

REGISTRAR OF COMPANIES

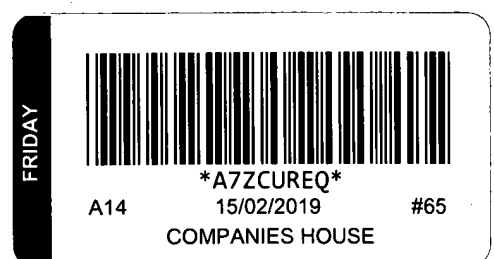


Annual Report and Financial Statements

31 July 2018

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

Charity Registration Number 307907



Contents

Legal and administrative information, key management personnel and board of governors	3
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Reports

Report of the Principal and Chief Executive	7
Operating and financial review	17
Statement of corporate governance and internal control	27
Governors' responsibilities statement	36
Independent auditor's report to the members of Rose Bruford College	38

Financial Statements

Statement of comprehensive income	42
Statement of changes in reserves	43
Balance sheet	44
Statement of cash flows	45
Principal accounting policies	46
Notes to the financial statements	53

The following pages do not form part of the audited statutory financial statements:

Detailed income and expenditure account	65
Schedules to the income and expenditure account	66
Grants receivable	68

Legal and administrative information, key management personnel and board of governors

Governors	Helen Bowles MBE Rod Brown Colin Campbell Paul Dale Rogan Dixon George Littlejohn Hassan Mahamdallie Don Massey Michael McCart Clarie Middleton (Principal) Samantha Perez-Lumbreras (staff) Professor Mike Saks Monisha Shah (Chair) Jennifer Sims Kathryn Southworth Cara Turlington Kevin Wallace Thomas Wilson (staff)
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Secretary	Ruth Bourne
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Company registration number	508616
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Charity registration number	307907
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Legal and administrative information, key management personnel and board of governors

Key management personnel

Key management personnel are defined as members of the College Leadership Team and were represented by the following in 2017/18:

Clarie Middleton, Principal and Chief Executive (From 8 January 2018)
Professor Michael Earley, Principal and Chief Executive (Retired 15 September 2017)
Dr Andrew Walker, Vice Principal, and Acting Principal (16 September 2017 to 7 January 2018)
Ruth Bourne, Secretary & Registrar
Karen Di Lorenzo, Director of Finance and Operations (From 11 June 2018)
Eugene McCrosslan, Interim Finance Consultant (6 October 2017 to 15 June 2018)
Olivia Wong, Director of Finance (Until 31 March 2018)
Dr Nick Hunt, Head of School, Design, Management & Technical Arts
Niamh Dowling, Head of School, Performance

Auditors

Internal	RSM Risk Assurance Services LLP 25 Farringdon Street London EC4A 4AB
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External	Buzzacott LLP 130 Wood Street London EC2V 6DL
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Bankers	HSBC Bank plc 38 High Street Dartford Kent DA1 1DG
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Legal and administrative information, key management personnel and board of governors

The Governors submit their report together with the financial statements of the College for the year ended 31 July 2018. The Principal's Report and the Operating and Financial Review also meets the requirements for a directors' report set out in the Companies Act 2006. Sections on 'Highlights of the Year', 'Financial review' and 'Principal risks and uncertainties' included within the 'Principal's Report' and 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'.

Introduction from the Chair of the Board of Governors

This has been a landmark year for Rose Bruford College.

For the first time in its history, Bruford awarded its own degrees to its graduating students. Designed by a student, the purple and green suffragette coloured gowns reflect the radical, exciting and creative spirit of this institution. A new Principal and CEO is in place, with a clear vision to ensure that Bruford continues to be world-class, while responding to the social, financial and regulatory challenges we face. Our common goal is to use Bruford's rich talent to deliver the highest quality of training to our students, challenging and inspiring them to develop their talent in a safe and supportive environment.

In her report, Principal Clarie Middleton mentions other significant achievements, notably our achievement of 'Gold' in the Teaching Excellence Framework (TEF), and the commitment of funding from the Catalyst Fund towards a new Centre for Digital Creation and Production. In 2017/18 Rose Bruford College was ranked as the safest institution in the university sector in London for the second consecutive year following the publication of *The Complete University Guide's 2017 Crime Tables*. Bruford was also recognised as being in the top 25 institutions world-wide for international Student Mobility.

Students continue to shine in their careers after Bruford, including Gary Oldman, who won the Oscar for Best Actor for his performance as Winston Churchill in *Darkest Hour*.

These and other successes are a tribute to the outstanding efforts, expertise and commitment of all who work at Bruford - support, administrative and academic colleagues alike. My fellow Governors and I are determined that Bruford will continue to be defined by its excellence.

Bruford's ethos of working in partnership applies equally to its national and international partners, as it does to the local community of Bexley that we are proud to be a part of. We are also grateful to our growing number of supporters and donors, academic institutions and industry employers, who work closely with us across all our activities. Ultimately however, Rose Bruford College is all about its students and the public purpose for which it exists; it is this that will define its enduring success.

Monisha Shah

Chair of Governing Body

Report of the Principal and Chief Executive Year to 31 July 2018

Principal's Report

At Rose Bruford College (RBC) we provide our students with an exceptional quality of experience and a training that is second to none. We offer a distinctive learning environment of international standing, delivering a rigorous specialist professional and vocational education of the highest quality. This has been recognised with a TEF Gold Award for our teaching excellence.

In 2017/18 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 850 students, both on campus and via online learning. 87.7% of our undergraduate students joined us from state schools, and 8.0% from low participation neighbourhoods. 13.4% of our students received Disabled Students Allowance.

We delivered over 185 performances of 75 productions to approximately 9,000 people both on and off campus.

Highlights of the year

All RBC achievements in 2017/18 have been accomplished against a background of unprecedented flux and uncertainty in the world of higher education, and in the wider political uncertainty posed by Brexit.

The new regulator of Higher Education, the Office for Students (OfS) has firmly focused the sector on the student experience, financial sustainability, transparency, value for money, and access and inclusion. We continue to work closely with partners in the sector and industry to deliver value for money to our students, while continually battling rising operational costs as a single-subject specialist institution. Delivering a high quality Student Experience and good levels of Access and Inclusion are two of our major strategic objectives, and we view the relationship with our students/learners as one of partnership.

We await the impact of new and evolving policy and regulation, including subject level TEF, the Post-18 Review, the next Research Excellence Framework (REF) evaluation in 2021, Brexit and student visas.

Staffing

During the nine months from October 2017 the College undertook a major financial review of all its activities. This involved the examination of all cost centres and revenue sources, and as part of the process the College instigated a restructuring of academic staffing with a view to a more cost-effective delivery of the curriculum.

Report of the Principal and Chief Executive Year to 31 July 2018

Highlights of the year (continued)

In September 2017 Professor Michael Earley retired from the College and Dr Andrew Walker became Interim Principal and Chief Executive. In January 2018 Clarie Middleton was appointed to the position of Principal and Chief Executive on a permanent basis.

Finance Director Olivia Wong left the College in March 2018, and in June 2018 RBC appointed Karen Di Lorenzo as the new Director of Finance and Operations.

Centre for Digital Creation and Production

Early in 2018 the College heard that it had been successful in its bid to the HEFCE Catalyst Fund for £941,352 towards a new Centre for Digital Creation and Production. This will allow us to develop new programmes and attract new students at both undergraduate and postgraduate level, as well as a substantial CPD offering. The Centre will be completed in the early autumn 2019 and enrol its first cohort of undergraduates in the 2020/21 academic year.

The equipping of the new Centre will be undertaken with support in kind from our many generous technical partners in the industry.

Learning, Teaching and Student Support Strategy 2018-21

The College's new Learning, Teaching and Student Support Strategy was developed through the academic year and approved by the Academic Board.

The core themes identified within the Strategy comprise the following:

1. Promoting flexibility in learning and teaching;
2. Advancing digital strategy and infrastructure;
3. Embedding professional preparation;
4. Collaboration between academic and support staff;
5. Enhancing continuing professional development.

Three cross-cutting priorities permeate these themes:

- a.) Embedding a culture of diversity and inclusivity;
- b.) Building partnerships with industry, other organisations and alumni;
- c.) Fostering research-led learning and teaching of all kinds.

Highlights of the year (continued)

Access and Inclusion

As is clear from the College's strategic plan, in our submission to the Office for Students and in line with the institution's proud history, we continue to champion widening participation initiatives as well as seeking to ensure inclusion, equality and diversity issues are embedded within the College's work.

During the year we awarded bursaries, counselling and hardship support totalling over £116,000; and, through the Audition Fee Remission Policy, the College offered applicants from households with an income under £25,000 the opportunity to audition for free.

In partnership with London South East Colleges (LSEC) a formal access to HE Diploma in Production Arts was developed and has been launched in September 2018. The purpose of this initiative is to provide opportunities for students from traditionally hard-to-reach groups to return to education and to enable them to access routes into higher education. This new scheme will provide students with ways into studying on a number of our Design, Management and Technical Arts programmes following successful completion of the Diploma.

Throughout 2017/18 Rose Bruford College partnered with Graeae on the second stage of their Ensemble Project, a pioneering artist development programme for young D/deaf and disabled people passionate about theatre. If they do not identify as D/deaf or disabled, but have found it difficult to train or work in theatre due to a lack of access support, the programme is still open to them.

The programme is delivered by Graeae together with London's leading drama schools, arts organisations and freelance theatre artists. These partnerships are founded on a mutual vision and passion to create an inclusive and diverse theatre environment where D/deaf and disabled artists are part of the industry's future and recognised as part of the most passionate and talented artists.

The training is tailored to the interest of each year's artists and has included:

- ◆ Performance Techniques
- ◆ Creating Theatre for Social Change
- ◆ Technical Theatre Skills
- ◆ Approaches to Classic and Contemporary Texts
- ◆ Actor Preparation (breathing, movement, characterisation)
- ◆ Workshop Facilitation
- ◆ Physical Theatre
- ◆ Voice
- ◆ Approaches to Directing
- ◆ Auditioning Techniques
- ◆ Immersive Theatre

Ensemble artists are paired with a creative mentor and also offered regular networking opportunities and theatre trips, as well as ongoing support from Graeae beyond the programme. Ensemble artists have gone on to work in the industry as award nominated performers, theatre makers, assistant directors, workshop facilitators and realising their own productions.

Report of the Principal and Chief Executive Year to 31 July 2018

Highlights of the year (continued)

Access and Inclusion (continued)

Access support is provided across the programme, through, for instance access workers and sign language interpreters. Travel bursaries are also available for artists facing barriers to accessible transport within London. Ensemble is based at Graeae in Hackney, London and at various accessible venues, campuses, and locations across London. This training programme is free of charge.

The College's BA (Hons) American Theatre Arts (ATA) programme continued to develop its outreach projects with local organisations. In February 2018, second year students performed a self-devised Theatre for Young Audiences piece for schools in association with Greenwich & Lewisham Young People's Theatre at the Tramshed, Woolwich. A second group held creative movement workshops directed by Jo Frater of 'Confidance' in local schools with young people on the autism spectrum. These pupils were then invited to attend workshops on campus and as part of the College's Symposium 2018.

The College's symposium 2018 programme entitled New Horizons: Testament, Transitions, Transformation welcomed approximately 50 national and international visitors from outside the institution from the industry and academe. Theatre for Social Change emerged as a major theme of the Symposium through the connections made between the contributions of the international academic guests, practitioners from PAN Intercultural Arts, the work of the College's outreach department, the students of the RBC BAME Society, and guest practitioners and scholars. A prominent exhibition during Symposium, open to all visitors to the event, was entitled Celebrating Black... Asian... Other... culturally diverse theatre in the UK.

Mental Health

RBC was the first drama school to sign up to the Time4Change Mental Health Charter in 2017 and has been actively involved in leading the discussion around mental health and well-being not only on campus but also across the Federation of Drama Schools.

Fourteen trained Mental Health First Aiders from teaching and non-teaching staff work alongside our Student Services team to support students. We also have a dedicated 'well-being room' for students, staff and our counselling team.

Regular sessions are held to discuss how we talk about and remove the stigma around mental health not only at College but as professionals in the industry.

Rose Bruford College Degrees

The 2017/18 academic year has also been a significant one as it is the first year that we have awarded our own degrees having achieved Taught Degree Awarding Powers (TDAP) in 2017 – the initial step in a five-year strategic development plan that looks to even further augment our offer to students, to ensuring that all of our programmes are as accessible and inclusive as they can be, and to the continued enrichment of the experience of the students who study with us.

Highlights of the year (continued)

Rose Bruford College Degrees (continued)

The first cohort of students graduated with a Rose Bruford College degree at our Graduation Ceremony on 14 September 2018. Over 82% of graduating students opted to graduate with a RBC degree.

Part of this planning for the future is work towards the achievement of full university status within the next few years. All of these advances will enhance our position as a leader in the theatre, event and performance higher education and training sector.

National Student Survey(NSS)

In July 2018 the College received its annual NSS results. RBC's overall satisfaction score (87%) was four percentage points above the national average, and one percentage point above last year's score. The overall satisfaction score for the College was seven percentage points above its benchmark. The response rate of the College's eligible students to the Survey (76%) was considerably above the national average of 70%.

Student and Alumni Success

We are very proud of our alumni achievements which last year included Gary Oldman's Oscar in March 2018 and a much-lauded dramatic contribution to the 70th anniversary Windrush celebration directed by Roy Alexander Weiss and narrated by David Ajao. There was also success for recent graduate, Linnea Friden Gronning, who won a National Stage Management Association award.

Other recent student/alumni successes include:

- ◆ Ken Omole (Acting Grad 2016) nominated for Stage Debut Award for Royal National Theatre Barbershop Chronicles.
- ◆ Tom Mothersdale (Acting Grad 2009) playing The Wolf opposite Lesley Sharp in The Woods at The Royal Court (September/October 2018).
- ◆ Jessica Warbeck (Actor Musicianship Grad 2014) Desdemona in Othello at the Globe (July – October 2018).
- ◆ Hayley Squires (Acting Grad 2010) in The Lover in the Pinter season at The Harold Pinter Theatre - Ron Cook and Tom Edden (Acting Grad 2000) also in the season (from October 2018).
- ◆ Ellie Kane (Actor Musicianship Grad 2018) in Fun Home at the Young Vic (June-September 2018).
- ◆ Rosalie Craig (Actor Musicianship Grad 2000) playing the lead in Company Gielgud Theatre (from October 2018).
- ◆ Julia Frith (Acting Grad 2018) in Mischief Theatre's Comedy about a Bank Robbery National Tour (October 2018 – April 2019).
- ◆ Molly Harris (Acting Grad 2018) has filmed two Hollywood movies, Monsoon, and Artemis Fowl (summer 2018).

Highlights of the year (continued)

Student and Alumni Success (continued)

- ◆ Nick Karimi (Acting Grad 2006) and Tom Pickles (Acting Grad 2012) playing Antipholus and Dromio in RSC's Comedy of Errors (October – December 2018).
- ◆ Shiloh Coke (Actor Musicianship Grad 2014) in Emilia at The Globe (summer 2018), and Misty Bush Theatre, transferred to Trafalgar Studios (September – October 2018).

100% of the 2018 BA (Hons) Acting graduates and 100% of the 2018 BA (Hons) Actor Musicianship graduates eligible to work in the UK have had agent offers or progressed directly into employment.

Edward Scragg, a third year lighting design student, has been an outstanding ambassador for the College and for his programme on Technicians Make it Happen, run by the Gatsby Charitable Foundation. He represented the College and his discipline at major national events throughout the year, amongst them New Scientist Live and the Great Exhibition of the North.

During the year two of our MA students won prestigious Awards: Zandile Darko won an award from the German Academic Scholarship Foundation for Outstanding Academic and Personal Promise; and Julene Robinson (Jamaica - Ensemble Theatre) was awarded an Exceptional Talent Visa from the Home Office to enable her to continue to develop her work in the UK and Europe.

A second year group of 26 students, including eight Americans on the ATA's exchange programme, also performed the premiere of Somewhere in England, a site-specific piece written for Sidcup Manor House, where the production ran for four nights in April as part of the College Symposium.

A European Theatre Arts (ETA) 2018 graduating company, Living House, presented Come to Daddy at the Edinburgh Fringe Festival at Summerhall in August 2018 and received excellent reviews. The show was devised by third year ETA students as part of the ETA curriculum and was directed by Sammy Metcalfe (Sleepwalk Collective).

The Actor Musicianship Programme produced their first piece of student led work, Wondertown, which was written, directed, composed, arranged and choreographed by members of the third year student cohort. This was a huge achievement for the students and we very much hope to continue with this kind of initiative.

Our first cohort of RBC Foundation Course Actors graduated in Acting this year from RADA, Italia Conti, Rose Bruford College and Mountview. We have developed from one group of 18 in 2014 to 3 groups totalling 52 in Edinburgh, Folkestone and Sidcup in 2018/19. In 2019/20 we hope to expand by adding courses in Brighton and Belfast.

Safe Campus

In 2017/18 Rose Bruford College was ranked as the safest institution in the university sector in London for the second consecutive year following the publication of The Complete University Guide's 2017 Crime Tables.

International Mobility

RBC continues to make extensive use of the European Commission's Erasmus+ scheme to support and extend the curriculum and opportunities for students' training and development.

Highlights of the year (continued)

International Mobility (continued)

In 2017-18 academic year RBC sent 63 undergraduate students (predominantly from the second year) on European Mobilities to 13 different destinations in 7 different countries. This included both study at partner institutions and traineeships at professional enterprises. RBC staff (academic and support) undertook a total of 54 days of outward teaching and training mobility further strengthening their professional skills and RBC's relationship with partners.

For 2017-18, RBC was recognised as being in the top 25 institutions world-wide for Student Mobility (U-Multirank report). This encompasses both Erasmus+ activity (within and outside the EU) and bilateral exchanges with partners in the USA. By graduation, 31% of RBC undergraduate students had undertaken at least one mobility in their undergraduate cycle. This compares with a current average UK HE mobility of 6.6% of UGs, and the British Council target of 13.2% of UG's mobile by 2020.

In September 2017, nine third-year European Theatre Arts students were invited to perform Wyspianski's *The Wedding* at the International Festival of Wandering Theatres at the European Centre of Theatre Studies, Gardzienice, in Poland. The invitation followed a successful placement of these students in Gardzienice, training under W. Staniewski and the actors of Gardzienice Theatre Company. The partnership between Rose Bruford College and the European Centre of Theatre Studies Gardzienice will continue in 2018-19 with 12 second-year students training in Gardzienice as part of their Erasmus + training placement.

Several ETA 2018 graduates are already performing with international theatre companies:

- ◆ Tiffer Hutchings with Ontroerend Goed, Belgium;
- ◆ Paige Baker Carroll with Gardzienice, Poland;
- ◆ Grace Lockwood with Hans op de Beeck, Belgium;
- ◆ Curtis Gault with Instability Vaganti, Italy.

The American Theatre Arts programme 2017-18 also saw the pilot year of a new exchange partnership with the University of North Carolina, Wilmington (the sixth American institution now linked with the ATA). The exchange saw 5 students cross from each school to spend a semester with their hosts. The partnership continues this year.

Niamh Dowling and Dr Nick Hunt visited the Institute of Art and Culture in Tashkent, Uzbekistan, financed by the British Council. Niamh worked with a small group of voice and movement teachers there who then visited Rose Bruford College in December. Nick Hunt examined the potential for the Institute of Arts and Culture in setting up an Arts Management Programme which would have a term at Rose Bruford College. Alongside this, Nick explored the potential of offering DMTA areas of training in the region.

The Lighting Design programme has been successful in building strong new links with two European teaching institutions: LISPA in Berlin (alongside the existing joint MA provision), and Jönköping University in Sweden. Both partnerships are informing two new programmes currently in development – the BA Lighting Design: Space and Architecture, and the MA Light.

Highlights of the year (continued)

Community Engagement

As a community-spirited College we work closely with London Borough of Bexley residents, businesses, schools, and organisations and have been able to participate in, support, or offer a number of initiatives over the last year including:

- ◆ Attendance at a commemorative service celebrating the centenary of Queen Mary's Hospital which included readings by Rose Bruford College students and Dr Andrew Walker, Vice Principal;
- ◆ Held a Charity Performance in autumn 2017 for Mayor of Bexley's chosen charity;
- ◆ Represented on the London Borough of Bexley Learning, Skills and Employment Board;
- ◆ Represented on the London South East Colleges Employment and Skills Advisory Board;
- ◆ Represented on local Education to Business Forum;
- ◆ Attendance at the London Borough of Bexley 'Bexley Plan Workshop';
- ◆ Attendance at Chislehurst and Sidcup Grammar School, Blackfen School for Girls, and Cleve Park School careers events;
- ◆ Held an Open House London Event attracting 98 local residents and families to tour Lamorbey House, the campus and grounds;
- ◆ 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 play for 60 Year 6 children in July. 300 pupils from Burnt Oak Junior School and Chatsworth Infant School attended the production as well as parents.

RBC staff individually participate in external events on behalf of the College above and beyond their deployment, which include editing publications, running free workshops, sitting as charity trustees, external examiners or as school governors, mentoring recent graduates, and working with young people who do not have access to high quality arts provision or with those who would not consider HE as an accessible pathway.

Many staff and students also pursue their creative specialism through community-related work and public engagement events:

- ◆ The Programme Director for Theatre Design designed the set and costumes for an intergenerational community production of Primary, with London Bubble, which was the culmination of a two-year verbatim project looking at the experiences past and present, in primary schools.
- ◆ The Head of School for Design, Management & Technical Arts and the Programme Director for Lighting Design collaborated to produce an interactive light installation/performance, Traces, at the public art exhibition Flux.
- ◆ Theatre Design staff and students worked with elders from the London Bubble's Creative Homes programme, designing and making costumes for them, based on the creative projects the elders were engaged in. The costumes went on to be worn at the elders' event during Creativity and Wellbeing Week in May 2018.
- ◆ The Stage Management programme piloted a volunteer placement opportunity on the Theatre for Young Audience's Season in which a long-term participant of Lewisham Youth Theatre was given the role of assistant stage manager.

Highlights of the year (continued)

Community Engagement (continued)

- ◆ The Acting and Actor Musicianship BA (Hons) programmes undertook a Theatre for Young Audiences Season touring schools, colleges and community settings in London Boroughs and parts of Kent.
- ◆ Working in collaboration with Rose Bruford College, Lung Theatre, Queen's Theatre Hornchurch, and Havering Virtual School participated in the development of a production that explored the stories of those who are Looked After or in Care. The production was so successful that the Havering local authority want to use it as part of their training package for foster parents.
- ◆ The BA (Hons) Lighting Design Programme led on a number of engagement initiatives including: students working with Jason Bruges Studios on light installation for Hull City of Culture, a major free community event visited by an estimated 100,000 people; working with Michael Hulls/Akram Khan Company to provide community-based student traineeship opportunities; and working with the Bob Hope Theatre in Eltham to support the amateur and community work there through student placements and work opportunities.
- ◆ RBC held its annual Summer School in collaboration with Stratford Circus and delivered by academic staff from UEL, the Lab Collective, a professional theatre designers and RBC student ambassadors. The project took place in two stages: firstly, offering young people the opportunity to learn youth arts project management, and to develop and plan a summer school presented in a dragon's den style pitch that was voted for by Stratford secondary schools. The winning pitch then formed the basis of the summer school.

Postgraduate Programmes

A number of exciting new postgraduate programmes have been developed following our award of TDAP.

The MA/MFA Collaborative Theatre Makers ran in central London in collaboration with Told by an Idiot. Embedded in the curated world of the company, the programme offered students an extraordinary range of professional workshops/shows and networks. Tutors included Paul Hunter, Stephen Harper, Wardrobe Ensemble, Annie Fitzmaurice, Caroline Horton and John Wright. The practical part of the programme culminated in a performance in The Ugly Duck at Tanner Street.

The MA/MFA Devised Theatre programmes running with LISPA in Berlin have had a very successful inaugural year with 13 students based in Berlin for the whole programme. Embedded in the creative hub of Eden Studios the programmes have included modules run by LISPA and modules taught by Rose Bruford College. This has opened an excellent model for delivery of programmes outside of the campus and indeed internationally.

2017/18 was the inaugural year for the new MA in Actor/Performer Training. This initial cohort totalled 19 students representing the USA, Spain, Portugal, Brazil, Germany, UK, France and Denmark. The programme was based in Central London at Theatre Deli in Liverpool Street and in St Barnabas Church in Dalston.

Highlights of the year (continued)

Postgraduate Programmes (continued)

The programme benefited from a series of wonderful collaborations with leading practitioners and international organisations and partners: Vaca35 from Mexico; CASA Latin American Theatre Festival; Robert Stura and the Rustaveli Theatre in Tbilisi, TAFU University in Georgia; John Yorke of the BBC; Alex Byrne of NIE; the V and A; Ladgari Ensemble, Georgia; Ialoni Ensemble, London and Georgia.

We undertook an outstanding Expedition to Georgia working in Tbilisi and the Svaneti Region. Our students established a number of exciting on-going projects with practitioners and institutions in Georgia.

Out of the Georgia Expedition a new theatre piece was developed *Ur – Mèdeia* that was premiered to 4 * reviews at our Summerhall venue during the Edinburgh Festival.

2018/19 and beyond

As Rose Bruford College moves into the 2018/19 academic year we are looking forward to a period of increased resilience and strategic growth within the next three years as we progress towards full university status.

We will be reviewing our existing curriculum to ensure that all our programmes are providing the absolute best learning and personal development experience for each of our students, are fully accessible and inclusive (including equality impact testing each programme), are providing an excellent springboard for the students to progress into employment, and are both value for money for the student and delivered cost effectively for the College.

Alongside this we will be researching and developing new programmes for the curriculum to be introduced over the next five years, together with new and flexible modes of delivery. All of these developments will be designed to reinforce RBC's distinct offer and to enhance the accessibility and inclusivity of the College.

Clarie Middleton

Principal and Chief Executive Officer

Operating and Financial Review Year to 31 July 2018

Mission

Our mission is to provide a stimulating, collaborative learning environment of international standing, delivering specialist professional and vocational education and training that promotes creativity, experimentation, diversity, and excellence.

Strategic report

During 2017-2018 the College has continued to deliver the vision and values approved in May 2017 by the Board of Governors as our Strategic Vision for the years ahead. Rose Bruford College of Theatre and Performance is at the forefront of British drama and theatre training and with a growing reputation around the world. We welcome national and international students on to both BA and MA degree programmes in performance, design, management and technical arts and short-term courses, summer schools and foundation diplomas. We use theatre training to help build global partnerships and communities, working worldwide with partner institutions on student and staff exchanges, collaborative projects and wider research initiatives. We are training future graduates who will see the world stage as their future workplace.

Rose Bruford College has always been an innovator and leader in the field of training. Proud of its history of innovation that saw Rose Bruford College introducing the UK's first university-level BA degree in Acting in the 1970s and the first BA in Lighting Design in the 1990s, Rose Bruford College continues to push the boundaries of training in performance and technical theatre, making it one of the world's leading drama conservatoires and one of the UK's largest in terms of student numbers and the variety of its professional training options.

The College prepares its performance graduates for a career on stage and screen and its design, management, craft and technology graduates for production roles across the wider entertainment industries. With an established portfolio of separate acting and performance options at undergraduate and postgraduate levels, a large range of technical theatre and management undergraduate programmes and two online undergraduate degrees, we train some of the best talents making theatre and live performance today around the world.

As the College embraces the changes caused by reduced government funding and HE legislative changes, the fallout of Brexit, and wider competition from new providers entering the HE market, the College aims to set a strategic course that delivers financial sustainability while maintaining and promoting our unique identity.

Whilst appreciating that we must make our future sustainable we recognise that this cannot be at the cost of our integrity as a College or making what we offer unaffordable to those we want to attract. Our growth over the next five years is paramount to the continuation of the College. We have used the freedoms conferred by our 2016 award of Taught Degree Awarding Powers (TDAP) to develop and introduce new post-graduate programmes in acting and performance, and to begin the process of revisiting our programmes to keep step with our priorities as well as developments in a fast-changing industry.

Values

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

Strategic report (continued)

Values (continued)

Our values as articulated by staff and students are the foundation of Rose Bruford College and the ones we will work to maintain: respect, collaboration, integrity, diversity and equality, trust and transparency. Staff at Rose Bruford College want to have an impact and make a difference for future generations and this is reflected in the current and planned future programmes, the staff we attract, the students who come here, the professional partnerships we sustain, our research, our collaborators, and our international partners.

Vision

Building on our founding belief that teaching, learning, creative practice, arts and industries all speak one to another, our vision for Rose Bruford College of Theatre and Performance is for an institution that is:

Committed to creating social and cultural as well as artistic and economic value, through programmes whose graduates can innovate and lead change as well as meeting current professional needs, through research about and through practice which creates impact in the industries and wider society, and through industry and social engagement;

Diverse, equal and inclusive, with a diverse student and staff body, offering ladders of opportunity through partnerships with schools, colleges and other organisations, and a curriculum with diversity at its centre. We believe that the performing arts and industries rely on the richness and innovation that diversity brings;

Distinctive, offering a portfolio of programmes that recognises, values and celebrates the interconnections between diverse performance forms: theatre, events, live music and digitally mediated performance, where all programmes have a highly distinctive and diverse curriculum, and by making use of our unique campus;

International in its scope, with global collaborative partnerships for the shared delivery of programmes and student and staff exchange, an internationally diverse student body, and an internationally relevant curriculum.

Our Commitment

- A. To create social and cultural as well as artistic and economic value, through programmes whose graduates can innovate and lead change as well as meeting current professional needs, through practice-research which creates impact in the industries and wider society, and through industry and social engagement.
- B. To become a diverse, equal and inclusive institution, with a diverse student and staff body, offering ladders of opportunity through partnerships with schools, colleges and other organisations, and a curriculum with diversity as an organising principle.
- C. To place learners at the centre of the College, by developing a College structure that actively support students, scholars, practitioners and researchers.
- D. To develop as an institution international in scope, with global collaborative partnerships for the shared delivery of programmes and student and staff exchange, an internationally diverse student body, and an internationally relevant curriculum.

Operating and Financial Review Year to 31 July 2018

Strategic report (continued)

Our Commitment (continued)

- E. To provide a supportive working environment for all our staff, with opportunities for career development.
- F. To become an efficient, effective organisation with robust strategic financial planning and a campus that meets the College's growing needs.

Financial review

The financial statements presented to the Board of Governors reflect the results of the College for the year ended 31 July 2018 and accompany the operational review of the year set out in the Principal's review.

The College's Statement of Comprehensive Income for the year to 31 July 2018 shows an overall surplus of £539k (2017: deficit of £312k). This surplus is after one off restructuring costs of £207k (2017: £nil), non-cash pension actuarial gains of £816k (2017: gain of £214k) and non-cash service costs and interest charges (FRS 102 adjustments) of £236k (2017: £194k).

After removing these items, the 2018 surplus of £166k shows a recovery in the financial position from the equivalent 2017 deficit of £332k.

	£000s 2015-16	£000s 2016-17	£000s 2017-18
Overall surplus (deficit)	33	(526)	(277)
FRS 102 adjustments	100	194	236
Restructuring costs	—	—	207
Operational surplus (deficit)	133	(332)	166

Income

The College has successfully grown earned income to replace the first stages in the reduction in specialist institution teaching grant income from the Office for Students, which reduced grant income by 25.9% to £1,241k (2017: £1,675k).

All Home/EU undergraduate students are now paying new-regime fee levels and the resulting 5% increase in income from Home/EU full time undergraduates (2018: £4,829k, 2017: £4,602k), together with a 211% increase in income from postgraduate students (2018: £249k, 2017: £80k), led to a 9.6% growth in tuition fee income to £6,449k (2017: £5,882k). Overall income has grown by 23.9% since 2014.

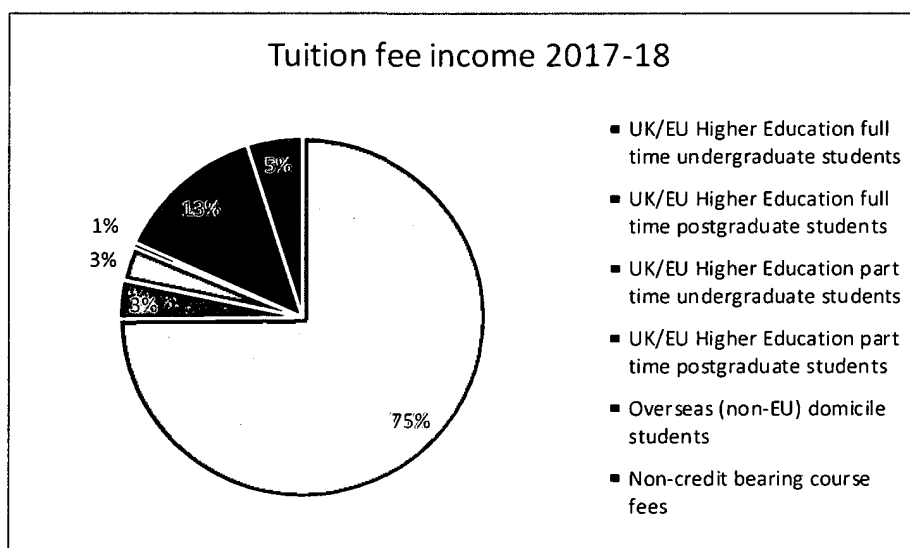
Operating and Financial Review Year to 31 July 2018

Financial review (continued)

Income (continued)

	£000s 2012 - 13	£000s 2013 - 14	£000s 2014 - 15	£000s 2015 - 16	£000s 2016 - 17	£000s 2017 - 18
Funding Council Grants	3,129	2,526	1,822	1,819	1,675	1,241
Tuition fees	3,810	4,758	5,933	5,954	5,882	6,449
Other income	503	323	390	1,679	1,692	1,737
Investment income	2	2	2	4	2	1
Total income	7,444	7,609	8,147	9,456	9,251	9,428

Income from tuition fees remains the largest income stream, with income from UK and EU full time undergraduates remaining the most significant element at 75% of total tuition fee income.



The increased income reflects a successful year for student retention and recruitment, with particular growth in postgraduate student numbers and an increase in international student numbers on the prior year:

	2012 - 13	2013 - 14	2014 - 15	2015 - 16	2016 - 17	2017 - 18
Student numbers						
Full time Home and EU undergraduate students	552	556	551	523	517	516
Full-time Home and EU postgraduate students	1	11	19	3	8	32
Overseas (non-EU) students	47	58	43	63	51	58
Part-time students	175	145	172	139	114	136
Non-credit bearing students	41	60	97	92	84	130
Total student numbers	816	830	882	820	774	872

Operating and Financial Review Year to 31 July 2018

Financial review (continued)

Expenditure

Within expenditure, staff costs totalling £4,853k (note 4, 2017: £4,772k) remain the largest share of expenditure at 50% (2017: 49%). Staff costs include £185k of FRS 102 adjustments to reflect the accrued costs of the pensions scheme (2017: £142k), and £207k exceptional expenditure on restructuring, reflecting decisions taken in July 2018 to change staffing structures in specific areas to enable the College to operate more efficiently. The College reduced other operating expenditure by £81k (2%) by making targeted economies across many areas of administrative activity.

	£000s 2012 - 13	£000s 2013 - 14	£000s 2014 - 15	£000s 2015 - 16	£000s 2016 - 17	£000s 2017 - 18
Staff Costs	4,012	4,272	4,625	4,849	4,772	4,853
Other Operating Expenditure	2,812	2,717	3,046	4,026	4,463	4,382
Depreciation	350	104	455	495	479	401
Interest payable	29	24	44	53	63	69
Total expenditure	7,203	7,117	8,170	9,423	9,777	9,705

Capital grants

At the year end the College was holding deferred capital grants of £3,660k applicable to the Rose Theatre, the new redevelopment project at Lamorbey Park Site and HEFCE capital allocations. Funds held for future development include £37k received as a first payment in respect of our £941k Catalyst award from the Office for Students for the development of a digital creation and production hub.

Fixed assets

The College has total fixed assets of £8,671k (2017: £9,018k). The College incurred expenditure of £54k during the year to replace or enhance assets.

Cash flow

The statement of cash flows shows a net increase in cash of £399k (2017: decrease of £255k) and a net cash inflow from operating activities of £546k (2017: £95k).

Reserves policy

The accumulated revenue reserve of £3,787k represents the net unrestricted funds at the College's disposal.

The Governors have made a strategic decision to continually invest in fixed assets that are used to both enhance the student experience and to support our aims to diversify income and generate additional unrestricted funding. As such the majority of these funds are represented by fixed assets and their associated borrowing.

The College continues to work on enhancing its income generation, and has plans in place to further grow earned income from tuition fees with a streamlined cost base.

Financial review (continued)

Reserves policy (continued)

Grant income will stabilise in 2019-20, and from this point onwards the College is forecast to return to profitability and to generate unrestricted surpluses to create a stable base on which to build over the course of the following years.

Going concern

The College's activities, together with the factors likely to affect its future development, performance and position are set out in the Report of the Principal and Chief Executive on page 5 to 15. The financial position of the College, its cash flows, liquidity position and borrowing facilities are described in the balance sheet and statement of cash flows on pages 43 and 38.

Building on the operational surplus of £166k generated in 2018 after FRS adjustments and restructuring costs, the College's current forecasts, which take account reasonable sensitivities in relation to key risks and the impact of the government funding changes, show a return to surplus over the next two years and the rebuilding of sufficient reserves over the coming five years to support the strategic expansion outlined in the Principal's report.

On this basis, the Board of Governors considers that the College has adequate resources to continue in operational existence for the foreseeable future and for at least 12 months from the date of signature of these financial statements.

Principal risks and uncertainties

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

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

Outlined below are the College's current top three risks, together with the mitigation processes in place to address them.

Risk number 1: Failure to deliver additional income streams

Additional income streams are being developed so as to reduce the College's reliance upon grant income from the Office for Students and undergraduate student fee income. It is important for additional income streams to be developed to support the continuing operation of the College's resource-intensive programmes of study and to enable future growth.

Mitigation in place: The development of a number of non-credit-bearing courses; the implementation of a full programme of Summer School activities; the introduction of a range of new postgraduate programmes; and the implementation of some significant cost-cutting measures.

Risk number 2: Insufficient or ineffective strengthening of the College's learning services, particularly ICT related.

ICT provision does not meet the needs of all programmes and learners, or the College's business needs. This could result in a negative effect upon student recruitment.

Financial review (continued)

Principal risks and uncertainties (continued)

Risk number 2: Insufficient or ineffective strengthening of the College's learning services, particularly ICT related (continued)

Mitigation in place: A recent review of the College's ICT provision has been conducted by an external consultancy. A number of actions have already been taken as a consequence of this and we are developing longer term solutions which we aim to implement during the coming academic year to enhance the Virtual Learning Environment and to improve the service to students.

Risk number 3. Student employability results fall significantly below levels of comparator institutions

This risk has a higher impact rating than in the past, due to its increased importance for the Office for Students in its assessments of HEI performance. Failing to ensure that graduates are successfully entering employment in this sector could have a deleterious effect upon recruitment and upon key external performance indicators, such as the Teaching Excellence Framework.

Mitigation in place: The College enjoys close relationships with a wide range of partners in the performing arts industry. Employer engagement forms an important part of all aspects of the College's curriculum development and review activities. Industry-related visits and placements are included in much of the College's academic provision. Strategies are being implemented in order to strengthen ties with the College's alumni – both recent graduates and also those who are now well-established in their careers.

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.

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

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.

Trade union facility time

Per the provisions of the Trade Union (Faculty Time Publication Requirements) Regulations 2017, the time spent by relevant officials on trade union duties in the year to 31 March 2018 was as follows:

Relevant union officials

Number of employees who were relevant union officials during the period	Full-time equivalent employee number
3	2

Percentage of time spent on facility time

Percentage of time	Number of employees
0% - 1%	3

Percentage of pay bill spent on facility time

Total cost of facility time	£1,213
Total pay bill	£4,853,000
Percentage of the total pay bill spent on facility time	<0.01%

Paid trade union activities

Time spent on paid trade union activities as a percentage of total paid facility time hours	0.02%
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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 2017/18

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

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

Operating and Financial Review Year to 31 July 2018

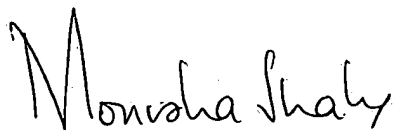
Disclosure of information to auditors

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 Governing Body *Monisha Shah*

Approved on: 22 November 2018

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 within the meaning of Part 3 of the Charities Act 2011, charity registration number 307907. The Governors, who are also the Trustees for the purposes of the Charities Act 2011, confirm that they have had due regard for the Charity Commission's guidance on public benefit and that the required statements appear elsewhere in these financial statements. 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 Office for Students and the Higher Education Funding Council for England and tuition fee income from students.

On 20 November 2015, the College changed its name to Rose Bruford College of Theatre and Performance.

Governors

The Governors of the College are Directors under the Companies Act 2006. The members who served on the Board of Governors (the Board) during the year and up to the date of signature of this report were as listed in the table below. Terms of office were reviewed by the Board and confirmed on 10 May 2018 for all Governors as below:

	Dates of Appointment/ Reappointment	Total years	Date of leaving	Status of appointment	Committees served	Attendance at FGB meetings 2017-18
Monisha Shah	09-03-15 10-05-18	8		Independent	<i>FGB</i> <i>RC, GC</i>	100%
Rod Brown	03-07-14 10-05-18	8		Independent	<i>ESC</i> <i>FGC</i>	67%
Colin Campbell	04-07-09 31-07-13 21-09-17 10-05-18	9		Independent	<i>RC</i> <i>AC</i>	33%
Rogan Dixon	23-11-17 10-05-18	8		Independent	<i>FGC</i>	80%
Kathryn Southworth	20-03-14 10-05-18	6		Independent	<i>GC</i>	100%
Cara Turlington	17-04-08 31-07-12 31-07-16	10		Independent	<i>AC</i>	33%
Professor Michael Earley	02-03-09		15-09-17	Principal	<i>FGC, GC, RC</i>	100%
Andrew Walker	15-09-17		08-01-18	Acting Principal	<i>FGC, GC, RC</i>	100%
Clarie Middleton	08-01-18			Principal	<i>FGC, GC, RC</i>	100%
Michael McCart	31-03-11 31-07-15 10-05-18	8		Independent	<i>DC, ESC</i>	67%
Jennifer Sims	05-11-13 10-05-18	8		Independent	<i>ESC, FGC, RC</i>	67%
Helen Bowles	20-03-14	5		Independent	<i>FGC, GC</i>	100%
Professor Mike Saks	20-03-14 10-05-18	8		Independent	<i>FGC</i>	100%
Kevin Wallace*	20-03-14	4		Independent	<i>DC, FGC</i>	0%
Paul Dale	20-03-14 10-05-18	8		Independent	<i>DC</i>	83%
Don Massey	03-07-14 10-05-18	8		Independent	<i>AC, RC</i>	50%
Hassan Mahamdallie	19-03-15 10-05-18	8		Independent		50%
Andrew Exeter	07-07-17	2		Student		100%
Charlotte French	07-07-17	1	15-02-18	Student		50%
George Littlejohn	21-09-17 10-05-18	8		Independent	<i>AC</i>	83%
Samantha Perez-Lumbreras	21-09-17	3		Staff		83%
Thomas Wilson	21-09-17	3		Staff		83%

Key: FGB: Board of Governors ESC: Estates Strategy Committee
AC: Audit Committee DC: Development Committee
GC: Governance Committee RC: Remuneration Committee
FGC: Finance and General Purposes Committee
• Abroad

Chairs of Boards/Committees are shown in italics

Summary of the College's structure of corporate governance and internal control

The following statement is provided to enable readers of the annual report and financial statements of Rose Bruford College of Theatre and Performance to obtain a better understanding of its governance and legal structure. This statement covers the period from 1 August 2017 to 31 July 2018 and up to the date of approval of the annual report and financial statements.

The College endeavours to conduct its business:

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

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

In the opinion of the Governors, the College complies with the provisions of the Code, and it has complied throughout the year ended 31 July 2018. The Governing Body recognises that, as a body entrusted with both public and private funds, it has a particular duty to observe the highest standards of corporate governance at all times. In carrying out its responsibilities, it takes full account of the Higher Education Code of Governance which was issued by the Committee of University Chairs 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.

Summary of the College's structure of corporate governance and internal control (continued)

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; and
- ◆ Data Quality Assurance.

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 HEFCE/OfS Memorandum of Financial Assurance and Accountability with the Higher Education Funding Council for England/Office for Students; 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, an Estates Strategy Committee and a Remuneration Committee. All of these Committees are formally constituted with terms of reference and comprise appropriately qualified and experienced members.

The Board

It is the Board's responsibility to bring independent judgement to bear on issues of strategy, performance, resources and standards of conduct. The Board is provided with regular and timely information on the overall financial performance of the College together with other information such as performance against funding targets, proposed capital expenditure, quality matters and personnel-related matters such as health and safety and environmental issues.

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

The Board conducts its business through a number of committees. Each committee has terms of reference, which have been approved by the full Board. These committees are; Finance and General Purposes Committee, Audit Committee, Governance Committee, Remuneration Committee and an Estates Strategy Committee (formed in June 2016).

Summary of the College's structure of corporate governance and internal control (continued)

Audit Committee

The Audit Committee comprises four members of the Board (excluding the Accounting Officer and Chair). The Committee operates in accordance with written terms of reference approved by the Board. The Audit Committee meets three times each year and provides a forum for reporting by the College's internal and financial statements auditors, who have access to the Committee for independent discussion, without the presence of College management. The Committee also receives and considers reports from the main HE funding bodies as they affect the College's business.

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

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

The Audit Committee also advises the Board on the appointment of internal and financial statements auditors and their remuneration for audit and non-audit work as well as reporting annually to the Board.

Development Committee

The Development Committee consists of three Governors. Its principal role is to advise the College on fundraising.

Estates Strategy Committee

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

Finance & General Purposes Committee

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

Governance Committee

The Committee consists of four Governors. The Governance Committee is principally responsible for the selection and nomination of any new Governor for the Board's consideration.

Summary of the College's structure of corporate governance and internal control (continued)

Remuneration Committee

Throughout the year ended 31 July 2018 the College's Remuneration Committee comprised four members of the Board and an external member, Prof. Dianne Willcocks. The Committee's responsibilities are to make recommendations to the Board on the remuneration and benefits of the Principal and CEO as well as other senior post holders.

Details of remuneration for the year ended 31 July 2018 are set out in note 4 to the financial statements.

Full minutes of all meetings, except those deemed to be confidential by the Board, are available from the College Secretary at:

Rose Bruford College of Theatre and Performance
Lamorbey Park
Burnt Oak Lane
Sidcup
Kent DA15 9DF

The College Secretary maintains a register of financial and personal interests of the Governors. The register is available for inspection at the above address.

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

Formal agendas, papers and reports are supplied to governors in a timely manner, prior to Board meetings.

Briefings are provided on an ad hoc basis.

The Board has a strong and independent non-executive element and no individual or group dominates its decision-making process. The Board considers that each of its non-executive members is independent of management and free from any business or other relationship which could materially interfere with the exercise of their independent judgement.

There is a clear division of responsibility in that the roles of the Chairman and Accounting Officer are separate.

Appointments to the Board

Any new appointments to the Corporation are a matter for the consideration of the Board as a whole. The Governance Committee is responsible for the selection and nomination of any new member for the Board's consideration. The Board is responsible for ensuring that appropriate training is provided as required. Members of the Board are usually appointed for a term of office not exceeding four years, and may serve for a second four year term. In May 2018 the Board reviewed Governors' terms of office to avoid having a large number of Governors leaving at the same time, which could damage the quality of governance. Revised terms were agreed as set out in the table above.

Summary of the College's structure of corporate governance and internal control (continued)

Board performance

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

Scope of responsibility

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

The Board has delegated the day-to-day responsibility to the Principal, as Accounting Officer, for maintaining a sound system of internal control that supports the achievement of the College's policies, aims and objectives, whilst safeguarding the public funds and assets for which she is personally responsible, in accordance with the responsibilities assigned to her in the Memorandum of Assurance and Accountability between Rose Bruford College and the Office for Students (OfS). She is also responsible for reporting to the Board any material weaknesses or breakdowns in internal control.

The purpose of the system of internal control

The system of internal control is designed to manage risk to a reasonable level rather than to eliminate all risk of failure to achieve policies, aims and objectives; it can therefore only provide reasonable and not absolute assurance of effectiveness. It is based on an ongoing process designed to identify and prioritise the risks to the achievement of College policies, aims and objectives, to evaluate the likelihood of those risks being realised and the impact should they be realised, and to manage them efficiently, effectively and economically. The system of internal control has been in place in Rose Bruford College for the year ended 31 July 2018 and up to the date of approval of the annual report and accounts.

Capacity to handle risk

The Board has reviewed the key risks to which the College is exposed together with the operating, financial and compliance controls that have been implemented to mitigate those risks. The Board is of the view that there is a formal ongoing process for identifying, evaluating and managing the College's significant risks that has been in place for the year ended 31 July 2018 and up to the date of approval of the annual report and accounts. This process is regularly reviewed by the Board.

The risk and control framework

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

- ◆ comprehensive budgeting systems with an annual budget, which is reviewed and agreed by the Board of Governors;
- ◆ regular reviews, by the Board of Governors, of periodic and annual financial reports which indicate financial performance against forecasts;

Summary of the College's structure of corporate governance and internal control (continued)

The risk and control framework (continued)

- ◆ setting targets to measure financial and other performance;
- ◆ checks to ensure adherence to the financial regulations, which were reviewed by the Audit Committee during 2017-18;
- ◆ clearly defined capital investment control guidelines; and
- ◆ the adoption of formal project management disciplines, where appropriate.

Rose Bruford College has an internal audit service, which operates in accordance with the requirements of the Office for Students' Audit Code of Practice. The work of the internal audit service is informed by an analysis of the risks to which the College is exposed, and annual internal audit plans are based on this analysis. The analysis of risks and the internal audit plans are endorsed by the Board on the recommendation of the Audit Committee. At minimum, annually, the appointed Internal Auditors provide the Board with a report on internal audit activity in the College. The report includes the internal auditors' independent opinion on the adequacy and effectiveness of the College's system of risk management, controls and governance processes.

Review of effectiveness

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

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

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

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

Summary of the College's structure of corporate governance and internal control (continued)

Review of effectiveness (continued)

The Audit Committee's role in this area is confined to a high level review of the arrangements for internal control. The Board's agenda includes a regular item for consideration of risk and control and receives reports thereon from the senior management team and the Audit Committee. The emphasis is on obtaining the relevant degree of assurance and not merely reporting by exception. At its October 2018 meeting, the Audit Committee carried out the annual assessment for the year ended 31 July 2018 by considering documentation from the senior management team and internal audit, and taking account of events during the year and since 31 July 2018.

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

Going concern

After making appropriate enquiries, the Board considers that the College has adequate resources to continue in operational existence for the foreseeable future. For this reason, it continues to adopt the going concern basis in preparing the financial statements.

Approved by order of the Governors on 22 November 2018 and signed on its behalf by:



Chair of Governing Body

Monisha Shah



Principal, Chief Executive and
Accounting Officer

Charlie Middleton

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 of Theatre and Performance are responsible for the administration and management of the affairs of the College, including ensuring an effective system of internal control, and are required to present audited financial statements for each financial year.

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 HEFCE/OfS Memorandum of Assurance and Accountability 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;
- ◆ 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; and
- ◆ 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.

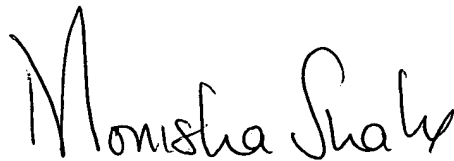
The Governors have taken reasonable steps to:

- ◆ ensure that funds from the Higher Education Funding Council for England and the Office for Students are used only for the purposes for which they have been given and in accordance with the HEFCE Memorandum of Assurance and Accountability 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;

Governors' responsibilities statement (continued)

- ◆ safeguard the assets of the College and prevent and detect fraud; and
- ◆ secure the economical, efficient and effective management of the College's resources and expenditure.

Approved by order of the Governors on 22 November 2018 and signed on its behalf by:



Chair of Governing Body



Principal, Chief Executive and
Accounting Officer

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

We have audited the financial statements of Rose Bruford College of Theatre and Performance ('the College') for the year ended 31 July 2018 which comprise the statement of comprehensive income, the statement of changes in reserves, the balance sheet, the statement of cash flows, the principal accounting policies and the related notes. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) and the Statement of Recommended Practice on Accounting for Further and Higher Education.

Opinion on financial statements

In our opinion the financial statements:

- ◆ give a true and fair view of the state of affairs of Rose Bruford College of Theatre and Performance as at 31 July 2018 and of its income and expenditure, gains and losses, changes in reserves and cash flows of the College for the year then ended;
- ◆ have been properly prepared in accordance with the requirements of the Companies Act 2006 and with United Kingdom Generally Accepted Accounting Practice and the Statement of Recommended Practice on Accounting for Further and Higher Education; and
- ◆ in all material aspects, funds received for specific purposes administered by the College have been applied only for the purposes for which they were received, and managed in accordance with relevant legislation;
- ◆ in all material respects, funds from the Higher Education Funding Council for England (HEFCE) and Office for Students (OfS) have been applied in accordance with the Memorandum of Assurance and Accountability and any other terms attached to them and have been applied only for the purposes for which they were received; and
- ◆ the requirements of the OfS's Accounts Direction to higher education institutions has been met.

Basis for opinion

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

Conclusions relating to going concern

We have nothing to report in respect of the following matters in relation to which the ISAs (UK) require us to report to you where:

- ◆ the Governors' use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- ◆ the Governors have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the College's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

Other information

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

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement in the other information. If, based on the work we have performed, we conclude that there is a material misstatement in this other information, we are required to report that fact.

Opinion on other matter prescribed by the Companies Act 2006

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

- ◆ the information given in the Governors' report including the strategic report for the year for which the financial statements are prepared is consistent with the financial statements; and
- ◆ the Governors' report including the strategic report has been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

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

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

- ◆ the statement of internal control included as part of the Corporate Governance Statement is inconsistent with our knowledge of the College;
- ◆ adequate accounting records have not been kept; or
- ◆ the financial statements are not in agreement with the accounting records and returns; or
- ◆ certain disclosures of Governors' remuneration specified by law are not made; or
- ◆ we have not received all the information and explanations we require for our audit.

Responsibilities of Governors

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

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

Auditor's responsibilities for the audit of financial statements

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

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

Use of our report

This report is made solely to the 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.



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

29 November 2018

Statement of comprehensive income Year to 31 July 2018

	Notes	2018 £'000	2017 £'000
Income			
Funding Council grants	1	1,241	1,675
Tuition fees	2	6,449	5,882
Other income	3	1,737	1,692
Investment income		1	2
Total income		9,428	9,251
Expenditure			
Staff costs	4	4,853	4,772
Other operating expenditure	5	4,382	4,463
Depreciation		401	479
Interest payable		69	63
Total expenditure	6	9,705	9,777
Deficit before other gains and losses		(277)	(526)
Actuarial gain in respect of pension schemes	14	816	214
Total comprehensive income/(deficit) for the year		539	(312)
Represented by:			
Restricted comprehensive income		—	—
Unrestricted comprehensive income		539	(312)
		539	(312)
Reconciliation of deficit to operational surplus (deficit) for the year			
Deficit before other gains and losses (as above)		(277)	(526)
Impact of FRS 102 LGPS adjustments		236	194
Impact of restructuring costs		207	—
Operational surplus/(deficit) for the year		166	(332)


Statement of changes in reserves Year to 31 July 2018

	Income and expenditure account £'000	Revaluation reserve £'000	Total £'000
Reserves balance at 1 August 2016	2,775	785	3,560
Deficit from the income and expenditure account	(526)	—	(526)
Other comprehensive income	214	—	214
Transfers between revaluation and income and expenditure reserves	10	(10)	—
Total comprehensive income for the year ended 31 July 2017	(302)	(10)	(312)
Reserves balance at 31 July 2017	2,473	775	3,248
Reserves balance at 1 August 2017	2,473	775	3,248
Deficit from the income and expenditure account	(277)	—	(277)
Other comprehensive income	816	—	816
Transfers between revaluation and income and expenditure reserves	10	(10)	—
Total comprehensive income for the year ended 31 July 2018	549	(10)	539
Reserves balance at 31 July 2018	3,022	765	3,787

Balance Sheet As at 31 July 2018

	Notes	2018 £'000	2018 £'000	2017 £'000	2017 £'000
Fixed assets					
Tangible assets	7		8,671		9,018
Current assets					
Debtors	9	675		610	
Cash at bank and in hand		1,396		997	
		<u>2,071</u>		<u>1,607</u>	
Liabilities					
Creditors: amounts falling due within one year	10	(1,874)		(1,572)	
Net current assets			<u>197</u>		<u>35</u>
Total assets less current liabilities			<u>8,868</u>		<u>9,053</u>
Creditors: amounts falling due after one year	11		(3,932)		(4,076)
			<u>4,936</u>		<u>4,977</u>
Provisions					
Net pension liability	14		(1,149)		(1,729)
Total net assets			<u>3,787</u>		<u>3,248</u>
Unrestricted reserves					
Income and expenditure account			3,022		2,473
Revaluation reserve			765		775
Total unrestricted reserves			<u>3,787</u>		<u>3,248</u>

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



Chair of Governing Body

Monisha Shah

Approved on: 22 November 2018



Principal, Chief Executive and
Accounting Officer

Clarie Middleton

Rose Bruford College of Theatre and Performance (Company registration No. 508616
(England and Wales))

Statement of cash flows Year to 31 July 2018

	Notes	2018 £'000	2017 £'000
Cash flows from operating activities			
Deficit for the year		(277)	(526)
Adjustment for non-cash items			
Depreciation		401	479
(Increase) decrease in debtors		(65)	51
Increase in creditors due within one year		334	46
Pensions costs less contributions payable		236	194
Adjustment for investing or financing activities			
Investment income		(1)	(2)
Interest payable		69	63
Capital grant income		(151)	(210)
Net cash flows from operating activities		546	95
Cash flows from investing activities			
Capital grants receipts		115	68
Investment income		1	2
Payments made to acquire fixed assets		(54)	(189)
Net cash flows from investing activities		62	(119)
Cash flows from financing activities			
Interest paid		(69)	(63)
Repayments of amounts borrowed		(140)	(168)
Net cash flows from financing activities		(209)	(231)
Increase (decrease) in cash and cash equivalents in the year		399	(255)
Cash and cash equivalents at beginning of the year		997	1,252
Cash and cash equivalents at the end of the year		1,396	997

Principal accounting policies Year to 31 July 2018

Statement of accounting policies

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

Basis of preparation

These financial statements have been prepared in accordance with the Statement of Recommended Practice: Accounting for Further and Higher Education 2015 (the 2015 FE HE SORP), the Office for Students for 2017 to 2018 and in accordance with Financial Reporting Standard 102 – “The Financial Reporting Standard applicable in the United Kingdom and Republic of Ireland” (FRS 102). The College is a public benefit entity and has therefore applied the relevant public benefit requirements of FRS 102.

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

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.

Basis of accounting

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

Going concern

The activities of the College, together with the factors likely to affect its future development and performance are set out in the Operating and Financial Review. The financial position of the College, its cashflow, liquidity and borrowings are presented in the financial statements and accompanying notes.

The College currently has £552k of loans outstanding with bankers on terms negotiated in 2015 (note 11). The College's forecasts and financial projections indicate that it will be able to operate within this existing facility and the related covenants for the foreseeable future.

The net current asset position was £196,000 at the year end.

The College is forecasting a small operating deficit for 2018/19 mainly due to changes in government targeted allocation funding for specialist institutions. Notwithstanding, after careful consideration of its cashflow forecasts, the College is satisfied that it remains a going concern for the foreseeable future.

This is because the College anticipates that:

- ♦ On-going funding from the Teaching and Research Grants administered by the OfS will continue;

Principal accounting policies Year to 31 July 2018

Going concern (continued)

- ◆ Planned targeted investment in robust recruitment arrangements and additional courses will increase income;
- ◆ Continuing tight budget monitoring will reduce expenditure; and
- ◆ Banking facilities will address short term cashflow needs, should they arise.

Accordingly the College has a reasonable expectation that it has adequate resources to continue in operational existence for the foreseeable future, and for this reason will continue to adopt the going concern basis in the preparation of its financial statements.

Recognition of income

The recurrent grants from OfS represent the funding allocation attributable to the current financial year and are credited directly to the income and expenditure account. Recurrent grants are recognised in line with best estimates for the period of what is receivable and depend on the particular income stream involved. Any under or over achievement against this planned activity is adjusted for and reflected in the level of recurrent grant recognised in the income and expenditure account.

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

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

Donations and endowments

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

Capital grants

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

Accounting for post-employment benefits

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

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

Principal accounting policies Year to 31 July 2018

Accounting for post-employment benefits (continued)

contributions recognised as an expense in the income statement in the periods during which services are rendered by employees.

The LGPS is a funded scheme. The assets of the LGPS are measured using closing fair values. LGPS liabilities are measured using the projected unit credit method and discounted at the current rate of return on a high quality corporate bond of equivalent term and currency to the liabilities. The actuarial valuations are obtained at least triennially and are updated at each balance sheet date. The amounts charged to operating surplus are the current service costs and the costs of scheme introductions, benefit changes, settlements and curtailments. They are included as part of staff costs as incurred. Net interest on the net defined benefit liability/asset is also recognised in the Statement of Comprehensive Income and comprises the interest cost on the defined benefit obligation and interest income on the scheme assets, calculated by multiplying the fair value of the scheme assets at the beginning of the period by the rate used to discount the benefit obligations. The difference between the interest income on the scheme assets and the actual return on the scheme assets is recognised in other recognised gains and losses.

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

Short term employment benefits

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

Non-current assets - Tangible fixed assets

Land and buildings are stated in the balance sheet at valuation on the basis of depreciated replacement cost. Certain items of fixed assets that had been revalued to fair value on or prior to the date of transition to the 2015 FE HE SORP, are measured on the basis of deemed cost, being the revalued amount at the date of that revaluation.

Land and buildings

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 |
| ◆ Christopher Court long leasehold | Over 35 years from 2013/14 |
| ◆ Rose Theatre improvements | Over 50 years from 1997/98 |
| ◆ Other assets including fixtures and fittings and leasehold improvements | Between 4 years and 10 years |

No depreciation is provided on freehold land.

Principal accounting policies Year to 31 July 2018

Non-current assets - Tangible fixed assets (continued)

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

A review for impairment of a fixed asset is carried out if events or changes in circumstances indicate that the carrying amount of any fixed asset may not be recoverable.

Subsequent expenditure on existing fixed assets

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

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

Equipment

Equipment costing less than £500 per individual item is recognised as expenditure in the period of acquisition. All other equipment is capitalised at cost.

Borrowing costs

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

Cash and cash equivalents

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

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

Taxation

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

Principal accounting policies Year to 31 July 2018

Taxation (continued)

The College is partially exempt in respect of Value Added Tax, so that it can only recover less than 1% of the VAT charged on its inputs. Irrecoverable VAT on inputs is included in the costs of such inputs and added to the cost of tangible fixed assets as appropriate, where the inputs themselves are tangible fixed assets by nature.

Financial liabilities and equity

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

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

Provisions and contingent liabilities

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

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

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

Principal accounting policies Year to 31 July 2018

Judgements in applying accounting policies and key sources of estimation uncertainty

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

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

Tangible fixed assets

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

Actuarial assumptions

The present value of the Local Government Pension Scheme defined benefit liability depends on a number of factors that are determined on an actuarial basis using a variety of assumptions. The assumptions used in determining the net cost (income) for pensions include the discount rate. Any changes in these assumptions, which are disclosed in note 14, will impact the carrying amount of the pension liability. Furthermore a roll forward approach which projects results from the latest full actuarial valuation performed at 31 March 2016 has been used by the actuary in valuing the pensions liability at 31 July 2018. Any differences between the figures derived from the roll forward approach and a full actuarial valuation would impact on the carrying amount of the pension liability.

Long term maintenance

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

Leased assets

Rentals paid under operating leases are charged to the statement of comprehensive income 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.

Principal accounting policies Year to 31 July 2018

Reserves

Reserves are classified as restricted or unrestricted.

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

Notes to the financial statements Year to 31 July 2018

1 Funding Council grants

	2018 £'000	2018 £'000	2017 £'000	2017 £'000
Office for Students and Higher Education Funding Council for England				
Recurrent grant	1,014		1,387	
Research grant	63		65	
Other OfS/HEFCE grants	13		13	
		1,090		1,465
Deferred grant release - equipment	31		90	
Deferred grant release - buildings	120		120	
		151		210
		1,241		1,675

2 Tuition fees

	2018 £'000	2017 £'000
UK Higher Education full time undergraduate students	4,829	4,602
UK Higher Education full time postgraduate students	222	66
UK Higher Education part time undergraduate students	195	174
UK Higher Education part time postgraduate students	29	14
Overseas (non-EC) domicile students	859	748
Non-credit bearing course fees	315	278
Total fees paid by or on behalf of individual students	6,449	5,882

3 Other income

	2018 £'000	2017 £'000
Rent receivable	34	38
Rent receivable from student residences	1,198	1,136
ERASMUS and other grants	68	55
Income from donations	9	23
Income from short courses and productions	373	384
Other income	55	56
	1,737	1,692

Notes to the financial statements Year to 31 July 2018

4 Staff costs

	2018 £'000	2017 £'000
Staff costs during the year were as follows:		
Wages and salaries	3,569	3,698
Social security costs	352	366
Other pension costs	725	708
Restructuring costs	207	—
Total staff costs	4,853	4,772

The average number of employees expressed as FTE, analysed by function was:

	2018	2017
Tutorial	42	44
Administrative	31	28
Technical	2	3
Premises	5	6
	80	81

The above figures exclude visiting directors, designers and other specialist tutors who were paid £500,449 in the year ended 31 July 2018 (2017 - £463,993).

The Governors received no remuneration in respect of their services as Governors. During the year ended 31 July 2018, certain members of the College staff (excluding the Principal (see below)) served as Governors and received remuneration (including benefits-in-kind and pension contributions) for teaching and management services amounting to £70,011 (2017 - £78,793). The total expenses paid to or on behalf of 18 Board members was £1,148 (2017 - £2,533) to 5 board members). This represents travel and subsistence expenses incurred in attending Board, Committee meetings and events in their official capacity.

Key management personnel

Key management personnel are those persons having authority and responsibility for planning, directing and controlling the activities of the College and are represented by members of the College Leadership Team. Please refer to page 4 for details.

	2018 No	2017 No
The number of key management personnel including the Accounting Officer was:	6	6
Key management personnel emoluments are made up as follows:	2018 £	2017 £
Salaries	374,690	519,620
Benefits in kind	4,857	8,963
	379,547	528,583
Pension contributions	59,125	84,843
Total emoluments	438,672	613,426

Notes to the financial statements Year to 31 July 2018

4 Staff costs (continued)

Key management personnel (continued)

There were no staff who received emoluments (including taxable benefits but excluding employer's pension contributions) in excess of £100,000 in the year ended 31 July 2018.

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

The amounts paid to the Accounting Officer were as follows in the table below. On a full year equivalent basis, the salary payable to the Accounting Officer is 3.2 times the median salary of £37,706.

	Michael Earley (1/8/17 - 15/9/17) £	Clarie Middleton (8/1/18 - 31/7/18) £
Salaries	33,716	56,462
Benefits in kind	1,640	1,443
	35,356	57,905
Pension contributions	3,181	9,203
Total contributions	38,537	67,108

Compensation for loss of office

The staffing costs in these accounts include the following amounts of compensation for loss of office:

	£	Staff numbers
Redundancy payments	140,801	15
Pay in lieu of notice	66,046	4
Total severance costs	206,847	

5 Other operating expenses

	2018 £000	2017 £'000
Academic departments	1,050	1,008
Academic services	71	68
Premises	2,053	2,087
Administration	823	698
Other expenses	385	602
	4,382	4,463

Notes to the financial statements Year to 31 July 2018

5 Other operating expenses (continued)

Other operating expenses include:	2018 £'000	2017 £'000
Auditor's remuneration:		
· Financial statements audit	17	16
· Internal audit	12	25
· Other services provided by the financial statements auditors	—	7
Hire of plant and machinery – operating leases (note 12)	16	16
Hire of other assets – operating leases (note 12)	32	12

6 Analysis of expenditure by activity

	Staff costs £'000	Other operating expenses £'000	Depreciation £'000	Loan interest £'000	2018 Total £'000	2017 Total £'000
Academic departments	2,652	1,050	58	—	3,760	3,774
Academic services	110	71	—	—	181	183
Premises	217	2,053	254	—	2,524	2,486
Administration	1,667	824	89	69	2,649	2,733
Other expenses	207	384	—	—	591	602
	4,853	4,382	401	69	9,705	9,778

7 Tangible assets

	Freehold land £'000	Long leasehold land and buildings £'000	Rose Theatre improve- ments £'000	Other assets including fixtures and fittings £'000	Total £'000
Cost or valuation					
At 1 August 2017	754	10,949	194	5,068	16,965
Additions	—	6	—	48	54
At 31 July 2018	754	10,955	194	5,116	17,019
Depreciation					
At 1 August 2017	—	3,281	76	4,590	7,947
Charge for the year	—	211	4	186	401
At 31 July 2018	—	3,492	80	4,776	8,348
Net book value					
At 31 July 2018	754	7,463	114	340	8,671
At 31 July 2017	754	7,668	118	478	9,018

Notes to the financial statements Year to 31 July 2018

7 Tangible assets (continued)

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	9,549
	754	10,949

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

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

Land and buildings with a net book value of £7,465,000 and a cost of £10,955,000 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 HEFCE Memorandum of Assurance and Accountability with the Higher Education Funding Council for England. The total exchequer interest in the estate at to 31 July 2018 is £716k (2017 – £731k).

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

	2018 £'000	2017 £'000
Other debtors	448	234
Prepayments and accrued income	227	376
	675	610

10 Creditors: amounts falling due within one year

	2018 £'000	2017 £'000
Secured bank loan (note 11)	80	137
H M Revenue and Customs	107	105
Other trade creditors	44	203
Pension creditors	67	67
Sundry accruals and deferred income	583	594
Advance fee income and deposits	793	302
Deferred income – government capital grants	200	164
	1,874	1,572

Notes to the financial statements Year to 31 July 2018

11 Creditors: amounts falling due after one year

	2018 £'000	2017 £'000
Salix loan	—	7
Secured bank loan	472	536
Deferred income – government capital grants	3,460	3,533
	3,932	4,076
The secured bank loan is repayable as follows:		
. Within one year	80	137
. Between one and two years	74	72
. Between two and five years	231	216
. In five years or more	167	248
	552	673

The College has the following long term bank loan arrangements with HSBC Plc:

- ♦ A loan of £750,000 was taken out in 2015 to strengthen the College liquidity. The term of this loan is 10 years. The loan has a variable interest rate set at 1.39% above the base rate.

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.

Deferred income	£'000
Deferred at 1 August 2017	3,696
Released during the year	(151)
Resources deferred in the year	115
Deferred income at 31 July 2018	3,660

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

12 Lease commitments

Operating leases

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

	2018		2017	
	Land and buildings £'000	Equipment £'000	Land and buildings £'000	Equipment £'000
No later than one year	777	16	748	16
Between 1 and 5 years	3,108	32	2,992	48
After 5 years	21,754	—	21,007	—
	25,639	48	24,747	64

Notes to the financial statements Year to 31 July 2018

12 Lease commitments (continued)

The land and buildings commitment at 31 July 2018 relates to the thirty five year long lease arrangement with Purelake New Homes Limited for the 168 room student accommodation and teaching space at Christopher Court, Station Road, Sidcup, Kent from September 2015. These figures are derived using the 2017/18 confirmed rent payments, and are subject to inflationary increases.

13 Events after the reporting period

There is no significant event after the reporting period.

14 Defined benefit obligations

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

	2018 Total £'000	2017 Total £'000
Teachers' Pension Scheme:	308	
. Contributions paid	293	325
Local Government Pension Scheme:		
. Contributions paid	247	241
. FRS 102 (28) adjustment	185	142
Total pension cost for year within staff costs	725	708

The pension costs are assessed in accordance with the advice of independent qualified actuaries. The latest formal actuarial valuation of the TPS was 31 March 2015 and of the LGPS 31 March 2016.

There were no outstanding or prepaid contributions at either the beginning or the end of the financial year.

Teachers' Pension Scheme

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

14 Defined benefit obligations (continued)

Teachers' Pension Scheme (continued)

The Teachers' Pension Budgeting and Valuation Account

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

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

Valuation of the Teachers' Pension Scheme

The latest actuarial review 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 (the Department) on 9 June 2014. The key results of the valuation are:

- ◆ New employer contribution rates were set at 16.48% of pensionable pay (including administration fees of 0.08%);
- ◆ total scheme liabilities for service to the effective date of £191.5 billion, and notional assets of £176.6 billion, giving a notional past service deficit of £14.9 billion;
- ◆ an employer cost cap of 10.9% of pensionable pay.

The revised employer contribution rate for the TPS was implemented in September 2015.

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

<https://www.teacherspensions.co.uk/news/employers/2014/06/publication-of-the-valuation-report.aspx>

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.

Notes to the financial statements Year to 31 July 2018

14 Defined benefit obligations (continued)

Teachers' Pension Scheme (continued)

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 commenced on 1 April 2015. The pension costs paid to TPS in the year ended 31 July 2018 amounted to £293,000 (2017: £325,000)

FRS 102 (28)

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

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

Local Government Pension Scheme

The LGPS is a funded defined-benefit plan, with the assets held in separate funds administered by the London Borough of Bexley Local Authority. The total contributions made for the year ended 31 July 2018 were £345k, of which employer's contributions totalled £247k and employees' contributions totalled £98k. The agreed contribution rates for future years are 16.3% for employers and range from 5.5% to 12.5% for employees, depending on salary.

Principal Actuarial Assumptions

The following information is based upon a full actuarial valuation of the fund at 31 March 2016 updated to 31 July 2018 by a qualified independent actuary.

	At 31 July 2018 %	At 31 July 2017 %
Rate of increase in salaries	3.7	3.7
Future pensions increases	2.3	2.2
Discount rate for scheme liabilities	2.9	2.5
Inflation assumption (CPI)	2.2	2.2

Notes to the financial statements Year to 31 July 2018

14 Defined benefit obligations (continued)

Local Government Pension Scheme (continued)

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

	At 31 July 2018 Years	At 31 July 2017 Years
Retiring today		
Males	23.1	23.0
Females	26.1	26.0
Retiring in 20 years		
Males	25.3	25.2
Females	28.4	28.3

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

	Value at 31 July 2018 £'000	Value at 31 July 2017 £'000
Equity instruments	2,934	3,969
Government Bonds	1,017	0
Debt instruments	353	575
Property	808	700
Other	2,091	1,314
Cash/liquidity	7	46
College's share of assets:	7,210	6,604
Actual return on plan assets	444	674

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

	2018 Total £'000	2017 Total £'000
Fair value of plan assets	7,210	6,604
Present value of plan liabilities	(8,359)	(8,333)
Net pensions liability	(1,149)	(1,729)

Notes to the financial statements Year to 31 July 2018

14 Defined benefit obligations (continued)

Local Government Pension Scheme (continued)

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

	2018 Total £'000	2017 Total £'000
Amounts included in staff costs		
Current service cost	424	383
Total	424	383
Amounts included in investment income		
Net interest charge	(40)	(41)
Return on pension plan assets	276	685
Experience gains/(losses) arising on defined benefit obligations	540	(471)
Amount recognised in total other comprehensive income	816	214

Movement in net defined benefit liability during year

	2017 Total £'000	2017 Total £'000
Net defined benefit liability in scheme at 1 August 2017	1,729	1,749
Movement in year:		
. Current service cost	424	383
. Employer contributions	(247)	(241)
. Net interest charge	40	41
. Administration expense	11	11
. Curtailment	8	0
. Actuarial (gain) or loss	(816)	(214)
Net defined benefit liability at 31 July 2018	1,149	1,729

Asset and Liability Reconciliation

	2018 Total £'000	2017 Total £'000
Defined benefit obligations at 1 August 2017	8,333	7,326
Current service cost	424	383
Interest cost	207	183
Contributions by Scheme participants	98	94
Curtailements	8	-
Experience (gains) and losses on defined benefit obligations	(540)	471
Estimated benefits paid	(171)	(124)
Defined benefit obligations at 31 July 2018	8,359	8,333

Notes to the financial statements Year to 31 July 2018

14 Defined benefit obligations (continued)

Local Government Pension Scheme (continued)

Principal Actuarial Assumptions (continued)

Changes in fair value of plan assets

	2018 Total £'000	2017 Total £'000
Fair value of plan assets at 1 August 2017	6,604	5,577
Interest on plan assets	167	142
Return on plan assets	276	685
Employer contributions	247	241
Contributions by Scheme participants	98	94
Administration expenses	(11)	(11)
Estimated benefits paid	(171)	(124)
Fair value of plan assets at 31 July 2018	7,210	6,604

15 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 £8,804 (2017 - £8,000).

In accordance with the Education Act 1994, the Students' Union is required to publish donations and affiliations to external organisations. There were no donations to external organisations (2017 - none). The only affiliation was to the National Union of Students, costing £250 (2017 - £250).

16 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.