



Ravensbourne



Ravensbourne Higher Education Corporation and Subsidiary Undertakings



Report and Financial Statements
31 July 2017

Buzzacott LLP, London

Contents

- 03 Director's and Chair's Reports**
- 06 Operational and financial review**
- 17 Statement of corporate governance and internal control**
- 26 Statement of responsibilities of the members of the corporation**
- 28 Independent Auditor's report to the Governors of Ravensbourne**
- 31 Financial statements – year ended 31 July 2017**
- 32 Consolidated statement of comprehensive income**
- 33 Group consolidated balance sheet**
- 34 Higher education corporate balance sheet**
- 35 Consolidated statement of cash flows**
- 36 Notes to the financial statements – year ended 31 July 2017**

Director's and Chair's Report



Director's Report

I am pleased to say that we have been awarded both the Silver Award in the Teaching Excellence Framework (TEF) and also Taught Degree Awarding Powers (TDAP). Both of these are recognition of the distinctive, high quality experience we deliver, and confirmation that we are moving in the right direction to achieve our strategic aims and objectives.

In addition to the Silver TEF award, and TDAP, we also have maintained our position as a top 50 institution in the world and top 10 in the UK for art and design in the QS university rankings. Our graduate employability rate also remains above the national average with 19 out of 20 students in employment or further study within 6 months, and in the top third for creative graduate salaries, 5 years after graduating.

We've seen high profile collaborations with Ford, Tate Modern, Royal Shakespeare Company and Barclays and our students have been awarded placements at Marks and Spencer and Burberry to name but a few. Our partnerships remain key, and the development of the External Relations directorate continues to be an important focal point as we further develop our relationships across international, technology, higher education, cultural sector and local partners.

The recruitment of Deans of Design and of Media has been followed by the implementation of a Portfolio Review to ensure our courses are at the forefront of education and remain relevant today for tomorrow's creative and digital industries, building on Ravensbourne's first rate reputation. I'm very much looking forward to applying a new and groundbreaking approach to academic and practical learning, underpinned by the the five principles of cultivate, collaborate, advocate, originate, and integrate, that are at the core of the Review. This approach I am sure, will mean we will continue to equip our students with the skillsets and mindsets they need to flourish.

We are making significant and steady progress, and all our activities will continue to be updated to align with the overall strategic plan as this progress is made. At the same time, the higher education sector continues to face some instability and we are responding to this through the portfolio review, and through the development of a new student recruitment strategy that recognises and is adaptable to potential policy changes by Government, and the as yet unknown consequences of the decision to leave the European Union.

The achievement of a Silver Award for the Teaching Excellence Framework (TEF) also means that we can continue to deliver a distinctive, high quality experience to our students, staff and partners. It may also mean that we have the option to increase student fees in line with inflation in the future.

I am very confident that the strategies and activities planned for the coming years will give a greater level of flexibility and responsiveness, enabling the institution to meet the needs of a fast changing creative and digital industry, while retaining our academic integrity as a higher education institution with rigorous standards and academic governance.



Professor Linda Drew
Director

Chair's Report

The past year has seen gratifying progress and Ravensbourne is now at an exciting inflection point in its development.

The news that Ravensbourne has been awarded Taught Degree Awarding Powers is a reflection of hard and effective work by staff, rigorously evaluated by external monitors over several years. We expect to receive University Title in the coming months. Our ability to award degrees will enable us to respond more quickly to market needs and will increase our ability to recruit students both nationally and internationally.

Almost 95% of our alumni are in employment or further study within six months of graduation.* For an art and design college, albeit one that is technologically focused, this is a special achievement. We are proud of our intimate links with industry and the way in which our students learn to co-operate in multi-disciplinary teams, just as they will have to do in the world of work. Our students continue to be well-represented in public awards and the degree shows, as always, were buzzing with innovation grounded in practicality.

Ravensbourne has been awarded Silver status in the Teaching Excellence Framework, realistically the highest level we could have achieved for an institution at our stage of development, a further reflection of the commitment and professionalism of our teaching staff and those who support them.

However, the higher education sector faces headwinds.

A demographic downturn means there are fewer people leaving school than there were last year. While the foreign-exchange rate has made the UK cheaper for foreign students, uncertainty over Brexit and the political atmosphere in the UK are not especially welcoming, compared with countries with which we are competing. And competition between academic institutions within the UK is also fierce.

We foresee choppy waters but believe that Ravensbourne not only has the strategic talent to navigate them but also the capability and intent to make the most of technological disruption and the renewed focus on student experience. We are optimistic and excited about increasing the influence of Ravensbourne's very special kind of learning.

Finally, while we are pleased to attract those from very diverse educational backgrounds and help them become highly employable and productive, we acknowledge that there are talented people for whom bursaries would make a very substantial difference. Our ambition is therefore to find fellow travellers willing to change a life by contributing financially to a Ravensbourne education, an investment that will provide a very positive and palpable return over generations.

On behalf of the Board I would like to thank our Director, Professor Linda Drew, her senior team and the entire staff and student body for making the Ravensbourne community such an exuberantly diverse, creative and nurturing place.



Jonathan Drori CBE

Chair of the Board of Governors

*Higher Education Statistics Agency (HESA) leavers from HE survey, 2015-2016.



Operational and Financial Review

Nature, Objectives and Strategies

The members present their report and the audited Group financial statements for the year ended 31 July 2017.

Legal Status

The institution is an independent corporation, established as a higher education corporation under the terms of the Education Reform Act 1988 and the Further and Higher Education Act 1992. The institution is an exempt charity for the purposes of the Charities Act 2011. The financial statements comprise the consolidated results of the institution and its subsidiary, Ravensbourne Limited.

Ravensbourne Limited undertakes activities which, for legal, commercial or tax reasons, are more appropriately channelled through a limited company. These activities are principally in the field of broadcasting short courses, facilities hire and commercial partnerships. The company makes a donation under Gift Aid from its taxable profits to Ravensbourne.

The institution owns two further subsidiaries, Ravensbourne Regeneration and Ravensbourne Learning Resource Limited, both of which are dormant and do not trade.

Mission statement

Technology is integral to Ravensbourne's DNA. As the only independent higher education institution with a longstanding specialism in Design, Media, Communication and Technology, and exceptional links with the dynamic creative industries we serve, our purpose is to:

- Transform the lives of our diverse student population, through a unique specialist educational experience which combines an imaginative blend of tools, practices and techniques
- Harness creative talent by delivering the skills that enable people to flourish as innovative, self-sustaining practitioners
- Bridge gaps and move with agility between industry and education

- Link research with real-world application as a world-leader in the creative exploitation of emerging technologies in order to deliver sustainable, positive, social and economic change.

Our vision

Our ambition is to shape the creative leaders of the future, promoting in them an instinct for innovation that is cultivated from collaborative creativity.

Our values

All of our activities are founded on three core values:

Be creative

We provide a provocative, dynamic learning environment where students are challenged to become visionary professionals of the future. Working collaboratively and purposefully, we approach our endeavours with a mindset that is open and receptive to challenge. We empower our staff and students not just to imagine, but also to create the future.

Be integrated with industry

We value a rich and sustained engagement with our industry partners. This drives our practice-based approach to learning and teaching, research and knowledge exchange. We support creative leadership and innovation through partnerships, conversations and connections with industry. These reflect the professional and collaborative nature of our staff and the employability of our students.

Be inclusive

We take pride in a culture that anticipates, supports and celebrates equality of opportunity. Reflecting the diversity of our local community, we are proactive and holistic in our approach to promoting social mobility, internationalisation, and inclusion, enabling change beyond Ravensbourne, to the socio-economic profile of practitioners in the creative industries.

Nature, Objectives and Strategies (continued)

Strategic plan

The Board of Governors approved the institution's three year strategic plan in August 2015. The strategic plan reflects the following aims:

- To deliver academic excellence in the learning, teaching, research and knowledge exchange of design, media, communication and technology through the development of new educational models for HE and industry.
- To invest in and value our staff, and ensure the development of our organisational capability
- To enable access to a distinctive and inclusive 'Ravensbourne' student environment and experience.
- To foster creativity and talent through the development of the mindsets and skillsets needed to succeed.
- To forge and maintain dynamic relationships with our UK and International partners in industry, higher education, and the cultural sector and with the locality and our alumni.

Notable achievements in line with the strategic plan during the 2016/2017 academic year include:

- Notified of our success in seeking Taught Degree Awarding Powers, and we remain on track to achieve strategic goal of full university status, in line with our strategic objectives for 2015-18.
- Attainment of a Silver award for teaching and learning excellence in the Teaching Excellence Framework (TEF).
- 19 out of 20 students are in employment or further study within 6 months of graduating (HESA 2015/16). The results are based on a national survey of 2015-2016 leavers from higher education undertaken by the Higher Education Statistics Agency (HESA).
- Ravensbourne is among the top third of all institutions in England for creative graduate salaries. (Based on median salaries 5 years after graduating taken from the Department for Education's Longitudinal Education Outcomes 2017).
- High profile collaborations with well known brands such as the BBC, Ford, The Tate Modern, Royal Shakespeare Company, The European Space Agency, Barclays, Marks & Spencer and Burberry, with our students being awarded placements at many of these and others.

- We've also launched the UK's first HoloPortal™ with DoubleMe and hosted the second annual VRUK Festival, as well as hosting our first international Design conference, LearnX Design.
- Ravensbourne once again hosted MozFest in October 2016, the world's leading festival for the open internet movement. The festival in 2016 proved the largest yet with over 500 sessions, 26 of those run by young people and 1800 attendees at the event. We look forward to welcoming Mozilla back to Ravensbourne in 2017.
- Our students have won awards at prestigious industry events such as D&AD New Blood, New Designers and Graduate Fashion Week.
- Two of Ravensbourne's undergraduate architecture degree courses have been prescribed as fulfilling the requirements needed to gain part one of a three part architecture qualification from ARB, the UK's architects regulator.
- Ravensbourne, together with brand agency NB, won the Brand Impact Award in the education category for its consistent quality of concept, design and execution for its identity rebrand.



Statement on public benefit

In setting our objectives and planning our activities our governors have given consideration to the Charity Commission's general guidance on public benefit and in particular to its supplementary public benefit guidance on advancing education.

The students of Ravensbourne are the primary beneficiaries and are directly engaged in learning or research. However, beneficiaries also include employers and businesses in the creative industries sector as well as school children and alumni of Ravensbourne who may attend educational events organised by the institution and use the academic facilities.

We do not believe that Ravensbourne causes any detriment or harm from carrying out its mission and we are not aware of views among others that such detriment or harm might arise.

Ravensbourne's public benefit activities are viewed and can be categorised under our strategic plan which reflects the institution's aims for 2015-2018:

- To deliver academic excellence in the learning, teaching, research and knowledge exchange of design, media, communication and technology through the development of new educational models for higher education and industry
- To invest in and value our staff, and ensure the development of our organisational capability
- To enable access to a distinctive and inclusive 'Ravensbourne' student environment and experience
- To foster creativity and talent through the development of the mindsets and skillsets needed to succeed
- To forge and maintain dynamic relationships with our UK and international partners in industry, higher education, and the cultural sector and with the locality and our alumni.

We continue to develop our recruitment and outreach programme and are looking to extend our successful school progression agreements to the EU and beyond over the next year following their successful and continued development within the UK. These progression agreements will ensure that post-16

students and international students will experience higher education taster workshops, holiday schools, and UCAS/application support workshops. This also provides an excellent opportunity for our current students to act as mentors.

As part of this outreach programme, we run three Saturday Clubs in partnership with The Saturday Club Trust; in Art & Design, Fashion Business and Science & Engineering, for young people aged 14 and above. We also run taster days to allow prospective students to get a feel for studying a creative subject at university, and experience the state of the art studios, workshops and facilities that are available at Ravensbourne. We also give workshops providing advice and support to students in Years 9 – 13 (including Access courses) that are considering applying for Higher Education courses in Design and Media.

Scholarships to study at Ravensbourne have also been awarded to three young people in a collaboration between Ravensbourne and Accumulate, a social enterprise which uses creativity to empower young people who are homeless. On the course the recipients will be mentored by Ravensbourne students who will pass on the creative skills they've learnt and provide valuable networks and advice to aid progression and build confidence.

In partnership with the Royal Borough of Greenwich, and as part of the Greenwich Digital Skills programme, we offer a wide range of affordable short courses with subsidised rates for Ravensbourne residents, Ravensbourne has also launched a programme of short courses aimed at creative professionals with an initial emphasis in fashion pattern cutting and design.

The Industry Connect (previously Ravensbourne Plus) programme has continued to offer practical and tangible benefits with workshops, practical short courses, and featuring lectures and talks from visiting speakers such as International Film Producer and BAFTA award winner Iain Smith OBE, who gave a film production masterclass to students and staff. Iain has worked on numerous high profile award-winning films such as *Mad Max: Fury Road*, *Children of Men*, *The Mission* and *Local Hero*.

Financial Position

Results

The financial statements for the year ending 31 July 2017 have been prepared in accordance with the Statement of Recommended Practice (SORP) Accounting for Further and Higher Education 2015 and in accordance with the Financial Reporting Standard FRS102.

The surplus for the year ending 31 July 2017 is £95,950 against a budgeted surplus of £235,161. The surplus for the year ending 31 July 2016 was £401,095.

Liquidity

Cash and short term cash deposits as at the year ending 31 July 2017 totalled £13,315,304, a slight decrease of £51,170 from the position at 31 July 2016. Cash balances continue to reflect the institution's strong liquidity position. During the year ending 31 July 2017 the institution continued with repayments of its 25-year mortgage facility and repayments to the Royal Borough of Greenwich. The Loan granted by the Higher Education Funding Council (HEFCE) was fully repaid during the financial year.

Capital repayments and the balances outstanding on loan facilities

Facility	Original Loan £	Term Years	Outstanding 1 Aug 2016 £	Repayment £	Outstanding 31 July 2017 £
Barclays plc 25 year mortgage	5,000,000	25	4,397,900	128,692	4,269,208
HEFCE	2,000,000	6	500,000	500,000	-
Royal Borough of Greenwich	1,000,000	10	500,000	100,000	400,000
	8,000,000		5,397,900	728,692	4,669,208

Interest is payable at a fixed rate of 5.5 per cent per annum on the long term mortgage facility and 3 per cent per annum in respect of the London Borough of Greenwich loan. The loan facility granted by HEFCE was interest free.

Financial Position (continued)

Reserves

The institution continues to maintain healthy reserves of over £31.8 million (2016 £31.3 million). After adjusting for balances in respect of non current assets, loan financing, the pension scheme liability and deferred capital grants, the institution's free reserves total £10.6 million (2016 £9.7 million). It is recognised that these reserves will be necessary not only to ensure cover for the current loan obligations but also for future investment as follows:

- **Investment in the fabric of the estate** - the current premises are approaching their first seven year cycle and it has been recognised that a rolling programme of maintenance and replacement is necessary. This was started in 2016, continued throughout the year and will continue in the future.
- **Investment in technology** - this is a cyclical requirement to ensure the institution remains at the cutting edge of technology maintaining its status as industry led and to ensure the relevance of its teaching and resources to students, staff and industry.
- **Investment in growth** - if the institution undertakes significant growth as a result of the removal of student number controls and achieving university status, it will require significant investment in the estate as the current premises approach capacity, furthermore in resources to ensure that the current high quality of teaching is maintained.

The Board of Governors and senior management of the institution are currently implementing a strategic plan to 2018 but also looking beyond that point to identify the reserves to meet future needs.

Cash flows

The net cash inflow from operating activities for the year ending 31 July 2017 was £958,048. During the year the institution made capital payments in respect of bank and other loans of £728,692 and paid interest of £261,476. As of 31 July 2017 cash and balances held on short-term deposit amounted to £13,315,304 which represents a slight decrease of £51,170 against the position as at 31 July 2016.

Principal risks and uncertainties

The institution continues to review risk assessment and risk management arrangements to safeguard corporate interests and reputation as part of its corporate plan. A risk register is maintained at the institution and is reviewed regularly. The risk register identifies key risks, the likelihood of those risks occurring, their potential impact on the institution and the actions being taken to reduce and mitigate the risks.

The key risks facing the institution are:

- **Uncertainty of funding** – the bases of funding higher education are continually changing with increasing uncertainty over the continuation of direct government funding. The uncertainty of the repayment of the rapidly growing student loan book may lead to further policy changes as to what type or subject of higher education provision may be funded. The market for students will become more competitive and place a risk on student recruitment. Additionally funding for further education is likely to reduce significantly over the next few years.
- **Student recruitment & retention** – These remain the key risks to the institutions sustainability as the major source of income. These include Home & EU students, International students, Post Graduate students and FE students (particularly in relation to progression).
- **International students** – volatility in the financial and stock markets can led to an uncertain environment which has an impact on the recruitment of international students. In addition government policy regarding the matter of visa restrictions and the aggressive application of the shifting rules by UK Visas and Immigration (UKVI) may adversely impact on student recruitment from outside the EU. Furthermore the result of the referendum to withdraw from the European Union could potentially reduce a significant number of very able students although Ravensbourne is not significantly exposed in this area.
- **Inflation** – high inflation may be a feature of the future as the government attempts to bring borrowings under control. A significant increase on inflation for non-pay costs is likely to lead to inflationary pressures on salary costs to try and keep pace with rising prices.

Financial Position (continued)

- **Student satisfaction** – the emphasis on student satisfaction is increasing as the final cohorts have moved from grant funding to tuition fees. The expectations and demands from students who are now seen as customers will increase as they perceive the value for money they get from their fees. Ensuring positive student satisfaction will aid in student recruitment and is a key metric in the Teaching Excellence Framework (TEF) which will allow institutions meeting certain criteria to increase student fees above the limit set in 2012. It is likely there will be pressure on costs in order to maintain and improve satisfaction levels
- **Course portfolio** – it is important for the institution to be cutting edge and industry focused in the courses that it offers in order to retain its reputation and status and to maintain its highly successful employability rate. A full portfolio review of courses has been undertaken to ensure course relevance and new courses are being introduced from 2018.
- **Cyber Security** – The threat from cyber security attacks has been increasing and will continue to increase as more and more activity is held on line and networked. The threat is heightened by the increased involvement of everyone in the connected world and access to systems and data.
- **General Data Protection Regulations (GDPR)** – The enhanced GDPR legislation which is due to take effect from May 2018 significantly increases the responsibilities on personal data holders and processors and with it increased potential penalties. This is a major area of activity for the institution.
- **Terrorism in London** – There have been increasing incidences of terrorism in London and the rest of Europe. The institutions location on the Greenwich Peninsular may expose the institution to a greater threat. Continued vigilance, working with our neighbours and the police and focus on the PREVENT work remains essential.

Emphasis is maintained on managing these risks and the Governors and senior management are optimistic for the future of the institution.

Key Performance Indicators

The institution developed key performance indicators (KPIs) to facilitate the oversight of all its business affairs at a strategic level by the Board of Governors. These are continually updated to reflect the revised strategic plan or new areas of focus. However the critical financial KPIs monitored in the past year were:

KPI	Description	Target	5Y Av.	Current
Profitability	Historic cost surplus as % of total income	2.0	1.0	0.4
Reserves	Discretionary reserves as % of income	140	119.7	122.8
Borrowings	Borrowings as a % of income	20	17.2	18.0
Liquidity	Net cash flow as a % of income	10	7.6	1.0
Liquidity	Net liquidity days	200	217	203
Covenants	Borrowings to 3 year average EBITDA	Max ratio 5:1		2.1 to 1

All KPIs have exceeded targets except the surplus (recognizing increased investment in student recruitment and course development, but still within £139k of budget) and cash flow (recognizing accelerated expenditure incurred in 2015/16 but paid in 2016/17).

Financial KPIs, although important, represent only one aspect of the institution's business. A full suite of other KPIs is monitored regularly by the Board of Governors. These include, but are not limited to, student recruitment, National Student Satisfaction Survey, destination of leavers, staff qualifications, staff diversity in terms of ethnicity, disability and gender and staff turnover.

Current, future developments and performance

The institution believes that it is well placed to meet the challenges ahead as it operates in a specialist area of provision with a large demand for the courses it offers. As noted explicitly in the Teaching Excellence Framework, Ravensbourne also has excellent outcomes for its students.

The institution achieved Taught Degree Awarding Powers (TDAP), effective from 14 August 2017 and is on track to achieve the goal of university status. The current 2015-18 strategic plan has continued to be successfully implemented throughout the year with a focus on this achievement of TDAP, and a modest growth in student numbers, while also ensuring the institution maintains its distinctive, industry-led and cutting-edge digital focus and retains its extremely successful metrics in terms of partnerships, student achievements and awards, and employability. The strategy for a longer period beyond 2018 is now being developed by the Governors and senior management. It will be published next year and will set out the direction for Ravensbourne as we embark on our transition to university status.

All supporting strategies will continue to be updated to align with the overall strategic plan as progress is made. In addition the institution continues to respond to the challenges faced throughout the sector due to increased competition, major regulatory reform, a demographic decline in 18 year-olds as well as the impact of the decision to leave the European Union, where the full consequences are still unknown. This year we have engaged proactively with significant policy changes relating to education, Brexit and industrial strategy, hosting visits from Government officials and participating at the highest level in sector and industry representative bodies. For example, in addition to being Clothed as a Liveryman by The Worshipful Company of Stationers and Newspaper Makers, Professor Drew has also been elected to GuildHE's Executive Board and to the Mayor's Skills for Londoners Advisory Committee.

The recruitment of Deans of Design and of Media has been followed by the implementation of a full review of all courses. This is currently underway and has led to a refreshed approach to all the courses, ensuring they are developed alongside our strategic aims and the following 4 guiding principles, to provide an unrivalled education that will keep our graduates at the forefront of innovation and creativity, and providing them with the mindset and skillsets to succeed.

- **Cultivate:** providing a learning experience where the individual thrives
- **Collaborate:** enabling disciplines to evolve
- **Integrate:** enabling engagement and collaboration across education and industry
- **Advocate:** where purpose meets practice

In addition, the recruitment of a Director of External Relations continues to be a focus, with a renewed emphasis on partnerships, student recruitment, internationalisation and diversifying our income streams. This new focus is already developing with an updated student recruitment strategy that recognises and is adaptable to potential policy changes.

The introduction of the Teaching Excellence Framework (TEF) allows institutions that meet set criteria to increase student fees in the future from the current capped level. The achievement of a Silver Award for the institution in 2017 has recognised the high quality of our teaching and learning and of the digital environment provided for students, the successful employability rates and salary achievements of graduating students, and the learning gains achieved. The institution believes that the activity planned for the coming years, together with the successful achievement of TDAP, will enable the institution to meet the challenges and uncertainties around both funding and student recruitment.

Stakeholder Relationships

In line with other colleges and universities Ravensbourne has many stakeholders. These include:

- Students
- Alumni
- Local, regional and national employers
- Local community organisations
- Staff past and present
- Regional development agencies
- Creative industry networks
- Commercial partners serving the creative industries
- Other higher and further education institutions

We recognise the importance of all stakeholder relationships, and facilitate and nurture these through various channels: intranet, email communications, digital and social platforms, partnership agreements and in-person meetings

Equal opportunities and employment of disabled persons

Ravensbourne is an equal opportunities employer. As such, the institution considers all applications for employment 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 institution continues. The institution's policy is to provide training, career development and opportunities for promotion, which are, as far as possible, identical to those for other employees.

Disability statement

The institution seeks to achieve the objectives set down in the Equality Act 2010.

Disabled staff policy and procedure

The institution recognises and is committed to meeting its responsibilities towards its staff and the community at large to ensure that disabled people are afforded equal opportunities to enter employment and progress within the institution.

As such, the institution has established the following policy and procedures to ensure that this is achieved:

- The institution aims to be recognised by the community as an employer which provides good employment opportunities for disabled people, and we wish individuals who apply to us for employment to know that they will receive fair treatment and be considered solely on their ability to do the job. Ravensbourne abides by the Two Ticks Scheme which ensures all candidates who have a disability and meet the essential requirements of the role are given an interview
- If an employee becomes disabled during the course of their employment with the institution, all reasonable steps will be taken to accommodate the individual's disability by making reasonable adjustments to working practices and arrangements, or by offering redeployment and appropriate retraining to enable them to remain in employment with the institution wherever that is possible. All disabled employees are offered the opportunity to meet with a member of the HR department on an annual basis to discuss any reasonable adjustments they may require
- All staffing policies have been reviewed to ensure that the policies, procedures and practices are supportive of disabled staff at the institution and its disability management process. Impact assessments are carried out on an annual basis and on changing or introducing new policies to ensure there are no negative impacts on staff with a disability
- The institution aims to continue to raise awareness of disability throughout the organisation in order to promote equality and positive attitudes towards disabled people. For example, the institution will continue to endeavour to provide staff training on disability awareness for all staff involved in recruitment and selection processes and managers are briefed on their responsibilities in relation to equal opportunities which includes issues relating to disability.

Stakeholder Relationships (continued)

Services for students with disabilities

As a smaller specialist institution, we pride ourselves on being able to respond to individual students' requirements flexibly and effectively. Student Services are the first point of contact for any student with a disability who might wish to discuss any requirements they have. Student Services is also the main point of contact for prospective students who wish to discuss any learning requirements prior to coming to Ravensbourne. The service is confidential and offers help and advice on a range of other matters:

- Provide equipment where appropriate
- Co-ordinate the provision of additional support services such as non-medical helpers and note-takers
- Provide assistance with applications for the Disabled Students' Allowance
- Co-ordinate access to additional learning support and building accessibility
- Provide general advice on concerns or difficulties should they arise
- Facilitate advice from external agencies to help resolve any difficulties and concerns. For example, referral to a disabled person support group.

Disabled students will be provided with the opportunity to review any support at least once per year in a formal way and as often as required informally.

Disclosure of information to auditors

The members who held office at the date of approval of this report confirm that as far as they are each aware, there is no relevant audit information of which the institution's auditors are unaware; 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 institution's auditors are aware of that information.

Approved by order of the members of the Corporation and signed on its behalf by



Chair of the Board of Governors

15 November 2017.

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Solicitors

Herbert Smith LLP
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Statement of corporate governance and internal control



Introduction

The institution is an independent corporation, established as a higher education corporation under the terms of the Educational Reform Act 1988 and the Further and Higher Education Act 1992. It is an exempt charity for the purposes of the Charity Act 2011. Its objects, powers and framework of governance are set out in the Instrument and Articles of Government, which were approved by the Privy Council on 25 March 1993. The Articles of Government require the institution to have a board of governors and an academic board, each with clearly defined functions and responsibilities, to oversee and manage its activities.

The Committee of University Chairs (CUC) issued a revised Code of Governance for higher education in December 2014. The Board of Governors has adopted the code in its entirety and is confident, following a comprehensive assessment of practice overseen by the Audit Committee, that the seven primary elements as set out in the code are met. Ongoing adherence to the Code is monitored by the Audit Committee on an annual basis, and is the subject of internal audit review.

In addition to the scrutiny undertaken by the Audit Committee in relation to corporate governance arrangements, Ravensbourne was subject to HEFCE's five-yearly Assurance Review visit in September 2016. HEFCE concluded that it is able to place reliance on the institution's accountability information.

In May 2017, an internal review of Board effectiveness was undertaken (a full independent review was undertaken in 2015). The results of the review were discussed and governance processes will continue to be strengthened over the coming year in accordance with agreed recommendations.

Governors agreed to reduce the overall size of the Board following recommendation from the Nominations Committee and the board effectiveness review, and will not re-appoint to all five vacancies left by outgoing members unless particular skills needs arise. Two new independent members of the Board were appointed following a national advertising campaign, reducing the overall board membership from 21 to 18. This process was overseen by the Nominations Committee, who keeps the balance of skills and experience on the Board under regular review.

The institution is committed to best practice in all aspects of its corporate governance and to conducting its affairs in a responsible and transparent way. This statement takes into account the requirements of funding bodies, the UK Corporate Governance Code as it applies to higher education, and the Higher Education Code of Governance. Its purpose is to help the reader of the financial statements understand how the principles have been applied. Ravensbourne's corporate governance statement covers the period 1 August 2016 to 31 July 2017 and up to the date of approval of the audited financial statements.



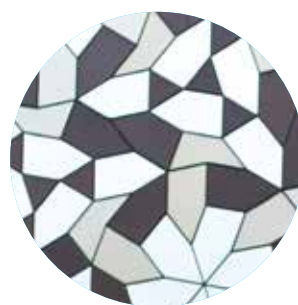
The Board of Governors

The Board of Governors is the governing body of the institution, responsible for the finance, property and staffing of the institution. It is specifically required to determine the educational character and mission of the institution and to set its general strategic direction. The Board has adopted a Statement of Primary Responsibilities, and delegates day-to-day responsibility to the Director, as the accountable officer, for maintaining a sound system of internal control that supports the achievement of the institution's policies, aims and objectives.

All members of the Board are strongly committed to the institution's values of creativity, integration with industry and inclusivity. All members are expected to observe the highest standards of corporate governance in exercising their responsibilities, including the Seven Principles of Public Life selflessness, integrity, objectivity, accountability, openness, honesty and leadership.

The Board of Governors meets at least four times each year. They have a majority of independent members appointed in accordance with the institution's Instrument and Articles of Government. The Chair of the Board is elected from the independent members. There is provision for the appointment of co-opted members, some of whom are members of the staff of the Institution, and for representatives of the academic staff and of the student body. The Privy Council approved an amendment to the Instrument of Government in May 2014, allowing remuneration of the Chair of the Board for a maximum of 5 years. The Chair has not received any remuneration since April 2017, having waived his fee. No other member of the Board receives reimbursement for the work they do for the Board, although they may claim reasonable expenses.

The institution maintains a Register of Interests of members of the Board and senior officers which may be consulted by arrangement with the Clerk to the Governors, and declarations of any conflicts of interest are made at the start of each committee and board meeting.



The Corporation

The members who served on the Corporation during the year and up to the date of signature of this report are listed below:

Board of Governors / Ex-Officio

Professor Linda Drew BA(Hons), MA, PGCert, PhD, FRSA FDRS (f,h,n) Director

Independent and Co-opted Governors

Professor Jonathan Drori CBE BSc FLS FZS MIET FRSA (f,h,n) Chair of the Board & Nominations Committee

Ms Karen Brown BA LLB (h,n)

Mr Nathan Donaldson BA LLB (a,h)

Chair of the HR & Remuneration Committee
from June 2017

Mr Rod Henwood BA (a)

Professor Helen Higson OBE

Appointed November 2016

Ms Tamara Howe (n)

Ms Ruth Keattch MA (Oxon) (f,h)

Chair of Finance Committee from October 2016

Mr Jonathan Kingsbury BA EMBA DIC (f,n)

Mr Alex Phillips BSc DipArch PGDip (ACS) RIBA (f)

Ms Marta Phillips OBE CA MSc BA(Hons) (a,h)

Chair of Audit Committee

Professor Elizabeth Rouse MA FRSA (h,n)

Deputy Chair of the Board

Mr Brett Wigdortz OBE

Appointed March 2017

Mr David Worthington BA FRSA FCSD (f)

Ms Laura Gander-Howe MA

Resigned July 2017

Ms Helen Gordon MBA

Resigned September 2016

Professor Mike Short CBE BA FREng FIET FBCS

Resigned March 2017

Dr Janthia Taylor MA (Cantab) MBA DPhil

Resigned April 2017

Mr Rupert Tyler MA (Oxon)

Resigned March 2017

Professional Services Staff Governors

Ms Jill Leigh

Academic Staff Governors

Ms Louise Prideaux BA PGCE MISTD (n)

Mr Idrees Rasouli

Student Governors

Mr Stefan Ferrol

Student Union President

Co-opted member of Audit Committee

Mrs Joanne Stimpson LLB ACA (a)

Other Principal Officers regularly in attendance

Mr Fraser Burrill LLB FCA

Director of Finance

Ms Doreen De Bellotte

Director of HR

Ms Katie Germer

Clerk to the Board of Governors

a - Member of the Audit Committee

f - Member of the Finance Committee

h - Member of the HR & Remuneration Committee

n - Member of the Nominations Committee

Registered Office

Ravensbourne, 6 Penrose Way,
Greenwich London SE10 0EW

The Academic Board

Subject to the overall responsibility of the Board of Governors, the Academic Board has oversight of the academic affairs of the institution and draws its membership entirely from the staff and the students of the institution. The Academic Board is particularly concerned with general issues relating to the teaching and research work of the institution.

The Director

The Director is the head of the institution, and has a general responsibility to the Board of Governors for the organisation, direction and management of the institution. Under the terms of the formal Memorandum of Assurance and Accountability between the institution and the Higher Education Funding Council (HEFCE), the Director is the designated officer of the institution and in that capacity can be summoned to appear before the Public Accounts Committee of the House of Commons.

As the Chief Executive, the Director exercises considerable influence upon the development of institution strategy, the identification and planning of new developments and the shaping of the institution ethos. The senior academic and administrative officers contribute in various ways to this aspect of the work, but the ultimate responsibility for what is done rests with the Director

Sub-committees of the Board of Governors

Much of the Board's detailed work is initially handled by committees, the decisions and recommendations of which are reported to the Board in accordance with the agreed formal Scheme of Delegation, as adopted by the Board in June 2015 and reviewed annually. The Board's sub-committees are as follows:

Audit Committee

Responsible for:

- Ensuring effective institution systems for accounting, financial record keeping, payments to employees and creditors
- Receiving the draft financial statements and reporting to the Board with recommendations
- Keeping under review all matters (including governance, management, quality, reputation and finance) with potential for impact on the institution's financial position and viability, and its capacity to achieve its strategic and operational objectives
- Advising the Board on the appointment and remuneration of internal and external auditors, considering and advising the Board on external audit reports and management letters, and reviewing and agreeing the scope and priorities of the annual internal audit plan
- Reporting annually to the Board and to the Chief Auditor of the HEFCE on the adequacy and effectiveness of the internal financial and risk monitoring and risk control system, arrangements to deliver value for money, the management and quality of data provided to agencies such as HESA and the Student Loans Company, implementation of recommendations by internal and external auditors, and compliance with the provisions of the institution's Memorandum of Assurance and Accountability with HEFCE



The Academic Board (continued)

Finance Committee (formerly Finance, Investments & General Purposes Committee)

Responsible for:

- Safeguarding the financial solvency of the institution on behalf of the Board, including the discharge of the Memorandum of Assurance and Accountability with the Funding Council
- Considering the budget, financial forecasts and financial statements in detail and recommending them to the Board of Governors
- Overseeing the Institution's treasury policies and insurance arrangements

HR & Remuneration Committee

Responsible for:

- Advising the Board upon the remuneration and conditions of service of senior post holders (Director, Director of Finance and the Clerk to the Board).
- Advising the Board upon the determination of pay (including any annual pay award) and conditions of service of other staff, including members of the Executive team who are not senior post holders.
- HR strategy
- Overseeing procedures governing staff grievances
- Overseeing matters of equality and diversity
- Reporting annually to the Board on its work over the course of the previous year

Nominations Committee

Responsible for:

- Seeking out, considering, and making recommendations to the Board upon nominations for membership of the Board, in accordance with agreed criteria and priorities
- Organising reviews of the Board's effectiveness and for overseeing the implementation of any recommendations arising from such reviews
- Determining policies and processes related to membership of the Board of Governors, i.e. induction, training and development, and appraisal.



Applying the HE Code of Governance

The Committee of University Chairs (CUC) issued a revised Code of Governance for higher education in December 2014. The Board of Governors has adopted the code in its entirety, and is confident, following a comprehensive assessment of current practice overseen by the Audit Committee in 2015 and ongoing monitoring of adherence to the code, that the primary elements as set out in the code and detailed below are in place.

The governing body is unambiguously and collectively accountable for institutional activities, taking all final decisions on matters of fundamental concern within its remit.

In June 2015, the Board of Governors adopted a clear Scheme of Delegation, defining the matters which are reserved to the Board of Governors for decision, and the powers of its committees, the Chair of the Board, the Director, other members of Executive group and the Academic Board to act on behalf of Ravensbourne. The Scheme was drawn up in accordance with the institution's Instrument and Articles of Government, its Financial Regulations, and within the terms of the Memorandum of Accountability and Assurance with HEFCE. The Scheme is reviewed annually.

The governing body protects institutional reputation by being assured that clear regulations, policies and procedures that adhere to legislative and regulatory requirements are in place, ethical in nature, and followed.

Institutional reputation is of paramount importance to the Board of Governors, which abides by the principle of collective decision-making. As well as signing a Declaration of Independence on joining Ravensbourne, members are expected to follow the Code of Practice for Governors, which includes adopting the Nolan principles of standards of behaviour in public life. Members are routinely asked to declare any conflicts of interest that arise at each meeting, in order to ensure that decisions are not influenced by other personal or business relationships. Guidance for Governors on identifying and managing real or perceived conflicts of interest has been developed.

Through assurances provided by the Executive team and the Clerk to the Board, the Board of Governors is confident that institutional policies and procedures comply with legislative and regulatory requirements.

The development of an assurance map setting out our main sources of assurance in relation to regulatory and legislative compliance is overseen by the Audit Committee.

The governing body ensures institutional sustainability by working with the Executive to set the institutional mission and strategy. In addition, it needs to be assured that appropriate steps are being taken to deliver them and that there are effective systems of control and risk management.

The Board of Governors was engaged in the development of the 2015-18 strategy which was approved at its meeting in June 2015. A full KPI report is received by the Board every six months providing governors with a comprehensive view of the institution's performance and sustainability.

An ongoing process for identifying, evaluating and managing the institution's significant risks has been in place from the beginning of August 2004. The Finance Committee, the Audit Committee and the Board of Governors consider key risks at every meeting.

The Chair of the Audit Committee provides a summary report of the work of the Audit Committee to the Board of Governors at each meeting as well as the full minutes.

In addition, the Audit Committee reports annually to the Board and to the Chief Auditor of HEFCE on the adequacy and effectiveness of the internal financial, risk monitoring and risk control system, arrangements to deliver value for money, implementation of recommendations by internal and external auditors, and compliance with the provisions of the institution's Memorandum of Assurance and Accountability with HEFCE.

Applying the HE Code of Governance (continued)

The governing body receives assurance that academic governance is effective by working with the Senate/ Academic Board or equivalent as specified in its governing instruments.

The Board of Governors receives regular summary reports as well as an annual report from the Academic Board and an annual joint meeting of the Boards was established in 2014. An independent review of the effectiveness of the Academic Board was undertaken in 2015, and the consequent adoption of its recommendations.

Part of the work in developing a new risk management framework for the institution has been the establishment of an academic board risk register, which is reviewed by the Board of Governors in accordance with the agreed reporting framework.

The governing body works with the Executive to be assured that effective control and due diligence take place in relation to institutionally significant external activities.

A full risk-mapping exercise was completed during 2014-15 in relation to all significant external activity, ensuring that any risk to reputation, both from a student or external perspective, can be identified and mitigated. Major commercial events are reviewed and approved by the Executive team and by the Board of Governors where appropriate in accordance with the Scheme of Delegation.

The governing body must promote equality and diversity throughout the institution, including in relation to its own operation.

One of the core values of the institution, made explicit in the strategic plan, is to be inclusive. The Board of Governor's Statement of Primary Responsibilities includes a commitment to promote equality of opportunity and diversity for members of the governing body, staff, students and others at Ravensbourne. Governors are drawn from a range of diverse backgrounds which allows a balance of views to inform the decision-making of the board. The diversity profile of the Board is monitored annually, and recruitment to Board vacancies explicitly welcomes applications from all sections of the community.

The HR & Remuneration Committee's terms of reference include the oversight of equality and diversity issues for staff, including annual review of the Equal Opportunities Policy, and the main Board of Governors receives and discusses an annual report on staff and student diversity.

The governing body must ensure that governance structures and processes are fit for purpose by referencing them against recognised standards of good practice.

In 2014-2015, an independent review of the effectiveness of the Board and its sub-committees was carried out to assess whether the Board was discharging its duties effectively against its Statement of Primary Responsibilities and to advise whether the governance arrangements at Ravensbourne are in accordance with guidance issued by the Committee of University Chairs (CUC), the Higher Education Funding Council for England (HEFCE) and other relevant bodies.

The review reported that 'the Board at Ravensbourne is clearly committed to good governance and the on-going success and sustainability of the institution'. The review identified recommendations for further improvement, and the implementation of these has been overseen by the Nominations Committee.

The Chair meets annually with every Governor to review their contribution and to gather feedback about how the Board might operate more effectively. The Deputy Chair leads an annual review of the Chair of the Board in consultation with the full Board, reviewing performance and setting priorities for the year ahead.

Statement of internal control

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

An ongoing process for identifying, evaluating and managing the institution's significant risks has been in place from the beginning of August 2004. The Finance Committee, the Audit Committee and the Board of Governors consider key risks at every meeting. Ravensbourne's risk management framework covers the areas of reputation, operations, finance, governance (including regulatory and legislative compliance) and academic quality. In June 2017, the Board reviewed the strategic risks to be included on the risk register to ensure a focused approach in key areas aligned to the strategic objectives of the institution

The Executive monitors key risks on a regular basis and ensure named risk owners report to the Board of Governors and executive as necessary. The Audit Committee, Finance Committee and Board of Governors each review changes to the risk register and receive a summary update of current key risks to the organisation at each meeting. The principal strategic risks, for example student recruitment and student satisfaction, are also covered by substantive agenda items as appropriate throughout the year.

As well as receiving reports on the management of risk across the areas defined above, the Audit Committee considers review reports from Internal Audit at every meeting on key aspects of the institution's business. In 2016-17, the Audit Committee oversaw the development of an assurance map setting out our main sources of assurance in relation to regulatory and legislative compliance. The Audit Committee reports annually to the Board of Governors, assuring them of the adequacy and effectiveness of governance and risk management processes and internal control, value for money and management and quality of data.

The key elements of the institution's system of internal controls include the following:

- Clear definitions of the responsibilities of, and the authority delegated to, heads of academic and administrative departments
- A comprehensive medium and short-term planning process, supplemented by detailed annual income, expenditure, capital and cash flow budgets
- Regular defined and formalised requirements for approval and control of expenditure, with investment decisions involving capital or revenue expenditure being subject to formal detailed appraisal and review according to approval levels set by the governing body which are reviewed annually
- Comprehensive Financial Regulations, detailing financial controls and procedures, approved by the Audit Committee and the Finance Committee
- A professional Internal Audit team whose annual programme is approved by the Audit Committee and endorsed by the governing body and whose head provides the governing body with a report on internal audit activity within the institution and an opinion on the adequacy and effectiveness of the institution's arrangements for governance and risk management, control processes, value for money and the quality and management of data. The internal audit plan is approved by the Audit Committee in the context of a rolling 3 year programme to ensure appropriate coverage of the assurance themes.

Going Concern

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



Katie Germer

Clerk to the Board of Governors



Statement of Responsibilities of the Members of the Corporation

The financial statements for the year ended 31 July 2017 have been prepared on behalf of the Director and ultimately the Board of Governors by the Director of Finance and reviewed by the Finance Committee and Audit Committee and informed by the opinion of the external auditors. The financial statements confirm that:

- Suitable accounting policies are selected and applied consistently in accordance with UK generally accepted accounting principles and the 'Statement of recommended practice: Accounting for further and higher education', and relevant legislation
- Judgements and estimates are made that are reasonable and prudent
- Applicable accounting standards have been followed subject to any material departures which would be disclosed and explained in the financial statements
- Financial statements are prepared on the going concern basis unless it is inappropriate to presume that Ravensbourne will continue in operation. The Board of Governors are satisfied that the institution has adequate resources to continue in operation for the foreseeable future. For this reason the going concern basis continues to be adopted in the preparation of the financial statements.

The Board has taken reasonable steps, through the assurance received through its committees and the Director to ensure:

- Funds from HEFCE are used only in accordance with provisions of the Further and Higher Education Act 1992, the HEFCE Memorandum of Assurance and Accountability, and any other conditions that HEFCE or other funding bodies may from time to time prescribe
- Reasonable discretion is exercised in the use of public funds and account taken of any relevant guidance on accountability, sustainability or propriety
- The establishment and monitoring of systems of control and accountability, including financial and operational controls, with ultimate responsibility for the effective and efficient use of resources
- Safeguarding of the assets of the institution and establishment of systems for prevention and detection of fraud, bribery and wider corruption
- The institution is delivering Value for Money (VfM) from public funds.

Independent Auditor's report to the Board of Governors at Ravensbourne



Independent Auditor's report to the Board of Governors at Ravensbourne

Opinion

We have audited the financial statements of Ravensbourne (the 'parent Institute') and its subsidiaries (the 'group') for the year ended 31 July 2017 which comprise the group statement of comprehensive income, the group and parent Institute balance sheets, the group statement of cash flows and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' (United Kingdom Generally Accepted Accounting Practice).

This report is made solely to the Governors, as a body. Our audit work has been undertaken so that we might state to the Governors those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the college and the Governors as a body, for our audit work, for this report, or for the opinions we have formed.

In our opinion

- The financial statements give a true and fair view of the state of affairs of the institution and its subsidiary as at 31 July 2017 and of its surplus of income over expenditure and cash flows for the year then ended;
- The financial statements have been properly prepared in accordance with UK Generally Accepted Accounting Practice and the Statement of Recommended Practice Accounting for further and higher education and relevant legislation;
- In all material aspects, funds received for specific purposes administered by the institution have been applied only for the purposes for which they were received;
- In all material aspects, funds from the Higher Education Funding Council for England (HEFCE) administered by the institution have been applied only for the purposes for which they were received; and
- The requirements of HEFCE's Accounts Direction to higher education institutions have been met.

Basis for opinion

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

Conclusions relating to going concern

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

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

Other information

The Governors are responsible for the other information. The other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon. In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated.

Independent Auditor's report to the Board of Governors at Ravensbourne (continued)

If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

Matters on which we are required to report by exception

We have nothing to report in respect of the following matters in relation to which the memorandum of assurance and accountability issued by the Higher Education Funding Council for England requires us to report to you if, in our opinion:

- proper accounting records have not been kept by the parent institution; or
- the Institution's financial statements are not in agreement with the accounting records and returns; or
- we have not received all the information and explanations we require for our audit.

Responsibilities of the Governors

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

In preparing the financial statements, the Governors is responsible for assessing the group's and the parent institute's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Governors either intends to liquidate the group or the parent college or to cease operations, or has no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

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

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at:

www.frc.org.uk/auditorsresponsibilities.

This description forms part of our auditor's report.



Buzzacott LLP

Statutory Auditor
130 Wood Street
London EC2V 6DL

23 November 2017

Financial Statements

Year ended 31 July 2017



Consolidated Statement of Comprehensive Income

Year ended 31 July 2017

	Note	2017 £	2016 £
Tuition fees & education contracts	2	20,121,165	19,035,120
Funding body grants	3	4,310,965	4,889,631
Other income	4	1,398,648	1,213,671
Investment income	5	108,813	133,893
Total income		25,939,591	25,272,315
Expenditure			
Staff costs	6	13,007,385	11,027,026
Other operating expenses	7	10,547,845	11,602,144
Depreciation	11	1,908,935	1,857,466
Interest & other finance costs	8	379,476	384,584
Total expenditure		25,843,641	24,871,220
Surplus before other gains and losses		95,950	401,095
Loss on disposal of fixed assets		-	-
Surplus before taxation		95,950	401,095
Taxation	9	-	-
Surplus for the year	10, 19	95,950	401,095
Actuarial gain/(loss) in respect of pension scheme	16, 18	445,000	(1,544,000)
Total comprehensive income for the year		540,950	(1,142,905)
Income and expenditure reserves at 1 August		31,307,956	32,450,861
Total comprehensive income for the year		540,950	(1,142,905)
Income and expenditure reserves at 31 July		31,848,906	31,307,956

The Consolidated Statement of Comprehensive Income for the year ended 31 July 2017 has been prepared in accordance with the Statement of Recommended Practice (SORP), Accounting for Further and Higher Education 2015 and in accordance with financial reporting standard FRS102.

All income and expenditure relates to unrestricted reserves. There are no revaluations of balances and all amounts are presented in accordance with the historic cost convention. As a result, all changes in reserves are detailed above and no statement of changes in reserves is presented. The income and expenditure reported above is in respect of continuing operations.

Group consolidated balance sheet

31 July 2017

	Note	2017 £	2016 £
Non current assets			
Tangible assets	11	51,186,645	52,967,717
Investments	12	3,669	3,361
		51,190,314	52,971,078
Current assets			
Debtors	13	1,022,869	616,345
Investments		7,193,731	9,199,984
Cash and cash equivalents		6,121,573	4,166,490
		14,338,173	13,982,819
Creditors			
Amounts due within one year	14	(4,468,568)	(5,490,019)
		9,869,605	8,492,800
Net current assets			
		9,869,605	8,492,800
Total assets less current liabilities			
		61,059,919	61,463,878
Creditors			
Amounts due after more than one year	15	(24,055,362)	(24,790,709)
Provisions	16	(5,155,651)	(5,365,213)
		31,848,906	31,307,956
Net Assets			
		31,848,906	31,307,956
Reserves			
Income and expenditure – unrestricted	19	31,848,906	31,307,956
		31,848,906	31,307,956



Professor Jonathan Drori CBE
Chair of the Board of Governors



Professor Linda Drew
Director & CEO

These Financial Statements were approved by the Governing Body on 15 November 2017.

The Group Consolidated Balance Sheet as at 31 July 2017 and 31 July 2016 have been prepared in accordance with the Statement of Recommended Practice (SORP), Accounting for Further and Higher Education 2015 and in accordance with financial reporting standard FRS102.

Higher education corporate balance sheet

31 July 2017

	Note	2017 £	2016 £
Non current assets			
Tangible assets	11	51,186,645	52,967,717
Investments	12	3,770	3,462
		51,190,415	52,971,179
Current assets			
Debtors	13	1,007,732	627,208
Investments		7,193,731	9,199,984
Cash and cash equivalents		6,106,557	4,132,232
		14,308,020	13,959,424
Creditors			
Amounts due within one year	14	(4,421,725)	(5,466,411)
Net current assets		9,886,295	8,493,013
Total assets less current liabilities		61,076,710	61,464,192
Creditors			
Amounts due after more than one year	15	(24,055,362)	(24,790,709)
Provisions	16	(5,155,651)	(5,365,213)
Net Assets		31,865,697	31,308,270
Reserves			
Income and expenditure – unrestricted	19	31,865,697	31,308,270
Total reserves		31,865,697	31,308,270



Professor Jonathan Drori CBE
Chair of the Board of Governors



Professor Linda Drew
Director & CEO

These Financial Statements were approved by the Governing Body on 15 November 2017.

The Higher Education Corporation Balance Sheet as at 31 July 2017 and 31 July 2016 have been prepared in accordance with the Statement of Recommended Practice (SORP), Accounting for Further and Higher Education 2015 and in accordance with financial reporting standard FRS102.

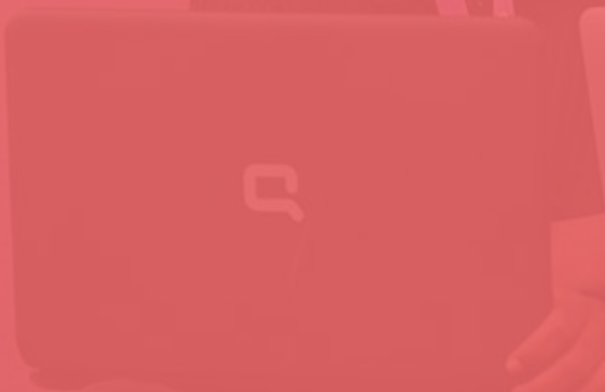
Consolidated statement of cash flows

Year ended 31 July 2017

	Note	2017 £	2016 £
Cash flow from operating activities			
Surplus for the year		95,950	401,095
Adjustments for non-cash items			
Release of deferred capital grants		(498,077)	(514,472)
Depreciation		1,908,935	1,857,466
Increase in debtors		(406,524)	(30,200)
(Decrease)/increase in creditors		(530,029)	1,750,804
Decrease in provisions		(22,562)	(22,488)
Gain on investments		(308)	(152)
Pension costs less contributions payable		258,000	121,000
Adjustments for investing or financing activities			
Investment income		(108,813)	(133,893)
Interest payable		261,476	262,584
Net cash provided by operating activities		958,048	3,691,744
Cash flow from investing activities			
Payments made to acquire fixed assets		(127,863)	(759,209)
Investment income		108,813	133,893
Repaid/(new) fixed deposits		2,006,253	(1,078,984)
		1,987,203	(1,704,300)
Cash flow from financing activities			
Interest paid		(261,476)	(262,584)
Repayments of amount borrowed:			
Bank mortgage		(128,692)	(123,803)
HEFCE loan repayments		(500,000)	(500,000)
Other loan repayments		(100,000)	(100,000)
		(990,168)	(986,387)
Increase in cash in the year		1,955,083	1,001,057
Cash and cash equivalents at 1 August		4,166,490	3,165,433
Cash and cash equivalents at 31 July		6,121,573	4,166,490
Increase in cash in the year		1,955,083	1,001,057

Notes to the financial statements

Year ended 31 July 2017



1. Accounting Policies

Basis of Preparation

These financial statements have been prepared in accordance with the Statement of Recommended Practice (SORP): Accounting for Further and Higher Education 2015 (“2015 FE HE SORP”) and in accordance with Financial Reporting Standards (FRS102). The institution is a public benefit entity and therefore has applied the relevant public benefit requirement of FRS102. The financial statements are prepared in accordance with the historical cost convention.

Basis of Consolidation

The consolidated financial statements incorporate the financial statements of the institution and its subsidiary undertakings for the year ended 31 July 2017.

The institution has taken advantage of the exemptions provided in FRS 102 1.12 and the 2015 FE HE SORP 3.3, and has not included a separate statement of its own cash flows. These cash flows are included within the Consolidated Statement of Cash Flows, and the institution balance sheet discloses cash at both the current and preceding reporting dates.

Going Concern

The activities of the institution, together with the factors likely to affect its future development and performance are set out in the Governors’ Report. The financial position of the institution, its cash flow, liquidity and borrowings are presented in the Financial Statements and accompanying Notes. The institution currently has £4.7m of loans outstanding and £13.3m of cash, cash equivalents and cash on deposit.

The institution’s forecasts and financial projections indicate that it will be able to operate within this existing facility and covenants for the foreseeable future. Accordingly the institution has a reasonable expectation that it has adequate resources to continue in operational existence for the foreseeable future, and for this reason will continue to adopt the going concern basis in the preparation of its Financial Statements

RECOGNITION OF INCOME

Grant Funding

Government Grants – Government revenue grants are received from the Higher Education Funding Council for England, the Skills Funding Agency and the Education Funding Agency. These grants are recognised in income as they become due or as the relevant expenditure is incurred. Government grants to acquire tangible fixed assets are credited to income over the estimated useful life of the individual assets concerned. The portion of such grants, which have not yet been amortised, are included as deferred income within creditors and allocated between creditors due within one year and creditors due after more than one year as appropriate.

Non Government Grants – Grants from non-governmental sources are recognised in income when the Institution is entitled to the income and when any performance requirements to receive the income have been met. Income received in advance of any performance requirements being met is recognised as deferred income within creditors on the balance sheet and released to income as the conditions are met

Tuition Fees

Tuition fees are accounted for on an accruals basis and are payable on enrolment or on a termly or monthly basis for those electing to pay by instalments. Where fees are paid through tuition fee loans payments are received in three instalments in October, February and May. Where a fee waiver has been granted the fee income has been stated net of the waiver to reflect the actual fee charged to the student.

1. Accounting Policies (continued)

Pension Scheme Arrangements

The institution has fully implemented FRS102 Retirement Benefits in these financial statements and recognized its share of the pension scheme deficit in the Local Government Pension Scheme in its balance sheet. Gains and losses in the scheme have been recognised in the Consolidated Statement of Comprehensive Income.

Under the definitions set out in FRS102 the Teachers' Pension Scheme is a multi-employer pension scheme. The institution is unable to identify its share of the underlying assets and consequently the scheme has been accounted for as if it were a defined-contribution scheme.

Enhanced Pension

The actual cost of any enhanced ongoing pension to a former member of staff is paid by the institution monthly. An estimate of the expected future costs of any enhancement to the ongoing pension of a former member of staff is charged in full to the institution's income and expenditure account in the year of retirement. In subsequent years a charge is made based on actuarial principles.

Employment Benefits

Short term employment benefits such as salaries, accrued holiday entitlement and compensated absences are recognised as an expense in the year in which the employees render service. Any unused benefits are accrued and measured as the amount the institution expects to pay.

Borrowing Cost

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

Tangible Fixed Assets

Additions to fixed assets are those assets with an individual cost greater than £3,000 and a useful economic life in excess of one year.

Donated assets are capitalised at current value on receipt and are depreciated in the same way as purchased assets. The value of donated assets are credited in full to the Consolidated Statement of Comprehensive Income and Expenditure in the year that the assets were donated. The policy is therefore consistent with a donation being received and then being used to purchase a fixed asset. Fixed asset additions are included at cost. Government capital grants are shown as deferred income in the balance sheet within creditors due within one year and creditors due after more than one year as appropriate.

Non-government capital grants are recorded as deferred income until performance conditions have been met. Fixtures, fittings and equipment are depreciated by equal annual instalments over their estimated useful lives, commencing from the date that they are brought into use, as follows:

Leasehold land and buildings 50 years

Building fit out costs 20 years

Leased assets period of lease

Other fixtures, fittings and equipment 3-7 years

Depreciation charged to expenditure on assets acquired by government capital grants is funded from the release of the related deferred credits.

A review of impairment of a fixed asset is carried out if events or changes in circumstances indicate that the carrying value of any fixed asset may not be recoverable. Shortfalls between the carrying value of fixed assets and their recoverable amounts are recognised as impairments. Impairment losses are recognised in the Statement of Comprehensive Income.

1. Accounting Policies (continued)

Investments

Investments in subsidiaries are accounted for at cost less impairment in the individual financial statements. Cash deposits for more than three months have been disclosed as current asset investments.

Cash and cash equivalents

Cash includes cash in hand, deposits repayable on demand and overdrafts. Deposits are repayable on demand if they are in practice available within 24 hours without penalty. Cash deposits for less than three months have been disclosed as cash and cash equivalents.

Debtors

Debtors are recognised at their settlement amount, less any provision for non-recoverability. Prepayments are valued at the amount prepaid. They have been discounted to the present value of the future cash receipt where such discounting is material.

Creditors

Creditors and provisions are recognised when there is an obligation at the balance sheet date as a result of a past event, it is probable that a transfer of economic benefit will be required in settlement, and the amount of the settlement can be estimated reliably. Creditors and provisions are recognised at the amount the charity anticipates it will pay to settle the debt. They have been discounted to the present value of the future cash payment where such discounting is material.

Financial Liabilities

Financial liabilities are classified according to the substance of the financial instrument's contractual obligations, rather than the financial instrument's legal form. All loans, investments and short term deposits held by the institution are classified as basic financial instruments in accordance with FRS 102. These instruments are initially recorded at the transaction price less any transaction costs (historical cost).

Provisions

Provisions are recognised when the institution has a present legal or constructive obligation as a result of a past event, It is probable that a transfer of economic benefit will be required to settle the obligation and a reliable estimate can be made of the obligation.

Operating Leases

Costs in respect of operating leases are charged on a straight line basis over the lease term to the statement of comprehensive income.

Foreign Currency Translation

Transactions denominated in foreign currencies are recorded using the rate of exchange ruling at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies are translated at the rates of exchange ruling at the end of the financial period with all resulting exchange differences being taken to the income and expenditure account in the period in which they arise.

Taxation Status

The institution is an exempt charity within the meaning of the Charities Act 2011 and as such, is a charity within the meaning of Section 506 (1) of the Taxes Act 1988. Accordingly, the institution is potentially exempt from taxation in respect of income or capital gains received within categories covered by Section 505 of the Taxes Act 1988 or Section 256 of the Taxation of Chargeable Gains Act 1992 to the extent that such income or gains are applied exclusively for charitable purposes. The institution receives no similar exemption in respect of Value Added Tax.

Student Union

The institution's student union activities are undertaken entirely by the institution and not through any separate entity. Included under "Other operating expenses" is the cost to the institution of the Student Union activities during the year.

1. Accounting Policies (continued)

Judgements in applying accounting policies and key sources of estimation uncertainty

In preparing these financial statements, management and the Governing Body have made the following judgements:

- Determining whether leases entered into by the institution either as a lessor or a lessee are operating or finance leases. These decisions depend on an assessment of whether the risks and rewards of ownership have been transferred from the lessor to the lessee on a lease by lease basis
- Determining whether provisions are required in respect of trade debtors. The amount of provisions recognised in the financial statements is based on the institution's assessment of the expected recoverable amount.

Other key sources of estimation uncertainty were as follows:

• Tangible fixed assets

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

• Local Government Pension Scheme

The present value of the Local Government Pension Scheme defined benefit liability depends on a number of factors that are determined on an actuarial basis using a variety of assumptions. The assumptions used in determining the net cost (income) for pensions include the discount rate. Any changes in these assumptions, which are disclosed in note 18, will impact the carrying amount of the pension liability. Furthermore a roll forward approach which projects results from the latest full actuarial valuation performed at 31 March 2016 has been used by the actuary in valuing the pensions liability at 31 July 2017. Any differences between the figures derived from the roll forward approach and a full actuarial valuation would impact on the carrying amount of the pension liability.

• Accrual for outstanding staff holiday

The accrual for staff holiday is made as a best estimate of the value of holiday entitlement based upon pay rates and outstanding leave at the balance sheet date.

2. Tuition fees and education contracts

	2017 £	2016 £
Home and European Union students	18,602,628	17,979,075
International students	1,513,987	1,056,045
Registration Fees	4,550	-
	20,121,165	19,035,120

3. Funding body grants

	2017 £	2016 £
Specific grants		
HEFCE - Main allocation	2,394,124	2,643,386
- other	292,298	274,607
SFA/EFA - main allocation	1,419,863	1,772,867
- other	106,860	84,556
	4,213,145	4,775,416
Deferred grants released in year (note 17)		
Buildings	39,640	39,640
Equipment	58,180	74,575
	97,820	114,215
	4,310,965	4,889,631

4. Other income

	2017 £	2016 £
Non grant income		
Residences	-	250
Other income	657,910	541,795
	657,910	542,045
Grant income		
Deferred capital grants released in year – Buildings (note 17)	400,257	400,257
Revenue grants received	340,481	271,369
	740,738	671,626
	1,398,648	1,213,671

5. Investment income

	2017 £	2016 £
Income from short term deposits	108,813	133,893

6. Staff costs

	2017 No.	2016 No.
The average number of persons employed by the institution during the year expressed as full-time equivalents		
Academic staff	104	98
Administrative and technical staff	152	123
	256	221

	2017 £	2016 £
Wages and salaries, social security and pension costs		
Wages and Salaries	10,404,467	8,956,864
Social security costs	978,619	782,817
Pension costs	1,496,931	1,308,345
	12,880,017	11,048,026

Other staff costs

Adjustment to contribution to reflect defined pension scheme service costs (note 18)	115,000	(21,000)
Apprenticeship Levy	12,368	-
	127,368	(21,000)

Total staff costs	13,007,385	11,027,026
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Analysis of wages and salaries, social security and pension costs

Academic staff	6,656,504	5,897,586
Administrative and technical staff	6,223,513	5,150,440
	12,880,017	11,048,026

6. Staff costs (continued)

	2017 No	2016 No
Remuneration of higher paid staff, including the Head of Institution, earning over £100,000, excluding employer pension and social security costs.		
pension contributions:		
£120,001 - £130,000	1	-
£140,001 - £150,000	1	-
£150,001 - £160,000	-	1
	2017 £	2016 £
Head of institution's remuneration		
Aggregate emoluments	140,425	140,425
Performance related pay	-	13,000
Contribution to defined benefit pension scheme	23,142	25,013
	163,567	178,438
	2017 No	2016 No
Key management personnel		
Head		
The number of key management personnel expressed as full time equivalents	9.8	8.2
	2017 £	2016 £
Key management personnel remuneration	910,405	737,404

Key management personnel comprise the Executive team, including the head of the institution, who have the authority and responsibility for planning, directing and controlling the activities of the institution.

6. Staff costs (continued)

	2017 £	2016 £
Compensation for loss of office paid to former Key management personnel		
Head		
Included within key management personnel remuneration are amounts paid as compensation to former key management personnel for loss of office.		
Contractual payments	44,798	-
Non contractual payments	15,959	-
	60,757	-

Severance payments in respect of key management personnel were approved by the Head of Institution.

Only one member of the Corporation other than the Accounting Officer and Staff Governors, being the Chair of the Board of Governors, received payment from the institution other than the reimbursement of travel and subsistence expenses incurred in the course of their duties. This is disclosed in note 22.

7. Other operating expenses

	2017 £	2016 £
Student residences	11,351	-
Direct course costs	802,104	713,928
Academic services	1,452,778	2,060,264
Premises	2,864,085	2,854,556
Student bursaries	990,034	1,182,586
Examination and validation expenses	760,173	741,474
Staff recruitment and temporary support	555,776	699,239
Other administration expenditure	3,111,544	3,350,097
	10,547,845	11,602,144

Included within other administration expenditure are amounts payable to the institution's auditors in respect of:

Audit fees	41,975	45,584
Other services	1,500	6,340
	43,475	51,924

8. Interest and other finance costs

	2017 £	2016 £
Interest payable	261,476	262,584
Pension scheme finance costs (note 18)	118,000	122,000
	379,476	384,584

9. Taxation

There was no United Kingdom corporation tax payable on the surplus of the Group in the current or prior year.

10. Surplus for the year

	2017 £	2016 £
Institution's surplus for the year	112,427	401,095
(loss)/surplus generated by subsidiary undertakings		
Ravensbourne Limited	(16,477)	-
Ravensbourne Learning Resource Centre Limited	-	-
Net (loss)/surplus generated by subsidiary undertakings	(16,477)	-
Group surplus for the year	95,950	401,095

Ravensbourne Limited generated an operating loss of £16,477 (2016: broke even after making a donation of £64,232 to Ravensbourne under gift aid. The Institution's surplus for the year ended 31 July 2016 included this donation.

Ravensbourne Learning Resource Centre Limited did not trade during the years ended 31 July 2017 and 31 July 2016.

11. Tangible fixed assets

	Leasehold Land and Building £	Fixtures, fittings and equipment £	Total £
Group and higher education corporation			
Cost or valuation			
At 1 August 2016	56,809,967	10,299,818	67,109,785
Additions	-	127,863	127,863
At 31 July 2017	56,809,967	10,427,681	67,237,648
Accumulated depreciation			
At 1 August 2016	6,130,360	8,011,708	14,142,068
Charge for the year	1,126,213	782,722	1,908,935
At 31 July 2017	7,256,573	8,794,430	16,051,003
Net book Value			
At 31 July 2017	49,553,394	1,633,251	51,186,645
At 31 July 2016	50,679,607	2,288,110	52,967,717

The depreciation charge has been funded by:

	2017 £	2016 £
Group and higher education corporation		
Deferred capital grants released (note 17)	498,077	514,472
General income	1,410,858	1,342,994
	1,908,935	1,857,466

12. Non current investments

	Group		Higher Education Corporation	
	2017 £	2016 £	2017 £	2016 £
COIF Memorial Trust				
255 ordinary shares – at market value	3,669	3,361	3,669	3,361
Higher education corporation				
The institution owns 100% of the called up share capital of Rabensbourne Limited, a company registered in England and Wales whose principal activity is the provision of short courses.				
100 ordinary shares of £1 each	-	-	100	100
The institution owns 100% of the called up share capital of Ravensbourne Learning Resource Centre Limited, a company registered in England and Wales.				
1 ordinary share of £1 each	-	-	1	1
	3,669	3,361	3,770	3,462

13. Debtors

	Group		Higher Education Corporation	
	2017 £	2016 £	2017 £	2016 £
Student debtors	32,234	45,629	32,234	45,629
Amounts due from subsidiary undertakings	-	-	55,521	50,098
Interest receivable	32,603	56,390	32,603	56,390
Sundry debtors	415,244	241,117	344,586	201,882
Prepayments	542,788	273,209	542,788	273,209
	1,022,869	616,345	1,007,732	627,208

14. Creditors: Amounts falling due within one year

	Group		Higher Education Corporation	
	2017 £	2016 £	2017 £	2016 £
Bank and other loans:				
Bank Loan	137,270	128,692	137,270	128,692
Higher Education Funding Council	-	500,000	-	500,000
Royal Borough of Greenwich	100,000	100,000	100,000	100,000
	237,270	728,692	237,270	728,692
Other amounts falling due within one year:				
Trade creditors	1,199,625	1,921,363	1,183,779	1,916,127
Staff benefits compensation	447,555	366,584	447,555	366,584
Accruals and deferred income (see below)	1,668,363	1,468,435	1,637,366	1,450,063
Tax and social security	417,678	506,868	417,678	506,868
Deferred government capital grants (note 17)	498,077	498,077	498,077	498,077
	4,231,298	4,761,327	4,184,455	4,737,719
	4,468,568	5,490,019	4,421,725	5,466,411

The balance outstanding in respect of Bank and other loans represents the current portion of long-term debt (note 15). Included within accruals and deferred income is deferred revenue grant income of £159,166 (2016: £343,043), this amount will be credited to the Consolidated Statement of Comprehensive Income when the institution is entitled to the income or where performance conditions have been met.

Under the Statement of Recommended Practice (SORP) Accounting for Further and Higher Education 2015 and Financial Reporting Standard FRS102 the institution has utilised the “accruals method” in the accounting for deferred capital government grants at 31 July 2017 and 31 July 2016.

Staff benefits compensation includes a provision as at 31 July 2017 of £349,018 (31 July 2016: £281,690) in respect of the accrued costs of unutilised staff benefits.

15. Creditors: Amounts falling due after more than one year

	2017 £	2016 £
Group and higher education corporation		
Bank loan		
- between one and two years	144,976	137,270
- between two and five years	486,125	459,776
- over five years	3,500,837	3,672,162
	4,131,938	4,269,208
Royal Borough of Greenwich Loan		
- between one and two years	100,000	100,000
- between two and five years	200,000	300,000
	300,000	400,000
Total Long term loans	4,431,938	4,669,208
Deferred government capital grants (note 17)		
- between one and two years	498,077	498,077
- between two and five years	1,494,230	1,494,230
- over five years	17,631,117	18,129,194
	19,623,424	20,121,501
	24,055,362	24,790,709

The bank loan represents a long term mortgage facility. Interest is payable on this loan at a fixed rate of 5.5 per cent per annum.

The loan granted by the London Borough of Greenwich is repayable over a 10-year period which commenced in March 2012. Interest is payable on this loan at a fixed rate of 3 per cent per annum.

Under the Statement of Recommended Practice (SORP) Accounting for Further and Higher Education 2015 and Financial Reporting Standard FRS102 the institution has utilised the “accruals method” in the accounting for deferred capital government grants at 31 July 2017 and 31 July 2016.

16. Provisions

	Enhanced Pension Provision	Pension Scheme Provision under FRS102	Total Pension Provisions
	£	£	£
Group and higher education corporation			
At 1 August 2016	(158,213)	(5,207,000)	(5,365,213)
Net payments in year	22,562	-	22,562
Service costs (note 6)	-	(115,000)	(115,000)
Pension finance costs (note 8)	-	(118,000)	(118,000)
Administration expenses	-	(25,000)	(25,000)
Actuarial gain	-	445,000	445,000
At 31 July 2017	(135,651)	(5,020,000)	(5,155,651)

Enhanced pension provision

The actual cost of enhanced ongoing pension payments to former employees is paid by the institution monthly.

The institution last reviewed the expected cost of providing these pensions during the year ended 31 July 2014 and established that no change to the level of this provision was required.

Pension scheme provision under FRS102

Under Financial Reporting Standard FRS102 the institution has recognised its share of the pension scheme deficit in the Local Government Pension Scheme in its balance sheet. Financing, servicing costs and gains and losses in the scheme have been recognised in the Consolidated Statement of Comprehensive Income (note 18).

17. Deferred capital grants

	2017 £	2016 £
Group and higher education corporation		
At 1 August		
Buildings	19,795,366	20,235,263
Equipment	824,212	898,787
Total	20,619,578	21,134,050
Released to income and expenditure		
Funding council grants (note 3)		
Buildings	39,640	39,640
Equipment	58,180	74,575
Other grants (note 4)		
Buildings	400,257	400,257
Total	498,077	514,472
At 31 July		
Buildings	19,355,469	19,795,366
Equipment	766,032	824,212
Total	20,121,501	20,619,578

As at 31 July 2017 and 31 July 2016 all balances relate to government grants, under Financial Reporting Standard 102 the “accruals method” has been applied in respect of these grants, and the amount of deferred capital grants have been treated as deferred income and included in creditors, amounts falling due within one year and creditors, amounts falling due after more than one year, as below:

Group and higher education corporation		
Due within one year (note 14)	498,077	498,077
Due after more than one year (note 15)	19,623,424	20,121,501
	20,121,501	20,619,578

Group and higher education corporation

Released against depreciation charges	498,077	514,472
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18. Pension costs and obligations

The institution's employees belong principally to two pension schemes, the Teachers' Pensions Scheme for academic staff and the London Borough of Bromley Superannuation Scheme for non-academic staff. Both are defined benefit schemes, the assets being held in separate trustee administered funds.

Teachers' Pension Scheme

The Teachers' Pension Scheme (TPS) is a statutory, contributory, defined benefit scheme, governed by the Teachers' Pensions Regulations 2010, and, from 1 April 2014, by the Teachers' Pension Scheme Regulations 2014. These regulations apply to teachers in schools and other educational establishments in England and Wales that are maintained by local authorities. In addition, teachers in many independent and voluntary-aided schools and teachers and lecturers in some establishments of further and higher education may be eligible for membership. Membership is automatic for full-time teachers and lecturers and, from 1 January 2007, automatic too for teachers and lecturers in part-time employment following appointment or a change of contract. Teachers and lecturers are able to opt out of the TPS.

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

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

The latest actuarial review of the TPS was carried out as at 31 March 2012 and in accordance with The Public Service Pensions (Valuations and Employer Cost Cap) Directions 2014. The valuation report was published by the Department for Education (the Department) on 9 June 2014. The key results of the valuation are:

- Employer contribution rates were increased from 14.1 per cent to 16.48 per cent of pensionable pay from the 1 September 2016
- Total scheme liabilities for service to the effective date of £191.5 billion, and notional assets of £176.6 billion, giving a notional past service deficit of £14.9 billion
- An employer cost cap of 10.9 per cent of pensionable pay.

The new employer contribution rate for the TPS was implemented in September 2015. A full copy of the valuation report and supporting documentation can be found on the Teachers' Pension Scheme website at the following location:

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

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

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

18. Pension costs and obligations (continued)

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

Regulations giving effect to a reformed Teachers' Pension Scheme came into force on 1 April 2014 and the reformed scheme commenced on 1 April 2015. The pension costs paid to TPS in the year amounted to £751,041 (2016: £627,442).

Under the definitions set out in Financial Reporting Standard (FRS102), the TPS is a multiemployer pension scheme. The college is unable to identify its share of the underlying assets and liabilities of the scheme. Accordingly, the college has taken advantage of the exemption in FRS102 and has accounted for its contributions to the scheme as if it were a defined contribution scheme. The college has set out above the information available on the scheme and the implications for the college in terms of the anticipated contribution rates.

London Borough of Bromley Superannuation Scheme

The London Borough of Bromley Superannuation Scheme is valued every three years by a professional qualified independent actuary, in accordance with the provisions of the Local Government Superannuation Regulations, the rates of contribution payable being determined by the actuary.

The employer's contribution rate was reduced from 23.1 per cent to 17.0 per cent from the 1 April 2017 (2016: 23.1 per cent all year).

Employer contributions payable to the scheme during the year were £745,890 (2016: £680,903)

For the purposes of meeting the requirements of reporting standard FRS 102, retirement benefits, the actuary has used the triennial valuation dated 31 March 2016 to assess the assets and liabilities of the scheme as at 31 July 2017.

18. Pension costs and obligations (continued)

The financial assumptions used by the actuary were:

	2017	2016	2015
	% per annum	% per annum	% per annum
Rate of increase in Consumer Price Index	2.2	1.7	2.3
Rate of increase in salaries	3.7	3.2	3.7
Rate of increase in pensions and prices	2.3	1.8	2.2
Discount rate	2.6	2.5	3.8

		2017	2016
Life expectancy assumptions used by the actuary were:	Retiring today:		
	Males FeF	23.3 years	23.2 years
	Females	26.0 years	25.6 years
Life expectancy years from age 65:	Retiring in 20 years:		
	Males FeF	25.9 years	25.5 years
	Females	28.3 years	28.5 years

The estimated asset allocation for the institution is as follows:

	31 July 2017		31 July 2016	
	Allocation of Investments %	Institution Share of fund £'000	Allocation of Investments %	Institution Share of fund £'000
Equities	78	11,605	74	9,023
Government Bonds	14	2,076		
Bonds	-	-	16	1,912
Cash	-	-	1	122
Other	8	1,255	9	1,120
	100	14,936	100	12,177

18. Pension costs and obligations (continued)

Net liability in balance sheet

	2017 £'000	2016 £'000
Fair value of scheme assets	14,936	12,177
Present value of funded obligations	(19,956)	(17,384)
Net liability in balance sheet	(5,020)	(5,207)

Reconciliation of assets and liabilities

	2017 £	2016 £
Defined benefit obligation at 1 August	17,384	13,477
Service Cost (net of employee contributions)	947	647
Interest Cost	433	512
Actuarial loss	1,210	2,774
Estimated benefits paid (net of transfers in)	(276)	(232)
Contributions by scheme participants	258	206
Defined benefit obligation at 1 August	19,956	17,384
Fair value of scheme assets at 1 August	12,177	9,935
Expected return on scheme assets	315	390
Actuarial gain	1,655	1,230
Administration expenses	(25)	(20)
Contribution by employer	832	668
Contributions by scheme participants	258	206
Estimated benefits paid (net of transfers in)	(276)	(232)
Fair value of scheme assets at 1 August	14,936	12,177

18. Pension costs and obligations (continued)

Reconciliation of assets and liabilities

	2017 £	2016 £
Deficit in scheme as 1 August	(5,207)	(3,542)
Movement in year		
Employer service cost (net of employee contributions)	(947)	(647)
Employer contributions	832	668
Finance income/(costs) on pension scheme liabilities	(118)	(122)
Administration expenses	(25)	(20)
Actuarial gain/(loss)	445	(1,544)
Defined benefit obligation at 31 July	(5,020)	(5,207)

Analysis of the amount credited/charged to the Consolidated Statement of Comprehensive Income.

	2017 £	2016 £
Service costs		
Employer service costs (net of employee contributions)	947	647
Employer contributions	(832)	(668)
Total operating costs/(income) (note 6)	115	(21)
Pension finance costs		
Expected return on pension scheme assets	315	390
Interest on pension liabilities	(433)	(512)
Pension scheme finance costs (note 8)	(118)	(122)
Administration expenses		
Included within other administration expenditure (note 7)	(25)	(20)

18. Pension costs and obligations (continued)

Analysis of amounts charged to the Consolidated Statement of Comprehensive Income in respect of the actuarial gain/(loss) in the pension scheme.

	2017 £'000	2016 £'000
Actuarial losses in pension scheme		
Changes in assumptions underlying the present value of the scheme liabilities	(1,210)	(2,774)
Actuarial return less expected return on pension scheme assets	1,655	1,230
Total recognised gains/(losses) for the year	445	(1,544)

History of experience gains and losses

	2017 £'000	2016 £'000	2015 £'000	2014 £'000	2013 £'000
Defined benefit obligation	(19,956)	(17,384)	(14,377)	(11,534)	(11,709)
Scheme assets	14,936	12,177	8,323	8,323	7,686
Deficit in pension scheme	(5,020)	(5,207)	(3,542)	(3,211)	(4,023)
Experience adjustments on scheme liabilities	-	-	-	896	-
Percentage of scheme liabilities	-	-	-	7.8%	-
Experience adjustments on scheme assets	1,655	1,230	582	(182)	1,148
Percentage of scheme assets	11.1%	10.1%	5.9%	(2.2%)	14.9%

Sensitivity analysis at 31 July 2017

	Central	Sensitivity 1 +0.1% pa discount rate	Sensitivity 2 +0.1% pa inflation	Sensitivity 3 +0.1% pa pay growth	Sensitivity 4 +1 year Increase in life expectancy
	£'000	£'000	£'000	£'000	£'000
Liabilities	19,956	19,547	20,374	20,032	20,333
Assets	(14,936)	(14,936)	(14,936)	(14,936)	(14,936)
Deficit (surplus)	5,020	4,611	5,438	5,096	5,397
Projected service cost for next year	1,085	1,045	1,127	1,085	1,108
Projected net interest cost for next year	123	116	133	125	132

19. Reserves

	Group £	Higher Education Corporation £
Income and expenditure reserve		
At 1 August 2016	31,307,956	31,308,270
Actuarial gain in respect of pension scheme	445,000	445,000
Surplus for the year	95,950	112,427
At 31 July 2017	31,848,906	31,865,697

20. Financial Commitments

At 31 July the institution had commitments under non-cancellable operating lease

	2017 £	2016 £
Operating leases		
Due within one year	71,330	66,704
Due between two and five years	-	18,230
	71,330	84,934

21. Learner Support Funds

The institution receives Learner Support and Free School Meals funding from the Education and Skills Funding Agency. These grants are available for use by students. These funds were previously treated as though the institution were acting as an agent, with the amounts of these grants and the payments to students excluded from the institution's financial statements. In the year ended 31 July 2017 however, due to increased discretion for the institution as to the use of these funds, the grants received and payments to students have been reported gross and included within income and expenditure in the institution's financial statements.

22. Related Party transactions

Owing to the nature of the institution's operations and the composition of the Board of Governors being drawn from local public and private sectors organisations, it is inevitable that transactions will take place with organisations in which a member of the Board of Governors may have an interest. All transactions involving such organisations are conducted at arm's length and in accordance with the institution's financial regulations and normal procurement procedures. Ravensbourne has the consent of the Privy Council to remunerate the Chairman to a maximum of £15,000 per annum, the Chairman waived his right to a fee from 1 April 2017 and an amount of £10,000 was paid in respect of the year ending 31 July 2017 (July 2016; £15,000). No other Trustee receives payment in respect of their duties, however trustees are entitled to claim expenses and payments totalling £114 were made to three trustees (2015; £536 to five Trustee).

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