expenditure (including the cost of pension increases). From 1 April 2001, the Account has been credited with a real rate of return, which is equivalent to assuming that the balance in the Account is invested in notional investments that produce that real rate of return.

## Notes to the financial statements

### 14 Defined benefit obligations (continued)

#### Teachers' Pension Scheme (continued)

##### *Valuation of the Teachers' Pension Scheme*

The latest actuarial review of the TPS was carried out as at 31 March 2016 and in accordance with The Public Service Pensions (Valuations and Employer Cost Cap) Directions 2014. The valuation report was published by the Department for Education (the Department) on 10 April 2019. The key results of the valuation are:

- new employer contribution rates were set at 23.68% of pensionable pay (including administration fees of 0.08%)
- total scheme liabilities for service to the effective date of £218.1 billion, and notional assets of £196.1 billion, giving a notional past service deficit of £22.0 billion
- an employer cost cap of 10.9% of pensionable pay

The revised employer contribution rate for the TPS was implemented from September 2019.

A full copy of the valuation report and supporting documentation can be found on the Teachers' Pension Scheme website at the following location:

<https://www.teacherspensions.co.uk/news/employers/2019/04/teachers-pensions-valuation-report.aspx>

The pension costs paid to the TPS in the year ended 31 July 2022 amounted to £650k (2021: £647k), of which employer's contributions totalled £457k (2021: £464k) and employees contributions totalled £181k (2021: £183k).

##### *FRS 102 (28)*

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

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

#### Local Government Pension Scheme

The LGPS is a funded defined-benefit plan, with the assets held in separate funds administered by the London Borough of Bexley Local Authority. The total contributions made for the year ended 31 July 2022 were £450k (2021: £415k), of which employer's contributions totalled £328k (2021: £304k) and employees' contributions totalled £122k (2021: £111k). The agreed contribution rates for future years are 19.1% for employers and range from 5.5% to 12.5% for employees, depending on salary.

##### *Principal Actuarial Assumptions*

The following information is based upon a full actuarial valuation of the fund at 31 March 2019, updated to 31 July 2022 by a qualified independent actuary.

## Notes to the financial statements

### 14 Defined benefit obligations (continued)

#### Local Government Pension Scheme (continued)

	At 31 July 2022 %	At 31 July 2021 %
Rate of increase in salaries	4.2	4.1
Future pensions increases	2.8	2.7
Discount rate for scheme liabilities	3.5	1.6
Inflation assumption (CPI)	2.7	2.6

Due to high periods of inflation up to 31 July 2022, an adjustment has been made to the year end valuation to account for the estimated impact on the Pension Order Increase due to be implemented from 1 April 2023. The estimated impact of the defined benefit obligation has been recognised as an experience loss of £776k. This charge has been made against Other Comprehensive Income, however is not directly reflected within the listed actuarial assumptions above.

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

	At 31 July 2022 Years	At 31 July 2021 Years
<b>Retiring today</b>		
Males	22.3	22.5
Females	25.1	25.2
<b>Retiring in 20 years</b>		
Males	23.9	24.1
Females	27.1	27.2

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

	Value at 31 July 2022 £'000	Value at 31 July 2021 £'000
Equity instruments	3,592	3,589
Government Bonds	1,214	1,606
Debt instruments	1,317	1,698
Property	1,667	1,301
Cash / liquidity	689	-
Other	1,811	1,972
College's share of assets:	10,290	10,166
<b>Actual return on plan assets</b>	<b>117</b>	<b>1,096</b>

## Notes to the financial statements

### 14 Defined benefit obligations (continued)

#### Local Government Pension Scheme (continued)

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

	2022 Total £'000	2021 Total £'000
Fair value of plan assets	10,290	10,166
Present value of plan liabilities	(10,736)	(13,011)
<b>Net pensions liability</b>	<b>(446)</b>	<b>(2,845)</b>

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

	2022 Total £'000	2021 Total £'000
<b>Amounts included in staff costs</b>		
Current service cost	(689)	(607)
Past service cost	-	-
<b>Total</b>	<b>(689)</b>	<b>(607)</b>
<b>Amounts included in investment income</b>		
Net interest charge	(44)	(46)
Return on pension plan assets	(282)	963
Experience gains / (losses) arising on defined benefit obligations	3,103	(204)
<b>Amount recognised in total other comprehensive income</b>	<b>2,821</b>	<b>759</b>

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

	2022 Total £'000	2021 Total £'000
<b>Net defined benefit liability in scheme at 1 August 2021</b>	<b>2,845</b>	<b>3,239</b>
Movement in year:		
Current service cost	689	607
Employer contributions	(328)	(304)
Net interest charge	44	46
Administration expense	17	16
Past service cost gain	-	-
Actuarial (gain)	(2,821)	(759)
<b>Net defined benefit liability at 31 July 2022</b>	<b>446</b>	<b>2,845</b>

## Notes to the financial statements

### 14 Defined benefit obligations (continued)

#### Local Government Pension Scheme (continued)

##### Reconciliation of liabilities:

	2022 Total £'000	2021 Total £'000
<b>Defined benefit obligations at 1 August 2021</b>	<b>13,011</b>	12,018
Current service cost	689	607
Interest cost	209	180
Contributions by Scheme participants	122	111
Past service cost	-	-
Experience losses on defined benefit obligations	(3,103)	204
Estimated benefits paid	(192)	(109)
<b>Defined benefit obligations at 31 July 2022</b>	<b>10,736</b>	13,011

##### Reconciliation of assets:

	2022 Total £'000	2021 Total £'000
<b>Fair value of plan assets at 1 August 2021</b>	<b>10,166</b>	8,779
Interest on plan assets	165	134
Return on plan assets	(282)	963
Employer contributions	328	304
Contributions by Scheme participants	122	111
Administration expenses	(17)	(16)
Estimated benefits paid	(192)	(109)
<b>Fair value of plan assets at 31 July 2022</b>	<b>10,290</b>	10,166

### 15 Students' Union

The Students' Union is an independent unincorporated club or society.

The intended main source of income to the Students' Union is the grant contributed by the College of £5,000 (2021: £Nil). This is included with the Students' Union total income of £29,363. Student Union expenditure was £15,650. (2021 - The College incurred £4,208 of expenditure on behalf of the Students Union and these transactions were included within the College's financial statements.)

In accordance with the Education Act 1994, the Students' Union is required to publish donations and affiliations to external organisations. There were no donations to external organisations (2021: £Nil). There was no affiliation paid to the National Union of Students this financial year (2021: £Nil).

### 16 Access and Participation plan

	Staff Costs £'000	Other costs £'000	Total 2022 £'000	Staff costs £'000	Other costs £'000	Total 2021 £000
Access investment	142	35	177	165	28	193
Financial support	-	124	124	-	152	152
Support for disabled students	21	21	42	10	20	30
Research & evaluation	66	-	66	66	-	66
	229	180	409	241	200	441

## Notes to the financial statements

### 16 Access and Participation plan (continued)

Amounts in respect of staff costs are included within the College's staff costs.

The Access and Participation Plan can be found at:

<https://www.bruford.ac.uk/about/outreach/>

### 17 Related parties

The College maintains a register of Governors' interests and requires Governors who have a financial interest in an item of business before the Board both to declare their interest and refrain from taking part in that item.

### 18 Rose Bruford International

The subsidiary is Rose Bruford (International) Limited, a wholly owned subsidiary company limited by guarantee and not having a share capital, registered in England. The subsidiary has a deficit on reserves of £2,648 (2021: £2,648) and has remained dormant during the year.

### 19 Capital Commitments

As at 31 July 2022, the College had outstanding capital commitments of £189,405 (2021: £Nil), relating to digital equipment and services.



## Income and Expenditure Account

Summarised

	2022 £'000	2021 £'000
<b>Income</b>		
Office for Students grant	483	568
Research Council QR Grant	407	71
Other Office for Student grants	427	139
	<b>1,317</b>	<b>778</b>
Release of capital grants	150	118
	<b>1,467</b>	<b>896</b>
Fees receivable	9,313	7,422
Rent receivable	62	28
Rent receivable re student residence	1,318	1,143
Other income	426	641
Interest receivable	1	-
	<b>12,587</b>	<b>10,130</b>
<b>Expenditure</b>		
Academic departments	6,037	5,032
Academic services	1,027	902
Premises	3,112	3,036
Administration	2,227	2,291
Other expenses	838	835
	<b>13,241</b>	<b>12,095</b>
<b>(Deficit) for the year before other gains and losses</b>	<b>(654)</b>	<b>(1,965)</b>

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## Income and Expenditure Account

Detailed

	2022	2021	Change	
	£'000	£'000	£'000	%
<b><u>Income</u></b>				
Office for Students teaching grant	483	568	(85)	(15%)
Research Council QR Grant	407	71	336	473%
Other Office for Student grants	427	139	288	207%
	1,317	778	539	69%
Release of capital grants	150	118	32	27%
	1,467	896	571	64%
Fees receivable	9,313	7,422	1,891	25%
Rent receivable	62	28	34	121%
Rent receivable re student residence	1,318	1,143	175	15%
Other income	426	641	(215)	(34%)
Interest receivable	1	-	1	-
	<b>12,587</b>	10,130	2,457	24%
<b><u>Expenditure</u></b>				
<b>Academic Departments</b>				
Academic staff	2,715	2,923	(208)	(7%)
Technicians' salaries	370	253	117	46%
Bursaries	137	128	9	7%
Course development	4	19	(15)	(79%)
Curriculum materials	88	92	(4)	(4%)
Learning and teaching	9	73	(64)	(88%)
Production expenses	282	284	(2)	(1%)
Professional contract service fees	1,811	1,047	764	73%
Research	22	16	6	38%
Staff development	27	20	7	35%
ERSASMUS and Turing scheme	87	57	30	53%
Travel	4	-	4	-
Tutorial equipment - repairs, renewals, and maintenance	58	13	45	346%
Venue hire	291	-	291	-
Depreciation	132	107	25	23%
	<b>6,037</b>	5,032	1,005	20%
<b>Academic Services</b>				
Library staff	119	96	23	24%
Academic and Registry services staff	314	287	27	9%
Student Services Staff	497	467	30	6%
Library books and expenses	30	32	(2)	(6%)
Health, safety, and counselling	61	15	47	313%
College contribution to Students' Union	5	5	-	-
	<b>1,027</b>	902	125	14%

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# Income and Expenditure Account

## Detailed

	2022	2021	Change	
	£'000	£'000	£'000	%
<b>Premises</b>				
Premises staff	213	238	(25)	(11%)
Catering expenses	61	14	47	336%
Cleaning contractors	115	101	14	14%
COVID 19 safety expenditure	-	193	(193)	(100%)
Buildings insurance	14	14	-	-
Light and heat	210	128	82	64%
Rates	50	61	(11)	(18%)
Christopher Court: Rent	864	819	45	5%
Christopher Court: Management	387	343	44	13%
Christopher Court: Maintenance & utilities	436	222	214	96%
Rents/conference costs	23	67	(44)	(66%)
Repairs and maintenance	419	513	(94)	(18%)
Security Service	41	49	(8)	(16%)
Water rates	12	7	5	71%
Depreciation	267	267	-	-
	<b>3,112</b>	<b>3,036</b>	<b>76</b>	<b>3%</b>
<b>Administration</b>				
Administration staff	755	670	85	13%
LGPS adjustment: Current service cost	361	303	58	19%
LGPS adjustment: Interest	44	46	(2)	(4%)
LGPS adjustment: Administration	17	16	1	6%
Agency staff and consultants	170	332	(162)	(49%)
Audit and accountancy	62	64	(2)	(3%)
Bank and credit card charges	30	20	10	50%
Insurance	76	73	3	5%
IT support and maintenance	326	346	(20)	(6%)
Legal and professional fees	33	47	(14)	(30%)
Postage and telephone	38	40	(2)	(5%)
Printing and stationery	36	43	(7)	(16%)
Staff recruitment and development	51	43	8	19%
Debt collector fees	3	-	3	-
Subscriptions	163	210	(47)	(22%)
Travelling and motor expenses	11	1	10	1000%
Depreciation	51	37	14	38%
	<b>2,227</b>	<b>2,291</b>	<b>(64)</b>	<b>(3%)</b>

This page does not form part of the statutory financial statements

## Income and Expenditure Account

Detailed

	2022	2021	Change	
	£'000	£'000	£'000	%
<b>Other Expenses</b>				
Other staff	302	338	(36)	(11%)
Advertising and publicity	154	142	12	8%
Bad debt provision	234	181	53	29%
External examination and validation fees	5	2	3	150%
International recruitment	18	12	6	50%
Miscellaneous expenses and equipment purchase	17	31	(14)	(45%)
Outreach expenditures	2	12	(10)	(83%)
Student hardship	15	50	(35)	(70%)
Other expenditure	91	66	25	38%
	<b>838</b>	<b>834</b>	<b>4</b>	<b>-</b>
<b>(Deficit) for the year before other gains and losses</b>	<b>(654)</b>	<b>(1,965)</b>	<b>1,311</b>	<b>(67%)</b>