



**Annual Report and Financial Statements**  
**for the year ended 31 July 2010**

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 Skills Funding Agency 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 Governing Executive reviewed the strategic plan in July 2010 and a revised plan is being introduced for 2010-15.

## **Directors report incorporating the Operating and financial review - year to 31 July 2010**

### **Strategic objectives**

The College's specific objectives for 2009-10 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 support
- 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

### **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**

The Skills Funding Agency's "Framework for Excellence" 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 SFA. 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 positive £7,785,211.

This includes profit on disposal of the Walton Street site of £8,133,826. We continue to occupy this site until 30<sup>th</sup> September 2012 under a short term lease. The contract of sale makes provision for instalment tranches over the period to 30<sup>th</sup> September 2012. This enables the college to fund phase 2 of the development project.

Since year end the College has been awarded a Renewal Grant of £225,000 from the SFA. This will be match funded by the college by 2/3rds as part of the criteria. The college will now be able to complete its plans with part of the development that had been put on hold.

The operating deficit was £348,615. These results were a higher loss than the budgeted expectation, which in the main was due to tuition fee income not being realised. The tuition fee income has been set at a more realistic level for 2010/11. The College also decided to re-base its Skills Funding Agency (SFA) projections downwards by £45K midyear, to avoid any possible claw-back of funds. The non payroll expenditure includes most of the costs of relocating staff from the Headington site to Walton Street, in preparation for the next stage of the development of the site. It is recognised that the college may continue to operate overall in a deficit position over the next two years, but steps have been taken during this year to mitigate this as far as possible, including a first round of voluntary severance, until the consolidation plans are realised and we start to benefit from the economies of scale. We will start to benefit from increased income from the better quality residential accommodation which will be on offer during this next academic year. 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
- Maximising utilisation of existing teaching resources

These initiatives are now firmly embedded and are playing their part in moving the college towards a positive operating position.

### **Income**

Income was 1% down overall from the previous year. Income from other grants & contracts increased by 10% over the previous year. The revised cash allocation target for SFA income was met and we do not expect any clawback of funds. The HEFCE allocation was reduced in July of this year. Residence & catering income reduced this year. However we expect the residential occupancy levels to be higher during 2010/11 once the refurbishment of Bowen, Biko and Webb has been completed.

## **Directors report incorporating the Operating and financial review - year to 31 July 2010**

### **Expenditure**

Payroll costs increased by 2% in total. This, however, does include the financial impact of the voluntary severance round. Non payroll costs also increased by 2% which includes the exceptional costs mentioned above. The non payroll costs also include a provision of £36K for bad debts. As we strengthen College policies in this area we would hope that we can reduce the provision. Every effort will continue to be made throughout the College to ensure that we control these areas of spend as we work to consolidate the College and to 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 SFA. All other borrowing requires the authorisation of the Governing Executive and will comply with the requirements of the Financial Memorandum of the SFA.

### **Cash flows**

The cash inflow from operating activities was £235,135. The net decrease in cash was £19,530.

### **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 of greater than 1 would indicate that the College has the liquidity to meet its short-term obligations. Ruskin College had a current ratio of greater than 2. 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 3,328 SFA-funded students and 296 students funded by HEFCE and other sources. The number of students enrolled on long courses was 397.

### Student achievements

The success rate for the SFA-funded long courses was 61%. The success rate for the short courses was 99%.

<b>Student prizes for 2008/09 – awarded in 2010</b>	
Carole Fraser Prize	Simon Haworth Eve Robins
GDH Cole Prize	Carol Cripps
Henry Smith Prize	Rupert Garcia
Lyn Allen Prize	Suffice Alvaranga Rebecca Roberts Mike Tickle
Margaret Marsh Memorial Prize	Adams Barasa Ariel Castro Debbie Cole Taran O’Sullivan
Mark Young Prize	Pamela Currie Mary Ogunbiyi Samuel Denise Pakeman Joanne Winrow-Jones
Robert Addy Hopkinson Educational Trust Award	Louise Furness Louise Hands Simon Haworth Joanne Winrow-Jones

### Curriculum developments

The MA in International Labour and Trade Union Studies (ILTUS) was successfully revalidated for a full five years and is recruiting well, including from overseas. Hence our trade union offer continues to be strong. Its range, as well as its high standards, was recognised in a TUC Quality Award, presented at Congress House by the Minister of State for Further Education, Skills and Lifelong Learning. The national TUC Organising Academy now operates from Ruskin and the TUC Centre here goes from strength to strength. We continue to value our partnership with the General Federation of Trade Unions and to offer a BA degree in ILTUS, chiefly in block residential weekend mode.

### **Curriculum developments (continued)**

We ran a highly successful Summer School, the last at Walton Street before the short course team moves to Headington and refreshes the offer in readiness for the advent of the Qualifications and Credit Framework. We plan to offer a full level 2 certificate programme from 2011.

The professional programmes continue strong, with Social Work obtaining splendid feedback in the National Student Survey and Youth and Community Work praised by the National Youth Agency. Humanities and Social Sciences has its degree offer fully bedded in with BA Honours degrees in Social Sciences: Sociology, Politics and Economics, History with Social Sciences and English Studies: Creative Writing and Critical Practice. Next year they will be joined by a Foundation Degree in Writing for Performance.

### **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 2009 to 31 July 2010, 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**

The full funding and planning package for a £17 million capital project was assembled over the year. Refurbishment work on one small office/teaching building and three residence blocks started in late June and will be completed for the start of term in October 2010. The contract for the development of a large new academic building is out to tender, following intensive design work throughout the year. We remain on schedule to move the College headquarters to Old Headington in September 2012.

### **Resources**

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

*Financial* – the College has net assets of £17,915,961.

*People* – the College employs 79 people (expressed as full time equivalents) of whom 26 are teaching staff.

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

## **Principal risks and uncertainties**

### **Key risks**

Ten key risks were identified from the strategic plan and the financial plan for 2009/10, as well as from the top 20 common risks included in the LSC's Financial Planning Handbook:

- Failure to meet FE funding bodies and HEFCE targets
- Income from new and refurbished residences less than anticipated
- Decline in retention/achievement of students
- Pay increases higher than anticipated
- Failure to realise forecast levels of tuition fee income
- Health and safety risk across both sites including during building works
- Capital project overspend
- Failure to maintain reputation
- Failure to develop management information system
- Poor retention of key staff

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

### **Risk management processes**

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 were reviewed by the internal auditors within an audit of Governance and Risk Management. Following a recommendation made in the audit report, the risk management policy and risk management plan have been revised.

### **Capital project**

The project managers, Davis Langdon, updated the strategic risk register for the capital project. This is monitored monthly at meetings of the project strategic group. The Project Board and the Governing Executive also monitored the strategic risk register. A number of key strategic risks, relating to LSC approval, funding, the sale of the Walton Street site and planning permission, were removed from the register during the year. The internal auditors, Knox Cropper, kept a 'watching brief' over the capital project and produced a report for each meeting of the Audit Committee.

### **Government funding**

The College has considerable reliance on continued government funding through the SFA and HEFCE. In 2009/10 58% 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. It is likely that the level of public funding will decrease from 2010/11 onwards.

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

### **Principal risks and uncertainties (continued)**

- 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/SFA in 2009/10 and is doing so again in 2010/11. Such funding cannot be guaranteed for the future.
- 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 government is reducing public expenditure, including that spent on further and higher education, which will affect both SFA and HEFCE funding.
- the SFA is reviewing the costs of the residential colleges' provision.

This risk is mitigated in a number of ways:

- 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 SFA and HEFCE.
- ensuring the College is focused on those curriculum areas which will continue to benefit from public funding.
- regular dialogue with the SFA at national and regional levels.

### **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
- suppliers

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

## Directors report incorporating the Operating and financial review - year to 31 July 2010

### Equal Opportunities

Ruskin College has a tradition of offering high quality education to mature students, many of whom have experienced social or economic disadvantages. The College is committed to the maintenance and extension of equality of opportunity and to treating all staff and students with respect and dignity. A student cohort analysis for 2009/2010 shows the following data on age, gender, ethnicity and disability:

	No enrolled 1 Nov 09	Average Age	Male %	Female %	Ethnic Minority %	Disability %
CertHE's	101	41	57%	43%	21%	23%
Ransackers	36	60	28%	72%	14%	36%
Short Courses	961	53	35%	65%	15%	34%
Union S/Courses	2230	42	64%	36%	12%	13%
DipHE's	39	41	64%	36%	15%	21%
BA Year 3's	27	39	48%	52%	15%	33%
BA SW	133	37	17%	83%	32%	26%
BA Y&CW	72	34	36%	64%	28%	22%
MA's	25	49	24%	76%	28%	12%

### Disability statement

The College seeks to achieve the objectives set down in the Disability Discrimination Act 1995 as amended by the Special Educational 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. 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. This included monitoring and taking action on health and safety issues arising during phase 1 of the capital project. Gas appliances were inspected within an annual review and new certificates were issued by qualified Gas safe registered contractors. All electrical equipment was PAT tested within an annual testing programme.

## Directors report incorporating the Operating and financial review - year to 31 July 2010

### Advisers

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

### Auditors

The performance of RSM Tenon Audit Limited as financial statements auditors was considered at the meeting on 13 November 2009 and, following this review, RSM Tenon Audit Limited were reappointed at the Council AGM on 4 December 2009.

### 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 2010.

### 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 original appointment	Status of appointment	Committees served
Chris Baugh	March 2009	Ordinary member	
Mike Bradley	July 2007	Ordinary member	
Jane Dixon	February 2008	Ordinary member	Chair of Finance
Jan Etienne	December 2005	Ordinary member	Audit
John Fray	November 2001	Ordinary member	Search
Anne Hock	March 2010	Ordinary member	Finance
Ruth Hunt	July 2007	Ordinary member	Search
Elcena Jeffers	May 2010	Student member	
Kit Johnson	May 2010	Student member	
Pam Johnson	December 2004	Ordinary member	Audit
Helen Kidd*	November 2007	Staff member	Audit
Liz Mathews	November 2003	Staff member	Search
Jo Morris	July 2007	Ordinary member	
Audrey Mullender	April 2004	Principal	Finance; Search; AQSC
Teresa Munby	November 2009	Staff member	Finance
Carol Newbury*	July 2008	Staff member	
Doug Nicholls	July 2007	Ordinary member	
David Norman	April 1997	Ordinary member	Chair of Governing Executive; Finance; Search

## Statement of Corporate Governance and Internal Control

<b>Name</b>	<b>Date of original appointment</b>	<b>Status of appointment</b>	<b>Committees served</b>
Carole Orgell-Rosen	November 2000	Ordinary member	Chair of Audit; Search
Pamela Roberts	December 2006	Ordinary member	
Pearl Ryall	December 2005	Ordinary member	
Nigel Williams	October 2009	Staff member	
Kieron Winters	November 2009	Staff member	

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(\*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 Skills Funding Agency (SFA). 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 2010 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 2010 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
- regular reviews by the Governing Executive of periodic and annual financial reports which indicate financial performance against forecasts

## Statement of Corporate Governance and Internal Control

- 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 SFA'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 Skills Funding Agency 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 2010 meeting, the Governing Executive carried out the annual assessment for the year ended 31 July 2010 by considering documentation from the Senior Management Team and internal audit, and taking account of events since 31 July 2010.

### 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 3 December 2010 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 Skills Funding Agency (SFA) 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 Skills Funding Agency, 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 SFA are used only in accordance with the Financial Memorandum with the SFA and any other conditions that the SFA 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 SFA are not put at risk.

Approved by order of the members of the Governing Executive on 3 December 2010  
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 2010**

We have audited the financial statements of Ruskin College for the year ended 31 July 2010, 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. The financial framework that has been applied in their preparation is Accounts Direction issued by the Skills Funding Agency, 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). 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 set out on page 18, the Governing Executive are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view. Our responsibility is to audit the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's (APB's) Ethical Standards for Auditors.

### **Scope of the audit**

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of whether the accounting policies are appropriate to the College's circumstances and have been consistently applied and adequately disclosed, the reasonableness of significant accounting estimates made by the Governing Executive, and the overall presentation of the financial statements.

### **Opinion on financial statements**

In our opinion the financial statements:

- give a true and fair view of the company's affairs as at 31 July 2010 and of the surplus of income over expenditure for the year then ended,
- have been properly prepared in accordance with UK Generally Accepted Accounting Practice,
- have been prepared in accordance with the requirements of the Companies Act 2006, the 2009/10 Accounts Direction issued jointly by the Skills Funding Agency and the Young Peoples Learning Agency and the 2007 Statement of Recommended Practice – Accounting for Further and Higher Education.

**Independent auditors' report to the Governing Executive of Ruskin College  
for the year ended 31 July 2010**

**Opinion on other matters prescribed by the Companies Act 2006**

In our opinion the information given in the Governing Executives' Report for the financial year for which the financial statements are prepared is consistent with the financial statements.

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

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

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

Christopher Mantel  
For and on behalf of

---

RSM Tenon Audit Limited  
Statutory Auditor

---

Date

Vantage  
Victoria Street  
Basingstoke  
RG21 3BT

## Regularity Opinion

In accordance with the terms of our engagement letter dated 23 July 2008 and further to the requirements of the Skills Funding Agency, 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 2010 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 Skills Funding Agency. Our review work has been undertaken so that we might state to the members of the Governing Executive and the Skills Funding Agency 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 Skills Funding Agency, 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 Skills Funding Agency. We report to you whether, in our opinion, in all material respects, the College's expenditure and income for the year ended 31 July 2010 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 Skills Funding Agency. 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 2010 have been applied to purposes intended by Parliament and the financial transactions conform to the authorities which govern them.

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RSM Tenon Audit Limited  
Registered Auditors  
Vantage  
Victoria Street  
Basingstoke  
RG21 3BT

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Date

## Income and Expenditure Account

### Ruskin College Income and Expenditure Account

	Notes	2010 £	2009 £
<b>Income</b>			
Funding Council income	2	2,617,343	2,599,639
Tuition fees and education contracts	3	881,206	940,145
Research grants and contracts	4	334,708	304,579
Other income	5	654,479	658,991
Investment income	6	26,493	77,905
<b>Total income</b>		<u>4,514,229</u>	<u>4,581,259</u>
<b>Expenditure</b>			
Staff costs	7	3,162,183	3,114,680
Other operating expenses	9	1,486,192	1,409,134
Depreciation	11	207,615	217,513
Interest and other finance costs	10	6,854	7,795
<b>Total expenditure</b>		<u>4,862,844</u>	<u>4,749,122</u>
<b>Deficit on continuing operations prior to costs relating to the property strategy costs</b>		(348,615)	(167,863)
Grant support for property strategy costs		-	250,000
Property strategy costs	25	-	(520,936)
<b>Deficit on continuing operations after depreciation of fixed assets at valuation and before exceptional items and tax</b>		<u>(348,615)</u>	<u>(438,799)</u>
Profit on disposal of assets		8,133,826	-
<b>Surplus/ (Deficit) on continuing operations after depreciation of assets at valuation, disposal of assets and exceptional items</b>		<u>7,785,211</u>	<u>(438,799)</u>

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**

**RUSKIN COLLEGE**

**Statement of Historical cost Surpluses and Deficits**

Notes	2010 £	2009 £
<b>Surplus/ (Deficit) on continuing operations after depreciation of assets at valuation, disposals of assets and exceptional items</b>	7,785,211	(438,799)
Difference between historical cost depreciation and the actual charge for the year calculated on the revalued amount	74,178	89,710
<b>Historical surplus/(deficit) for the year before taxation</b>	<u>7,859,389</u>	<u>(349,089)</u>
<b>Historical surplus/(deficit) for the year after taxation</b>	<u>7,859,389</u>	<u>(349,089)</u>

**Statement of Total Recognised Gains and Losses**

	2010 £	2009 £
<b>Surplus/(Deficit) on continuing operations after depreciation of assets at valuation, disposal of assets and exceptional items</b>	7,785,211	(438,799)
Revaluation of listed fixed asset investments to market values	12      51,856	(82,455)
<b>Total recognised gains/ (losses) relating to year</b>	<u>7,837,067</u>	<u>(521,254)</u>
<b>Reconciliation</b>		
Opening reserves	9,508,633	10,029,887
Total recognised surplus/ (deficit) for the year	7,837,067	(521,254)
<b>Closing reserves</b>	<u>17,345,700</u>	<u>9,508,633</u>

## Balance sheet as at 31 July 2010

### RUSKIN COLLEGE

#### Balance Sheet as at 31st July 2010

	Notes	2010 £	2010 £	2009 £	2009 £
<b>Fixed assets</b>					
Tangible assets	11		8,372,384		9,020,883
Investments	12		411,719		345,081
			<u>8,784,103</u>		<u>9,365,964</u>
<b>Current assets</b>					
Debtors due > year 1	13	2,280,000		-	
Debtors due < year 1		7,118,801		381,417	
Short term investments	14	749,798		722,009	
Cash at bank and in hand		21,596		68,915	
		<u>10,170,195</u>		<u>1,172,341</u>	
<b>Creditors: amounts falling due within one year</b>	15	<u>(1,015,837)</u>		<u>(581,361)</u>	
<b>Net current assets</b>			<u>9,154,358</u>		<u>590,980</u>
<b>Total assets less current liabilities</b>			17,938,461		9,956,944
<b>Creditors: amounts falling due after one year</b>	16		(22,500)		(29,166)
<b>Net assets</b>			<u>17,915,961</u>		<u>9,927,778</u>
<b>Deferred capital grants</b>	18		570,261		419,145
<b>Reserves</b>					
Revaluation reserve		2,252,511		5,069,725	
Capital reserve		1,158,640		1,785,281	
Revenue reserve		13,020,414		1,840,158	
Development fund	20	510,772		472,347	
Scholarship, bursary and prize funds	21	397,213		341,122	
Ruskin Fellowship	26	6,150			
			<u>17,345,700</u>		<u>9,508,633</u>
<b>Total</b>			<u>17,915,961</u>		<u>9,927,778</u>

The financial statements on pages 22 to 39 were approved by the Governing Executive on 3 December 2010 and were signed on its behalf by:

David Norman, Chair

Audrey Mullender, Principal

## Cash flow statement

### RUSKIN COLLEGE Cash Flow Statement

	Notes	2010 £	2009 £
<b>Cash inflow/ (outflow) from operating activities</b>	<b>22</b>	235,135	(50,116)
<b>Returns on investments and servicing and finance</b>			
Investment income		26,493	77,153
Interest element of finance lease payments		(6,854)	(7,795)
<b>Net cash inflow from returns on investments and servicing of finance</b>		<u>19,639</u>	<u>69,358</u>
<b>Capital expenditure and financial investment</b>			
Purchase of tangible fixed assets		(2,812,972)	(1,625,710)
Purchase of investments		(14,782)	(15,526)
Proceeds of disposal of tangible fixed assets		2,281,585	16,652
Deferred capital grants/ donations received		286,058	71,610
<b>Net cash outflow from capital expenditure and financial investment</b>		<u>(260,111)</u>	<u>(1,552,974)</u>
<b>Net cash outflow before financing</b>		(5,337)	(1,533,732)
<b>Financing activities</b>			
Capital element of financial lease		(14,193)	(20,244)
<b>Cash outflow from financing activities</b>		(14,193)	(20,244)
<b>Net decrease in cash</b>	<b>23</b>	<u>(19,530)</u>	<u>(1,553,976)</u>

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

	2010 £	2009 £
Increase / Decrease in cash in the period	(19,530)	(1,553,976)
Cash outflow from lease financials	14,193	20,244
Change in net funds resulting from cash flows	<u>(5,337)</u>	<u>(1,533,732)</u>
New finance leases	(13,903)	(20,180)
Movement in net funds in the period	(19,240)	(1,553,912)
Net funds at 1 August 2009	756,997	2,310,909
Net funds at 31 July 2010	<u>737,757</u>	<u>756,997</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 in the 2009/10 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.

SFA 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 SFA 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 SFA 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 SFA.

Non-recurrent grants from the SFA 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.

### **Donations**

Where land and buildings are acquired with the aid of specific significant donations they are capitalised and depreciated in line with the fixed asset accounting policy. The related donations 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.

Where donations are not considered significant (<£10k) these are credited to the profit and loss account to match against the project costs that are of a revenue nature.

### **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.

## Principal accounting policies (continued)

### 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.

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. Major donations received above £10k are treated as deferred capital grants. Donations below this amount are matched to project costs that are of a revenue nature.

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

## **Principal accounting policies (continued)**

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.

### **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.

## **Principal accounting policies (continued)**

### **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 SFA and subsequent disbursements to students are excluded from the Income and Expenditure account and are shown 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

### RUSKIN COLLEGE

#### Notes to the financial statements 31 July 2010

##### 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	Main Funding Body £	Higher Education Funding Council £	2010 £	2009 £
Recurrent grant		1,522,384	954,281	2,476,665	2,526,767
Release of deferred capital grants	18	66,645	74,033	140,678	72,872
		<u>1,589,029</u>	<u>1,028,314</u>	<u>2,617,343</u>	<u>2,599,639</u>

##### 3 Tuition fees and education contracts

	2010 £	2009 £
Tuition fees	881,206	940,145
	<u>881,206</u>	<u>940,145</u>

##### Tuition fees funded by bursaries

Included within the amounts above are tuition fees funded by bursaries of £261,426 (2009 £221,169)

##### 4 Research grants and contracts

	2010 £	2009 £
Grants and contracts	334,708	304,579
	<u>334,708</u>	<u>304,579</u>

##### 5 Other income

	2010 £	2009 £
Catering and residence operations	541,157	575,185
Donations	64,545	33,358
Other income	48,777	50,448
	<u>654,479</u>	<u>658,991</u>

## Notes to the accounts (continued)

### RUSKIN COLLEGE

#### Notes to the financial statements 31 July 2010

##### 6 Investment income

	2010 £	2009 £
Interest receivable	11,711	62,379
Income from investments	14,782	15,526
	<u>26,493</u>	<u>77,905</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 :

	2010 Number of employees	2009 Number of employees
Teaching departments	26	28
Non Teaching Staff	53	55
	<u>79</u>	<u>83</u>

	2010 £	2009 £
<b>Staff costs for the above persons:</b>		
Wages & salaries	2,405,579	2,417,634
Social security costs	547,532	511,336
Other pension costs	-	-
<b>Payroll sub total</b>	<b>2,953,111</b>	<b>2,928,970</b>
Contracted out staffing services	209,072	185,710
	<u><b>3,162,183</b></u>	<u><b>3,114,680</b></u>

The number of senior postholders and other staff who received emoluments, including pension contributions and benefits in kind, in the following groups was :

	2010		2009	
	Number Senior- post- holders	Number Other staff	Number Senior- post- holders	Number Other staff
£60,001 - £70,000	1	-	-	-
£70,001 - £80,000	1	-	1	-

## Notes to the accounts (continued)

### RUSKIN COLLEGE

#### Notes to the financial statements 31 July 2010

##### 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.

	<b>Number 2010</b>	<b>Number 2009</b>
<hr/> The number of senior post-holders including the principal was <hr/>	3	2
Senior post-holders' emoluments are made up as follows:		
	<b>2010 £</b>	<b>2009 £</b>
<hr/> Salary	183,763	126,131
Pension contributions	28,942	17,658
<b>Total emoluments</b>	<b>212,705</b>	<b>143,789</b>

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

	<b>2010 £</b>	<b>2009 £</b>
<hr/> Salary	83,303	71,311
Pension contributions	13,052	9,984
<b>Total</b>	<b>96,355</b>	<b>81,295</b>

The pension contribution in respect of one Principal and senior post holder are in respect of employer's contributions to the USS Pension Scheme and are paid at the same rate as other employees

## Notes to the accounts (continued)

### RUSKIN COLLEGE

#### Notes to the financial statements 31 July 2010

#### 9 Other operating expenses

	2010 £	2009 £
Teaching departments	466,829	478,184
Non teaching costs	670,453	491,369
Premises costs	348,910	439,581
	<u>1,486,192</u>	<u>1,409,134</u>

Other operating expenses include auditors' remuneration:

Financial statements audit	16,658	16,658
Internal audit	13,619	9,358
Other services - financial statements audit	3,450	7,901
	<u>33,727</u>	<u>28,376</u>

#### 10 Interest payable

	2010 £	2009 £
On finance leases	<u>6,854</u>	<u>7,795</u>

## Notes to the accounts (continued)

### RUSKIN COLLEGE Notes to the financial statements 31 July 2010

#### 11 Tangible fixed assets

	Freehold land and buildings £	Assets under construction £	Computer equipment £	Fixtures and fittings £	Total £
<b>Cost or valuation</b>					
At 1 August 2009	8,547,200	1,990,930	499,947	290,119	11,328,196
Additions	-	2,742,994	80,138	3,743	2,826,875
Disposals	(4,123,179)	-	(9,218)	(21,643)	(4,154,040)
At 31 July 2010	<u>4,424,021</u>	<u>4,733,924</u>	<u>570,867</u>	<u>272,219</u>	<u>10,001,031</u>
<b>Depreciation</b>					
At 1 August 2009	1,779,686	-	287,008	240,619	2,307,313
Charge for year	94,199	-	96,366	17,050	207,615
Eliminated in respect of disposals	(861,015)	-	(7,632)	(17,634)	(886,281)
At 31 July 2010	<u>1,012,870</u>	<u>-</u>	<u>375,742</u>	<u>240,035</u>	<u>1,628,647</u>
<b>Net book values</b>					
At 31 July 2010	<u>3,411,151</u>	<u>4,733,924</u>	<u>195,125</u>	<u>32,184</u>	<u>8,372,384</u>
At 31 July 2009	<u>6,767,514</u>	<u>1,990,930</u>	<u>212,939</u>	<u>49,500</u>	<u>9,020,883</u>

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 were valued in 1994 at depreciated replacement cost by a firm of independent chartered surveyors. Other tangible fixed assets inherited from the LEA at incorporation have been valued by the College on a depreciated replacement cost basis with the assistance of independent professional advice.

The net book value of tangible fixed assets includes an amount of £34,965 (2008/09 – £33,828) in respect of assets held under finance leases. The depreciation charge on these assets for the year was £11,180 (2008/09 – £13,500).

#### Historical cost of land and buildings

	£'000
Cost	1,349,441
Aggregate depreciation based on cost	(412,400)
Disposals	(264,201)
<b>Net book value based on cost</b>	<b><u>672,840</u></b>

## Notes to the accounts (continued)

### RUSKIN COLLEGE

#### Notes to the financial statements 31 July 2010

#### 12 Investments

	2010 £	2009 £
Listed investments (see below)	380,912	314,274
Long term deposits	30,807	30,807
	<u>411,719</u>	<u>345,081</u>
	£	£
<b>Listed investments</b>		
Balance at 1 August 2009	314,274	381,203
Investment income re-invested	14,782	15,526
Net investment gain	51,856	(82,455)
Balance at 31 July 2010	<u>380,912</u>	<u>314,274</u>

#### 13 Debtors

	2010 £	2009 £
<b>Due over one year</b>		
Instalments from Exeter College	2,280,000	-
<b>Due within one year</b>		
Trade debtors	203,643	257,748
Other debtors	12,475	67,253
Installments from Exeter College	6,840,000	0
Prepayments and accrued income	62,683	56,416
	<u>7,118,801</u>	<u>381,417</u>

#### 14 Short term investments

	2010 £	2009 £
Cash In Hand	21,596	68,915
Short term deposits	749,798	722,009
	<u>771,394</u>	<u>790,924</u>

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

	2010 £	2009 £
Obligations under finance leases	11,137	10,553
Trade creditors	327,061	282,212
Accruals and deferred income	644,338	139,261
Other creditors	27,509	143,539
Other taxation and social security	5,792	5,796
	<u>1,015,837</u>	<u>581,361</u>

## Notes to the accounts (continued)

### RUSKIN COLLEGE

#### Notes to the financial statements 31 July 2010

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

	2010 £	2009 £
Obligation under Pension Contribution	-	5,792
Obligations under finance leases	22,500	23,374
<b>Total</b>	<b>22,500</b>	<b>29,166</b>

#### 17 Analysis of Borrowings of the College

##### Finance leases

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

	2010 £	2009 £
In one year or less	11,137	10,553
Between two and five years	22,500	23,374
	<b>33,637</b>	<b>33,927</b>

Finance lease obligations are secured on the assets to which they relate

#### 18 Deferred capital grants

	SFA Grants 2010 £	Other Grants 2010 £	Deferred Donations 2010 £	Total 2010 £
At 1 August 2009	253,408	165,737	-	419,145
Cash received	-	61,195	224,863	286,058
Funds due but not received	-	5,736	-	5,736
Released to income and expenditure	(66,645)	(74,033)	-	(140,678)
<b>At 31 July 2010</b>	<b>186,763</b>	<b>158,635</b>	<b>224,863</b>	<b>570,261</b>

#### 19 Reserves

	Revaluation reserve – buildings £	Capital reserve £	Revenue reserve £	Development Fund (note 20) £	Scholarship bursary & prize funds £	Fellow ship Funds £	Total £
At 1 August 2009	5,069,725	1,785,281	1,840,158	472,347	341,122	-	<b>9,508,633</b>
Transfers	-	(626,641)	592,613	38,425	(10,547)	6,150	-
Transfer of depreciation on revalued property in respect of disposals	(2,743,036)	-	2,743,036	-	-	-	-
Scholarship bursary prize funds	-	-	(14,782)	-	14,782	-	-
Revaluation of investments to market value	-	-	-	-	51,856	-	<b>51,856</b>
Profit retained for the year	-	-	7,785,211	-	-	-	<b>7,785,211</b>
Transfer of depreciation on revalued property	(74,178)	-	74,178	-	-	-	-
<b>At 31 July 2010</b>	<b>2,252,511</b>	<b>1,158,640</b>	<b>13,020,414</b>	<b>510,772</b>	<b>397,213</b>	<b>6,150</b>	<b>17,345,700</b>

## Notes to the accounts (continued)

### RUSKIN COLLEGE Notes to the financial statements 31 July 2010

#### 20 Development fund

	2010	2009
	£	£
At 1 August 2009	472,347	457,197
Donations - restricted to capital development project	38,425	265,150
Accelerated release of capital grant	-	(250,000)
At 31 July 2010	<u>510,772</u>	<u>472,347</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

	2010	2009
	£	£
At 1 August 2009	341,122	419,046
Appreciation of fixed asset investments	51,856	(82,455)
Interest, donations and allocations	14,782	16,283
Awards, prizes and grants	(10,547)	(11,752)
At 31 July 2010	<u>397,213</u>	<u>341,122</u>

#### 22 Reconciliation of operating surplus/(deficit) to net cash inflow/(outflow) from operating activities

	2010	2009
	£	£
Surplus/ (deficit) on continuing operations after depreciation of assets	7,785,211	(438,799)
Depreciation (note 11)	207,615	217,513
Profit on disposals	(8,133,826)	(970)
Deferred capital grant released to income (note 19)	(140,678)	(72,872)
Interest payable (note 10)	6,854	7,795
Investment income	(26,493)	(77,905)
Decrease in stock	-	8,731
Decrease in debtors	108,352	107,968
Decrease in creditors	428,100	198,423
Net cashflow from operating activities	<u>235,135</u>	<u>(50,116)</u>

#### 23 Analysis of changes in net funds

	At 1st August 2009	Cash flows	Other changes	At 31st July 2010
	£	£	£	£
Short term deposits	722,009	27,789	-	749,798
Cash at bank and in hand	68,915	(47,319)	-	21,596
	<u>790,924</u>	<u>(19,530)</u>	<u>-</u>	<u>771,394</u>
Finance leases	(33,927)	290	-	(33,637)
	<u>756,997</u>	<u>(19,240)</u>	<u>-</u>	<u>737,757</u>

## Notes to the accounts (continued)

### RUSKIN COLLEGE

#### Notes to the financial statements 31 July 2010

#### Amounts disbursed as agent

##### 24 Access funds

	HEFCE	FUNDING BODY GRANTS	2010	2009
	£	£	£	£
Balance over/underspent at 1 August 2009	(449)	2,314	1,865	20,320
Funding Council grants	9,875	8,753	18,628	13,220
Interest earned	0	0	0	0
	<u>9,426</u>	<u>11,067</u>	<u>20,493</u>	<u>33,540</u>
Disbursed to students	(8,805)	(13,757)	(22,562)	(31,365)
Administration fee	(296)	(438)	(734)	(310)
<b>Balance (overspent) / unspent at 31 July 2010</b>	<b><u>325</u></b>	<b><u>(3,128)</u></b>	<b><u>(2,803)</u></b>	<b><u>1,865</u></b>

Funding body grants are available solely for students. In the majority of instances, the College only acts as a paying agent. In these circumstances, the grants and related disbursements are therefore excluded from the income and expenditure account. The income and expenditure consolidated in the College's financial statements relates to the purchase of some equipment from the access fund and the payment of accommodation by the College on the student's behalf.

##### 25 Major non-cash transactions

###### Property Strategy costs

	2010	2009
Property strategy costs	-	(520,936)
Grant support for property strategy costs	-	250,000
<b>Net charge for the year</b>	<b><u>-</u></b>	<b><u>(270,936)</u></b>

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 Fellowship Funds

	2010	2009
At 1 August 2009	-	-
Transfer into Ruskin College (restricted fund)	6,150	-
At 31 July 2010	<b><u>6,150</u></b>	<b><u>-</u></b>

On 31st July 2010 the Ruskin Fellowship amalgamated their funds into the main balance sheet. These funds will be reported on annually in the report, and held as a restricted fund in note 19

##### 27 Post Balance Sheet Events

There were no significant post balance sheet events

##### 28 Commitments

	2010	2009
Commitments contracted at 31 July for Headington Redevelopment	<u>2,917,421</u>	<u>150,000</u>