



Annual Report and Financial Statements
for the year ended 31 July 2009

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

Charity Registration Number
309701

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Nature, objectives and strategies

Legal status

The College is a company limited by guarantee, and a registered charity for the purposes of the Charities Act 1993 as amended by the Charities Act 2006. It is designated for funding by the Learning and Skills Council and it receives funding from the Higher Education Funding Council for England.

Mission

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

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

Implementation of strategic plan

The Governing Executive approved a new five year strategic plan in November 2006. The strategic aims for 2007-12 are set out below. Each links with a policy document which has been approved by, and is monitored and evaluated by, the Governing Executive. The aims are:

- To assist learners to progress into and through further and higher education, both internally and through progression accords with other institutions. (Teaching and Learning Strategy/Curriculum Strategy)
- To sustain and develop the learning support and community support offered by the College. (Learning and Support Handbook/Community and Residence Handbook)
- To strive for excellence in academic standards, supported by robust processes of quality assurance and enhancement. (Quality Handbook)
- To provide a well-managed learning environment. (ILT Strategy)
- To maintain and extend equality of opportunity and to treat all staff and students with respect and dignity. (Institutional Equality Strategy)
- To achieve financial stability and secure the long-term future of the College. (Financial Plan)
- To redevelop the built environment of the College and the landscape in which it is located so as to create a first class context for learning, living and working. (Estates Strategy)
- To bring together a focus on sustainability in the curriculum, the fabric of the College, and the life and work of the College. (Environmental Policy)
- To develop staff, the staffing structure and employment policies in order to achieve the strategic aims. (Staff Development Policy and Plan/Staff Handbook)

The College is on target for achieving these objectives.

Operating and financial review - year to 31 July 2009

Strategic objectives

The College's specific objectives for 2008-09 within the strategic plan and achievement of these objectives is addressed below:

- Strive to raise standards to excellent across the board – good report from Quality Assurance Agency (QAA) from Integrated Quality Enhancement Review (IQER) developmental engagement on student assessment
- Continue to prioritise progression routes into and through the CertHE programme – achieved through curriculum developments within FE and HE
- Increase use of Intranet as the College's managed learning environment – achieved with increased use of Intranet for teaching and learning documents and materials
- Use monitoring to maintain emphasis on equality and diversity – developed through the College's committees, the website and the Intranet
- Diversify income streams and achieve savings – successful start to fundraising for the capital project and efficiency savings on non-pay costs
- Achieve planning permission for development on the Old Headington site – achieved
- Roll out sustainability across the curriculum and prioritise in the redevelopment plans – achieved through curriculum developments and in plan to redevelop the College.

Financial objectives

The College's financial objectives are:

- The College aims to remain financially sound in order to protect itself from unforeseen adverse changes in enrolments and to generate sufficient income to enable it to maintain and improve its accommodation and equipment.
- It wishes to maintain the confidence of funders, suppliers, bankers and auditors.
- It also wishes to raise awareness among the College staff of the financial environment within which it operates.

Performance indicators

Although the LSC continues to measure FE performance in terms of contribution to national targets, individual colleges are required to submit three-year development plans which are reviewed each year. These development plans focus on four headline targets:

- learner number growth and achievement of LSC funding targets
- learner success rates
- teacher qualifications
- employer engagement

The LSC is moving towards a new system of performance measures for colleges, the “Framework for Excellence”. This Framework is intended to be implemented across Specialist Designated Institutions, including Ruskin College, in 2009-10. The College will be monitored against the draft measures alongside the existing measures. The Framework has three dimensions:

- responsiveness
- effectiveness
- finance

each of which has two or three Key Performance Areas. These areas are further broken down into Performance Indicators supported by Performance Measures, which are absolute measures of performance – such as outcome from a learner survey or a qualification success rate. In deriving the overall performance rating, the Framework gives equal weighting to each of the three dimensions.

The College is committed to observing the importance of the measures and indicators within the Framework and is monitoring these through the completion of the annual Finance Record for the LSC. As benchmarks develop so the College will be better placed to take appropriate action in the light of the overall performance rating. The current rating of Good is considered an acceptable outcome.

Financial Position

Financial results

The movement in College funds within this financial year was a negative £438,799.

This includes property strategy costs of £520,936, which represents all expenditure on the Headington development project that will not be going ahead in the foreseeable future. This amount has been offset by a project fee support payment received from the LSC during this financial year for £250,000.

The operating deficit was £168,833 (including non-cash items). This was higher than the budgeted expectation but in line with the previous year. It is recognised that the College may continue to operate overall in a deficit position over the next three years, until the consolidation plans are realised and we start to benefit from the economies of scale and increased income from the better quality residential accommodation.

A number of initiatives have been introduced in the financial plan to enable the College to remain as stable as possible during this time:

- a review of the maintenance costs in relation to the property strategy implementation
- a rolled out efficiency savings programme throughout the College
- development of full time MA courses attracting overseas students
- maximising income from existing teaching resources

Income

Income was 1% up overall from the previous year. Funding grants increased by 6% over the previous year and, as we delivered all of our grant allocation, we do not envisage any claw back of funds. Tuition Fee income increased by 5%. All other income was below prior year actuals. This was anticipated in most cases, particularly with regard to investment income, as funds have been expended that were restricted to the capital project. The residence and catering income was also below last year actuals, though financial results for this important area of Ruskin's operations are expected to improve following the redevelopment of Headington and the transfer of the majority of College business to a single site.

Expenditure

Expenditure overall increased by 1% in total. This includes the effect of the remaining period of the national pay agreement finalised last year. A reduction in non payroll costs has been achieved through the implementation of those initiatives outlined above, work on which will continue in order to consolidate the College and achieve a balanced budget.

Taxation

The majority of the College's activities do not fall to be charged to corporation tax.

Treasury policies and objectives

Treasury management is the management of the College's cash flows, its banking, money market and capital market transactions; the effective control of the risks associated with those activities; and the pursuit of optimum performance consistent with those risks.

The College has separate treasury management procedures in place in its Financial Regulations. Short term borrowing for temporary revenue purposes is authorised by the Principal. Such arrangements are restricted by limits in the Financial Memorandum with the LSC. All other borrowing requires the authorisation of the Governing Executive and shall comply with the requirements of the Financial Memorandum of the LSC.

Cash flows

The cash outflow from operating activities was £50,116. The net decrease in cash was £1,553,976, which has been resulted mainly from increased purchases directly relating to the development capital project.

Liquidity

The current ratio gives an indication of a college's ability to meet its short-term debt (within one year) using cash and money owed to the College. A ratio greater than .9 would indicate that the College has the liquidity to meet its short-term obligations. Ruskin College had a current ratio of greater than 1.6. In calculating the available cash, the funds held on deposit from property sales which are earmarked for the capital project have been excluded.

Current and future developments

Student numbers

The College enrolled 3430 LSC-funded students and 307 students funded by HEFCE and other sources. The number of students enrolled on long courses was 396.

Student achievements

The success rate for the LSC-funded long courses is expected to be around 60%. The success rate for the short courses was 94%.

Curriculum developments

One new higher education programme was validated this year: a Foundation Degree in Writing for Performance which will span TV, film and stage, as well as a plethora of other outlets from slam poetry to song lyrics. Revalidation events led to a full five years' further recognition for the BA International Labour and Trade Union Studies and the BA Social Work. Hence we retain six BAs and three MAs at Ruskin.

The new TUC Centre has made a strong start in its first year and is to be joined by the TUC's national Organising Academy moving to Ruskin. This, in turn, is leading to interest from individual unions that want us to run courses for them. Other short course provision is all buoyant, the Summer School having been boosted by some five-day courses (a new departure) to add to the popular three-day model.

Payment performance

The Late Payment of Commercial Debts (Interest) Act 1998, which came into force on 1 November 1998, requires colleges, in the absence of agreement to the contrary, to make payments to suppliers within 30 days of either the provision of goods or services or the date on which the invoice was received. The target set by the Treasury for payment to suppliers within 30 days is 95 per cent. During the accounting period 1 August 2008 to 31 July 2009, the College paid over 95 per cent of its invoices within 30 days. The College incurred no interest charges in respect of late payment for this period.

Future developments

Planning permission has now been obtained for all the refurbishments, site works and proposed new builds on the Headington site with the exception of the car parking which is going to appeal. Despite the disappointment of not receiving LSC funding for the capital project, the College has nevertheless put together a funding package, chiefly through asset disposal and bank borrowing, topped up by fundraising. This will be sufficient to fund a streamlined £20million project and the planned move from Walton Street is still on schedule for 2012.

Resources

The College has various resources that it can deploy in pursuit of its strategic objectives. Tangible resources include the properties in Walton Street, in Old Headington and in Stoke Place.

Financial – the College has net assets of £9,927,778

People – the College employs 99 people, of whom 34 are academics. (Expressed as full time equivalents this is 83, of which 28 are teaching staff).

Reputation – the College has a good reputation locally and nationally. Maintaining quality is essential for the College's success at attracting students and external relationships.

Principal risks and uncertainties

The College has undertaken further work during the year to develop and embed the system of internal control, including financial, operational and risk management, which is designed to protect the College's assets and reputation.

Outlined below is a description of the principal risk factors that may affect the College. Not all the factors are within the College's control. Other factors besides those listed below may also adversely affect the College.

- **Key risks** - risks were identified from the strategic plan and the financial plan, as well as from the top 20 common risks included in the LSC's Financial Planning Handbook. The risk analysis undertaken for the risk management plan approved by the Governing Executive in September 2008 identified the key risk as failure to meet student numbers targets.
- **Managing the key risks** - the actuals against LSC standard learner numbers (SLN) target and funding value target were as follows:

	Target	Actual
SLNs	220.10	218.24
Funding value	£1,421,576	£1,405,286

The LSC student numbers target for 2009/10 has been set at a similar level. The College is currently managing the risk of not reaching that target through recruiting additional short course students to trade union partnership programmes

The HEFCE student numbers target was exceeded within the tolerance band of 5% and there was no clawback of funding.

- **Capital project** - the project managers, Davis Langdon, updated the risk register for the capital project. This is monitored monthly at meetings of the project strategic group. The internal auditors, Knox Cropper, kept a 'watching brief' over the capital project and produced a report for each meeting of the Audit Committee.
- **Risk management approach** - the College worked with the internal auditors to ensure that the scope of the internal audit plan covered a wide range of operational risks. Risk management processes are being reviewed by the internal auditors within the audit plan for 2009/10.
- **Government funding** – the College has considerable reliance on continued government funding through the LSC and HEFCE. In 2008/09, 57% of the College's revenue was from the funding councils and this level of requirement is expected to continue. There can be no assurance that government policy or practice will remain the same or that public funding will continue at the same levels or on the same terms.

The College is aware of several issues which may impact on future funding,

- the demand led funding system applied to colleges and other providers in respect of adult provision from August 2008. The funding methodology applies a series of factors such as guided learning hours and success rates to calculate an amount of funding to be received for each learner. The College received protected funding from the LSC in 2008/09 and is doing so again in 2009/10. Such funding cannot be guaranteed for the future.

Principal risks and uncertainties (continued)

- the government is reviewing its priorities for the adult skills sector following the Leitch report into the skills needed for the UK to compete in the global economy
- the “Machinery of Government” changes expected to come into force from April 2010 which will see the LSC dissolved and replaced with successor agencies such as the Young Persons Learning Agency and the Skills Funding Agency.

This risk is mitigated in a number of ways:

- funding is derived through a number of direct and indirect contractual arrangements
- by ensuring the College is rigorous in delivering high quality education and training
- considerable focus and investment is placed on maintaining and managing key relationships with the various funding bodies
- ensuring the College is focused on those curriculum areas which will continue to benefit from public funding
- regular dialogue with the LSC and with the successor agencies in due course.

Stakeholder relationships

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

- students
- staff
- Funding Councils
- trade unions
- employers (with specific links)
- Local Authorities
- Government offices
- the local community
- other FE and HE institutions
- professional bodies
- voluntary and public sector partners

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

Equal Opportunities

Ruskin College is committed to the maintenance and extension of equality of opportunity and to treating all staff and students with respect and dignity. A student cohort analysis for 2008/2009 shows the following data on age, gender, ethnicity and disability:

	No enrolled 1 Nov 08	Average Age	Male %	Female %	Ethnic Minority %	Disability %
CertHE's	90	41	54	46	19	27
Ransackers	44	65	27	73	7	36
Short Courses	1,158	54	24	76	14	29
Union S/Courses	2,139	45	52	48	14	12
Dip HE's	47	39	53	47	9	19
BA Year 3's	22	37	64	36	9	18
BA SW	151	37	18	82	26	27
FD Degree's	58	34	33	67	33	26
MA's	28	47	32	68	18	14

Disability statement

The College seeks to achieve the objectives set down in the Disability Discrimination Act 1995 as amended by the Special Education Needs and Disability Acts 2001 and 2005. The College considers all applications from disabled persons, bearing in mind the aptitudes of the individuals concerned. Where an existing employee becomes disabled, every effort is made to ensure that employment with the College continues. The College's policy is to provide staff development and opportunities for promotion, which are identical, as far as possible, for all employees.

The College's policy is to welcome students with specific learning difficulties, such as dyslexia and dyspraxia, and/or disabilities. It aims to provide a supportive environment within which all students' educational and social potential can be nurtured and developed. The College has a tradition of offering high quality education to mature students, many of whom have experienced social or economic disadvantages. Consistent with this tradition, Ruskin College is keen to continue developing its capabilities to respond to the particular needs of students with specific learning difficulties and/or a physical disability. We are proud of our in-house provision of dyslexia assessments and of the level of student support we provide.

The College's policy and arrangements for support for students with specific learning difficulties and/or disabilities are published in the Learning and Support Handbook.

Health and safety

The Health and Safety Committee met regularly and monitored the implementation of health and safety procedures. An internal audit of health and safety arrangements was undertaken by the internal auditors, Knox Cropper. The auditors reported that the College has well established policies and procedures and appropriate organisational arrangements to meet its health and safety responsibilities. They made a small number of recommendations designed to improve controls, particularly over the annual health and safety process. Action was taken to implement these recommendations.

Advisers

Academic Advisers	Professor Jane Aldgate Professor Alan Jenkins Professor Keith Sisson
Financial statement and regularity auditors	Tenon Audit Limited Clifton House Bunnian Place Basingstoke RG21 7JE
Internal auditors	Knox Cropper 16 New Bridge Street London EC4V 6AX
Bankers	The Co-operative Bank Chiltern Business Centre 2-6 Alma Street Luton LU1 2PL
Solicitors	Manches 9400 Garsington Road Oxford Business Park Oxford OX4 2HN Eversheds 115 Colmore Row Birmingham B3 3AL

Auditors

The performance of Tenon Audit Limited as financial statements auditors was considered at the meeting on 14 November 2008 and, following this review, Tenon Audit Limited were reappointed at the Council AGM on 5 December 2008.

Disclosure of information to auditors

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

By order of the Governing Executive:

Christopher Wilkes, General Secretary

Statement of Corporate Governance and Internal Control

Corporate Governance

The College is committed to exhibiting best practice in all aspects of corporate governance. This summary describes the manner in which the College has applied the principles set out in the revised *Combined Code on Corporate Governance* issued by the London Stock Exchange in July 2006. Its purpose is to help the reader of the accounts understand how the principles have been applied.

In the opinion of the Governing Executive, the College complies with all the provisions of the Combined Code in so far as they apply to the Further Education Sector, and it has complied throughout the year ended 31 July 2009.

The Governing Executive

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

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

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

The Governing Executive also conducts its business through a number of committees. Each committee has terms of reference, which have been approved by the Governing Executive. These committees are Finance, Search, Audit and Academic Quality and Standards Committee. Each committee meets at least 3 times a year, with the exception of the Search Committee which meets as required, and each reports to the Governing Executive through its Chair and through minutes.

Full minutes of all meetings, except those deemed to be confidential by the Governing Executive, are available on the College website or from the Clerk to the Governors at:

Ruskin College
Walton Street
Oxford
OX1 2HE

Statement of Corporate Governance and Internal Control

The Clerk to the Governors maintains a register of financial and personal interests of the Governing Executive, Finance Committee, Audit Committee and the Senior Management Team. 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 Clerk to the Governing Executive, who is responsible to the Board for ensuring that all applicable procedures and regulations are complied with. The appointment, evaluation and removal of the Clerk are matters for the Governing Executive as a whole.

Appointments to the Governing Executive

Any new appointments to the Governing Executive are a matter for the consideration of the College Council as a whole and are made on the basis of recommendations by the Search Committee, which is responsible for the selection and nomination of any new ordinary member. The Governing Executive is responsible for ensuring that appropriate training is provided as required.

Any new appointments to the Governing Executive are appointed for a term of office ordinarily lasting three years.

The members who served on the Governing Executive during the period were as follows:

Name	Date of appointment	Status of appointment	Committees served
Paul Atherton	December 2008	Student member	
Chris Baugh	March 2009	Ordinary member	
Simon Benyon*	May 2008	Student member	
Mike Bradley	July 2007	Ordinary member	
Jane Dixon	February 2008	Ordinary member	Finance
Robert Elkins*	December 2008	Student member	
Jan Etienne	December 2005	Ordinary member	Audit
John Fray	November 2001	Ordinary member	Search
Ruth Hunt	July 2007	Ordinary member	
Pam Johnson	December 2004	Ordinary member	Audit
Helen Kidd	November 2007	Staff member	Audit
Sue Ledwith	December 2008	Staff member	Finance
Liz Mathews	November 2003	Staff member	Search
Mike McCartney*	June 2006	Ordinary member	Audit
Jo Morris	July 2007	Ordinary member	
Audrey Mullender	April 2004	Principal	Finance; Search; AQSC
Carol Newbury	July 2008	Staff member	
Doug Nicholls	July 2007	Ordinary member	
David Norman	April 1997	Ordinary member	Chair of Governing Executive; Chair of Finance; Search

Statement of Corporate Governance and Internal Control

Name	Date of appointment	Status of appointment	Committees served
Carole Orgell-Rosen	November 2000	Ordinary member	Chair of Audit; Search
Pamela Roberts	December 2006	Ordinary member	
Pearl Ryall	December 2005	Ordinary member	
Edward Surrige*	February 2008	Student member	
Caroline Thompson*	November 2007	Staff member	Finance

(* member resigned during the year)

Statement of Corporate Governance and Internal Control

Internal control

Scope of responsibility

The Governing Executive 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 Governing Executive 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 Financial Memorandum between the College and the Learning and Skills Council (LSC). She is also responsible for reporting to the Governing Executive any material weaknesses or breakdowns in internal control.

The purpose of the system of internal control

The system of internal control is designed to manage risk to a reasonable level rather than to eliminate all risk of failure to achieve policies, aims and objectives; it can therefore only provide reasonable and not absolute assurance of effectiveness. The system of internal control is based on an 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 Ruskin College for the year ended 31 July 2009 and up to the date of approval of the annual report and accounts.

Capacity to handle risk

The Governing Executive has reviewed the key risks to which the College is exposed, together with the operating, financial and compliance controls that have been implemented to mitigate those risks. The Governing Executive is of the view that there is a formal ongoing process for identifying, evaluating and managing the College's significant risks that has been in place for the period ending 31 July 2009 and up to the date of approval of the annual report and accounts. This process is regularly reviewed by the Governing Executive.

The risk and control framework

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

- comprehensive budgeting systems with an annual budget, which is reviewed and agreed by the Governing Executive

Statement of Corporate Governance and Internal Control

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

The College has an internal audit service, which operates in accordance with the requirements of the LSC's 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 Governing Executive on the recommendation of the Audit Committee. At a minimum annually, the Head of Internal Audit (HIA) provides the Governing Executive with a report on internal audit activity in the College. The report includes the HIA's independent opinion on the adequacy and effectiveness of the College's system of risk management, controls and governance processes.

Audit Committee

The Audit Committee comprises seven members (excluding the Principal). The Committee operates in accordance with written terms of reference approved by the Governing Executive.

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

The College's internal auditors monitor the systems of internal control, risk management and 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 recommendations and internal audit undertake periodic follow-up reviews to ensure such recommendations have been implemented.

The Audit Committee also advises the Governing Executive on the appointment of internal and external auditors and their remuneration for both audit and non-audit work.

Statement of Corporate Governance and Internal Control

Review of effectiveness

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

- the work of the internal auditors
- the work of the managers within the College who have responsibility for the development and maintenance of the internal control framework
- comments made by the College's financial statements auditors in their management letters and other reports, the regularity auditors in their management letters and other reports.

The Principal 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 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 College and reinforced by risk awareness training. The Senior Management Team and the Audit Committee also receive regular reports from internal audit, which include recommendations for improvement. The Audit Committee's role in this area is confined to a high-level review of the arrangements for internal control. The Governing Executive'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 November 2009 meeting, the Governing Executive carried out the annual assessment for the year ended 31 July 2009 by considering documentation from the Senior Management Team and internal audit, and taking account of events since 31 July 2009.

Going concern

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

Approved by the members of the Governing Executive on 4 December 2009 and signed on its behalf by:

Signed

Signed

Date

Date

David Norman, Chair

Audrey Mullender, Principal

Statement of responsibilities of the Governing Executive

The Members of the Governing Executive of the College are required to present audited financial statements for each financial year.

Within the terms and conditions of the Financial Memorandum agreed between the Learning and Skills Council (LSC) and the Governing Executive of the College, the Governing Executive, through its Principal, is required to prepare financial statements for each financial year, in accordance with the 2007 *Statement of Recommended Practice – Accounting for Further and Higher Education Institutions* and with the Accounts Direction issued by the Learning and Skills Council, which give a true and fair view of the state of affairs of the College and the results for that year.

In preparing the financial statements the Governing Executive is required to:

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

The Governing Executive is also required to prepare a Members Report which describes what it is trying to do and how it is going about it, including the legal and administrative status of the College.

The Governing Executive is responsible for keeping proper accounting records, which disclose with reasonable accuracy at any time the financial position of the College and to enable it to ensure that the financial statements are prepared in accordance with the relevant legislation and other relevant accounting standards. It is responsible for taking steps that are reasonably open to it to safeguard the assets of the College and to prevent and detect fraud and other irregularities.

The maintenance and integrity of the College website is the responsibility of the Corporation of the College; the work carried out by the auditors does not involve consideration of these matters and, accordingly, the auditors accept no responsibility for any changes that may have occurred to the financial statements since they were initially presented on the website. Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

Members of the Governing Executive are responsible for ensuring that expenditure and income are applied for the purposes intended by Parliament and that the financial transactions conform to the authorities that govern them. In addition, they are responsible for ensuring that funds from the LSC are used only in accordance with the Financial Memorandum with the LSC and any other conditions that the LSC may from time to time prescribe. Members of the Governing Executive must ensure that there are appropriate financial and management controls in place to safeguard public and other funds and ensure that they are used properly. In addition, members of the Governing Executive are responsible for securing the economical, efficient and effective management of the College's resources and expenditure, so that the benefits that should be derived from the application of public funds by the LSC are not put at risk.

Approved by order of the member of the Governing Executive on 4 December 2009
and signed on its behalf by:

David Norman, Chair

Independent auditors' report to the Governing Executive of Ruskin College for the year ended 31 July 2009

We have audited the financial statements of Ruskin College for the year ended 31 July 2009, which comprise the income and expenditure account, the balance sheet, the cash flow statement, the statement of total recognised gains and losses and the related notes. These financial statements have been prepared under the historical cost convention as modified by the revaluation of certain fixed assets and the accounting policies set out therein.

This report is made solely to the Governing Executive, as a body, in accordance with statutory requirements. Our audit work has been undertaken so that we might state to the members of the Governing Executive, as a body, those matters we are required to state to them in an auditors' 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 Governing Executive, as a body, for our audit work, for this report, or for the opinions we have formed.

Respective Responsibilities of the Members of the Governing Executive and Auditors

As described in the Statement of Responsibilities the College's Governing Executive is responsible for preparing the Governing Executive report and financial statements in accordance with the Accounts Direction issued by the Learning and Skills Council, the 2007 Statement of Recommended Practice – Accounting for Further and Higher Education, applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

Our responsibility is to audit the financial statements in accordance with relevant legal and regulatory requirements and United Kingdom Auditing Standards (UK and Ireland).

We report to you our opinion as to whether the financial statements give a true and fair view and are properly prepared in accordance with the 2007 Statement of Recommended Practice – Accounting for Further and Higher Education. We also report to you if, in our opinion, the Members' Report is not consistent with the financial statements, if the College has not kept proper accounting records, or if we have not received all the information and explanations we require for our audit.

We read the Members' Report and consider the implications for our report if we become aware of any apparent misstatement within it.

Basis of Audit Opinion

We conducted our audit in accordance with International Auditing Standards (UK and Ireland) issued by the Auditing Practices Board and the Audit Code of Practice issued by the Learning and Skills Council. An audit includes examination, on a test basis, of evidence relevant to amounts and disclosures in the financial statements. It also includes an assessment of the significant estimates and judgements made by the College's Corporation in the preparation of the financial statements, and of whether the accounting policies are appropriate to the College's circumstances, consistently applied and adequately disclosed.

We planned and performed our audit so as to obtain all the information and explanations which we considered necessary in order to provide us with sufficient evidence to give us reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or other irregularity or error. In forming our opinion we also evaluated the overall adequacy of the presentation of information in the financial statements.

**Independent auditors' report to the Governing Executive of Ruskin College
for the year ended 31 July 2009**

Opinion

In our opinion the financial statements give a true and fair view, in accordance with United Kingdom Generally Accepted Accounting Practice, of the state of affairs of the College as at 31 July 2009 and of the College's deficit over expenditure over income for the year then ended, and are properly prepared in accordance with the 2008/09 Accounts Direction issued by the Learning and Skills Council and the 2007 Statement of Recommended Practice – Accounting for Further and Higher Education.

Tenon Audit Limited
Registered Auditors
Clifton House
Bunnian Place
Basingstoke
Hampshire
RG21 7JE

Date

Income and expenditure account

In accordance with the terms of our engagement letter dated 23 July 2008 and further to the requirements of the LSC, we have carried out a review to obtain assurance about whether, in all material respects, the expenditure and income of Ruskin College ('the College') for the year ended 31 July 2009 have been applied to the purposes identified by Parliament and the financial transactions conform to the authorities which govern them.

This report is made solely to the members of the Governing Executive and the LSC. Our review work has been undertaken so that we might state to the members of the Governing Executive and the LSC those matters we are required to state to them in a report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the members of the Governing Executive and the LSC, for our review work, for this report, or for the opinion we have formed.

Respective responsibilities of the members of the Governing Executive of Ruskin College and auditors

The College's Governing Executive is responsible, under the requirements of the Further & Higher Education Act 1992, subsequent legislation and related regulations, for ensuring that expenditure and income are applied for the purposes intended by Parliament and the financial transactions conform to the authorities which govern them.

Our responsibilities for this review are established in the United Kingdom by our profession's ethical guidance and the audit guidance set out in the Audit Code of Practice and the Regularity Audit Framework issued by the LSC. We report to you whether, in our opinion, in all material respects, the College's expenditure and income for the year ended 31 July 2009 have been applied to purposes intended by Parliament and the financial transactions conform to the authorities which govern them.

Basis of opinion

We conducted our review in accordance with the Audit Code of Practice and the Regularity Audit Framework issued by the LSC. Our review includes examination, on a test basis, of evidence relevant to the regularity and propriety of the College's income and expenditure.

Opinion

In our opinion, in all material respects the expenditure and income for the year ended 31 July 2009 have been applied to purposes intended by Parliament and the financial transactions conform to the authorities which govern them.

Tenon Audit Limited
Registered Auditors
Clifton House
Bunnian Place
Basingstoke
Hampshire
RG21 7JE

Date

Income and expenditure account

Income and Expenditure Account

	Notes	2009 £	2008 £
Income			
Funding Council income	2	2,599,639	2,454,001
Tuition fees and education contracts	3	940,145	897,453
Research grants and contracts	4	304,579	346,328
Other income	5	658,991	676,343
Investment income	6	77,905	142,943
Total income		4,581,259	4,517,068
Expenditure			
Staff costs	7	3,114,680	2,925,438
Other operating expenses	9	1,410,104	1,481,896
Depreciation	11	217,513	267,552
Interest and other finance costs	10	7,795	8,780
Total expenditure		4,750,092	4,683,666
Deficit on continuing operations prior to costs relating to the property strategy costs		(168,833)	(166,598)
Impairment of assets subject to redevelopment		-	(187,365)
Grant support for property strategy costs		250,000	-
Property strategy costs	25	(520,936)	-
Deficit on continuing operations after depreciation of fixed assets at valuation and before exceptional items and tax		(439,769)	(353,963)
Disposal of Properties		-	332,836
Profit on disposal of assets		970	-
Deficit on continuing operations after depreciation of assets at valuation, disposal of assets and exceptional items		(438,799)	(21,127)

The income and expenditure account is in respect of continuing activities.

Statement of historical cost surpluses and deficits and consolidated statement of total recognised gains and losses

Statement of Historical cost Surpluses and Deficits

	Notes	2009 £	2008 £
Deficit on continuing operations after depreciation of assets at valuation, disposals of assets and exceptional items		(438,799)	(21,127)
Difference between historical cost depreciation and the actual charge for the year calculated on the revalued amount		89,710	354,430
Historical surplus for the year before taxation		<u>(349,089)</u>	<u>333,303</u>
Historical surplus for the year after taxation		<u><u>(349,089)</u></u>	<u><u>333,303</u></u>

Statement of Total Recognised Gains and Losses

		2009 £	2008 £
Deficit on continuing operations after depreciation of assets at valuation, disposal of assets and exceptional items		(438,799)	(21,127)
Revaluation of listed fixed asset investments to market values	12	(82,455)	(130,082)
Total recognised losses relating to year		<u>(521,254)</u>	<u>(151,209)</u>
Reconciliation			
Opening reserves		10,029,887	10,181,096
Total recognised loss for the year		(521,254)	(151,209)
Closing reserves		<u><u>9,508,633</u></u>	<u><u>10,029,887</u></u>

Balance sheet as at 31 July 2009

Balance Sheet as at 31st July 2009				
Notes	2009 £	2009 £	2008 £	2008 £
Fixed assets				
Tangible assets	11	9,020,883		7,608,188
Investments	12	345,081		411,253
		<u>9,365,964</u>		<u>8,019,441</u>
Current assets				
Stocks			8,731	
Debtors	13	381,417	474,502	
Short term investments	14	722,009	2,241,612	
Cash at bank and in hand		68,915	103,288	
		<u>1,172,341</u>	<u>2,828,133</u>	
Creditors: amounts falling due within one year	15	<u>(581,361)</u>	<u>(384,850)</u>	
Net current assets		<u>590,980</u>		<u>2,443,283</u>
Total assets less current liabilities		9,956,944		10,462,724
Creditors: amounts falling due after one year	16	(29,166)		(27,313)
Net assets		<u>9,927,778</u>		<u>10,435,411</u>
Deferred capital grants	18	419,145		405,524
Reserves				
Revaluation reserve	19	5,069,725	5,159,435	
Capital reserve		1,785,281	2,082,655	
Revenue reserve		1,840,158	1,911,554	
Development fund	20	472,347	457,197	
Scholarship, bursary and prize funds	21	341,122	419,046	
		<u>9,508,633</u>	<u>10,029,887</u>	
Total		<u>9,927,778</u>		<u>10,435,411</u>

The financial statements on pages 22 to 38 were approved by the Governing Executive on 4 December 2009 and were signed on its behalf by:

David Norman, Chair

Audrey Mullender, Principal

Cash flow statement

Cash flow statement			
	2009	2008	
	Notes		
	£	£	
Cash outflow from operating activities	22	(50,116)	(356,362)
Returns on investments and servicing and finance			
Investment income		77,153	142,943
Interest element of finance lease payments		(7,795)	(8,780)
Net cash inflow from returns on investments and servicing of finance		<u>69,358</u>	<u>134,163</u>
Capital expenditure and financial investment			
Purchase of tangible fixed assets		(1,625,710)	(384,178)
Purchase of investments		(15,526)	(18,050)
Proceeds of disposal of tangible fixed assets		16,652	403,500
Deferred capital grants received		<u>71,610</u>	<u>114,735</u>
Net cash outflow from capital expenditure and financial investment		(1,552,974)	116,007
Net cash outflow before financing		(1,533,732)	(106,192)
Financing activities			
Capital element of financial lease		(20,244)	(15,476)
Cash outflow from financing activities		(20,244)	(15,476)
Net decrease in cash	23	<u>(1,553,976)</u>	<u>(121,668)</u>
Reconciliation of net cash flow to movement in net funds			
	2009	2008	
	£	£	
Increase / Decrease in cash in the period	1,553,976	(121,668)	
Cash outflow from lease financials	<u>20,244</u>	<u>15,476</u>	
Change in net funds resulting from cash flows	(1,533,732)	(106,192)	
New finance leases	(20,180)	(19,555)	
Movement in net funds in the period	(1,553,912)	(125,747)	
Net funds at 1 August 2008	<u>2,310,909</u>	<u>2,436,656</u>	
Net funds at 31 July 2009	<u>756,997</u>	<u>2,310,909</u>	

Principal accounting policies

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 2007 (the SORP) and in accordance with applicable Accounting Standards. They conform to guidance published by the LSC in the Accounts Direction Handbook.

Without limiting the information given, the financial statements meet the accounting and disclosure requirements of the Companies Act and accounting standards or adopted by the Accounting Standards Board or so far as those requirements are appropriate. In order to present a true and fair view, the College has not followed the provisions of the Companies Act 1985 regarding the format of financial statements where these are not appropriate to the College's activities.

Basis of accounting

The financial statements are prepared in accordance with the historical cost convention modified by the revaluation of certain fixed assets and investments.

Recognition of income

The recurrent grant from HEFCE represents the funding allocation attributable to the current financial year and is credited direct to the income and expenditure account.

LSC 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 for the LSC adult learner responsive funding element is adjusted for and reflected in the level of recurrent grant recognised in the income and expenditure account. The final grant income is normally determined with the conclusion of the year end reconciliation process with the LSC at the end of November following the year end. Employer responsive grant income is recognised based on a year-end reconciliation of income claimed and actual delivery with the LSC. 16-18 learner-responsive funding is not normally subject to a reconciliation and is therefore not subject to contract adjustments.

Non-recurrent grants from the LSC or other bodies received in respect of the acquisition of fixed assets are treated as deferred capital grants and amortised in line with depreciation over the life of the assets

Principal accounting policies (continued)

Recognition of income (continued)

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

Income from research grants, contracts and other services rendered is included to the extent of the completion of the contract of service concerned. This is generally equivalent to the sum of the relevant expenditure incurred during the year and any related contributions towards overhead costs. All income from short-term deposits is credited to the income and expenditure account in the period in which it is earned.

Maintenance of premises

The cost of routine corrective maintenance is charged to the income and expenditure account in the period in which it is incurred.

Pension schemes

Retirement benefits to employees of the College are provided by the Universities Superannuation Scheme (USS) and the University of Oxford Staff Pension Scheme (OSPS). These are defined benefit schemes which are externally funded and contracted out of the State Earnings Related Pension Scheme. Contributions to the schemes are charged to the income and expenditure account 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 costs. Variations from regular costs are spread over the expected average remaining working lifetime of members of the schemes after making allowances for further withdrawals. The contributions are determined by qualified actuaries on the basis of triennial valuations using the projected unit method for the OSPS, and on the basis of quinquennial valuations, using a prospective method for the USS.

Tangible fixed assets

a. Land and buildings

Land and buildings are stated in the balance sheet at a 1994 valuation on the basis of depreciated replacement cost or where appropriate, open market value. The transitional rules set out in FRS 15 Tangible Fixed Assets have been applied on implementing FRS 15. Accordingly the book values at implementation have been retained. Land and buildings acquired since the last valuation are included in the balance sheet at cost. Building improvements made since incorporation are included in the balance sheet at cost. Freehold land is not depreciated. Freehold buildings are depreciated over their expected useful economic life to the College of 50 years. Leasehold land and buildings are amortised over 50 years or, if shorter, the period of the lease.

Principal accounting policies (continued)

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 capital grant account and are released to the income and expenditure account over the expected useful economic life of the related assets on a basis consistent with the depreciation policy.

Finance costs which are directly attributable to the construction of land and buildings are capitalised as part of the cost of those assets.

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

Assets under construction are accounted for at cost, based on the value of architects' certificates and other direct costs incurred during the year. They are not depreciated until they are brought into use.

b. Equipment

Equipment costing less than £1,000 per individual item is written off to the income and expenditure account in the period of acquisition. All other equipment is capitalised at cost. Equipment inherited from the local education authority is included in the balance sheet at valuation.

All equipment is depreciated over its useful economic life as follows:

- ◆ Fixtures and fittings - 12.5% per annum on cost
- ◆ Computer equipment - 25% per annum on cost

Where equipment is acquired with the aid of specific grants, it is capitalised and depreciated in accordance with the above policy, with the related grant being credited to a deferred capital grant account and released to the income and expenditure account over the expected useful economic life of the related equipment.

Leased assets

Costs in respect of operating leases are charged on a straight line basis over the lease term. Leasing agreements that transfer to the College substantially all the benefits and risks of ownership of an asset are treated as if the asset has been purchased outright. The assets are included in fixed assets and the capital elements of the leasing commitments are shown as obligations under finance leases. The lease rentals are treated as consisting of capital and interest elements. The capital element is applied to reduce the outstanding obligations and the interest element is charged to the income and expenditure account in proportion to the reducing capital element outstanding. Assets held under finance leases are depreciated over the shorter of the lease term or the useful economic lives of the equivalent owned assets. Assets that are held under hire purchase contracts that have the characteristics of finance leases are depreciated over their useful lives.

Principal accounting policies (continued)

Investments

Listed fixed asset investments are included in the balance sheet at market value.

Fixed asset investments that are not listed on a recognised stock exchange are carried at historical cost less any provision for impairment in their value.

Stocks

Stocks are stated at the lower of their cost and net realisable value. Where necessary, provision is made for obsolete, slow moving and defective stock.

Taxation

The College is an exempt charity within the meaning of Schedule 2 of the Charities Act 1993 as amended by the Charities Act 2006 and as such is a charity within the meaning of section 506(1) of the Income and Corporation Taxes Act 1988 (ICTA 1988). Accordingly, the College is potentially exempt from taxation in respect of income or capital gains received within categories covered by section 505 of ICTA 1988 or section 256 of the Taxation of Chargeable Gains Act 1992, to the extent that such income or gains are applied to exclusively charitable purposes.

The College is exempted from levying VAT on most of the services it provides to students. For this reason, the College is generally unable to recover input VAT it suffers on goods and services purchased. Non-pay expenditure is therefore shown inclusive of VAT with any partial recovery netted off against these figures.

Liquid resources

Liquid resources include sums held on short term deposits with recognised banks and building societies and government securities.

Provisions

Provisions are recognised when the College has a present legal or constructive obligation as a result of a past event, it is possible 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.

Reserves

The capital reserve comprises the net book value of the College's land and buildings, less the balance on the revaluation reserve.

Agency arrangements

The College acts as an agent in the collection and payment of Learner Support Funds and HEFCE Access to Learning Funds. Related payments received from the LSC and subsequent disbursements to students are excluded from the Income and Expenditure account and are shown

Principal accounting policies (continued)

Agency arrangements (continued)

separately in Note 24, except for the 5 per cent of the grant (3 per cent for HEFCE) received which is available to the College to cover administration costs relating to the grant.

Notes to the accounts

Notes to the accounts

1 Status of company

Ruskin College is a company limited by guarantee. The liability of members in the event of a winding up is limited by guarantee to an amount not exceeding £1 per member.

2 Funding Council income

	Notes	Learning and Skills Council £	Higher Education Funding Council £	2009 £	2008 £
Recurrent grant		1,563,781	962,986	2,526,767	2,410,373
Release of deferred capital grants	18	25,148	47,724	72,872	43,628
		<u>1,588,929</u>	<u>1,010,710</u>	<u>2,599,639</u>	<u>2,454,001</u>

Tuition fees funded by bursaries

Included within the amounts below are tuition fees funded by bursaries of £221,169 (2008 £251,008)

3 Tuition fees and education contracts

	2009 £	2008 £
Tuition fees	940,145	897,453
Education contracts	0	0
	<u>940,145</u>	<u>897,453</u>

4 Research grants and contracts

	2009 £	2008 £
Grants and contracts	<u>304,579</u>	<u>346,328</u>

5 Other income

	2009 £	2008 £
Catering and residence operations	575,185	591,162
Donations	33,358	24,150
Other income	<u>50,448</u>	<u>61,031</u>
	<u>658,991</u>	<u>676,343</u>

Notes to the accounts (continued)

6 Investment income	2009	2008
	£	£
Interest receivable	62,379	124,894
Income from investments	<u>15,526</u>	<u>18,049</u>
	<u>77,905</u>	<u>142,943</u>

7 Staff costs

The average number of persons (including senior post-holders) employed by the college during the year, described as full-time equivalents, was :

	2009	2008
	Number of employees	Number of employees
Teaching departments	28	26
Non Teaching Staff	<u>55</u>	<u>52</u>
	<u>83</u>	<u>78</u>

	2009	2008
	£	£
Staff costs for the above persons:		
Wages & salaries	2,417,634	2,129,992
Social security costs	511,336	510,049
Other pension costs		
Payroll sub total	2,928,970	2,640,041
Contracted out staffing services	<u>185,710</u>	<u>285,397</u>
	<u>3,114,680</u>	<u>2,925,438</u>

	2009		2008	
	Number Senior-post-holders	Number Other staff	Number Senior-post-holders	Number Other staff
£50,001 - £60,000	1	0	1	0
£60,001 - £70,000	0	0	1	0
£70,001 - £80,000	<u>1</u>	<u>0</u>	<u>0</u>	<u>0</u>

The following pay awards were approved by the Governing Executive during the year:

	1st August 2009	1st February 2008
Academic/Academic Related	3.00%	1.00%
Clerical	3.00%	1.00%
Domestic	3.00%	1.00%
Technical	3.00%	1.00%

Notes to the accounts (continued)

8 Senior post-holders' emoluments

Senior post-holders are defined as the principal (or chief executive) and holders of the other senior posts whom the board have selected for the purposes of the articles of government of the College relating to the appointment and promotion of staff who are appointed by the board of governors.

	Number 2009	Number 2008
The number of senior post-holders including the principal was	2	2
Senior post-holders' emoluments are made up as follows:	2009	2008
	£	£
Salary	126,131	113,252
Pension contributions	<u>17,658</u>	<u>15,855</u>
Total emoluments	<u>143,789</u>	<u>129,107</u>

The above emoluments include amounts payable to the principal (who is also the highest paid senior post-holder) of:

	2009	2008
	£	£
Salary	71,311	61,774
Pension contributions	<u>9,984</u>	<u>8,648</u>
Total	<u>81,295</u>	<u>70,422</u>

Notes to the accounts (continued)

9 Other operating expenses

	2009	2008
	£	£
Teaching departments	478,184	558,099
Non teaching costs	492,339	580,919
Premises costs	439,581	342,878
	<u>1,410,104</u>	<u>1,481,896</u>

Other operating expenses include auditors' remuneration:

Financial statements audit	16,658	17,950
Internal audit	9,358	7,050
Other services - financial statements audit	7,901	0
	<u>33,917</u>	<u>28,376</u>

10 Interest payable

	2009	2008
	£	£
On finance leases	<u>7,795</u>	<u>8,780</u>

11 Tangible fixed assets

	Freehold land and buildings	Assets under construction	Computer equipment	Fixtures and fittings	Total
	£	£	£	£	£
Cost or valuation					
At 1 August 2008	8,641,482	365,249	620,305	294,271	9,921,307
Additions	710	1,538,189	106,991	0	1,645,890
Disposals	(7,500)	0	(227,349)	(4,152)	(239,001)
At 31 July 2009	<u>8,634,692</u>	<u>1,903,438</u>	<u>499,947</u>	<u>290,119</u>	<u>11,328,196</u>
Depreciation					
At 1 August 2008	1,660,308	0	428,331	224,480	2,313,119
Charge for year	119,378	0	77,844	20,291	217,513
Eliminated in respect of disposals	0	0	(219,167)	(4,152)	(223,319)
At 31 July 2009	<u>1,779,686</u>	<u>0</u>	<u>287,008</u>	<u>240,619</u>	<u>2,307,313</u>
Net book values					
At 31 July 2009	<u>6,855,006</u>	<u>1,903,438</u>	<u>212,939</u>	<u>49,500</u>	<u>9,020,883</u>
At 31 July 2008	<u>6,981,174</u>	<u>365,249</u>	<u>191,974</u>	<u>69,791</u>	<u>7,608,188</u>
Financed by capital grants	217,642	0	173,064	28,440	419,146
Other	<u>6,637,364</u>	<u>1,903,438</u>	<u>39,875</u>	<u>21,060</u>	<u>8,601,737</u>
	<u>6,855,006</u>	<u>1,903,438</u>	<u>212,939</u>	<u>49,500</u>	<u>9,020,883</u>

Notes to the accounts (continued)

12 Investments

	2009	2008
	£	£
Listed investments (see below)	314,274	381,203
Long term deposits	30,807	30,050
	<u>345,081</u>	<u>411,253</u>
	£	£
Listed investments		
Balance at 1 August 2008	381,203	493,235
Investment income re-invested	15,526	18,050
Net investment gain	<u>(82,455)</u>	<u>(130,082)</u>
Balance at 31 July 2009	<u>314,274</u>	<u>381,203</u>

13 Debtors

	2009	2008
	£	£
Due within one year		
Trade debtors	257,748	324,105
Other debtors	67,253	102,812
Prepayments and accrued income	56,416	47,585
	<u>381,417</u>	<u>474,502</u>

14 Short term investments

	2009	2008
	£	£
Cash In Hand	68,915	103,288
Short term deposits	722,009	2,241,612
	<u>790,924</u>	<u>2,344,900</u>

15 Creditors: amounts falling due within one year

	2009	2008
	£	£
Obligations under finance leases	10,553	10,015
Trade creditors	282,212	203,234
Accruals and deferred income	139,261	104,756
Other creditors	143,539	58,600
Other taxation and social security	5,796	8,245
	<u>581,361</u>	<u>384,850</u>

Notes to the accounts (continued)

16 Creditors: amounts falling due after one year

	2009	2008
	£	£
Obligation under Pension Contribution	5,792	3,338
Obligations under finance leases	23,374	23,975
Total	29,166	27,313

17 Analysis of Borrowings of the College

Finance leases

The net finance lease obligations to which the College is committed are:

	2009	2008
	£	£
In one year or less	10,553	10,015
Between two and five years	23,374	23,975
Total	33,927	33,990

18 Deferred capital grants

	LSC Grants 2009	Other Grants 2009	Total 2009
	£	£	£
At 1 August 2008	278,556	126,968	405,524
Cash received	-	71,610	71,610
Funds due but not received	-	14,883	14,883
Released to income and expenditure	(25,148)	(47,724)	(72,872)
At 31 July 2009	253,408	165,737	419,145

19 Reserves

	Revaluation reserve – buildings	Capital reserve	Revenue reserve	Develop- ment Fund (note 20)	Scholarship bursary & prize funds	Total
	£	£	£	£	£	£
At 1 August 2008	5,159,435	2,082,655	1,911,554	457,197	419,046	10,029,887
Transfers	-	(297,374)	293,219	15,150	(10,995)	0
Scholarship bursary prize funds	-	-	(15,526)	-	15,526	0
Revaluation of investments to market value	-	-	-	-	(82,455)	(82,455)
Deficit retained for the year	-	-	(438,799)	-	-	(438,799)
Transfer of depreciation on revalued property	(89,710)	-	89,710	-	-	0
At 31 July 2009	5,069,725	1,785,281	1,840,158	472,347	341,122	9,508,633

Notes to the accounts (continued)

20 Development fund

	2009	2008
	£	£
At 1 August 2008	457,197	448,934
Donations - restricted to capital development project	265,150	
Transfer to / from income & expenditure account		8,263
Accelerated release of capital grant	<u>(250,000)</u>	
At 31 July 2009	<u>472,347</u>	<u>457,197</u>

The Development fund represents the unspent balance of a bequest received during 1999 which the Governing Executive have designated for future capital development.

21 Scholarship, bursary and prize funds

	2009	2008
	£	£
At 1 August 2008	419,046	534,928
Appreciation of fixed asset investments	(82,455)	(130,082)
Interest, donations and allocations	16,283	18,050
Awards, prizes and grants	<u>(11,752)</u>	<u>(3,850)</u>
At 31 July 2009	<u>341,122</u>	<u>419,046</u>

22 Reconciliation of operating surplus to net cash inflow from operating activities

	2009	2008
	£	£
Surplus on continuing operations after depreciation of assets	(438,799)	(21,127)
Depreciation (note 11)	217,513	454,917
Profit on disposals	(970)	(332,230)
Fees deducted on disposal	0	(5,822)
Deferred capital grant released to income (note 19)	(72,872)	(43,628)
Interest payable (note 10)	7,795	8,780
Investment income	(77,905)	(142,943)
Decrease in stock	8,731	3,253
Decrease / (Increase) in debtors	107,968	(108,579)
Increase / (Decrease) in creditors	<u>198,423</u>	<u>(168,983)</u>
Net cashflow from operating activities	<u>(50,116)</u>	<u>(356,362)</u>

23 Analysis of changes in net funds

	At 1st August 2008	Cash flows	Other changes	At 31st July 2009
	£	£	£	£
Short term deposits	2,241,612	(1,519,603)	0	722,009
Cash at bank and in hand	<u>103,288</u>	<u>(34,373)</u>	0	<u>68,915</u>
	2,344,900	(1,553,976)	0	790,924
Finance leases	<u>(33,991)</u>	64	0	<u>(33,927)</u>
	<u>2,310,909</u>	<u>(1,553,912)</u>	0	<u>756,997</u>

Notes to the accounts (continued)

Amounts disbursed as agent

24 Access funds

	HEFCE	LSC	2009	2008
	£	£	£	£
Balance over/underspent at 1 August 2008	760	19,560	20,320	10,646
Funding Council grants	17,565	(4,345)	13,220	37,018
Interest earned	0	0	0	0
	18,325	15,215	33,540	47,664
Disbursed to students	(18,247)	(13,118)	(31,365)	(25,945)
Administration fee	(527)	217	(310)	(1,399)
Balance (overspent) / unspent at 31 July 2009	(449)	2,314	1,865	20,320

25 Major non-cash transactions

Property Strategy costs

	2009	2008
Accelerated depreciation	0	(187,365)
Property strategy costs	(520,936)	0
Grant support for property strategy costs	250,000	0
Net charge for the year	(270,936)	(187,365)

Following notification from the LSC during July 2009 that Ruskin College was not going to be offered any grant support for this round of funding we calculated the expended costs to date for any part of the project that will not be going ahead in the immediate future, and have generated property strategy costs of £520,936. In March 2009 the college received £250,000 fee support, the sum of which has also been accelerated during this year.

In line with the guidance provided by the LSC in the 2008/09 Accounts Direction Handbook, the property strategy costs and associated grant release have been presented separately from the remainder of the income and expenditure of the college. This presentation is necessary to better deliver a true and fair view of the results of the college for the year. Exceptional items as defined by FRS 3 paragraph 20 continue to be recorded after the operating surplus or deficit of the college.

26 Post Balance Sheet Events

There were no significant post balance sheet events

27 Commitments

	2009	2008
Commitments contracted at 31 July for Headington Redevelopment	<u>150,000</u>	<u>773,059</u>