

# ***Rose Bruford College of Theatre and Performance Ltd***

## **Annual Report and Financial Statements**

31 July 2015

Company Limited by Guarantee  
Registration Number 508616  
(England and Wales)

Charity Registration Number 307907

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## Legal and administrative information

<b>Governors</b>	David Ames (Staff) (4) Helen Bowles MBE (1) (4) Rod Brown (1) Colin Campbell (2) (3) Philip Connolly-Marsh (Student) Paul Dale Professor Michael Earley (Principal) (1) (3) (4) Brigitte Lambert (Staff) Eleanor Lang (2) Cllr Don Massey (2) Mike McCart Hassan Mahamdallie Professor Mike Saks (1) Monisha Shah (Chair) (3) (4) Jennifer Sims (1) Dr Kathryn Southworth (4) Cara Turlington (2) Kevin Wallace (1) Professor Dianne Willcocks CBE (Vice Chair) (1) (3)
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<b>Company registration number</b>	508616
<b>Charity registration number</b>	307907
<b>Key to committees</b>	(1) Member of Finance and General Purposes Committee (2) Member of Audit Committee (3) Member of Remuneration Committee (4) Member of Governance Committee

## Legal and administrative information

### **Auditors**

Internal      RSM Risk Assurance Services LLP  
25 Farringdon Street  
London  
EC4A 4AB

External      Buzzacott LLP  
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London  
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1 Wood Street  
London  
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## **Report of the Principal and Chief Executive Year to 31 July 2015**

The College is nearing the end of its current Strategic Plan 2013-2016, and is delivering all the key targets covered in our strategy: maintaining academic excellence and recruitment; student and staff engagement; research results following a Research Excellence Framework submission; growth in new income and development; the completion of student accommodation and the start of the Taught Degree Awarding Powers (TDAP) process following a successful Higher Educational Review. Attaining Taught Degree Awarding Powers is a main expectation across 2016 now that the scrutiny process has started.

In August 2015, the College received the excellent news that it had attained an overall satisfaction rating of 89% in the National Student Survey (NSS), placing us in the top three of all specialist UK drama-based conservatoires. The College's overall satisfaction score was significantly above our HEFCE institutional benchmark (89% c.f. 81%). We also attained our best return yet to the NSS, 92%, one of the highest response rates in the country, so we are able to analyse student satisfaction with greater assurance and accuracy and set our plans for action in place.

### **Higher Education Funding Council for England (HEFCE) and funding**

The composition of the College's income has changed considerably in 2014/15 with the introduction of private contribution/tuition fee loans from UK or EU students rather than direct HEFCE teaching grants. In 2014/15, 22% of our total income came from HEFCE grants, a gradual decrease from 33% in 2013/14 and 42% in 2012/13. With the forthcoming government Spending Review results due to be published in November, we expect to see further reductions in government support.

The College's dependence on retaining HEFCE institution-specific premium funding is still a challenge. The College has submitted a proposal to HEFCE for its Review of Institution-Specific Targeted Allocations in September 2015 to make the case for continued receipt of this funding. This source of funding remains vital to the institution's sustainability. The current undergraduate full-time tuition fees of £9,000 per annum per student do not represent the full cost of educating a Rose Bruford College student. Both high contact hours of teaching and considerable technical resourcing mean that both pay and non-pay budgets are under considerable strain.

### **Capital projects**

In 2013/14 the College entered into a development agreement and began, through Purelake New Homes Limited, to build our own student accommodation. That building, Christopher Court, on Station Road, Sidcup, Kent, was completed and handed-over on 1 September 2015. The development comprises 168 ensuite student bedrooms, classrooms/conference facilities and is linked to a 99-room Premier Inn hotel. All rooms have been booked for the 2015/16 academic year. This development will enhance the College's ability to recruit quality students and also offer enhanced capabilities to promote conferencing facilities and summer schools. The College also retains the freehold of the Sidcup Lamorbey Baths site, acquired in February 2012. We are in the midst of looking at different development scenarios for this property that are tied-in with a new Estates Strategy. The Lamorbey Baths site is a prime asset for the College.

## **Report of the Principal and Chief Executive Year to 31 July 2015**

A new Estates Strategy for 2015/16, that will help underpin a new College Strategic Plan for 2017-20, will look at how the College needs to grow new resources and alter current resources in order to deliver growth and maintain teaching quality. During 2014/15 the College added an additional structure for an extended café and also made changes to a number of classroom spaces. But the need for additional teaching space continues.

### **Preparation for Taught Degree Awarding Powers (TDAP)**

We applied for Taught Degree Awarding Powers during spring 2015. Scrutiny began in July and will continue across the 2015/16 academic year. The College sees TDAP as offering a way of building upon its academic and administrative reputation, leading to the further development of a distinctive portfolio of high-quality programmes aligned with the institution's educational mission. We believe that TDAP will give us added measures to grow sustainability. Our current validation arrangements with the University of Manchester will continue until we acquire TDAP. The College and the Board of Governors are looking at the landscape of the College post-TDAP.

### **Fundraising and international development**

Following the appointment of a Head of Development and Alumni Relations in January 2014, the College has been more proactive at applying for funding for specific academic and non-academic projects. At Board level, a Development Committee meets periodically to look at development opportunities. The Development Office is also looking at ways the College can grow its non-academic, commercial income. The focus in the latter case will be on our Lamorbey Baths site.

The College's main means of generating additional income is from philanthropic donations and short courses and productions. We launched a new non-credit bearing Acting Foundation course in 2014/15 that proved very successful and we aim to extend intake for this in 2015/16. During August 2015 we held our first summer programme for students from Taiwan and China, which exceeded our expectations. The College continues to be part of the European Erasmus exchange programme, for which funding continues. We have also added a new institutional partner, Clemson University, to our exchange programme in the United States related to our American Theatre Arts degree programme. We continue to grow our Master programmes. With the removal of the student numbers control, the College wants to expand numbers with additional undergraduate offerings.


### **Board of Governors**

In spring 2015 the College appointed a new Chair of Governors, Ms Monisha Shah. One of the strategic objectives of the College has been to enhance College governance as new challenges are foreseen. Monisha Shah has already started a process to improve the business side of Board meetings, increase the number of meetings and give the College greater attention and support from Governors.

## **Report of the Principal and Chief Executive Year to 31 July 2015**

### **Strategic Plan 2017-2020**

The College has started to turn its attention to writing a new Strategic Plan that will forecast growth and development. The College will need to plan for new courses and new resources in order to meet the targets for sustainability and growth. It will need to generate additional income should our current HEFCE funding model undergo further changes and reductions.

A handwritten signature in black ink, appearing to read 'Michael Earley', with a large, stylized initial 'M'.

**Professor Michael Earley**

**Principal and Chief Executive**

## **Operating and Financial Review Year to 31 July 2015**

The Governors submit their report together with the financial statements of the College for the year ended 31 July 2015. The Operating and Financial Review also meets the requirements for a directors' report set out in the Companies Act 2006. Sections on 'Our development and growth', 'Achievements in the year', 'Financial review' and 'Principal risks and uncertainties' are included within the Operating and Financial Review, meet the requirements for a strategic report as outlined in 'The Companies Act 2006 (Strategic Report and Directors Report) Regulations 2013'.

### **Role**

Rose Bruford College is a College of Higher Education funded directly by the Higher Education Funding Council for England (HEFCE) offering degrees validated by the University of Manchester. We provide theatre-related education that is sensitive and responsive to the needs of students, employers, sponsors, our local community and other stakeholders. It is also our role to promote reflection and change within the world of theatrical education. We work in partnership with other institutions and organisations to achieve our strategic aims.

### **Strategic report**

The College is meeting a majority of the aspirations of the 2013-16 Strategic Plan, detailed below and will seek to build on this plan as it formulates a new plan for 2017-2020.

#### **1. OUR EDUCATIONAL MISSION**

The mission of Rose Bruford College of Theatre and Performance is to contribute to and shape the theatre and performance arts and industries through education, training, research and industry engagement. Placing students at the centre of our work, the College aims to provide the highest quality undergraduate and post-graduate degree-level and professional education and training in all aspects of theatre and performance. We equip graduates with the attitudes, skills and knowledge to become leaders in their field, shaping the future of the theatre, entertainment and allied arts and industries.

##### *OUR AIMS*

1. We aim to support both our students and staff in their ambitions and aspirations to be independent learners and professional teachers and to maintain the College's reputation as a world-class, practice-based, professional conservatoire. We will:
  - a. Develop the academic environment for students through enriched courses that are constantly being developed and monitored to deliver the highest standards of excellence, which are informed by the latest developments in the subject of study and industry practice.
  - b. Provide academic staff with the stimulation, support, mentoring and resources to continually develop as teachers and practitioners, ensuring that staff maintain a close understanding of current developments in research, scholarship and professional practice in their subjects.
  - c. Deliver a broad range of taught, distance-learning and research degrees, whilst adopting new models of non-degree and continuing professional training.



## Strategic report (continued)

### 1. OUR EDUCATIONAL MISSION (continued)

#### *OUR AIMS (continued)*

2. We aim to create new insights in the area of theatre and performance through distinctive approaches to research into and through practice. We will:
  - a. Maintain and grow the College's research culture by ensuring that staff and students are fully supported in carrying out research. Promote research that develops the academic discipline and professional arts practices as well as informing teaching.
  - b. Achieve recognition of our growing worth as a research institution through engagement with the REF (Research Excellence Framework) 2014.
3. We aim to continually develop and lead our sector through education and training that is industry focused. We will offer our graduates the best possible preparation for successful and satisfying careers as innovative and enterprising practitioners. We will:
  - a. Make certain that our programmes reflect changing practices in the industry.
  - b. Improve student employability through career guidance and by showcasing their work to industry professionals.
  - c. Attract industry professionals to the College to teach and share their knowledge and practice with students and staff.
  - d. Collaborate with external partners nationally and internationally to create opportunities for students to learn in diverse professional and educational environments.

### 2. OUR DISTINCTIVENESS

Vocational training is the starting point and at the very heart of what we do at Rose Bruford. All of the programmes are predicated on contemporary industry practice and partnership with the profession and although based in UK, our work is rooted in an international perspective and delivered with partners from across the globe.

Rose Bruford College campus is based in the beautiful surroundings of Lamorbey Park yet is only half an hour from central London, which creates a distinctive environment where individuals and programmes collaborate to create work that is both mainstream and radical, traditional and contemporary.

#### *OUR AIMS*

1. We aim to concentrate our collaboration across the Schools and the programmes at all levels in order to promote working and learning practices that are models of ensemble and team working across the creative industries. We will:
  - a. Promote adventurous risk-taking, a hallmark of College practice, in projects, shows and research.

**Strategic report (continued)**

**2. OUR DISTINCTIVENESS (continued)**

*OUR AIMS (continued)*

- b. Inspire one another to produce quality work that is at the leading edge of performance and technical excellence.
  - c. Signal to our students that greater independent thinking and independent project management are foundations of both artistry and technical mastery. Strategic report (continued)
2. We aim to maintain and enhance our distinctive parkland campus so as to promote collaboration, community and multidisciplinary learning and practice. We will:
- a. Develop an improved student offering that will enable access to good quality residential accommodation for full-time students, visiting students from home and abroad, and conference business.
  - b. Open our campus and the College itself to a wider local, national and international community through new modes of outreach and partnerships that will attract greater diversity and extend the range of our own students' experiences.
  - c. Implement a programme of energy efficiency and carbon reduction that minimizes our impact on the environment and meets self-imposed targets over the next three years.
3. We aim to relieve insufficient, outmoded and inadequate teaching and training spaces. We will:
- a. Focus upon projects that will not just maintain status-quo but enhance resources for training and productions that will match and even surpass industry standards.
  - b. Create plans for enhanced theatres (Barn and Rose), backstage, workshop and technical workspaces.
  - c. Respond to changing and emerging artistic practices that make use of digital technologies by creating a 'digital corridor' incorporating media studios and laboratories.
  - d. Relieve the overcrowding in the Rose Café and Bar with an improved student refectory and commons area.

**3. OUR MANAGEMENT GOALS**

Rose Bruford College aspires to the highest standards of professionalism in all areas and departments of the College. The management of the College is a shared responsibility that involves all staff and students, so we will promote a participative management style, with decisive decision-making informed by consultation to create a one-College unity.

**Strategic report (continued)**

**3. OUR MANAGEMENT GOALS (continued)**

*OUR AIMS*

1. Our aim is to develop good governance that engages and incorporates the views of staff and students in prudent decision-making. We will:
  - a. Enhance the Board of Governors with new members and ensure that current members are fully engaged in their roles and in their support for the College.
  - b. Articulate and promote best practices in Board responsibilities, particularly as the College enters a serious period of TDAP development.
  - c. Attract greater student engagement with the governance of the College through the NUS, committee membership and Board membership.
2. Our aim is to enhance key operational areas of the College. We will:
  - a. Define the appropriate roles and functions of Registry, Recruitment, Admissions, Outreach, Programme Administration and all areas of student support, and provide the resources to offer high quality services.
  - b. Provide staff and students with greater technical support for class and production work with a strengthened technical team, provisions for IT and learning resources.
3. Student engagement and representation is central to the management of the College and the delivery of programmes and activities that meet student needs and expectations. We will:
  - a. Encourage and assist students in making greater and constructive use of the collective student voice.
  - b. Inspire the Student Union to take a greater role in the functions of College governance.
  - c. Provide leadership training that will allow College student leaders to emerge, develop decision-making powers and promote the one-College voice.

**4. OUR DEVELOPMENT AND GROWTH**

The strategic direction of the College is based on growing internationalisation, greater collaboration with the industry and diversifying income streams away from being solely reliant on home student tuition fees. The College has taken a prudent approach to spending and capitalizing growth over its recent history, and it aims to continue along the recent pathway of producing added surpluses to maintain fiscal protection but also to fund development.

**Strategic report (continued)**

**4. OUR DEVELOPMENT AND GROWTH (continued)**

*OUR AIMS*

1. The College's recent successes with fundraising and bursaries suggest that more strategic efforts in these areas with funders, philanthropists and its own alumni could lead to new and enhanced funding streams. Our aim is to produce a development scenario that will cover three key areas of funding support separate from government grants and tuition. We will:
  - a. Fundraise for the College's growth through a Funding the Future campaign centred around three specific projects: the development of the Lamorbey Baths site; refurbishment of our Barn and Rose Theatre Complex; and the plans for the 'digital corridor'.
  - b. Make greater use of the Bruford Connects alumni and friends association that has been designed to foster a greater partnership between College graduates and College industry contacts and College developments.
  - c. Embed research and teaching and learning that delivers bold new visions of creative practice and pedagogy, supported by new funding streams, raised and earned income.
2. Our aim is to further our partnerships at home and abroad to build on the College's national and international reputation and attract the new business and income that can come from alliances and collaborations. We will:
  - a. Make the College an international centre of excellence in training and research about performance practice in all its dimensions.
  - b. Work with partners on exchanges through our Erasmus partnerships, study abroad initiatives, combined programme delivery, research projects and fundraising schemes.
  - c. Increase student numbers through short-term study schemes, an enhanced summer provision and more distance learning and CPD initiatives.
3. We aim to further establish industry collaborations that will fast-track graduates' careers and allow the College to grow through and with the industry. We will:
  - a. Create industry partnerships that will give our students practice-based placements linked to future jobs.
  - b. Form production partnerships that will take more student work off campus and allow us to build a stronger identity nearer the centre of London.
  - c. Maintain the move of our Creative Industries Fair to London to give the School of DMTA (Design, Management & Technical Arts) and their students its own London showcase.

## Strategic report (continued)

### 5. OUR OWN TAUGHT DEGREE AWARDING POWERS

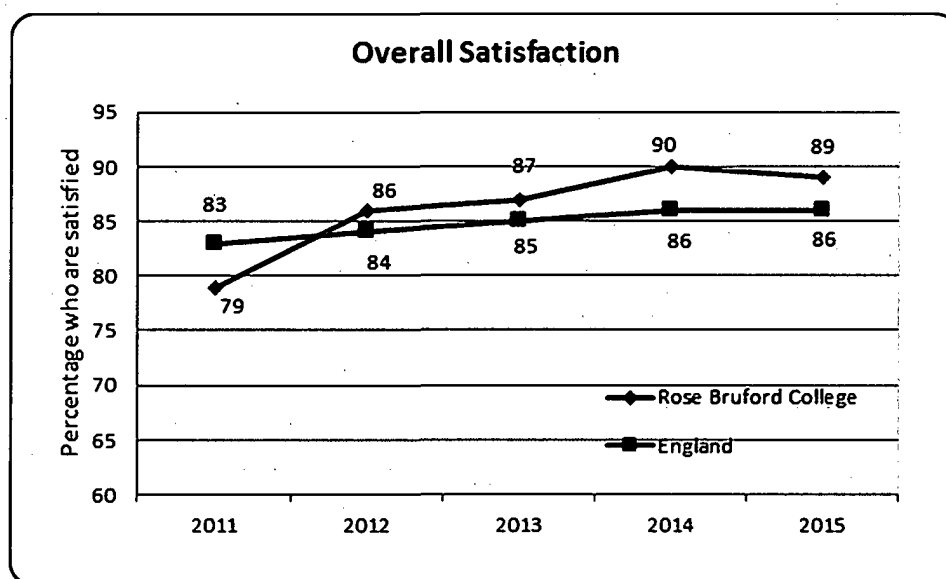
Rose Bruford College will seek Taught Degree Awarding Powers (TDAP) as a desirable outcome to secure our status. TDAP will enhance our standing as an academic institution, make us a more attractive student destination, improve our partnerships, give us the potential to increase our earnings and exercise degree granting powers in unique ways and help sustain our future. All parts of the above plan, particularly our governance, academic, financial and management plans have set us already on the path towards TDAP. But these powers, once achieved through the planned means, will also allow us to become a more confident unitary institution that stand alongside other higher education institutions that chart their own destiny. In time TDAP may also lead to our achieving University title.

## Achievements in the year

### National Student Survey Results 2015

In 2015, 89% of our students are 'satisfied overall with the quality of their course' placing us in the top three of all specialist UK drama-based conservatoires.

RBC Overall satisfaction – 2011-2015



The College's overall satisfaction score of 89% in 2015 is above the national institutional overall satisfaction average score of 86%. Of the 132 higher education institutions listed in the benchmark data, Rose Bruford College is one of only 23 institutions that returned overall satisfaction results which are significantly above their expected benchmarks.

The College's response rate of 92% was the highest amongst the higher education institutions (HEIs) and the fourth highest amongst all 387 institutions participating in the survey.

## **Achievements in the year (continued)**

### **Higher Education Review outcomes**

The Quality Assurance Agency for Higher Education (QAA) conducted a Higher Education Review at Rose Bruford College in November 2014. The main purpose of the review was to investigate the higher education provided by Rose Bruford College and to make judgements as to whether or not its academic standards and quality meet UK expectations.

The Quality Assurance Agency's judgements about Rose Bruford College arising from the November 2014 Higher Education Review of the institution's higher education provision were as follows:

- ◆ The maintenance of the academic standards of awards offered on behalf of degree-awarding bodies meets UK expectations.
- ◆ The quality of student learning opportunities meets UK expectations.
- ◆ The quality of the information about learning opportunities meets UK expectations.
- ◆ The enhancement of student learning opportunities meets UK expectations.

The QAA review team identified the following features of good practice at Rose Bruford College.

- ◆ The excellent arrangements for students to engage in professional practice.
- ◆ The support given to staff in developing reflection and scholarship in their academic practice.
- ◆ The development and integration of learning technologies within the curriculum.

The QAA review team made the following recommendation to the College. By July 2015:

- ◆ To implement revised grading criteria in the School of Design, Management and Technical Arts. This action has now been completed.

## **Achievements in the year (continued)**

### **Research Excellence Framework (REF) 2014 results**

The Research Excellence Framework is the mechanism used to assess the quality of research in UK higher education institutions, and its results are used by the Higher Education Funding Council for England (HEFCE) to inform research funding. The College participated in the REF and entered a submission in the Unit of Assessment 35 covering Music, Drama, Dance and Performing Arts. The results of the 2014 REF were published by HEFCE on 18 December 2014.

The College's 2014 REF results mean that our submission was recognised internationally in terms of its originality, significance and rigour. This represents a significant improvement from our previous submission in 2008. Our average scoring in 2014 resulted in a ranking of 29th out of 42 for institutions in the Drama, Dance and Performing Arts. (In 2008 the College was ranked 40th out of 42). A total of 7% of the College's return was judged as world leading (4 star) and 42% was internationally excellent (3 star). In the equivalent Research Assessment Exercise in 2008 the equivalent figures respectively were 0% at 4 star and 15% at 3 star.

2014 REF results also inform the distribution of HEFCE quality related (QR) funding from the 2015/16 financial year. Initial allocation of research funding arising from the 2014 REF suggests £64,087 in 2015/16 c.f. £32,688 in 2014/15; which is a 96% increase in the grant funding compared to 2014-15; the 18th highest percentage increase out of the 131 HEIs listed.

## **Financial Review**

The financial statements presented to the Board of Governors reflect the results of the College for the year ended 31 July 2015.

The College's income, expenditure and results for the year to 31 July 2015 are summarised as follows:

	<b>2015 £'000</b>	<b>2014 £'000</b>
Income	<b>8,147</b>	7,609
Expenditure	<b>8,060</b>	(7,417)
Surplus for the year	<b>87</b>	192
Surplus for the year on a historical cost basis	<b>97</b>	202

### **Income**

Under the new government policies in funding and supporting higher education, the College will see a significant change in the percentage proportion of income receivable from HEFCE and student fees. Starting in 2012/13 HEFCE is phasing out the entire mainstream teaching grants as successive cohorts of old-regime students complete their studies. The new-regime full-time students, those who commenced their HE studies from September 2012, are liable to pay the fee of up to £9,000 per annum. In 2014/15 HEFCE provided 22.3% of the College's total income.

## Operating and Financial Review Year to 31 July 2015

### Financial Review (continued)

The total fee income in 2014/15 of £5,933,000 represents 72.8% of the College's total income.

The average number of students attending the College and the related net income from tuition fees was as follows:

	2014/2015		2013/2014	
	Headcount	£'000	Headcount	£'000
Full-time Home and EC students	551	4,785	556	3,910
Overseas ( non-EC ) students	43	581	58	571
Full-time Postgraduate students	19	159	11	67
Part-time students	172	195	145	146
Non-credit bearing students	97	213	60	64
	882	5,933	830	4,758

### Expenditure

Within expenditure, staff costs totalling £4,550,000 (note 4) are the most significant component, comprising 56.5% of the annual total expenditure. Under 'other operating expenses', totalling £3,046,000, an increase of £329,000 from the previous year is partly due to an increase in consultancy fees, additional space hire and an increase in bursaries to students. Most expenditure headings have been kept at the same level as 2013/14.

### Capital grants

At the year end the College was holding deferred capital grants of £3.991 million applicable to the Rose Theatre, the new redevelopment project at Lamorbey Park Site and HEFCE capital allocations.

### Fixed assets

The College has total fixed assets of £9.434 million. The corresponding figure last year was £9.450 million. The College incurred expenditure of £440,000 during the year in respect of additional assets.

### Cash flow

The cash flow statement shows a net inflow of £778,000. There is a net cash inflow of £427,000 as a result of operating activities.

### Principal risks and uncertainties

The College continues to review risk assessment and risk management arrangements to safeguard corporate interests and reputation as part of its Strategic Plan.

A risk register is maintained at the College which is reviewed regularly. 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.



## **Financial Review (continued)**

### **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 an harmonious environment to work and study in and in which discrimination has no part;
- ◆ basing all employment, business and academic decisions on merit; and
- ◆ building an environment where staff and students are able to achieve their full potential

### **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.

### **Creditor payment policy**

It is the College's policy to abide by terms of payment agreed with suppliers. In most cases the College's conditions of purchase apply, in which case payment is made within 30 days after the end of the month of receipt of a valid invoice or after acceptance of the goods or services, whichever is the later. In some cases, the terms of payment are as stated in the supplier's own literature. In other cases, the terms of payment are determined by specific written or oral agreement.

### **Public Benefit statement**

- ◆ As a registered charity there are many ways that Rose Bruford College provides benefits both to the wider public good and to groups including those which might otherwise be excluded from higher education because of financial circumstances. 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. This statement has been included in conformance with the formal reporting requirement introduced by the Higher Education Funding Council for England (HEFCE) as the principal regulator of English higher education institutions under the Charities Act 2006. 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.
- ◆ Rose Bruford 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.

In 2014/15 the College:

- ◆ Ran 16 undergraduate and postgraduate degree programmes, and a range of courses for professionals, all within the public sector. These courses involve over 900 students, both on campus and via online learning. 87.6% of our students join us from state schools, and 9.7% from low participation neighbourhoods. 12.9% of our students receive Disabled Students Allowance.
- ◆ Awarded bursaries, counselling and hardship support totalling over £238,000, to over 200 students.
- ◆ Through the Audition Fee Remission Policy, the College offered applicants from households with an income under £25,000 the opportunity to audition for free.
- ◆ Ran the Student Ambassador scheme, involving current students and recent graduates with local young people on a range of projects.
- ◆ Delivered over 185 performances of 75 productions to approximately 9,000 people both on and off campus. Students are offered free tickets to non-public on campus shows. Public performances are offered to students at a token price. Off campus shows are available at a concessionary rate. Free School Matinee tickets are also offered to schools and FE colleges during the autumn season.

**Public Benefit statement (continued)**

- ◆ Promoted the exploration and communication of research and knowledge through its annual public lecture series and spring research symposium. The symposium 2015 programme entitled Offstage Onstage Beyond welcomed 70 visitors from outside the institution from the industry and academe, both national and international sources. More information can be accessed here: <http://www.rbcsymposium.com>
- ◆ Continued to support research centres in a number of areas, including the work of Konstantin Stanislavski; theatre innovation; voice and speech; the use of theatre technology; and theatre for young audiences. These centres offer themselves to researchers and run occasional public events.
- ◆ Maintained a specialist drama library open to the general public through the Bexley Library Service catalogue, welcoming around 600 visitors a week to its facilities.
- ◆ Opened the campus to Partner Organisations to use rehearsal space for free or at a subsidised rate as part of widening participation initiatives. For example Burnt Oak Junior School were offered free hire of the Rose Theatre for their year 1 play for 60 children in July.
- ◆ Developed further overseas links with Europe, USA, and Asia (sometimes through the European Erasmus programme) exchanging performance ideas with practitioners and the public in places as diverse as Prague, Talinn, Chicago and Texas.
- ◆ We have reviewed and re-launched our young people's theatre offer as Bruford Youth Theatre with classes catering for four different year groups. Information can be found at <https://www.bruford.ac.uk/courses/bruford-youth-theatre>
- ◆ Two reunion events have been held at the College over the summer. We were joined by nearly 40 alumni from the 1965-68 cohort in July and 12 of the 1977-80 Theatre Arts cohort in September. Both groups enjoyed lunch and tours of the campus.
- ◆ 1981 Community Theatre Arts graduates Paulette Randall, Patricia St Hilaire and Bernadine Evaristo were at the College in September to be interviewed by Radio 4 about the influence of Amiri Baraka and the Black Arts Movement and their company, Theatre of Black Women.
- ◆ A small invited group of alumni were invited to join a focus group as part of an HEA funding employability research project discussing a number of questions about how the institution can better support students and alumni employability. The group comprised both performance and technical alumni.
- ◆ The College hosted 15 students and two staff from Ghent with a view to exploring the viability of starting up an exchange programme under the Erasmus Scheme; they toured the College, spoke with current students and observed some classes, and met with staff.

**Public Benefit statement (continued)**

- ◆ Made visits to schools, colleges and specialist young people's theatre organisations, and continued partnership building as part of the National Arts Learning Network. We have contributed to the continuation of the latter as part of UKADIA (United Kingdom Arts and Design Institutions Association), and as a result developed a new system of Progression Agreements to be rolled out over the next three years.
- ◆ In total the Outreach department had contact with approximately 3,300 people during 2014/15. Some of this engagement gave schools, colleges and other organisations the opportunity to visit us through open days, bespoke taster days, one off tours, or workshops. We also attended a number of HE Fairs for FE Colleges, including Farnborough Sixth Form College with 1,500 students in attendance, City and Islington College with 200 students in attendance and Blackfen School for Girls with 150 students in attendance; and we provided a number of talks and workshops, some of which are highlighted below:
  - ◆ Practical workshops for KS1 and KS2 children from Burnt Oak Junior School in which 90 children took part.
  - ◆ A one hour drama workshop for two, year 2 classes during Chatsworth Infant School's Arts Week (60 children in total).
  - ◆ At Farnborough College the European Theatre Arts Module Coordinator also led a targeted talk on Training for the Contemporary Industry – 35 students and a workshop on 'Preparing to Audition' – 25 students.
  - ◆ The Principal delivered a presentation to 60 Year 12 students at Chislehurst & Sidcup Grammar School.
  - ◆ One of our Student Ambassadors sat on the panel at Holy Trinity School's annual talent show in March.
  - ◆ Two movement workshops for 13 students from Marlborough School - a secondary special school which caters for students with severe, complex and physical learning difficulties.
  - ◆ Provided Fairy Tale Workshops to 60 year 1 students at Boxgrove Primary School.
  - ◆ Led Design Workshops with 120 students at Stationers' Crown Woods Academy as part of a year 9 creative career options day and at a later date, employer talks about the theatre industry to 90 year 9 students.

**Public Benefit statement (continued)**

- ◆ The Lighting Design programme has collaborated with a range of local venues and organisations on raising awareness of light in the build environment. Lighting Design students and staff have worked with staff, visitors and young people from these partner institutions on creating temporary interior or exterior lighting schemes. Over the last few years they have worked with the Stephen Lawrence Centre in Deptford, Lewisham Southwark College, Lewisham Youth Theatre, Bromley Little Theatre, Hall Place, and Goldsmiths College. Across London they have also worked in partnership with Wilton's Music Hall, the Historic Royal Palaces, the Houses of Parliament, and Zoological Society of London. Most recently Lighting students have provided lighting for Bexley Council's Looked After Children awards event.
- ◆ Heavily subsidised by the Outreach department and supported by The Society of Light & Lighting, White Light Limited, and Philips Lighting UK the College held its major competition for 16-19 years called Junior Ready Steady Light; inviting six Schools and Colleges with 30 students to participate. Again City College Norwich won the competition and had an opportunity to re-light the National Theatre as their prize.
- ◆ As an extension to Junior Ready Steady Light the project was used to support and promote the work of Demelza Hospice Care for Children. A Lighting Design student installed a lighting design in the window of a Sidcup High Street shop inspired by Demelza branding; in addition we raised money for the charity as we welcomed parents and public to the evening viewing and awards ceremony.
- ◆ The American Theatre Arts Programme devised the production Ten Plus One: different tribes, different tales looking at transition and aimed at year 6 students. It was performed to 60 year 6 students from Burnt Oak Juniors followed by a tour of the campus accompanied by student ambassadors.
- ◆ The Programme Director for Stage Management continued to offer a ten week technical theatre course for Clean Break – a partner organisation that works with women who have experienced the criminal justice system.
- ◆ European Theatre Arts Students took their production of Kantor to the Edinburgh Festival performing to 840 people.
- ◆ The Opera Studies Programme provided the following public events including:
  - ◆ Study days on Mozart's Figaro & Wagner's Die Meistersinger.
  - ◆ A public lecture in Edinburgh in February on Wagner's first opera Die Feen for the Scottish Wagner Society.
- ◆ Represented the College at an international conference "Music on Stage" in October presenting 34 papers by our own and visiting scholars from seven different countries, 40+ delegates attended.

**Public Benefit statement (continued)**

- ◆ The Acting/Actor Musician curricula has developed a series of activities targeted at children and young people including the development of four new pieces of theatre directed at children and young people:
- ◆ Up Up and Away a collaboration with Half Moon Theatre, directed at Reception classes from schools in Tower Hamlets. The show received eight performances at Half Moon and included the delivery of workshops to children and schools as part of its research and development phase.
- ◆ Red Balloon – a new adaptation of this classic children’s film directed by Tony Graham. The show was developed with children from local secondary schools and performed 6 shows to schools in Bexley and Ashford Kent. These shows were seen by over 500 children ages 5 – 7.
- ◆ The Odyssey Experience – a collaboration with American company Experiential Theater, which was performed to over 500 children in Bexley and Kent.
- ◆ The Happy Warrior – a collaboration with Ambassadors Theatre Group’s Education department and Bromley Churchill Theatre. This new piece for KS2 children toured schools in Bromley and was seen by 300 children.
- ◆ The Actor Musicianship Level 4 students also collaborated with Lewisham College BTEC Dance students in February/March. They created and performed a piece of music-theatre exploring the use of actor musicians in dance at the Lewisham Youth Arts Festival performed at Trinity Laban Conservatoire of Music and Dance. The piece was performed to audience of 200+ young people, teachers and parents.
- ◆ The Theatre for Young Audience’s Centre managed a series of events targeted at children and young people, supported by funding from Kent County Council, Ashford Borough Council and Artsworld’s Partnership Investment Programme:
  - ◆ Dream: the joy of creating our flagship artists residency scheme, saw 16 practitioners from around the world working with internationally renowned company, Punchdrunk Enrichment at a rural primary school in South Kent. The project targeted some 600 children ages 4 – 11.
  - ◆ Creating with the Cart – this training initiative saw 16 international theatre makers and educators working with theatre company Oily Cart, exploring their ground-breaking approach to working with children with complex disability. The week-long event took place at Linden Lodge Special School in Wandsworth and targeted some 40 children from 5 – 16 with a range of complex disabilities including Autistic Spectrum Disorder and Profound and Multiple Learning Disabilities.

**Public Benefit statement (continued)**

- ◆ Dream Kent – this multifaceted arts initiative targeted at children and young people in Ashford, saw some 120 young people ages 5 – 18 engaging in a range of arts activity including:
  - ◆ Bronze and Discover Arts Awards
  - ◆ Dream Machine - Interdisciplinary arts workshops and performance in collaboration with Jasmin Vardimon Company and Audio Active and supported by Rose Bruford College as an Arts Award Centre and Supporter.
  - ◆ A youth arts festival showcasing young people's work from around the Ashford area, in collaboration with St Mary's Revelation, Ashford.
  - ◆ The establishing of a dance-theatre company at Wyvern Special School, targeting eight young people (aged 15 -18) in collaboration with Jo Frater and Confidance Musical Theatre School.
  - ◆ Courage – a collaboration with Jasmin Vardimon Company and People United, which drew on the experience of community groups from Ashford to create a piece of site-specific performance work in Ashford town centre.
- ◆ The Quentin Blake Festival ran in partnership with Chislehurst & Sidcup Grammar School and culminated in a community day at the College aimed at children and their families. It attracted 200 people and offered them opportunity to attend a free exhibition of Quentin Blake's work as well as a number of theatre productions performed by Bruford Youth Theatre and supported by a team of professional practitioners and student ambassadors.
- ◆ Subsidised by a local school, the research department and outreach department, Rose Bruford students and Emergency Exit Arts took to Sidcup High Street to celebrate St George's Day and presented their version of the Tempest in a site specific performance installation called Storming the Streets where they interacted with around 300 people. This particular project developed from a research project looking at how to integrate the outdoor spectacular into theatrical performances. It was also supported by three free promotional workshops in mask making at the local library which 45 children attended.
- ◆ We supported this year's Thamesmead Festival: the American Theatre Arts production Ten Plus One: different tribes, different tales was redeveloped for the Festival and attended by 39 audience members; the European Theatre Arts production To the Moon and Back was attended by 45 audience members; and the EEA/RBC collaboration Storming the Streets was also present engaging with approximately 650 people.

**Public Benefit statement (continued)**

- ◆ In partnership with 'A' Team Arts and Stratford Circus Arts Centre, the College ran a three day summer school for 13-19 year olds entitled Create it! Perform it! Own it! The aim for the 12 young people who attended was to raise awareness of the different pathways in theatre both on and offstage. The summer school included a one day visit to the College as a means to raise aspirations among the participants.
- ◆ Annually the Graduate Exhibition held at the Bargehouse on London's Southbank is opened to the public free of charge. This year the Outreach department used it as a starting point for a year 9 GCSE art and design project with 40 students at Hillview School for Girls.
- ◆ Annually the College identifies two Regional Audition Centres to partner with, this year four workshops were delivered to 90 students studying BTEC Performing Arts at City College Norwich & Blackpool & the Fylde College, in return the College is provided the space to offer 50 applicants the opportunity to audition closer to home and save them the expense of travelling to London.

**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.

This confirmation is given and should be interpreted in accordance with the provisions of s418 of the Companies Act 2006.

Signed on behalf of the Board of Governors:



Chair of Governors

MONISHA SHAH

Approved on: 20<sup>th</sup> November 2015



### **Constitution and activity**

Rose Bruford College is registered under the Companies Act 2006, as a company limited by guarantee without a share capital and was incorporated in 1952. In the event of the company being wound up, the liability of the members, who are the Governors, is limited to £2 each. The College is a registered charity, number 307907. 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 and funded by the Higher Education Funding Council for England and tuition fee income from students.

### **Summary of the College's structure of corporate governance**

The College is committed to exhibiting best practice in all aspects of corporate governance. This summary describes the manner in which the College has applied the principles set out in the UK Corporate Governance Code. Its purpose is to help the reader of the financial statements understand how the principles have been applied.

Throughout the year ended 31 July 2015, the College has been in compliance with relevant provisions set out in the UK Corporate Governance Code. The College also complies with the Committee of University Chairs (CUC) Guide for Members of Higher Education Governing Bodies in the UK published in December 2014.

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.

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 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

**Summary of the College's structure of corporate governance**  
(continued)

The College has established the following processes in relation to its risk management policy and for reviewing the effectiveness of the system of internal control:

- ◆ The Board of Governors meets at least three times a year to consider the plans and strategic direction of the College;
- ◆ The Board of Governors has established that the Senior Management Committee of the College should be the body that oversees risk management at the institution;
- ◆ A risk register for the institution, which incorporates the key risks at the institutional level, is maintained. The register is formally appraised annually but emerging risks are added as required; the improvement actions and risk indicators are monitored regularly by the Senior Management Committee and by the Audit Committee;
- ◆ Twice-yearly reporting is designed to monitor key risks and their controls. Decisions to rectify problems are made at regular meetings of the Senior Management Committee and the Board of the Governors if appropriate;
- ◆ The Audit Committee receives regular reports from the internal auditors on specific areas of internal control together with recommendations for improvement. Audit planning arrangements and the methodology and approach of internal audit conforms to the latest professional standards reflecting the adoption of risk management techniques;
- ◆ The prime responsibility of Internal Audit is to provide the Governing Body, the designated officer and the management of Rose Bruford College with assurance on the adequacy and effectiveness of risk management, control, governance and value for money arrangements; and
- ◆ The Governance Committee is responsible for advising the Board of Governors on how best practice in governance standards can be achieved. Reviews of effectiveness of the Board of Governors as advocated in the CUC Code are also undertaken.

The Principal, as Chief Executive, has responsibility for reviewing the effectiveness of the system of internal control. This review of the effectiveness of the system of internal control takes into account the work of the Audit Committee which has responsibility for the review of development and maintenance of the internal control framework, and of the internal auditors. Account is also taken of the comments made by external auditors, HEFCE auditors, and other review bodies in their reports.

**Summary of the College's structure of corporate governance**  
(continued)

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 Financial Memorandum with the Higher Education Funding Council for England; the Board of Governors holds to itself the responsibilities for ongoing strategic direction of the College, the appointment and dismissal of designated office holders, approval of major developments and the receipt of regular reports from the Chief Executive on day-to-day operations of its business. The Board meets at least three times a year and has several committees, including a Finance and General Purposes Committee, an Audit Committee, a Governance Committee, and a Remuneration Committee. All of these Committees are formally constituted with terms of reference and comprise appropriately qualified and experienced members.

The Finance and General Purposes Committee, amongst other things, recommends the annual budget to the Board of Governors and monitors performance in relation to the approved budget.

The Audit Committee normally meets at least three times a year. These meetings are with the internal auditors, to consider detailed internal audit reports and recommendations for the improvement of the College's systems of internal control, together with management's responses and implementation plans and at least once a year with the external auditors, to discuss audit findings. The Committee also receives and considers reports from the Higher Education Funding Council for England as they affect the College's business and monitor adherence with the regulatory requirements. Whilst senior executives attend meetings of the Audit Committee as necessary, they are not members of the Committee, and the Committee meets with the external and internal auditors on their own for independent discussions.

The Remuneration Committee determines the remuneration of designated senior post holders.

The Governance Committee comprises independent Governors, the Principal and a Staff Governor and meets three times a year. It considers issues relating to the appointment, term of office, induction, training and evaluation of Governors.

## Statement of Corporate Governance and Internal Control Year to 31 July 2015

### Governors

The Governors of the College are Directors under the Companies Act 2006. The Governors who served during the year are as follows:

Governors	Appointed/resigned
Karl Aldred (Student)	Term ended 31 July 2015
David Ames (Staff)	
Helen Bowles MBE	
Dr Philip Broadhead	Term ended 31 July 2015
Rod Brown	
Colin Campbell	
Philip Connolly-Marsh	Appointed 2 July 2015
Paul Dale	
Professor Michael Earley (Principal)	
Rodney Gent (Chair)	Term ended 31 July 2015
Eleanor Lang	
Brigitte Lambert (Staff)	
Hassan Mahamdallie	Appointed 19 March 2015
Cllr Don Massey	
Mike McCart	
Steffani Nash	Term ended 31 July 2015
Professor Mike Saks	
Monisha Shah (Chair)	
Jennifer Sims	Appointed 19 March 2015, appointed Chair 31 July 2015
Dr Kathryn Southworth	
Cara Turlington	
Kevin Wallace	
Professor Dianne Willcocks CBE (Vice Chair)	

### Governors' responsibilities statement

In accordance with applicable law, United Kingdom Generally Accepted Accounting Practice and with the Articles of Association, the Governors of Rose Bruford College 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.

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 and other relevant accounting standards. In addition, within the terms and conditions of a Financial Memorandum agreed between the Higher Education Funding Council for England and the Governors of the College, 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.

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

- ♦ suitable accounting policies are selected and applied consistently;

## **Statement of Corporate Governance and Internal Control** Year to 31 July 2015

### **Governors' responsibilities statement (continued)**

- ◆ 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 Higher Education Funding Council for England are used only for the purposes for which they have been given and in accordance with the Financial Memorandum with the Funding Council and any other conditions which the Funding Council may from time to time prescribe;
- ◆ ensure that there are appropriate financial and management controls in place to safeguard public funds and funds from other sources;
- ◆ safeguard the assets of the College and prevent and detect fraud;
- ◆ secure the economical, efficient and effective management of the College's resources and expenditure.

### **Internal financial control**

The key elements of the College's system of internal financial control, which is designed to discharge the responsibilities set out above, include the following:

- ◆ clear definitions of the responsibilities of, and the authority delegated to, heads of academic and administrative departments;
- ◆ a comprehensive medium and short-term planning process, supplemented by detailed annual income, expenditure, capital and cash flow budgets;
- ◆ regular reviews of key performance indicators and business risks and quarterly reviews of financial results involving variance reporting and updates of forecast outturns;
- ◆ clearly defined and formalised requirements for approval and control of expenditure, with investment decisions involving capital or revenue expenditure being subject to formal detailed appraisal and review according to approval levels set by the Board of Governors;
- ◆ comprehensive Financial Regulations, detailing financial controls and procedures, approved by the Audit Committee and Finance and General Purposes Committee; and

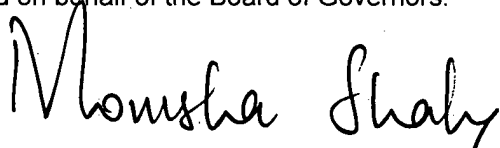
## Statement of Corporate Governance and Internal Control Year to 31 July 2015

### Internal financial control (continued)

- ◆ a professional internal audit team whose annual programme is approved by the Audit Committee and endorsed by the Board of Governors. The internal auditor provides the Board of Governors with a report on internal audit activity within the College and an opinion on the adequacy and effectiveness of the College's system of internal control, including internal financial control.

Any system of internal financial control, can however, only provide reasonable, but not absolute, assurance against material misstatement or loss.

Signed on behalf of the Board of Governors:



Chair of Governors

Ms Monisha Shah

Approved on: 20<sup>th</sup> November 2015

### **Independent auditor's report to the Members of Rose Bruford College**

We have audited the financial statements of Rose Bruford College for the year ended 31 July 2015 which comprise the income and expenditure account, the statement of total recognised gains and losses, the balance sheet, the cash flow statement, 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.

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.

### **Respective responsibilities of Governors and auditor**

The College's Governors are also the directors of the charitable company for the purposes of company law. As explained more fully in the Governors' responsibilities statement set out in the Statement of Corporate Governance and Internal Control, the Governors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view.

Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law, International Standards on Auditing (UK and Ireland) and the Audit Code of Practice issued by the Higher Education Funding Council for England. The International Standards on Auditing (UK and Ireland) require us to comply with the Auditing Practices Board's (APB's) Ethical Standards for Auditors.

### **Scope of the audit of the financial statements**

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of: whether the accounting policies are appropriate to the College's circumstances and have been consistently applied and adequately disclosed; the reasonableness of significant accounting estimates made by the Governors; and the overall presentation of the financial statements. In addition, we read all the financial and non-financial information in the Operating and Financial Review including the strategic report and the Statement of Corporate Governance and Internal Control to identify material inconsistencies with the audited financial statements. If we become aware of any apparent material inconsistencies we consider the implications for our report.

### **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 as at 31 July 2015 and of its surplus of income against expenditure and cashflow 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 respects, income from the Higher Education Funding Council for England, grants and income for specific purposes and from other restricted funds administered by the College have been applied only for the purposes for which they were received; and
- ◆ in all material respects, income has been applied in accordance with the College's Memorandum and Articles of Association and, where appropriate, with the Financial Memorandum dated 31 July 2008 with the Higher Education Funding Council for England.


### **Opinion on other matter prescribed by the Companies Act 2006**

In our opinion the information given in the Operating and Financial Review, including the strategic report, and the Statement of Corporate Governance and Internal Control for the financial year for which the financial statements are prepared is consistent with the financial statements.

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

We have nothing to report in respect of the following matters where the Companies Act 2006 requires us to report to you if, in our opinion:

- ◆ adequate accounting records have not been kept or returns adequate for our audit have not been received from branches not visited by us; or
- ◆ the financial statements are not in agreement with the accounting records 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.



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

27 November 2015



## Income and expenditure account Year to 31 July 2015

	Notes	2015 £'000	2014 £'000
<b>Income</b>			
Funding Council grants	1	1,822	2,526
Tuition fees	2	5,933	4,758
Other income	3	390	323
Interest receivable		2	2
<b>Total income</b>		<b>8,147</b>	<b>7,609</b>
<b>Expenditure</b>			
Staff costs	4	4,550	4,272
Other operating expenses	5	3,046	2,717
Depreciation		455	404
Interest payable		9	24
<b>Total expenditure</b>	6	<b>8,060</b>	<b>7,417</b>
<b>Surplus on continuing operations after depreciation of tangible fixed assets at valuation</b>		<b>87</b>	<b>192</b>

	2015 £'000	2014 £'000
<b>Note of historical cost surpluses</b>		
Surplus after depreciation of assets at valuation	87	192
Difference between historical cost depreciation and the actual charge for the year calculated on the revalued amount	10	10
<b>Historical cost surplus for the year</b>	<b>97</b>	<b>202</b>

All of the College's activities derived from continuing operations during the above two financial periods.

## Statement of Total Recognised Gains and Losses

	2015 £'000	2014 £'000
Surplus after depreciation of assets at valuation	87	192
Actuarial (losses) gains in respect of pension scheme (note 16)	(211)	63
<b>Total recognised (losses) gains in the year</b>	<b>(124)</b>	<b>255</b>

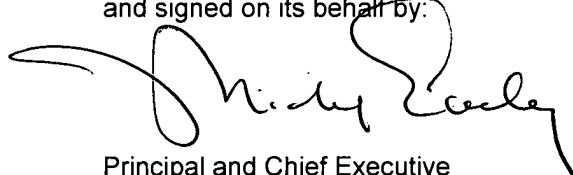
## Reconciliation

	2015 £'000	2014 £'000
Opening reserves	4,372	4,117
Total recognised (losses) gains for the year	(124)	255
<b>Closing reserves</b>	<b>4,248</b>	<b>4,372</b>

# Balance Sheet As at 31 July 2015


	Notes	2015 £'000	2015 £'000	2014 £'000	2014 £'000
<b>Fixed assets</b>					
Tangible assets	7		9,434		9,450
<b>Current assets</b>					
Debtors	9	253		321	
Cash at bank and in hand		1,626		848	
		1,879		1,169	
<b>Creditors: amounts falling due within one year</b>	10	(1,075)		(918)	
<b>Net current assets</b>			804		251
<b>Total assets less current liabilities</b>			10,238		9,701
<b>Creditors: amounts falling due after one year</b>	11		(878)		(272)
<b>Total net assets excluding pension liability</b>			9,360		9,429
<b>Net pension liability</b>	16		(1,121)		(940)
<b>Net assets including pension liability</b>			8,239		8,489
<b>Deferred capital grants</b>	12		3,991		4,117
<b>Reserves</b>					
Revenue reserve excluding pension reserve	13	4,194		4,123	
Donation reserve	13	380		384	
Pension reserve	16	(1,121)		(940)	
Revenue reserve including pension reserve		3,453		3,567	
Revaluation reserve	13	795		805	
<b>Total reserves</b>			4,248		4,372
<b>Total funds</b>			8,239		8,489

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



Principal and Chief Executive

Professor Michael Earley



Chair of Governors

Ms Monisha Shah

Approved on: 20<sup>th</sup> November 2015

Rose Bruford College (Company registration No: 508616 (England and Wales))

## Cash flow statement Year to 31 July 2015

	Notes	2015 £'000	2014 £'000
Cash inflow from operating activities	A	427	379
Returns on investments and servicing of finance	B	(7)	(22)
Capital expenditure and financial investment	C	(348)	(407)
Cash inflow (outflow) before financing		72	(50)
Financing	D	706	(78)
Increase (decrease) in cash	E	778	(128)

### NOTES TO THE CASH FLOW STATEMENT FOR THE YEAR TO 31 JULY 2015:

#### A Adjustment of surplus after depreciation of assets at valuation to net cash inflow from operating activities

	2015 £'000	2014 £'000
Surplus after depreciation of assets at valuation	87	192
Deferred capital grants released to income (notes 1 and 12)	(218)	(234)
Depreciation (notes 6 and 7)	455	404
Interest receivable	(2)	(2)
Interest payable	9	24
Pension cost less contributions payable	(30)	22
Decrease (increase) in debtors	68	(5)
Increase (decrease) in creditors	58	(22)
<b>Net cash inflow from operating activities</b>	<b>427</b>	<b>379</b>

#### B Returns on investments and servicing of finance

	2015 £'000	2014 £'000
Interest received	2	2
Interest paid	(9)	(24)
<b>Returns on investments and servicing of finance</b>	<b>(7)</b>	<b>(22)</b>

## Cash flow statement Year to 31 July 2015

### C Capital expenditure and financial investment

	2015 £'000	2014 £'000
Payments to acquire tangible fixed assets	(440)	(457)
Deferred capital grants received	92	50
	<u>(348)</u>	<u>(407)</u>

### D Financing

	2015 £'000	2014 £'000
New loans acquired	806	—
Repayment of bank loan	(100)	(78)
	<u>(706)</u>	<u>(78)</u>

### E Analysis of changes in net funds

	At 1 August 2014 £'000	Cash flows £'000	At 31 July 2015 £'000
Cash at bank and in hand	848	778	1,626
Debt due within one year	(81)	(100)	(181)
Debt due after one year	(272)	(606)	(878)
<b>Net funds</b>	<u>495</u>	<u>72</u>	<u>567</u>

### F Reconciliation of net cash flow to movement in net funds

	2015 £'000	2014 £'000
Increase (decrease) in cash in the year	778	(128)
Cashflow from loans	(706)	78
Change during the year	72	(50)
Net funds at 1 August 2014	495	545
Net funds at 31 July 2015	<u>567</u>	<u>495</u>

## **Principal accounting policies Year to 31 July 2015**

### **Basis of accounting**

The financial statements have been prepared under the historical cost convention and in accordance with applicable United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) and the Companies Act 2006, adapted to comply with the Statement of Recommended Practice on Accounting for Further and Higher Education.

### **Subsidiary**

As the subsidiary company (note 8) has been dormant for the current and preceding years and has no material assets or liabilities, the College is not presenting consolidated financial statements.

### **Tangible fixed assets**

Long leasehold land and buildings are recorded in the financial statements at a valuation performed on 31 October 1995 plus additions at cost since that date, in accordance with the transitional rules of FRS 15. All other assets are recorded at cost.

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:

- |   |                                 |
|---|---------------------------------|
| ◆ Long leasehold land and buildings                                       | Over 50 years                   |
| ◆ Rose Theatre improvements   | Over 50 years                   |
| ◆ Other assets including fixtures and fittings and leasehold improvements | 10%/25% per annum straight line |

No depreciation is provided on freehold land.

Equipment costing less than £500 per individual item or group of related items is written off in the year of acquisition. All other equipment is capitalised.

Payments on account in respect of tangible fixed assets which are not yet operational in the business are recorded in a separate fixed asset category called 'Assets in the course of construction', and represent the cost of purchasing, constructing and installing tangible fixed assets ahead of their productive use. Only the incremental costs which are directly attributable to the asset in the course of construction are capitalised. No depreciation is charged on assets in the course of construction until they are brought into operational use in the business, at which point the assets are transferred into the relevant asset category on the fixed asset register and depreciated over their useful economic life. At 31 July 2015, assets in the course of construction relate to the legal and consultancy costs for Christopher Court, the student accommodation project.

### **Grants**

The recurrent grants from HEFCE represent the funding allocations attributable to the current financial year and are credited direct to the income and expenditure account. Recurrent grants are recognised in line with planned activity. Any under-achievement against this planned activity is adjusted in-year and reflected in the level of recurrent grant recognised in the income and expenditure account.

Specific grants are credited to the income and expenditure account to match the expenditure to which they relate.

Capital grants for the purchase of tangible fixed assets are shown as deferred capital grants on the balance sheet and released to the income and expenditure account over the estimated useful lives of the related assets.

### **Revaluation reserve**

The revaluation reserve represents the surplus arising on the valuation of the freehold and leasehold land and buildings and is released to the revenue reserve as follows:

- ♦ Freehold land and buildings                      Over 50 years
- ♦ Long leasehold land and buildings      Over 50 years

### **Long term maintenance**

Expenditure on long term maintenance is charged to the income and expenditure account as incurred.

### **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 Chapter 3 Part 11 Corporation Tax Act 2010 or Section 256 of the Taxation of Chargeable Gains Act 1992, to the extent that such income or gains are applied exclusively to charitable purposes.

The College receives no similar exemption in respect of Value Added Tax.

### **Leased assets**

Assets held under finance leases and hire purchase contracts are capitalised in the balance sheet and depreciated over their expected useful lives. The interest element of the rental obligations is charged to the income and expenditure account over the period of the lease.

Rentals paid under operating leases are charged to the income and expenditure account on a straight line basis over the lease term.

### **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.

### **Post retirement benefits**

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

Contributions to the TPS are calculated so as to spread the cost of pensions over employees' working lives with the College in such a way that the pension cost is a substantially level percentage of current and future pensionable payroll. The contributions are determined by qualified actuaries on the basis of quinquennial valuations using a prospective benefit method. As stated in Note 16, 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 scheme and the contributions recognised as they are paid each year.

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

## Notes to the financial statements 31 July 2015

### 1 Funding Council grants

	2015 £'000	2015 £'000	2014 £'000	2014 £'000
<b>Higher Education Funding Council for England</b>				
Recurrent grant	1,529		2,228	
Research grant	33		32	
Other HEFCE grants	27		18	
Inherited liabilities	15		14	
		1,604		2,292
Deferred capital grants released in year (note 12)				
. Equipment	98		128	
. Buildings	120		106	
		218		234
		1,822		2,526

### 2 Tuition fees

	2015 £'000	2014 £'000
UK Higher Education full time undergraduate students	4,785	3,910
UK Higher Education full time postgraduate students	159	67
UK Higher Education part time undergraduate students	165	135
UK Higher Education part time postgraduate students	30	11
Overseas (non-EC) domicile students	581	571
Non-credit bearing course fees	213	64
Total fees paid by or on behalf of individual students	5,933	4,758

### 3 Other income

	2015 £'000	2014 £'000
Rent receivable	51	63
ERASMUS and other grants	61	72
Income from donations	76	20
Income from short courses and productions	159	142
Insurance claim	—	6
Other income	33	20
	390	323



## Notes to the financial statements 31 July 2015

### 4 Staff costs

	2015 £'000	2014 £'000
Staff costs during the year were as follows:		
Wages and salaries	3,735	3,476
Social security costs	307	291
Other pension costs (includes FRS17 credit of £30,000 – (2014 charge of £22,000))	508	505
	<b>4,550</b>	<b>4,272</b>

The average number of employees (including senior post-holders) expressed as full-time equivalents, analysed by function was:

	2015	2014
Tutorial	45	44
Administrative	38	36
Technical	6	6
Manual	3	3
	<b>92</b>	<b>89</b>

The above figures exclude visiting directors, designers and other specialist tutors who were paid £454,132 (2014 - £353,760).

The Governors received no remuneration in respect of their services as Governors; expenses incurred in performing their duties are reimbursed. Certain members of the College staff served as Governors and received remuneration (including benefits-in-kind and pension contributions) for teaching and management services amounting to £88,472 (2014 - £72,858).

The emoluments of the Principal and Chief Executive of the College (who was also the highest paid director) are made up as follows:

	2015 £	2014 £
Salary	141,975	135,214
Pension contributions	20,018	19,065
Benefits in kind	2,506	1,935
Total	<b>164,499</b>	<b>156,214</b>

## Notes to the financial statements 31 July 2015

### 5 Other operating expenses

	2015 £'000	2014 £'000
Academic departments	916	755
Academic services	97	78
Premises	730	683
Administration	922	858
Other expenses	381	343
	<b>3,046</b>	<b>2,717</b>

Other operating expenses include:

	2015 £'000	2014 £'000
Auditor's remuneration:		
· Financial statements audit	16	15
· Internal audit	15	20
· Other services provided by the financial statements auditors	5	1
· Other services provided by the internal auditors	—	6
Hire of plant and machinery – operating leases (note 14)	18	18
Hire of other assets – operating leases (note 14)	55	55

### 6 Analysis of 2014/2015 expenditure by activity

	Staff costs £'000	Other operating expenses £'000	Depreciation £'000	Loan interest £'000	2015 Total £'000	2014 Total £'000
Academic departments	2,705	916	93	—	3,714	3,384
Academic services	124	97	—	—	221	196
Premises	118	730	252	—	1,100	1,016
Administration	1,603	922	110	9	2,644	2,478
Other expenses	—	381	—	—	381	343
	<b>4,550</b>	<b>3,046</b>	<b>455</b>	<b>9</b>	<b>8,060</b>	<b>7,417</b>

The depreciation charge has been funded by:

	2015 £'000	2014 £'000
Deferred capital grants released (note 12)	218	234
Revaluation reserve released (note 13)	10	10
General income	227	160
	<b>455</b>	<b>404</b>

## Notes to the financial statements 31 July 2015

### 7 Tangible fixed assets

	Freehold land £'000	Long leasehold land and buildings £'000	Rose Theatre improve- ments £'000	Other assets including fixtures and fittings £'000	Assets in the course of construction £'000	Total £'000
<b>Cost or valuation</b>						
At 1 August 2014	754	10,703	194	4,219	98	15,968
Transfers	—	—	—	42	(42)	—
Additions	—	—	—	401	38	440
At 31 July 2015	754	10,703	194	4,662	94	16,407
<b>Depreciation</b>						
At 1 August 2014	—	2,655	64	3,799	—	6,518
Charge for the year	—	204	4	247	—	455
At 31 July 2015	—	2,859	68	4,046	—	6,973
<b>Net book value</b>						
At 31 July 2015	754	7,844	126	616	94	9,434
At 31 July 2014	754	8,048	130	420	98	9,450
Financed by capital grants	—	3,856	—	135	—	3,991
Other	754	3,988	126	481	94	5,443
	754	7,844	126	616	94	9,434

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	754	9,303
	754	10,703

The transitional rules set out in FRS 15 Tangible Fixed Assets have been applied on implementing FRS 15. Accordingly, the book values at implementation have been retained.

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.

## Notes to the financial statements 31 July 2015

### 7 Tangible fixed assets (continued)

Land and buildings with a net book value of £8,802,000 and a cost of £11,457,000 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 Financial Memorandum with the Higher Education Funding Council for England. The total exchequer interest to 31 July 2015 is £1.174m (2014 – £1.537m). See note 12 for details of deferred grants held in respect of fixed assets.

On 8 November 1996 the College entered into a twenty year lease and lease back agreements with CVCP Properties plc whereby a market rent is payable and receivable in respect of the Rose Theatre building at Lamorbey Park, included in long leasehold land and buildings.

### 8 Subsidiary

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 and has remained dormant during the year.

### 9 Debtors

	2015 £'000	2014 £'000
Other debtors	171	179
Prepayments and accrued income	82	142
	<u>253</u>	<u>321</u>

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

	2015 £'000	2014 £'000
Secured bank loan (note 11)	167	81
H M Revenue and Customs	94	96
Other trade creditors	62	87
Pension creditors	64	62
Sundry accruals and deferred income	444	350
Advance fee income and deposits	244	242
	<u>1,075</u>	<u>918</u>

## Notes to the financial statements 31 July 2015

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

	2015 £'000	2014 £'000
Salix loan	35	—
Secured bank loan	843	272
	<b>878</b>	<b>272</b>
The loan is repayable as follows:		
. Within one year	181	81
. Between one and two years	181	91
. Between two and five years	288	181
. In five years or more	409	—
	<b>1,059</b>	<b>353</b>

The College has a £1m sterling loan with a term of 16 years from 2003 currently at 1% over Bank of England base rate from HSBC Plc.

During the 2014/15 year, the College successfully completed the lighting upgrade project as part of its carbon reduction strategy with the support of a Salix interest free loan of £56,000 for a term of four years. In July 2015 an additional long term bank loan of £750,000 with a term of 10 years at 1.39% over Bank of England base rate was taken out from HSBC PLC in preparation for future development and improvement to balance sheet liquidity.

All loans from HSBC Plc are secured on the leasehold property of the College and there is a fixed and floating charge over all assets of the College in favour of the bank.

### 12 Deferred capital grants

	Buildings £'000	Equipment £'000	Total 2015 £'000	Total 2014 £'000
<b>Higher Education Funding Council for England</b>				
At 1 August 2014	3,884	233	4,117	4,301
Capital allocation	92	—	92	50
Released to income and expenditure account	(120)	(98)	(218)	(234)
At 31 July 2015	3,856	135	3,991	4,117

### 13 Reserves

	Revaluation Reserve £'000	Revenue Reserve £'000	Pension Reserve £'000	Donation Reserve £'000	Total 2015 £'000	Total 2014 £'000
At 1 August 2014	805	4,123	(940)	384	4,372	4,117
Surplus for the year	—	61	30	(4)	87	192
Actuarial (loss) gain in respect of pension scheme	—	—	(211)	—	(211)	63
Transfer from revaluation reserve to general reserve in respect of depreciation of revalued assets	(10)	10	—	—	—	—
At 31 July 2015	795	4,194	(1,121)	380	4,248	4,372

## Notes to the financial statements 31 July 2015

### 14 Lease commitments

#### *Operating leases*

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

	2015		2014	
	Land and buildings £'000	Equipment £'000	Land and buildings £'000	Equipment £'000
Expires within 1-2 years	55	18	—	—
Expires within 2 – 5 years	—	—	55	18
	<u>55</u>	<u>18</u>	<u>55</u>	<u>18</u>

The commitment relating to land and buildings arises in respect of the lease and lease back agreements referred to in note 7.

### 15 Post Balance Sheet events

On 23 December 2013 the College entered into an agreement for lease with Purelake New Homes Limited for the construction of new student accommodation and conference facilities at Christopher Court, Station Road, Sidcup. The consultancy and legal costs paid by the College prior to 31 July 2015 amounted to £94,000. The completion took place on 1 September 2015 and on this date Purelake New Homes Limited granted a 35 year long term lease to the College.

### 16 Pensions and similar obligations

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

Total pension cost for the year:

	2015 £'000	2015 £'000	2014 £'000	2014 £'000
Teachers' Pension Scheme: contributions paid		302		299
Local Government Superannuation Scheme				
· Contributions paid	236		184	
· FRS17 charge	<u>(30)</u>		<u>22</u>	
Charge to the Income and Expenditure Account		206		206
<b>Total pension cost for the year</b>		<u>508</u>		<u>505</u>

The pension costs are assessed in accordance with the advice of independent qualified actuaries. The latest formal valuation of the TPS was 31 March 2012 and of the LGSS 31 March 2013.

**16 Pensions and similar obligations** (continued)

Contributions amounting £64,000 (2014 - £62,000) were payable to the schemes as at 31 July and are included within creditors.

***Teachers' Pension Scheme (TPS)***

*Introduction*

The Teachers' Pension Scheme ("TPS") is a statutory, contributory, defined benefit scheme. The regulations under which the TPS operates are 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 in England and Wales maintained by local authorities, to teachers in many independent and voluntary aided schools, and to teachers and lecturers in establishments of further and higher education. Membership is automatic for full time teachers and lecturers and from 1 January 2007 automatic too for teachers and lecturers in part time employment following appointment or a change of contract. Teachers and lecturers are able to opt out of the TPS.

*The Teachers' Pension Budgeting and Valuation Account*

Although teachers and lecturers are employed by various bodies, their retirement and other pension benefits, including annual increases payable under the Pensions (Increase) Acts are, as provided for in the Superannuation Act 1972, paid out of monies provided by Parliament. Under the unfunded TPS, teachers' contributions on a 'pay-as-you-go' basis, and employers' contributions, are credited to the Exchequer under arrangements governed by the above Act.

The Teachers' Pensions Regulations require an annual account, the Teachers' Pension Budgeting and Valuation Account, to be kept of receipts and expenditure (including the cost of pensions' increases). From 1 April 2001, the Account has been credited with a real rate of return (in excess of price increases and currently set at 3.5%), which is equivalent to assuming that the balance in the Account is invested in notional investments that produce that real rate of return.

*Valuation of the Teachers' Pension Scheme*

Not less than every four years the Government Actuary, using normal actuarial principles, conducts a formal actuarial review of the TPS in accordance with the Public Service Pensions (Valuations and Employer Cost Cap) Directions 2014 published by HM Treasury. The aim of the review is to specify the level of future contributions. Actuarial scheme valuations are dependent on assumptions about the value of future costs, design of benefits and many other factors. The latest actuarial valuation of the TPS was carried out as at 31 March 2012 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 on 9 June 2014. The key elements of the valuation and subsequent consultation are:

- employer contribution rates set at 16.48% of pensionable pay (including a 0.08% employer administration charge (currently 14.1%))
- an employer cost cap of 10.9% of pensionable pay will be applied to future valuations

**16 Pensions and similar obligations (continued)**

***Teachers' Pension Scheme (TPS) (continued)***

*Valuation of the Teachers' Pension Scheme (continued)*

- total scheme liabilities (pensions currently in payment and the estimated cost of future benefits) for service to the effective date of £191,500 million, and notional assets (estimated future contributions together with the notional investments held at the valuation date) of £176,600 million giving a notional past service deficit of £14,900 million
- the assumed real rate of return is 3.0% in excess of prices and 2% in excess of earnings. The rate of real earnings growth is assumed to be 2.75%. The assumed nominal rate of return is 5.06%

During the year the employer contribution rate was 14.1%. The TPS valuation for 2012 determined an employer rate of 16.4% from September 2015, which will be payable during the implementation period until the next valuation as at March 2016, whereupon the employer contribution rate is expected to be reassessed and will be payable from 1 April 2019.

*Scheme changes*

Following the Hutton report in March 2011 and the subsequent consultations with trade unions and other representative bodies on reform of the TPS, the Department published a Proposed Final Agreement, setting out the design for a reformed TPS to be implemented from 1 April 2015.

The key provisions of the reformed scheme include: a pension based on career average earnings; an accrual rate of 1/57th; and a Normal Pension Age equal to State Pension Age, but with options to enable members to retire earlier or later than their Normal Pension Age. Importantly, pension benefits built up before 1 April 2015 will be fully protected.

In addition, the Proposed Final Agreement includes a Government commitment that those within 10 years of Normal Pension Age on 1 April 2012 will see no change to the age at which they can retire, and no decrease in the amount of pension they receive when they retire. There will also be further transitional protection, tapered over a three and a half year period, for people who would fall up to three and a half years outside of the 10 year protection.

Regulations giving effect to a reformed Teachers' Pension Scheme came into force on 1 April 2014 and the reformed scheme will commence on 1 April 2015.



## 16 Pensions and similar obligations (continued)

### *Teachers' Pension Scheme (TPS) (continued)*

#### *Teachers' Pension Scheme Changes (continued)*

The pension costs paid to TPS in the year amounted to £302,000 (2014 - £299,000).

#### *FRS17*

Under the definitions set out in Financial Reporting Standard 17 (Retirement Benefits), the TPS is a multi-employer pension scheme. The College is unable to identify its share of the underlying assets and liabilities of the scheme.

Accordingly, the College has taken advantage of the exemption in FRS17 and has accounted for its contributions to the scheme as if it were a defined contribution scheme. The College has set out above the information available on the scheme and the implications for the College in terms of the anticipated contribution rates.

#### *London Government Superannuation Scheme (LGSS)*

The LGSS is a funded defined benefit scheme, with the assets held in separate funds administered by London Borough of Bexley Local Authority. The total contribution made for the year ended 31 July 2015 was £318,000 of which employer's contributions totalled £236,000 and employees' contributions totalled £82,000. The agreed contribution rates for 2014/15 are 15.8% for employers and between 2.75% and 12.5% for employees depending on pensionable pay.

The following information is based upon a full actuarial valuation of the Fund at 31 March 2014 updated to 31 July 2015 by a qualified independent actuary. The major assumptions used by the actuary were:

	2015 %	2014 %	2013 %	2012 %
Rate of CPI Inflation	2.2	2.3	2.4	2.1
Rate of increase in salaries	3.7	3.8	3.9	3.6
Rate of increase for pensions	2.2	2.3	2.4	2.1
Discount rate for scheme liabilities	3.7	4.2	4.5	4.3

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

	2015 Years	2014 Years
<i>Retiring today</i>		
Males	23.1	23.0
Females	25.5	25.4
<i>Retiring in 20 years</i>		
Males	25.4	25.3
Females	28.4	28.3

## Notes to the financial statements 31 July 2015

### 16 Pensions and similar obligations (continued)

#### *London Government Superannuation Scheme (LGSS) (continued)*

Amount recognised in the statement of total recognised gains and losses

	2015 £'000	2014 £'000
Actual return less expected return on pension scheme assets	(211)	63
Actuarial gain recognised in statement of total recognised gains and losses	(211)	63

Movement in deficit during year

	2015 £'000	2014 £'000
Deficit in scheme at 1 August 2014	(940)	(981)
. Current employer service charge	(244)	(221)
. Contributions	236	184
. Net interest on assets	38	15
Actuarial (loss) gain	(211)	63
Deficit in scheme at 31 July 2015	(1,121)	(940)

Asset and liability reconciliation

	2015 £'000	2014 £'000
<b>Reconciliation of Liabilities</b>		
Liabilities at 1 August 2014	5,049	4,696
Current service cost	244	221
Interest cost	217	214
Employee contributions	82	68
Actuarial losses	413	—
Benefits/ transfers paid	(121)	(150)
<b>Liabilities at 31 July 2015</b>	<b>5,884</b>	<b>5,049</b>

	2014 £'000	2013 £'000
<b>Reconciliation of assets</b>		
<b>Assets at 1 August 2014</b>	<b>4,109</b>	<b>3,715</b>
Expected return on assets	255	229
Employee contributions	82	68
Employer contributions	236	184
Actuarial gains	202	63
Estimated benefits paid	(121)	(150)
<b>Assets at 31 July 2015</b>	<b>4,763</b>	<b>4,109</b>

The estimated value of employer contributions for the year ending 31 July 2016 is £204,000.

Deficit contributions

The College has entered into an agreement with the LGSS to make additional contributions of £48,500 in 2015/16, £50,500 in 2016/17 and £52,600 in 2017/18 in addition to normal funding levels until the next full valuation at which point the situation will be reviewed again.

## Notes to the financial statements 31 July 2015

### 16 Pensions and similar obligations (continued)

#### *London Government Superannuation Scheme (LGSS) (continued)*

##### History of experience gains and losses

	2015 £'000	2014 £'000	2013 £'000	2012 £'000
Difference between the expected and actual return on assets				
. Amount	202	63	484	(93)
. % of scheme assets	4.2%	1.5%	13%	3.2%
. Amount	—	—	(73)	(181)
. % of scheme liabilities	0%	0%	1.6%	4.2%
Total amount recognised in statement of total recognised gains and losses				
. Amount	(211)	63	411	274
. % of scheme liabilities	3.6%	1.2%	8.8%	6.4%

### 17 HEFCE Hardship funds and Opportunity Bursary

The College received Hardship Funds and Opportunity Bursary from the Higher Education Funding Council for England for allocation to its students in accordance with stipulated criteria and the College acts solely as the paying agent. These funds are held in the College current account, interest is credited to these funds. They are not included in Rose Bruford College's financial statements.

The movement for the year is as follows:

	2015 £'000	2014 £'000
At 1 August 2014	1	1
Grants paid to students	(1)	—
At 31 July 2015	—	1

### 18 Students' Union

The Students' Union functions as an independent unincorporated club or society. Its financial transactions are not included within Rose Bruford College's financial statements.

The main source of income to the Students' Union is the grant contributed by the College of £8,000 (2014 - £8,000).

In accordance with the Education Act 1994, the Students' Union is required to publish donations and affiliations to external organisations. There were nil donations to external organisations (2014 - £nil). The only affiliation was to the National Union of Students of £250 (2014 - £250).

### 19 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.