Ravensbourne Higher Education Corporation and Subsidiary Undertakings

Report and Financial Statements
31 July 2016

Buzzacott LLP, London

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Director’s and Chair’s Reports

Director's Report

I am confident we are moving in the right direction to achieve our strategic aims and objectives; working towards delivering academic excellence and offering students, staff and partners a distinctive and inclusive environment, so all can flourish.

I'm pleased to share we've had another successful year; we are ranked 8th in the UK for art and design in the QS university rankings and our graduate employability rate remains above the national average at 95.3 per cent. Our exceptional connections in industry have resulted in collaborations with brands such as the European Space Agency, BBC, Tate and the Royal Collection Trust, not forgetting prominent industry events such as Graduate Fashion Week and D&AD New Blood, where Ravensbourne students have exhibited their work.

The higher education sector however, is anticipating a period of change due to the EU referendum result and the UK's decision to leave the European Union (Brexit). This provides a period of uncertainty for all UK higher education institutions and could mean changes in international relations for Ravensbourne's staff and students.

On a national level the government's introduction of a Teaching Excellence Framework (TEF) following the Higher Education and Research Bill has meant we have been working to understand how the framework will operate in line with our own context and data, enabling us to potentially raise our fees in line with inflation.

We have been continuing to modestly increase our student numbers, however, more education providers are competing in Ravensbourne's academic specialisms and therefore remaining agile and entrepreneurial during this period remains key. With these challenges in mind we are strengthening our position within the sector by continuing with our 2015-2018 institutional strategy which aims to deliver academic excellence and provide a student experience focused on professional practice.

We have appointed two new Deans to lead the new Schools of Design and Media who have recently commenced a portfolio review with specialists from professional practice and education. The Deans will assess our academic offering to ensure it remains competitive and responsive to the changing creative industry environment, assisting us further towards Taught Degree Awarding Powers (TDAP) and our ambition for a university title. In addition to this, we launched our new brand identity which sought to represent the image of a truly creative and inclusive university.

To be recognised as a national and international leader in creative industries education and training, we launched our new short courses programme aimed at professionals, and covering courses from fashion to architecture which began in October this year.

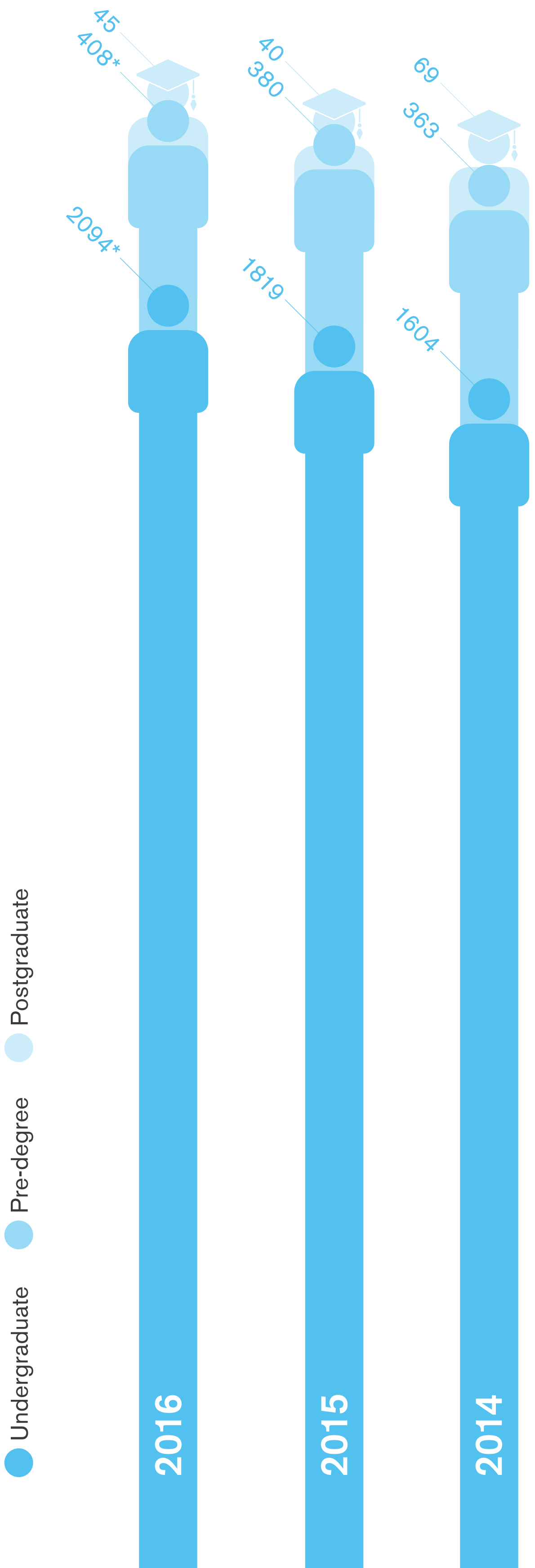
An External Relations Directorate is also being developed and will review all existing partnerships to create a more strategic professional and proactive approach to the development and management of international, higher education, cultural sector and local partners. We remain partners with the 02, and following a recent visit to Canada are in the process of formalising a partnership with OCAD University in Toronto.

I am proud of Ravensbourne's continued academic and professional achievements and I am confident we are developing a sustainable approach to the strategic leadership of the institution.

Professor Linda Drew
Director

Student numbers

Students enrolled in 2015-2016 academic year



Chair's Report

Mindful of Brexit and the challenges it brings, we must capitalise on opportunities presented, as we work towards our priority of achieving Taught Degree Awarding Powers (TDAP) and subsequently university status.

I'm often asked why our students are so extraordinarily employable. First, there is a constant flow of industry experts teaching at Ravensbourne and plenty of organisations that challenge our students with their real-world projects. Second, our staff guide students to work in teams - such collaboration is at the heart of the working world. And third, we are fortunate to operate in the most diverse city on earth. Innovation flourishes at the boundaries between different ways of thinking; our students emerge with the competitive advantage of deep experience of multi-cultural teams. No wonder that our alumni are in key creative industry positions all over the world. We are very proud of the reputation they confer on us.

Higher education is changing rapidly. There will be new competition and our particular area of operation, which involves the creative use of technology and new techniques, is moving faster than most. Brexit too presents tough challenges but also some very interesting opportunities. We aim to capitalise on these. We hope that within the next two years we will achieve Taught Degree Awarding Powers (TDAP) and subsequently university status, bringing several advantages including the ability to compete more effectively internationally.

Whatever the future, I'm confident in our excellent Board, a group of talented, experienced, independent-minded people able to avoid Groupthink and steer Ravensbourne well. 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 a gloriously diverse, creative and nurturing place.

Professor Jonathan Drori CBE
Chair of the Board of Governors

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 2016.

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

Ravensbourne's 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 mind-set 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 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 2015/2016 academic year include:

- International student admission numbers doubling in line with our strategic objective to increase student intake
- Appointment of two new Deans who have started a portfolio review to assess Ravensbourne's academic offering and ensure we are delivering academic excellence
- An employability rating of 95.3% which is higher than the national average (based on the national survey by the Higher Education Statistics Agency)
- Ravensbourne and advertising agency, Ogilvy together won a national award for 'Best collaboration between a university and an employer' at the 2016 Undergraduate Employability Awards
- Launch of a new short course programme to further enhance our provision of creative education
- Notable media coverage for staff and students - Huffington Post, BBC Radio 4, Independent, Guardian, Observer and Design Week
- We had more than 6000 visitors (double the number from last year) to our 2016 undergraduate degree show
- The launch of e-learning development modules, activities around wellbeing and the launch of a Social Charity Committee so as to invest and value our staff.

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 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.

Our partnerships and exceptional contacts within industry have meant final year students have had the opportunity to showcase their work externally to a wider audience at high profile industry events such as Graduate Fashion Week, D&AD New Blood and New Designers amongst others, demonstrating Ravensbourne has given them the cutting edge skills needed for a professional creative working life.

In 2016, our high profile partnership with AEG O2 was part of a key national news feature in the Times Higher Education supplement (January 2016). It was heralded as the sector standard for encouraging employability, connecting students with live industry briefs, and promoting job opportunities for students. Our model for this partnership will be extended to other commercial sectors such as finance, technology, hospitality, museums and galleries.

In addition to industry and commercial partnerships we work closely with the communities around us. We pride ourselves in working with schools and colleges to encourage pre-degree students to consider a future in education.

We have also secured progression agreements with 20 schools in London, the UK and Northern Ireland. These progression agreements ensure post-16 students experience higher education taster workshops, holiday schools and UCAS support workshops. This also provides a great opportunity for our current students to act as mentors.

We have run two Saturday schools in partnership with the Sorrell Foundation, offering students aged 14-18 specialist tuition and masterclasses from leading practitioners. This gives young people an idea of what it would be like to study arts, design and media based subjects.

The Ravensbourne Outreach programme also supports a social enterprise called Accumul8, which uses creativity to empower young people who are homeless through a range of creative workshops, often based at Ravensbourne and taught by Ravensbourne tutors and students.

Of direct benefit to the local community, Ravensbourne launched “Greenwich Digital Skills” in partnership with the Royal Borough of Greenwich, offering a wide range of affordable short courses with rates subsidised for Greenwich residents. Other short courses aimed at professionals have also been launched. We expect this to contribute to our local, national and international reputation in creative industries education and training.

Ravensbourne has also collaborated with BT to launch two higher apprenticeship courses in digital and broadcast courses to mitigate against skills gaps in industry.

To ensure a unique student experience and prepare our students for employment the CONNECT strand of our Ravensbourne Plus programme (which is run by Student Services) helps to prepare students for work. Over the past year, CONNECT has offered students opportunities to work collaboratively across other course programmes offering advice to students who are considering starting their own business.

The Plus programme also led on a series of lectures and industry workshops, the Ravensbourne Shorts and Lates, featuring alumni and other talent from across the creative world. Workshops and talks have featured highly respected industry figures such as designer Jacqueline Abrahams, world-renowned photographer Roland Klein, and Patrick Cowley a producer on Jurassic World and Assassin’s Creed who spoke about their work and what it entails.

Also within Student Services, the Ravensbourne Agency, a portal which offers work placements, jobs and other opportunities continues to grow and has signed up over 800 students and offered over 1700 opportunities over the past year.

The wide breadth of these activities resulted in our Student Services team, shortlisted for a Times Higher Education Leadership and Management 2016 Award (THELMA) for “Outstanding Student Services team”. Additionally, Ravensbourne was awarded the National Association of Decorative & Fine Arts Societies (NADFAS) Young People Award for the best event to creatively engage young people (8 - 18 years) at the international Big Draw Awards 2016.

Financial Position

Results

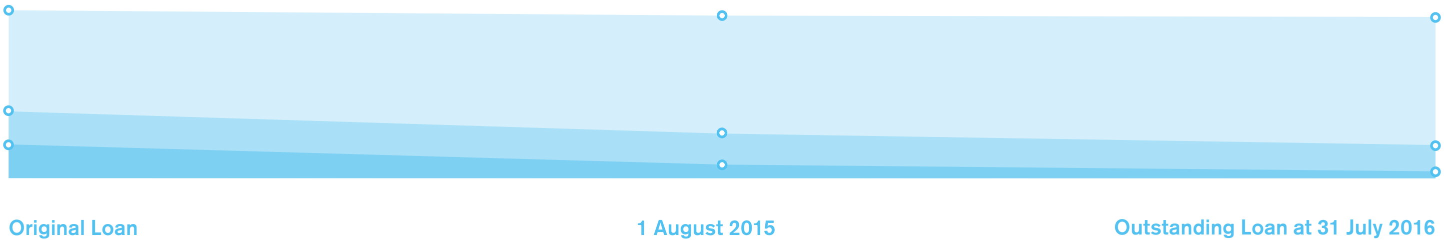
The financial statements for the year ending 31 July 2016 have been prepared in accordance with the Statement of Recommended Practice (SORP) Accounting for Further and Higher Education 2015 and in accordance with the Financial Reporting Standard FRS102. The comparatives in respect of the year ending 31 July 2015 have been restated and details of the transitional adjustments can be found in note 23 of these financial statements.

The surplus for the year ending 31 July 2016 is £401,095 against a budgeted surplus of £300,000. The surplus for the year ending 31 July 2015 was £903,381 after making the required transitional adjustment required under the 2015 SORP and Financial Reporting Standard FRS102.

Liquidity

Cash and short term cash deposits as of the year ending 31 July 2016 totalled £13,366,474 and represent an increase of £2,080,041 during the financial year which reflects the institution's strong liquidity position. During the year ending 31 July 2016 the institution continued with repayments of its 25-year mortgage facility and repayments to both the Royal Borough of Greenwich and the Higher Education Funding Council (HEFCE) in respect of loans.

Capital repayments and the balances outstanding on loan facilities



Facility	Original Loan £	Term (Yrs)	Outstanding 1 August 2015 £	Repayment £	Outstanding 31 July 2016 £
Barclays plc 25 year mortgage	5,000,000	25	4,521,703	123,803	4,397,900
HEFCE	2,000,000	6	1,000,000	500,000	500,000
Royal Borough of Greenwich	1,000,000	10	600,000	100,000	500,000
	8,000,000		**6,121,703**	**723,803**	**5,397,900**

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 is interest free.

In addition to the above loans the institution has made final capital and interest payments of £ nil (2015 £434,989) on its finance leases.

Reserves

The institution continues to maintain healthy reserves of over £31.3 million (2015 £32.4 million), held mainly in fixed assets. However, 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 is approaching its first six year cycle and it has been recognised that a rolling programme of maintenance and replacement will be necessary. This has been started in 2016
- 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 was £3,636,952. During the year capital payments were made in respect of bank and other loans of £723,803 and paid interest of £262,584. As of 31 July 2015 cash and balances held on short-term deposit amounted to £13,366,474 which amounts to the institution generating cash of £2,080,041 during the financial year.

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
- International students – the continuing volatility in the financial and stock markets has 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
- 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
- Student satisfaction – the emphasis on student satisfaction is increasing as the final cohorts move 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 will be 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 is being undertaken to ensure course relevance
- University status – the institution is currently under scrutiny in its passage to achieve Taught Degree Awarding Powers (TDAP) and university status. Achievement of this will enhance the institution's reputation and marketability (particularly outside the UK). With an increasingly competitive environment for students, success in this area would be highly beneficial.

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	1.7	1.6
Reserves	Discretionary reserves as % of income	140	147	145.1
Borrowings	Borrowings as a % of income	20	19.3	21.4
Liquidity	Net cash flow as a % of income	10	9.7	14.6
Liquidity	Net liquidity days	200	234	212
Covenants	3 year average historic EBITDA to borrowings	Max ratio 5:1	N/A	1.9:1

All KPIs have exceeded targets except the surplus which was marginally below target due to planned accelerated expenditure towards the end of the year and borrowings, whereby the target reflects the average end position as external borrowings are paid off, the actual ratio for the year is in line with expected pay down.

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 student recruitment (recruited over target for the year), National Student Satisfaction Survey (NSS) aggregate score (71 per cent target of 3rd quartile), destination of leavers (94.9 per cent significantly above national HESA benchmark - target top of decile), staff qualifications (all bar one on or over target), TDAP progress (on track), staff diversity in terms of ethnicity, disability and gender (all above target bar disability at 2 per cent under) and staff turnover (in line with target).

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 that it offers.

The institution is currently under scrutiny to achieve Taught Degree Awarding Powers (TDAP) and ultimately university status. The current 2015 – 18 strategic plan continued to be successfully implemented throughout the year with a focus on the achievement of university status and modest growth in student numbers, whilst ensuring the institution maintains its distinct, industry-led and cutting-edge digital focus and retains its extremely successful employability metrics. The strategy for the institution beyond 2018 is being thoroughly considered by the Governors and senior management.

All supporting strategies will continue to be updated to align with the overall strategic plan as progress is made. In addition the institution will be responding to the challenges being faced throughout the sector due to increased competition as a result of the government's higher education white paper and the removal of the cap on student numbers. In support of this activity, new positions (a Dean of media and Dean of design) have been created and filled, and a full portfolio review of all courses is underway.

Similarly a new director of external relations has been recruited with a focus on fundraising, student recruitment, internationalisation and diversifying income streams. As with the portfolio review of courses, a full partnership review for existing and potential new partners is to be completed in 2017. It is recognised there will continue to be uncertainties through further policy changes by Government and the fact that the exact consequences of the decision to leave the European Union are yet to be known. These uncertainties are considered in terms of both funding and student recruitment. The institution believes the activity planned for the coming years will enable the institution to meet those challenges.

The introduction of the Teaching Excellence Framework (TEF) will allow institutions that meet set criteria to increase student fees in the future from the current capped level of £9,000. The introduction of TEF will increase the emphasis on the teaching qualifications and skills of staff, the digital environment provided for students, the successful employability rates for graduating students and on learning gain achieved. The institution believes it is well placed to meet these criteria.

The institution will continue to seek opportunities in the new marketplace and gain advantage by using the skills that have resulted in the significant growth since the relocation from Chislehurst to the Greenwich Peninsula.

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

The institution recognises the importance of all stakeholder relationships, and facilitates and nurtures these relations through various fora; intranet, email communications, digital platforms, partnership agreements and face to face 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.

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. We 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
16 November 2016.

Professional Advisers

Bankers

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Canary Wharf
London E14 5HP

Santander UK PLC
2 Triton Square
Regent's Place
London NW1 3AN

Bank of Scotland PLC
The Mound
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Douglas
Isle of Man IM99 1AS

Internal Auditor

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Melton St
London NW1 2EP

External Auditor

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Solicitors

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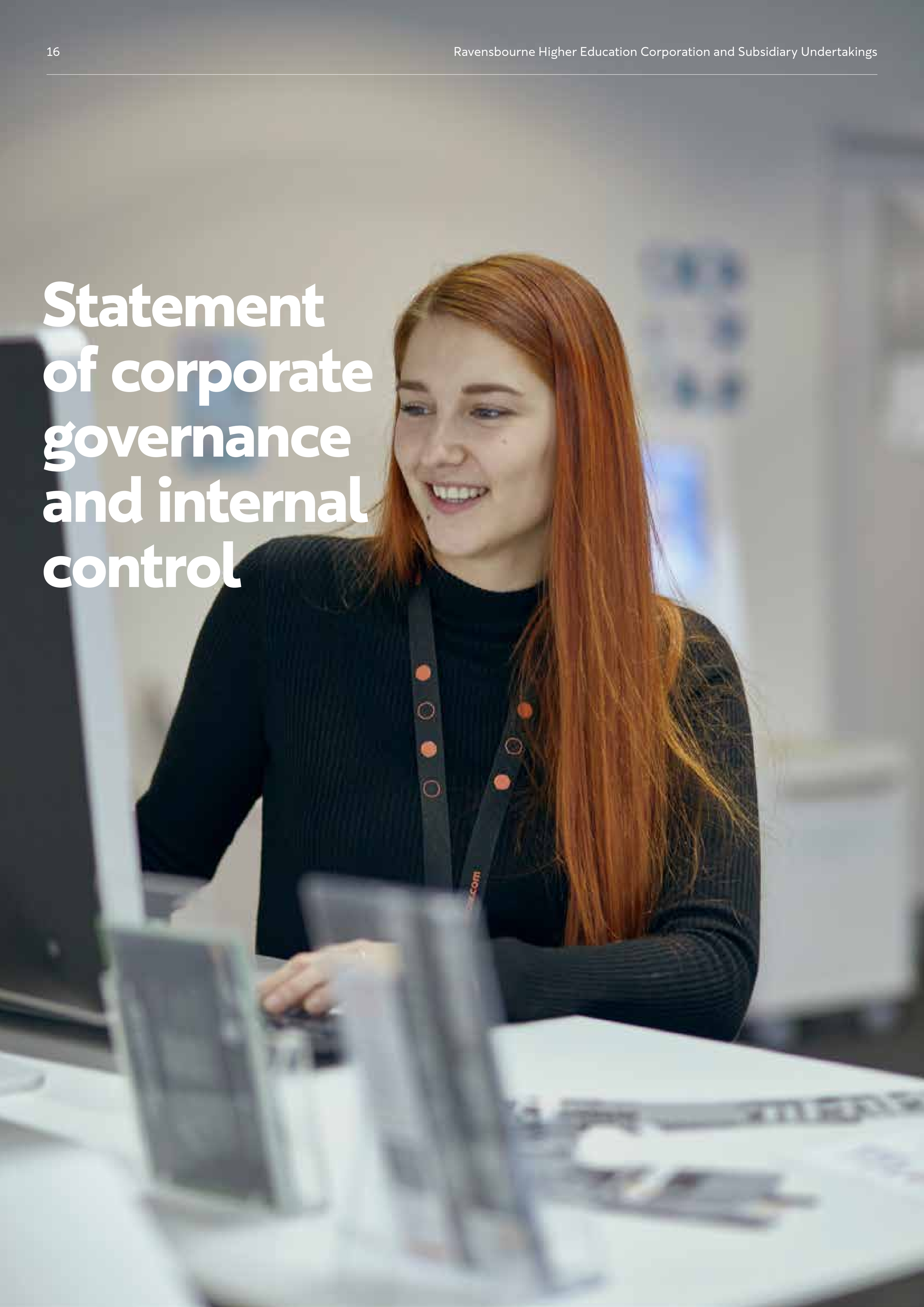
Exchange House
Primrose St
London EC2A 2HS

Eversheds LLP
85 Queen Victoria St
London EC4V 4JL

Statement of corporate governance and internal control



Introduction

The institution is an independent corporation, established as a higher educational 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 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 issued by the Committee of University Chairs in December 2014. Its purpose is to help the reader of the financial statements understand how the principles have been applied. Ravensbourne's corporate governance statement and statement of internal control covers the period 1 August 2015 to 31 July 2016 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, reviewed annually, 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 four times each year. It has 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 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 five years. No other member of the Board receives reimbursement for the work which they do for the Board. 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 ○ ⊙ ⦸	Director

Independent and Co-opted Governors

Ms Karen Brown BA LLB ⦸	
Mr Nathan Donaldson BA LLB ● ⊙	
Professor Jonathan Drori CBE BSc FLS FZS MIET FRSA ○ ⊙ ⦸	Chair of the Board
Ms Laura Gander-Howe MA ●	
Ms Helen Gordon MBA ●	Resigned (Sep 2016)
Mr Rod Henwood BA	Appointed (Nov 2016)
Professor Helen Higson OBE	Co-opted (Mar 2016)
Ms Tamara Howe	
Ms Ruth Keattch MA (Oxon) ○	Appointed Chair Finance Committee (Oct 2016)
Mr Jonathan Kingsbury BA EMBA DIC	
Mr Alex Phillips BSc DipArch PGDip (ACS) RIBA	Co-opted (Mar 2016)
Ms Marta Phillips OBE CA MSc BA(Hons) ● ⊙	Chair of Audit Committee
Professor Elizabeth Rouse MA FRSA ⊙ ⦸	Deputy Chair of the Board
Professor Mike Short CBE BA FREng FIET FBCS ○ ⦸	
Dr Janthia Taylor MA (Cantab) MBA DPhil ○	
Mr Rupert Tyler MA (Oxon) ○ ⊙	Resigned Chair Finance Committee (Oct 2016)
Mr David Worthington BA FRSA FCSD ○	

Non-Teaching Staff Governors

Mr Alex Thompson	Resigned (Nov 2015)
Ms Jill Leigh	Appointed (Mar 2016)

Teaching Staff Governors

Mr Greg Loftin ○	Resigned (Nov 2015)
Ms Louise Prideaux BA PGCE MISTD ⦸	
Mr Idrees Rasouli	Appointed (Mar 2016)

Student Governors

Mr Tor Arne-Njamo Student Union President	Resigned (Jul 2016)
Mr Stefan Ferrol Student Union President	Appointed (Jul 2016)

Co-opted member of Audit Committee

Mrs Joanne Stimpson LLB ACA ●

Other Principal Officers regularly in attendance

Mr Fraser Burrill LLB FCA ○
Ms Doreen De Bellotte
Ms Katie Germer

● Audit Committee
○ Finance Committee
⊙ HR & Remuneration Committee
⦸ 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:

- 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, implementation of recommendations by internal and external auditors, and compliance with the provisions of the institution's Memorandum of Assurance and Accountability with HEFCE.

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
- Receiving and commenting upon revenue and capital budgets
- 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, Deputy Director, Director of Finance and the Clerk to the Board). In determining the salaries of senior post holders the Committee considers:

- Performance in year
- Internal salary relativity
- Benchmarking data
- 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.
- The 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.

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.

Applying the HE Code of Governance (Continued)

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.

Ravensbourne's current risk management framework was adopted by the Board of Governors in November 2015, following a comprehensive review overseen by the Audit Committee. The framework covers the five areas of reputation, operations, finance, compliance and strategy/development. 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 business continuity, are also covered by substantive agenda items as appropriate throughout the year.

The framework ensures that risk management is embedded within strategic and business planning, budgeting and reporting processes. The institutional Risk Register is developed and maintained for consideration by the Executive team and for submission to the Audit Committee. Any strategic risks identified by the Board of Governors and the Executive are included within the risk register to ensure it is up to date. The Executive monitors key risks on a regular basis and ensure risk owners report to the Board of Governors and executive as necessary. The strategic plan and implementation plan for 2015-18 were reviewed at the end of 2015 in order to identify further risks which may affect the achievement of institutional objectives.

The Audit Committee reviews the effectiveness of the institution's systems of internal control and receives reports on internal control and risk across the five areas defined above at every meeting. The Audit Committee reports annually to the Board of Governors, assuring them of the adequacy and effectiveness of these controls.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 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 and value for money. The internal audit plan is approved by the Audit Committee in the context of a rolling three 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 2016 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 the 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

Introduction

We have audited the financial statements of Ravensbourne for the year ended 31 July 2016 which comprise the consolidated statement of comprehensive income and expenditure, the balance sheets, the consolidated cash flow statement, and the related notes 1 to 23 which have been prepared under the accounting policies set out therein.

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 Governors as a body, for our audit work, for this report, or for the opinion we have formed.

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

Respective responsibilities of the Governing Body and Auditor

As described in the Statement of responsibilities of the Members of the Corporation, the institution's Governing Body is responsible for ensuring that financial statements are prepared in accordance with applicable United Kingdom law, accounting standards and United Kingdom Generally Accepted Accounting Practice. Our responsibility is to audit the financial statements in accordance with relevant legal and regulatory requirements and International Standards on Auditing (UK and Ireland) and the Audit Code of Practice issued by the Higher Education Funding Council for England.

Scope of the audit of the financial statement.

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

Opinion

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 2016 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 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.

Buzzacott LLP

Buzzacott LLP
Statutory Auditor
130 Wood Street
London **EC2V 6DL**

30 November 2016

Financial Statements
Year ended 31 July 2016

Consolidated Statement of Comprehensive Income
Year ended 31 July 2016

	Note	2016 £	2015 Restated £
Income			
Tuition fees & education contracts	2	19,035,120	17,178,491
Funding body grants	3	4,889,631	5,141,355
Other income	4	1,213,671	1,640,896
Investment income	5	133,893	97,537
Total income		25,272,315	24,058,279
Expenditure			
Staff costs	6	11,027,026	9,423,923
Other operating expenses	7	11,602,144	10,745,251
Depreciation	11	1,857,466	2,578,528
Interest & other finance costs	8	384,584	407,196
Total expenditure		24,871,220	23,154,898
Surplus before other gains and losses		401,095	903,381
Loss on disposal of fixed assets		-	-
Surplus before taxation		401,095	903,381
Taxation	9	-	-
Surplus for the year	10,19	401,095	903,381
Actuarial loss in respect of pension scheme	16,18	(1,544,000)	(279,000)
Total comprehensive income for the year		(1,142,905)	624,381
Income and expenditure reserves at 1 August		32,450,861	31,826,480
Total comprehensive income for the year		(1,142,905)	624,381
Income and expenditure reserves at 31 July		31,307,956	32,450,861

Consolidated Statement of Comprehensive Income
Year ended 31 July 2016

The Consolidated Statement of Comprehensive Income for the year ended 31 July 2016 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. The comparative figures in respect of the year ended 31 July 2015 have been restated accordingly. A reconciliation of the financial performance for the year ended 31 July 2015 between the 2007 SORP and the 2015 SORP is shown in note 23.

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 below is in respect of continuing operations.

Group consolidated balance sheet
31 July 2016

	Note	2016 £	2015 Restated £
Non current assets			
Tangible assets	11	52,967,717	54,065,974
Investments	12	3,361	3,209
		52,971,078	54,069,183
Current assets			
Debtors	13	616,345	586,145
Investments		9,199,984	8,121,000
Cash and cash equivalents		4,166,490	3,165,433
		13,982,819	11,872,578
Creditors			
Amounts due within one year	14	(5,490,019)	(3,750,721)
Net current assets		8,492,800	8,121,857
Total assets less current liabilities		61,463,878	62,191,040
Creditors			
Amounts due after more than one year	15	(24,790,709)	(26,017,478)
Provisions	16	(5,365,213)	(3,722,701)
Net assets		31,307,956	32,450,861
Reserves			
Income and expenditure reserves - unrestricted	19	31,307,956	32,450,861
Total reserves		**31,307,956**	**32,450,861**

Professor Jonathan Drori CBE
Chair of the Board of Governers

Professor Linda Drew
Director & CEO

These Financial Statements were approved by the Governing Body on 16 November 2016

The Group Consolidated Balance Sheet as at 31 July 2016 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. The comparative figures in respect of the position as at 31 July 2015 have been restated accordingly. A reconciliation of the amounts shown in the balance sheet at July 2015 between the 2007 SORP are shown in note 23.

Higher education corporate balance sheet
31 July 2016

	Note	2016 £	2015 Restated £
Non current assets			
Tangible assets	11	52,967,717	54,065,974
Investments	12	3,462	3,310
		52,971,179	54,069,284
Current assets			
Debtors	13	627,208	562,138
Investments		9,199,984	8,121,000
Cash and cash equivalents		4,132,232	3,150,089
		13,959,424	11,833,227
Creditors			
Amounts due within one year	14	(5,466,411)	(3,711,157)
Net current assets		8,493,013	8,122,070
Total assets less current liabilities		61,464,192	62,191,354
Creditors			
Amounts due after more than one year	15	(24,790,709)	(26,017,478)
Provisions	16	(5,365,213)	(3,722,701)
Net assets		31,308,270	32,451,175
Reserves			
Income and expenditure reserves - unrestricted	19	31,308,270	32,451,175
Total reserves	19	**31,308,270**	**32,451,175**

Professor Jonathan Drori CBE
Chair of the Board of Governers

Professor Linda Drew
Director & CEO

These Financial Statements were approved by the Governing Body on 16 November 2016

The higher education corporation balance sheet as at 31 July 2016 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. The comparative figures in respect of the position as at 31 July 2015 have been restated accordingly. A reconciliation of the amounts shown in the balance sheet at 31 July 2015 between the 2007 SORP and the 2015 SORP are shown in note 23.

Consolidated statement of cash flows
Year ended 31 July 2016

	2016 £	2015 Restated £
Cash flow from operating activities		
Surplus for the year	401,095	903,381
Adjustment for non-cash items		
Release of deferred capital grants	(514,472)	(596,452)
Depreciation	1,857,466	2,578,528
Increase in debtors	(30,200)	(9,608)
Increase in creditors	1,750,804	267,079
Decrease in provisions	(22,488)	(22,252)
Gain on investments	(152)	(239)
Pension costs less contributions payable	121,000	52,000
Adjustment for investing or financing activities		
Investment income	(133,893)	(97,537)
Interest payable	262,584	269,196
Net cash provided by operating activities	3,691,744	3,344,096
Cash flows from investing activities		
Payments made to acquire fixed assets	(759,209)	(581,047)
Investment income	133,893	97,537
New fixed deposits	(1,078,984)	(2,519,369)
	(1,704,300)	(3,002,879)
Cash flows from financing activities		
Interest paid	(262,584)	(261,310)
Repayments of amounts borrowed:		
Bank mortgage	(123,803)	(116,563)
HEFCE loan repayments	(500,000)	(350,000)
Other loan repayments	(100,000)	(100,000)
Finance lease repayments	-	(357,306)
	(986,387)	(1,185,179)
Increase/(decrease) in cash in the year	1,001,057	(843,962)
Cash and cash equivalents at 1 August	3,165,433	4,009,395
Cash and cash equivalents at 31 July	4,166,490	3,165,433
Increase/(decrease) in cash in the year	**1,001,057**	**(843,962)**

Notes to the financial statements
Year ended 31 July 2016

Accounting Policies 01

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 FRS 102. 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 2016.

Transition to the 2015 FE HE SORP

The institution is preparing its financial statements in accordance with FRS 102 for the first time and consequently has applied the first time adoption requirements. Some of the FRS 102 recognition, measurement, presentation and disclosure requirements and accounting policy choices differ from previous UK GAAP. Consequently, the institution has amended certain accounting policies to comply with FRS 102 and the 2015 FE HE SORP. The Governors have also taken advantage of certain exemptions from the requirements of FRS 102 permitted by FRS 102 Chapter 35 'Transition to this FRS'.

An explanation of how the transition to the 2015 FE HE SORP has affected the reported financial position, financial performance and cash flows of the consolidated results of the institution is provided in note 23.

The 2015 FE HE SORP requires institutions to prepare a single Statement of Comprehensive Income, and not the alternative presentation of a separate income statement and a statement of other comprehensive income. This represents a change in accounting policy from the previous period where separate statements for the Income and Expenditure Account and for the Statement of Total Recognised Gains and Losses were presented.

The application of first time adoption allows certain exemptions from the full requirements of the FRS 102 and the 2015 FE HE SORP in the transition period.

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 £13.4m 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.

Accounting Policies (continued) 01

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 that 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. Tuition fees 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.

Pension Scheme Arrangements

The institution has fully implemented FRS102 Retirement Benefits in these financial statements and recognised 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 and Expenditure.

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.

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).

Accounting Policies (continued) 01

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 amount of the obligation.

Financial Leases
Leasing agreements that transfer substantially all the risks and rewards of ownership to the institution are treated as if they had been purchased outright. The assets are included in fixed assets and the capital element of the leasing commitments is shown as obligations under finance leases. The lease rentals consist of capital and interest elements. The capital element is applied to reduce the outstanding obligations and the interest element is charged to the income and expenditure account in proportion to the reducing capital element. The assets are depreciated over their useful lives commencing from the date they are first brought into use.

Operating Leases
Costs in respect of operating leases are charged on a straight line basis over the lease term.

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.

Agency Arrangements
The institution acts as an agent in the collection and payment of discretionary support funds and bursaries fund. Related payments received from the funding bodies and subsequent disbursements to students are excluded from the income and expenditure of the institution where the institution is exposed to minimal risk or enjoys minimal economic benefit related to the transaction.

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 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.

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 2013 has been used by the actuary in valuing the pensions liability at 31 July 2016. 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.

Tuition fees and education contracts 02

	2016 £	2015 £
Home and European Union students	17,979,075	16,176,141
International students	1,056,045	1,002,350
	19,035,120	**17,178,491**

Funding body grants 03

	2016 £	2015 £
Specific grants		
HEFCE - main allocation	2,643,386	2,547,773
- other	274,607	280,645
SFA/EFA - main allocation	1,772,867	2,026,427
- other	84,556	90,315
	4,775,416	4,945,160
Deferred capital grants released in year (note 17)		
Buildings	39,640	39,641
Equipment	74,575	156,554
	114,215	196,195
	4,889,631	**5,141,355**

Other income 04

	2016 £	2015 Restated £
Residences	250	3,856
Other income	541,795	766,693
	542,045	770,549
Deferred capital grants released in year (note 17)		
Buildings	400,257	400,257
Revenue grants received	271,369	470,090
	1,213,671	**1,640,896**

An amount of £572,419 in respect non-government deferred grants was released to the consolidated statement of comprehensive income, as a restating adjustment (note 23) on implementation of FRS102, as it was considered that the accrual method could not be applied and that performance conditions had already been met.

Investment income 05

	2016 £	2015 £
Income from short term deposits	133,893	97,537

Staff cost 06

	2016 £	2015 £
The average number of persons employed by the institution during the year expressed as full-time equivalents was:		
Academic	98	82
Administrative & technical staff	123	107
Total staff employed (FTE)	221	189

Staff	2016 £	2015 Restated £
Wages and salaries	8,956,864	7,871,426
Social security costs	782,817	623,021
Pension costs	1,308,345	1,020,476
Adjustments to contribution to reflect defined pension scheme service costs (note 18)	(21,000)	(91,000)
	11,027,026	**9,423,923**
Of which:		
Academic staff	5,897,586	4,959,712
Administration & technical staff	5,150,440	4,555,211
Adjustments to contribution to reflect defined pension scheme service costs (note 18)	(21,000)	(91,000)
	11,027,026	**9,423,923**

As required in transition to the to the Statement of Recommended Practice (SORP) Accounting for Further and Higher Education 2015 and Financial Reporting Standard FRS102 the staff costs for the year ended 31 July 2016 include the additional costs relating to a provision in respect of unutilised staff benefits (annual leave entitlement). Staff costs for the year ended 31 July 2015 have been restated to include this provision (note 23).

Staff costs (continued) 06

	2016 £	2015 £
Heads of institution's remuneration		
Head of institution (to 4 January 2015)		
Aggregate emoluments	-	122,124
Head of institution (from 5 January 2015)		
Aggregate emoluments	140,425	79,038
Performance related pay	13,000	-
Contribution to defined benefit pension scheme	25,013	11,144
	178,438	**90,182**

Except for the head of institution, no other employee received remuneration of £100,000 or more during the financial year.

Key management personnel	2016 No.	2015 No.
The number of key management personnel expressed as full-time equivalents	**8.2**	**7.0**

	2016 £	2015 £
Key management personnel remuneration	**737,404**	**663,324**

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

Other operating expenses 07

	2016 £	2015 Restated £
Student residences	-	6,702
Direct course costs	713,928	715,183
Academic services	2,060,264	1,880,229
Premises	2,854,556	2,473,652
Student bursaries	1,182,586	1,413,690
Examination and validation expenses	741,474	661,270
Staff recruitment and temporary support	699,239	428,065
Other administration expenditure	3,350,097	3,166,460
	11,602,144	**10,745,251**

	2016 £	2015 £
Included within other administration expenditure are amounts payable to the institution's auditors in respect of:		
Audit fees	45,584	39,767
Other services	6,340	3,440
	51,924	**43,207**

Interest and other finance costs 08

	2016 £	2015 £
Finance lease interest payable	-	7,886
Other Interest payable	262,584	273,310
	262,584	**281,196**
Pension scheme finance costs (note 18)	122,000	126,000
	384,584	**407,196**

Taxation 09

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

Surplus for the year 10

	Note	2016 £	2015 Restated £
institution's surplus for the year	19	401,095	903,381
Surplus generated by subsidiary undertakings			
Ravensbourne Limited	(see below)	-	-
Ravensbourne Learning Resource Centre Limited	(see below)	-	-
Net surplus generated by subsidiary undertakings	19	-	-
Group surplus for the year		**401,095**	**903,381**

Ravensbourne Limited generated an operating surplus of £64,232 (2015 £211,306), of which £64,232 (2015 £211,306) is payable to the institution, Ravensbourne as a gift aid donation. The institution's surplus includes this donation.

Ravensbourne Learning Resource Centre Limited did not trade during the years ended 31 July 2015 and 31 July 2016.

Tangible fixed assets 11

Group and higher education corporation	Leasehold Land and Building £	Fixtures, fittings and equipment £	Total £
Cost or valuation			
At 1 August 2015	56,809,967	9,540,609	66,350,576
Additions	-	759,209	759,209
At 31 July 2016	56,809,967	10,299,818	67,109,785
Accumulated depreciation			
At 1 August 2015	5,004,146	7,280,456	12,284,602
Charge for the year	1,126,214	731,252	1,857,466
At 31 July 2016	6,130,360	8,011,708	14,142,068
Net book value			
At 31 July 2016	50,679,607	2,288,110	52,967,717
At 31 July 2015	**51,805,821**	**2,260,153**	**54,065,974**

Included within fixtures, fittings and equipment are leased assets with a net book value of £nil (2015 £18,457)

The depreciation charge has been funded by:
Group and higher education corporation

	2016 £	2015 Restated £
Deferred capital grants released (note 17)	514,472	596,452
General income	1,342,994	1,982,076
	1,857,466	**2,578,528**

Non current investments 12

	Group		Higher Education Corporation	
	2016 £	2015 Restated £	2016 £	2015 Restated £
COIF Memorial Trust				
255 ordinary shares – at market value	3,361	3,209	3,361	3,209
Higher education corporation				
The institution owns 100% of the called up share capital of Ravensbourne 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
	3,361	**3,209**	**3,462**	**3,310**

Debtors 13

	Group		Higher Education Corporation	
	2016 £	2015 Restated £	2016 £	2015 Restated £
Student debtors	45,629	102,187	45,629	102,187
Amounts due from subsidiary undertakings	-	-	50,098	73,337
Interest receivable	56,390	30,634	56,390	30,634
Sundry debtors	241,117	327,803	201,882	230,459
Prepayments	273,209	125,521	273,209	125,521
	616,345	**586,145**	**627,208**	**562,138**

Creditors: Amounts falling due within one year 14

	Group		HIgher Education Corporation	
Amounts falling due within one year:	**2016 £**	**2015 Restated £**	**2016 £**	**2015 Restated £**
Bank and other loans:				
Bank loan	128,692	123,803	128,692	123,803
Higher Education Funding Council	500,000	500,000	500,000	500,000
London Borough of Greenwich	100,000	100,000	100,000	100,000
	728,692	**723,803**	**728,692**	**723,803**
Trade creditors	1,921,363	855,604	1,916,127	855,604
Staff benefits compensation	366,584	293,989	366,584	293,989
Accruals and deferred income (see below)	1,468,435	1,076,798	1,450,063	1,037,234
Tax and social security	506,868	286,055	506,868	286,055
Deferred government capital grants (note17)	498,077	514,472	498,077	514,472
	5,490,019	**3,750,721**	**5,466,411**	**3,711,157**

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 £343,043 (2015: £109,124), 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.

The institution has utilised the “accruals method” in the accounting for deferred government capital grants at 31 July 2016 and has restated the balances as at 31 July 2015 accordingly (note 23).

Staff benefits compensation includes a provision as at 31 July 2016 of £281,690 in respect of the accrued costs of unutilised staff benefits.
The comparatives at 31 July 2015 have been restated and include a provision of £216,122 (note 23).

Creditors: Amounts falling due within one year 15

Group and higher education corporation	2016 £	2015 Restated £
Bank loan		
- between one and two years	137,270	128,692
- between two and five years	459,776	434,765
- over five years	3,672,162	3,834,443
	4,269,208	4,397,900
Higher Education Funding Council loan		
- between one and two years	-	500,000
London Borough of Greenwich loan		
- between one and two years	100,000	100,000
- between two and five years	300,000	300,000
- over five years	-	100,000
	400,000	500,000
Total long term loans	4,669,208	5,397,900
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	18,129,194	18,627,271
	20,121,501	20,619,578
	24,790,709	**26,017,478**

The bank loan represents a long term mortgage facility. Interest is payable on this bank loan at a fixed rate of 5.5 per cent per annum. The loan granted by the Higher Education Funding Council is interest free and is repayable over a six year period which commenced in October 2011.

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.

In applying 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 2016 and has restated the balances as at 31 July 2015 accordingly (note 23).

Provisions 16

Group and higher education corporation	Enhanced Pension Provision £	Pension Scheme Provision Under FRS102 £	Total Pensions Provisions £
At 1 August 2015	(180,701)	(3,542,000)	(3,722,701)
Net payments in year	22,488	-	22,488
Service income (note 6)	-	21,000	21,000
Pension finance costs (note 8)	-	(122,000)	(122,000)
Administration expenses	-	(20,000)	(20,000)
Actuarial loss	-	(1,544,000)	(1,544,000)
At 31 July 2016	**(158,213)**	**(5,207,000)**	**(5,365,213)**

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).

Deferred capital grants 17

Group and higher education corporation	2016 £	2015 Restated £
At 1 August		
Buildings	20,235,263	20,675,161
Equipment	898,787	1,055,341
Total	21,134,050	21,730,502
Released to income and expenditure:		
Funding council grants (note 3)		
Buildings	39,640	39,641
Equipment	74,575	156,554
Other grants (note 4)		
Buildings	400,257	400,257
Total	514,472	596,452
At 31 July		
Buildings	19,795,366	20,235,263
Equipment	824,212	898,787
Total	**20,619,578**	**21,134,050**

As at 31 July 2015 and 31 July 2016 all balances relate to government grants.

Under FRS102 the "accruals method" has been applied in respect of deferred government capital grants. The comparatives in respect of the year ended 31 July 2015 have been restated to remove deferred capital grants amounting to £572,419 as at 31 July 2014 of which £182,331 had previously been released to income in the year ended 31 July 2015 under the 2007 SORP. The institution considered that the accruals method could not be applied to these grants and performance conditions had already been met.

The amount of deferred government capital grants at 31 July 2015 and 31 July 2016 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	2016 £	2015 Restated £
Due within one year (note 14)	498,077	514,472
Due after more than one year (note 15)	20,121,501	20,619,578
	20,619,578	**21,134,050**

Group and higher education corporation		
Released against depreciation charges	**514,472**	**596,452**

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. **18**

Provisions

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

Provisions

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

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

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

Regulations giving effect to a reformed Teachers' Pension Scheme came into force on 1 April 2014 and the reformed scheme will commence on 1 April 2015. The pension costs paid to TPS in the year amounted to £627,442 (2015: £454,012).

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 was 23.1 per cent throughout the year (2015: 23.1 per cent).

Employer contributions payable to the scheme during the year were £680,903 (2015 £566,464)

For the purposes of meeting the requirements of reporting standard FRS 17, retirement benefits, the actuary has used the triennial valuation dated 31 March 2013 to assess the assets and liabilities of the scheme as at 31 July 2016.

Pension costs and obligations (Continued) 18

The financial assumptions used by the actuary were:

	2016	2015	2014
Rate of increase in Consumer Price Index	1.7% per annum	2.2% per annum	2.3% per annum
Rate of increase salaries	3.2% per annum	3.7% per annum	3.8% per annum
Rate of increase in pension and prices	1.8% per annum	2.2% per annum	2.3% per annum
Discount rate	2.5% per annum	3.8% per annum	4.3% per annum

Life expectancy assumptions used by the actuary were:	Retiring today:		
	Males	23.2 y.	23.1 y.
Life expectancy years from age 65:	Females	25.6 y.	25.5 y.
	Retiring in 20 y:		
	Males	25.5 y.	25.4 y.
	Females	28.5 y.	28.4 y.

The estimated asset allocation for the institution is as follows:

	31 July 2016		31 July 2015	
	Allocation of Investments %	institution share of fund £'000	Allocation of Investments %	institution share of fund £'000
Equities	74	9,023	73	7,203
Bonds	16	1,912	16	1,590
Cash	1	122	1	99
Other	9	1,120	10	1,043
	100	**12,177**	**100**	**9,935**

Net liability in balance sheet

	2016 £	2015 £
Fair value of scheme assets	12,177	9,935
Present value of funded obligations	(17,384)	(13,477)
Net liability in balance sheet	**(5,207)**	**(3,542)**

Reconciliation of assets and liabilities

	2016 £	2015 Restated £
Defined benefit obligation at 1 August	**13,477**	**11,534**
Service Cost	647	478
Interest Cost	512	495
Actuarial loss/(gain)	2,774	1,025
Estimated benefits paid (net of transfers in)	(232)	(229)
Contributions by scheme participants	206	174
Defined benefit obligation at 31 July	**17,384**	**13,477**
Fair value of scheme assets at 1 August	9,935	8,323
Expected return on scheme assets	390	369
Actuarial gain/(loss)	1,230	746
Administration expenses	(20)	(17)
Contribution by employer	668	569
Contributions by scheme participants	206	174
Estimated benefits paid (net of transfers in)	(232)	(229)
Fair value of scheme assets at 31 July	**12,177**	**9,935**

Reconciliation of assets and liabilities

	2016 £	2015 Restated £
Deficit in scheme as 1 August	**(3,542)**	**(3,211)**
Movement in year		
Employer service cost (net of employee contributions)	(647)	(478)
Employer contributions	668	569
Finance Income/(costs) on pension scheme liabilities	(122)	(126)
Administration expenses	(20)	(17)
Actuarial (loss)/gain	(1,544)	(279)
Deficit in scheme as 31 July	**(5,207)**	**(3,542)**

Pension costs and obligations (Continued) 18

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

	2016 £'000	2015 Restated £'000
Service costs		
Employer service costs (net of employee contributions)	647	478
Employer contributions	(668)	(569)
Total operating income (note 6)	**(21)**	**(91)**
Pension finance costs		
Expected return on pension scheme assets	390	369
Interest on pension liabilities	(512)	(495)
Pension scheme finance income/(costs) (note 8)	**(122)**	**(126)**

A further amount of £20,000 (2015; £17,000) has been charged to the Consolidated Statement of Comprehensive Income as an administration expense (note 7).

The actuarial loss in the pension scheme and the amounts chargeable to the Consolidated Statement of Comprehensive Income for the year ended 31 July 2015 have been restated to comply with FRS102. These adjustments have the effect of reducing the actuarial loss by £164,000 and increasing the amounts charged against income by the same amount.

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

	2016 £'000	2015 Restated £'000
Actuarial losses in pension scheme		
Changes in assumptions underlying the present value of the scheme liabilities	(2,774)	(1,025)
Actuarial return less expected return on pension scheme assets	1,230	746
Total recognised losses for the year	**(1,544)**	**(279)**

History of experience gains and losses

	2016 £'000	2015 £'000	2014 £'000	2013 £'000	2012 £'000
Defined benefit obligation	(17,384)	(13,477)	(11,534)	(11,709)	(11,241)
Scheme assets	12,177	9,935	8,323	7,686	6,157
Deficit in pension scheme	(5,207)	(3,542)	(3,211)	(4,023)	(5,084)
Experience adjustments on scheme liabilities	-	-	896	-	-
Percentage of scheme liabilities	-	-	7.8%	-	-
Experience adjustments on scheme assets	1,230	582	(182)	1,148	(253)
Percentage of scheme assets	10.1%	5.9%	(2.2%)	14.9%	(4.1%)

Reserves 19

	Group £	Higher Education Corporation £
Income and expenditure reserve		
At 31 July 2014 under 2007 SORP	31,434,574	31,434,888
Release of deferred grant income	572,419	572,419
Staff benefits compensation	(180,513)	(180,513)
At 31 July 2014 under 2015 SORP	31,826,480	31,826,794
Year ended 31 July 2015:		
Surplus for the year under 2007 SORP	1,285,321	1,285,321
Reversal of deferred grant income released in year	(182,331)	(182,331)
Staff benefits compensation	(35,609)	(35,609)
Adjustment for FRS 102 pension finance costs	(137,000)	(137,000)
Adjustment for FRS 102 service costs	(10,000)	(10,000)
Adjustment for pension scheme administration costs	(17,000)	(17,000)
Surplus for the year under 2015 SORP	903,381	903,381
Actuarial loss in respect of pension scheme	(279,000)	(279,000)
At 31 July 2015 under 2015 SORP	32,450,861	32,451,175
Year ended 31 July 2016:		
Actuarial loss in respect of pension scheme	(1,544,000)	(1,544,000)
Surplus for the year	401,095	401,095
At 31 July 2016	**31,307,956**	**31,308,270**

Financial Commitments 20

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

Operating leases:		
Due within one year	66,704	66,704
Due between two and five years	18,230	84,934
	84,934	**151,638**

Amounts disbursed as agent 21

The institution receives Access to Learner grants from the Higher Education Funding Council for England and Learner Support Funding from the Skills Funding Agency and Education Funding Agency. These grants are available exclusively for use by students. The institution acts only as a paying agent and therefore the amounts of these grants and the payments to students are excluded from the institution's financial statements.

Related party transactions 22

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 and this amount is payable in respect of the year ending 31 July 2016 (July 2015; £15,000). No other Trustee receives payment in respect of their duties, however trustees are entitled to claim expenses and payments totalling £536 were made to five trustees (2015; £105 to one Trustee).

Transition to FRS102 and the 2015 SORP 23

As explained in the accounting policies these are the first financial statements of Ravensbourne College and Subsidiaries to be prepared in accordance with FRS 102 and the 2015 SORP. The accounting policies set out in note 1 have been applied in preparing the financial statements for the year ended 31 July 2016. The comparative figures for the year ended 31 July 2015, which have previously reported under the 2007 SORP, have been adjusted to reflect the implementation of FRS102 and the 2015 SORP as shown below:

Financial Performance

	Group 2015 £	Group 2015 £
Surplus for the year under 2007 SORP		1,285,321
Reversal of deferred grant income released in year		(182,331)
Staff benefits compensation		(35,609)
Adjustment for FRS 102 pension finance costs	(137,000)	
Adjustment for FRS 102 service costs	(10,000)	
Adjustment for pension scheme administration costs	(17,000)	
Total adjustments in respect of pension scheme		(164,000)
Surplus for the year under 2015 SORP		903,381
Actuarial loss in pension scheme under 2007 SORP		(443,000)
Amounts charged against income (see above)		164,000
Actuarial loss in pension scheme under 2015 SORP		(279,000)
Total comprehensive income for the year ended 31 July 2015		**624,381**

Balance sheets

The effect of the transition from the 2007 SORP to the 2015 SORP on the Group Consolidated and higher education corporation balance sheets as at 31 July 2014 and 31 July 2015 are shown below.

Transition to FRS102 and the 2015 SORP (continued) 23

Group consolidated balance sheet year ended 31 July 2014

	Note	2007 SORP £	Effect of transition	2015 SORP £
Fixed/Non Current Assets				
Tangible assets		56,063,455	-	56,063,455
Investments		2,970	-	2,970
		56,066,425	-	56,066,425
Current Assets				
Debtors		576,537	-	576,537
Investments		5,601,631	-	5,601,631
Cash and cash equivalents		4,009,395	-	4,009,395
		10,187,563	-	10,187,563
Creditors: amounts due within one year	(a)	(2,980,837)	(776,965)	(3,757,802)
Net Current Assets		7,206,726	(776,965)	6,429,761
Total assets less current liabilities		63,273,151	(776,965)	62,496,186
Creditors: amounts due after more than one year	(b)	(6,121,703)	(21,134,050)	(27,255,753)
Provisions				
Provisions for liabilities and charges		(202,953)	-	(202,953)
Pension scheme liability		(3,211,000)	-	(3,211,000)
		(3,413,953)	-	(3,413,953)
Total Net Assets		**53,737,495**	**(21,911,015)**	**31,826,480**
Deferred capital grants	(c)	22,302,921	(22,302,921)	-
Unrestricted reserves				
Income and expenditure reserves - unrestricted	(d)	31,434,574	391,906	31,826,480
Total Reserves		**53,737,495**	**(21,911,015)**	**31,826,480**

Transition to FRS102 and the 2015 SORP (continued) 23

Higher education corporation balance sheet year ended 31 July 2014

	Note	2007 SORP £	Effect of transition	2015 SORP £
Fixed/Non Current Assets				
Tangible assets		56,063,455	-	56,063,455
Investments		3,071	-	3,071
		56,066,526	-	56,066,526
Current Assets				
Debtors		601,440	-	601,440
Investments		5,601,631	-	5,601,631
Cash and cash equivalents		3,980,734	-	3,980,734
		10,183,805	-	10,183,805
Creditors: amounts due within one year	(a)	(2,976,866)	(776,965)	(3,753,831)
Net Current Assets		7,206,939	(776,965)	6,429,974
Total assets less current liabilities		63,273,465	(776,965)	62,496,500
Creditors: amounts due after more than one year	(b)	(6,121,703)	(21,134,050)	(27,255,753)
Provisions				
Provisions for liabilities and charges		(202,953)	-	(202,953)
Pension scheme liability		(3,211,000)	-	(3,211,000)
		(3,413,953)	-	(3,413,953)
Total Net Assets		**53,737,809**	**(21,911,015)**	**31,826,794**
Deferred capital grants	(c)	22,302,921	(22,302,921)	-
Unrestricted reserves				
Income and expenditure reserves - unrestricted	(d)	31,434,888	391,906	31,826,794
Total Reserves		**53,737,809**	**(21,911,015)**	**31,826,794**

Transition to FRS102 and the 2015 SORP (continued) 23

Balance Sheet transitional adjustments
Group and higher education corporation year ended 31 July 2014

	Group 2014 £	Higher Education Corporation 2014 £
(a) Creditors: amounts falling due within one year		
Reported under the 2007 SORP	(2,980,837)	(2,976,866)
Staff benefits compensation	(180,513)	(180,513)
Deferred capital grants due within one year	(596,452)	(596,452)
Transitional adjustment	(776,965)	(776,965)
Reported under the 2015 SORP	**(3,757,802)**	**(3,753,831)**
(b) Creditors: amounts falling due after more than one year		
Reported under the 2007 SORP	(6,121,703)	(6,121,703)
Deferred capital grants due after more than one year	(21,134,050)	(21,134,050)
Transitional adjustment	(21,134,050)	(21,134,050)
Reported under the 2015 SORP	**(27,255,753)**	**(27,255,753)**
(c) Deferred capital grants		
Reported under the 2007 SORP	22,302,921	22,302,921
Released to Consolidated Statement of Comprehensive Income.	(572,420)	(572,420)
Reclassified as creditors: amounts falling due within one year	(596,451)	(596,451)
Reclassified as creditors: amounts falling due after more than one year	(21,134,050)	(21,134,050)
Transitional adjustment	(22,302,921)	(22,302,921)
Reported under the 2015 SORP	-	-
(d) Reserves		
Reported under the 2007 SORP	31,434,574	31,434,888
Release of deferred grant income	572,419	572,419
Staff benefits compensation	(180,513)	(180,513)
Transitional adjustment	391,906	391,906
Reported under the 2015 SORP	**31,826,480**	**31,826,794**

Transition to FRS102 and the 2015 SORP (continued) 23

Group consolidated balance sheet year ended 31 July 2015

	Note	2007 SORP £	Effect of transition	2015 SORP £
Fixed/Non Current Assets				
Tangible assets		54,065,974	-	54,065,974
Investments		3,209	-	3,209
		54,069,183	-	54,069,183
Current Assets				
Debtors		586,145	-	586,145
Investments		8,121,000	-	8,121,000
Cash and cash equivalents		3,165,433	-	3,165,433
		11,872,578	-	11,872,578
Creditors: amounts due within one year	(e)	(3,020,127)	(730,594)	(3,750,721)
Net Current Assets		8,852,451	(730,594)	8,121,857
Total assets less current liabilities		62,921,634	(730,594)	62,191,040
Creditors: amounts due after more than one year	(f)	(5,397,900)	(20,619,578)	(26,017,478)
Provisions				
Provisions for liabilities and charges		(180,701)	-	(180,701)
Pension scheme liability		(3,542,000)	-	(3,542,000)
		(3,722,701)	-	(3,722,701)
Total Net Assets		**53,801,033**	**(21,350,172)**	**32,450,861**
Deferred capital grants	(g)	21,524,138	(21,524,138)	-
Unrestricted reserves				
Income and expenditure reserves - unrestricted	(h)	32,276,895	173,966	32,450,861
Total Reserves		**53,801,033**	**(21,350,172)**	**32,450,861**

Transition to FRS102 and the 2015 SORP (continued) 23

Higher education corporation balance sheet year ended 31 July 2015

	Note	2007 SORP £	Effect of transition	2015 SORP £
Fixed/Non Current Assets				
Tangible assets		54,065,974	-	54,065,974
Investments		3,310	-	3,310
		54,069,284	-	54,069,284
Current Assets				
Debtors		562,138	-	562,138
Investments		8,121,000	-	8,121,000
Cash and cash equivalents		3,150,089	-	3,150,089
		11,833,227	-	11,833,227
Creditors: amounts due within one year	(e)	(2,980,563)	(730,594)	(3,711,157)
Net Current Assets		8,852,664	(730,594)	8,122,070
Total assets less current liabilities		62,921,948	(730,594)	62,191,354
Creditors: amounts due after more than one year	(f)	(5,397,900)	(20,619,578)	(26,017,478)
Provisions				
Provisions for liabilities and charges		(180,701)	-	(180,701)
Pension scheme liability		(3,542,000)	-	(3,542,000)
		(3,722,701)	-	(3,722,701)
Total Net Assets		**53,801,347**	**(21,350,172)**	**32,451,175**
Deferred capital grants	(g)	21,524,138	(21,524,138)	-
Unrestricted reserves				
Income and expenditure reserves - unrestricted	(h)	32,277,209	173,966	32,451,175
Total Reserves		**53,801,347**	**(21,350,172)**	**32,451,175**

Transition to FRS102 and the 2015 SORP (continued) 23

Balance Sheet transitional adjustments
Group and higher education corporation year ended 31 July 2015

	Note	Group 2015 £	Higher Education Corporation 2015 £
(e) Creditors: amounts falling due within one year			
Reported under the 2007 SORP		(3,020,127)	(2,980,563)
Staff benefits compensation			
- As at 31 July 2014		(180,513)	(180,513)
- Charged to CSOCIE during the year ended 31 July 2015		(35,609)	(35,609)
Deferred capital grants due within one year	14, 17	(514,472)	(514,472)
Transitional adjustment		(730,594)	(730,594)
Reported under the 2015 SORP		**(3,750,721)**	**(3,711,157)**
(f) Creditors: amounts falling due after more than one year			
Reported under the 2007 SORP		(5,397,900)	(5,397,900)
Deferred capital grants due after more than one year	15, 17	(20,619,578)	(20,619,578)
Transitional adjustment		(20,619,578)	(20,619,578)
Reported under the 2015 SORP		**(26,017,478)**	**(26,017,478)**
(g) Deferred capital grants			
Reported under the 2007 SORP		21,524,138	21,524,138
Deferred Grant Income.			
- Released as at July 2014		(572,419)	(572,419)
- Reversal of income released year ending July 2015		182,331	182,331
Reclassified as Creditors: amounts falling due within one year	14, 17	(514,472)	(514,472)
Reclassified as Creditors: amounts falling due after more than one year	15,17	(20,619,578)	(20,619,578)
Transitional adjustment		(21,524,138)	(21,524,138)
Reported under the 2015 SORP		**-**	**-**

Transition to FRS102 and the 2015 SORP (continued) 23

Balance Sheet transitional adjustments
Group and higher education corporation year ended 31 July 2015

	Group 2015 £	Higher Education Corporation 2015 £
(h) Reserves		
Reported under the 2007 SORP	**32,276,138**	**32,277,209**
Deferred grant income		
- Released as at July 2014	572,419	572,419
- Reversal of income released year ending July 2015	(182,331)	(182,331)
Staff benefits compensation		
- As at 31 July 2014	(180,513)	(180,513)
- Charged to CSOCI during the year ended 31 July 2015	(35,609)	(35,609)
Transitional adjustment	173,966	173,966
Reported under the 2015 SORP	**32,450,104**	**32,451,175**

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