

Registration number: 04422774

RTC Education Limited

Annual Report and Financial Statements

for the Year Ended 31 July 2020

Cameron & Associates Limited
The Hour House
32 High Street
Rickmansworth
Hertfordshire
WD3 1ER

RTC Education Limited

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RTC Education Limited

Company Information

Chairman	Dr Maurizio Bragagni
Directors	Dr Selva Pankaj Mrs Tharshiny Pankaj Dr Maurizio Bragagni Mr Simon Paul Blagden CBE Professor Nadey Hakim Mr Sithamparampillai Prabakaran
Registered office	Regent House 167 Imperial Drive Harrow Middlesex HA2 7JP
Solicitors	Vyman Solicitors Vyman House 104 College Road Harrow HA1 1BQ
Bankers	NatWest Bank 520 High Road Wembley HA9 7BZ
Auditors	Cameron & Associates Limited The Hour House 32 High Street Rickmansworth Hertfordshire WD3 1ER

RTC Education Limited

Strategic Report for the Year Ended 31 July 2020

The directors present their strategic report for the year ended 31 July 2020.

Principal activity

The principal activity of the company is provision of educational services in higher education, including GCSE, A/L and pre-sessional courses to access higher education. Higher education is provided through Regent College London (RCL) and the School of Sixth Form trades as Regent Independent College (RIC). Digital provision is facilitated via Regent Digital, devised as a Covid-19 initiative but now an integral part of the provision.

Background

Regent College London, opened in 2010, initially delivering Pearson BTEC Higher National Diplomas in Business and providing small groups of students from its sixth form college, which launched in 2000, with alternative progression routes into higher education. In 2013 RCL opened admissions more widely to reflect its commitment to widening access within higher education.

RCL, which is regulated by the Office for Students, has since expanded its range of higher education provision by forging partnerships with well-respected and long-established universities: In early 2018, looking to expand its course portfolio in order to give its HND graduates options to extend their study, the College gained its first university partner, Buckinghamshire New University. This was swiftly followed by University of Northampton in September 2018, and then University of Bolton in September 2019. A partnership with Bishop Grosseteste has also been formed recently.

RCL has a firm belief in the widening access agenda and its cohort is largely composed of mature students, many of whom were unable to access higher education at the typical 18+ entry point, with the average student age at RCL being 35. Its multiple locations across the capital makes it easy for any London based student to access.

RCL values a positive attitude, it believes in courage over conformity and sees failure as a powerful learning tool. The College strives to operate in a transparent manner and to set, and achieve, challenging goals. It aims to engage with students and colleagues collaboratively and respectfully, in an inclusive and open manner. The ethos of RCL is The end result of education is character and Regent creates the greatest minds. RCL has embraced the use of technology and is core to its plans for future development.

RCL has six schools: The School of Business and Enterprise, the School of Allied Health and Education, the School of Computing and Artificial Intelligence, the School of Enrichment Studies, the School of Click English; RTC Education Ltd also manages an independent school, Regent Independent College, which is registered with the Department for Education and is inspected by the Independent Schools Inspectorate. This is also considered the School of Sixth Form.

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Strategic Report for the Year Ended 31 July 2020

Coronavirus

In March 2020 the UK was hit by the Covid-19 pandemic. On 23rd March 2020 RCL moved all teaching and associated services digital via Regent Digital and temporarily closed its campus. The move was swiftly carried out with minimal disruption to services. Students were surveyed to ensure that they were satisfied with the move to digital provision. Of 353 students over 80% confirmed they had no issues with accessing digital lessons and support, rating these provisions at 4.5/5.0 which actually represented a slight increase in satisfaction compared to the pre-digital provision.

The College's approach has been one of positivity and it has embraced the changes that the pandemic has brought about to organisational processes, becoming a disruptive innovator. The College is keen that digital teaching and services, irrespective of a return to campus, remain a cornerstone of its provision. The College has planned some sessions with both students and staff for autumn 2020 to be overseen by Prof Patrick McGhee.

Comprehensive Income & Expenditure	31 July 2020	31 July 2019
	£'000	£'000
INCOME		
Course fees and education contracts	5,929	6,712
Other income - University Partners	6,382	1,963
Other income	1,245	1,529
Total Income	13,556	10,204
EXPENDITURE		
Staff costs	6,260	5,493
Restructuring costs	548	451
Operating costs	5,880	3,339
Depreciation	173	155
Interest and other finance costs	27	17
Total Expenditure	12,888	9,455
Profit before tax	668	749
Taxation	(145)	(172)
Profit for the Financial Year	523	577
Add Back:		
Restructuring costs	548	451
Interest and other finance costs	27	17
Depreciation	173	155
Taxation	145	172
Group rent charge	160	160
Adjusted EBITDA	1,576	1,532
Adjusted EBITDA %	12%	15%

RTC Education Limited

Strategic Report for the Year Ended 31 July 2020

Total income increased in the academic year 2019/20 by £3.2m in comparison to the academic year 2018/19. This represents a 33% increase, which is a remarkable even though almost 40% of the academic year was severely affected by the Covid-19 pandemic. The expenses also increased by the same proportion to maintain a high quality service to consumers.

The reduction in fee income for HND courses is due to increased student demand for degree & foundation courses awarded by our university partners. In tangent, the increase in university partner fees is because of the addition of the University of Bolton contract, which started in September 19, which has become our main education partner, and the consequential increase in the proportion of students seeking university awarded qualifications.

Course fees and education contracts represent RCL income and are recorded in RCL HESA returns which captures what is termed as Direct Academic Students (DAS).

The reduction in private fee income is due to difficulties experienced in collecting fees from private paying individuals in the School of Sixth Form affected by drops in income as a result of the Covid-19 pandemic.

The reduction in investment income is because some of the loans between the companies were paid back. Going forward there will be minimal inter-company loans. RTC Education Ltd educational activity is ring-fenced.

Staff cost has been increased due to a number of senior appointments and an increase in academic staff.

The increase in restructuring cost relates to restructuring of the business as a result of the Covid-19 pandemic in the spring of 2020 and the need to acquire extra equipment and software for home working and teaching and the dawn of Regent Digital.

The main increase in operating expenses is due to the opening of a new campus in central London in summer/autumn 2019.

RCL has successfully launched Regent Digital and this business can grow globally as a result of consumer behavioural changes. Covid-19 has accelerated the pace of change and RCL is well prepared to become a British education brand with a global focus.

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Strategic Report for the Year Ended 31 July 2020

Our Academic Deliveries

REGENT Digital academic delivery, in which students engage in real time but are not on campus - DAD, include Teaching, learning and Assessment. DAD.TLA.

REGENT Asynchronous Digital academic delivery, in which students engage anytime, anywhere with video based delivery, with limited human intervention. This is www.tic.uk.com approach - **A.DAD**

REGENT Blended Digital academic delivery, in which students engage in real time on campus/and off campus, including asynchronous delivery, **which is B.DAD**. This is the future of Education after Covid19.

Regent Digital LaaS: Learning as a Service, will be an Amazon Prime model with a subscription service.

Our Consumer Segments

UK SLC funded students - UK Undergraduate and Post Graduate students, eligible for SLC funding, predominantly mature students.

UK Private fee paying students - GCSE & A/L, bursaries for UK undergraduate degrees. Regent has launched a private loan product to complement the government Student Loan Company - SLC, but called **Student Access Fund - SAF**, for ineligible for SLC loans, but do not have any immigration restrictions to live and study in UK.

International students - Students on Student Visa and will come to UK to study including graduate entry for UK Degrees, GCSE, A/L and pre-sessional study.

Executive Training Clients - Clients want to do grow their business in UK, post Brexit and become lifelong learners.

Digital British Education students - This is a new category and these students will consume UK Degrees from overseas, but taught and led by UK Universities from the British soil, powered by **REGENT DIGITAL**.

RTC Education Limited

Strategic Report for the Year Ended 31 July 2020

Strategic Development

The RCL strategy, which was devised in summer 2019, and continues in 2020/21 follows five strategic themes, each aiming to drive the organisation forward commercially, enhance its delivery and provide an exceptional experience and value for money to its students.

Sustainable Governance:	RCL will be a well-managed, sustainable provider with successful students providing value for money
Student Satisfaction:	RCL will deliver an outstanding student experience with a high satisfaction rate
Portfolio Development:	RCL will deliver a high quality innovative and industry focused portfolio of degree courses
Academic Development:	RCL will develop the College to gain 'University status' with degree awarding powers
Graduate Outcomes:	RCL graduates will be highly valued with the majority entering full- time employment, starting their own business or engaging in further study

The RCL vision is to become a New British university with a global focus with a particular emphasis on inside out education. A global brand and global campuses from 2025 to 2030. From each of its campuses, and globally via Regent Digital, it will provide students with an outstanding education and student experience underpinned by the philosophy of Napoleon Hill and Carnegie Foundation, characterised by compact campuses, and individualised support and exploring the knowing-doing gap.

The newly created British private university will embrace the mission of the Carnegie Foundation. The mission is to promote the methods of improvement science and to foster the growth of net worked communications dedicated to making headway on long-standing inequality in higher education.

Purpose of a New British University

Graduates and every member of the Regent community will intellectually and emotionally understand the cornerstone of the New British University's ethos: **The end result of education is character**. This is the public purpose of higher learning in Great Britain, which is termed as higher education, UKHE.

What is unique at this university?

A set of interrelated and mutually interdependent **CREATIVE design aspirations**, at all academic disciplines, which represent the fundamental building blocks of this new culture as well as strategic approaches to the accomplishment of aspirations, goals and objectives, in the context of human personal and organisational renewal.

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Strategic Report for the Year Ended 31 July 2020

This approach will inspire creativity, spark innovation, foster institutional individualisation and deeply embed the culture of “doing” vs just “knowing” facts and information.

Leverage of place and heritage: Embraces its British cultural, socioeconomic heritage, in the new world of the post Brexit landscape and physical setting in the globe as Great Britain a soft power of the 21st century. Let us make Great Britain, GREAT!

Transform Society: Catalyses social change by being connected to social needs and wants.

Value Entrepreneurship: Uses its “doing” vs. “knowing”, job to be done culture, knowledge and encourages innovation/disruption for the greater good of the planet. It enthuses and triggers the British dream, as an independent ONE nation UK.

Conduct Use-Inspired Research: Research has a defined purpose and social impact

Enable Student Success: Committed to the success of each student as a unique human being and the admission policy also recognises the uniqueness of each student.

Fuse Intellectual Disciplines: Creates knowledge by transcending academic disciplines; discovery learning and societal engagement are mutually supportive core missions.

Be Socially Embedded: Connected with communities, businesses, government and charities through mutually beneficial partnerships.

Engage Globally: Engages with people and issues locally, nationally and internationally.

Reflecting on challenges in life and business

The answer rests with the “**Problem-Solution Space**” and the concept of a design school, learning from Stanford University California as part of ethos to help solve other people’s challenges, which can be referred to as “problems to be solved”; this then enables the world to identify an “opportunity GAP” or a “performance GAP”, with in the concept of “giving to society” and not just “trading”

It is not simply a matter of first fixing the problem and then searching for a satisfactory solution concept; instead it seems more to be a matter of developing and refining together both the formulation of the problem and ideas for its solution, with constant iterations of analysis, and evaluation processes between the two “spaces” - Problem and Solution, with constant focus on “The Solutions” with PMA Positive Mental Attitude and with GMS Growth Mind-Set. Otherwise, a solution for a problem in itself can become a problem.

Estates

In 2019/20 RCL had five locations in the north-west and centre of the capital making up its campus, including in Harrow, Southall, Kingsbury, Wembley and central London.

Due to the Covid-19 pandemic the campus locations were not utilised between March and July 2020. Negotiations were held with the landlords to see whether rent could be deferred or offset against rental deposits. RCL may look to reduce its leasehold properties in the future. The aspiration is that our London locations will act as a flagship campus for the New British University.

The focus of expansion is via digital means rather than expanding physical campuses.

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Strategic Report for the Year Ended 31 July 2020

Teaching Excellence Framework

RCL was awarded a Bronze rating in summer 2019. The TEF Panel commented as follows in the Statement of Findings:

“Teaching on the course and academic support are exceptionally high and above the provider’s benchmark. Student satisfaction with assessment and feedback is high while continuation rates are above the provider’s benchmark.”

There was no TEF exercise in academic year 2019/2020 and therefore the College maintains its Bronze status.

Student Satisfaction

RCL achieved an overall satisfaction rate of 77% in the 2020 National Student Survey. It has set up a working group to achieve a 90% + satisfaction for 2021 as it had done in 2018.

Student Experience

In spring 2019 RCL launched the Student Support Centre to provide students with support for the entirety of their student journey. The Centre offers, personal support, academic advice, information regarding sources of financial support, study skill support, external support, special needs support, personal support plans, careers support and mental health support. All these services are now provided digitally. Students will now be allocated a dedicated student support worker.

Teaching, Learning & Assessment

The main change to teaching and learning was the mode of provision. Till March 2020 none of the services provided by the College were facilitated digitally. However, for the spring and summer of 2020 all lessons were carried out over Microsoft Teams for our HND students and via partner VLE platforms for those students studying on university partner programmes. Where relevant exceptional circumstances have been taken into account via the use of Centre Assessment Grades for Pearson programmes.

RCL undertook research into digital teaching and learning, preparing a paper, in conjunction with industry experts, and shared it with the sector. Our document is intended to contribute to the formation of a common framework of digital learning and we offer it as an open source of material to be shared with all those who are grappling with the challenges of determining what constitutes a high quality digital learning experience.

Retention

In March 2020, Higher Education Statistics Agency released the latest set of experimental statistics including the non-continuation rates. Regent College London has a non-continuation rate of 11%, significantly lower than the sector benchmark of 19.4%. This is measured in-house on an on-going basis via the Retention, Achievement, Completion and Progression (RACP) tracking.

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Strategic Report for the Year Ended 31 July 2020

Student Success

The students that join RCL are diverse, and so are their aspirations. RCL has helped students move onto further study, gain employment opportunities that were not previously open to them, attain promotions in their current workplace, establish their own businesses and open their minds to things that they had never previously considered.

Since 2013, 1394 Regent College London students have successfully completed the HND course and achieved the qualification, out of which 254 progressed to one of our top-up courses. Similarly, Regent Independent College has sent over a thousand students on to higher education since its launch in 2000. Students have on to a wide number of institutions, including the reputable Russell Group universities, on courses ranging from medicine, dentistry, finance, economics, politics to history.

Office for Students

RCL was approved to be added to the Office for Students register in the Approved category in December 2018 after submitting its application in May 2018. In March 2020 the College applied to move to the Approved Fee Cap category. This was deemed successful in July 2020. The College is now able to charge higher level tuition fees, has an active Access and Participation Plan and has developed enhanced governance arrangements in light of this to monitor the Access and Participation Plan.

Quality Assurance

In AY 2019/20 RCL was under the remit of QAA for quality assurance purposes. In light of the introduction of the new Quality Code during 2019, the College made arrangements for a simulated Quality Standards Review which was carried out by a small team of University of Bolton staff, headed by Prof Patrick McGhee, in early 2020. A report and action plan, which is updated regularly, followed.

The College is inspected by Pearson on an annual basis. This is known as the Academic Management Review (AMR). The most recent inspection was February 2020 and there were no essential actions or recommendations resulting from this.

RCL is also subject to annual monitoring undertaken by each of its university partners. There is no essential action is needed.

RTC Education Ltd is also a registered independent school and the latest ISI inspection was in February 2020 and it has been recognised as good for educational outcome and excellent for personal development, fuelled by the thinking into character programme created by REGENT.

Regent College London is also subject to annual checks by UK Visas and Immigration. It has maintained its Tier 4 sponsor status consistently since it was awarded the Tier 4 status over a decade ago.

Prevent

The College is required to submit a Prevent accountability and data return to the Office for Students on an annual basis. The outcome of our submission, made in December 2019, was passed to us in June 2020. The letter from OfS concluded that the College 'demonstrates due regard to the Prevent Duty' and that 'RTC Education Ltd is not at higher risk of non-compliance with the Prevent duty in the future'.

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Strategic Report for the Year Ended 31 July 2020

Staff Development

During academic year 2019/20 number of staff development initiatives has been undertaken. Number of academic staff have undertaken scholarly activities, including pursuing doctoral studies.

RTC Education Ltd had a 180 staff as at 31.7.2020, of which 100 were academic, and 80 management and administrative.

Board of Governors

The Board of Governors of RCL is formed of the members of the directors of RTC Education Ltd: Dr Selva Pankaj, Mrs Tharshiny Pankaj, Mr Simon Blagden, Dr Maurizio Bragagni, Professor Nadey Hakim and Mr Sithamparampillai Prabakaran. The College has ambitions to attain degree awarding powers and so it aims to increase the membership of its board with further independent directors with a view to ensure a gender balance.

RCL governance has been enhanced by focusing on corporate governance, academic governance and data governance. The operational team is led by the CEO/Principal.

Approved by the Board on 16 December 2020 and signed on its behalf by:



.....
Dr Selva Pankaj
Principal and CEO



.....
Dr Maurizio Bragagni
Chair of the Board of Governors

RTC Education Limited

Directors' Report for the Year Ended 31 July 2020

The directors present their report and the financial statements for the year ended 31 July 2020.

Directors of the company

The directors who held office during the year were as follows:

Dr Selva Pankaj

Mrs Tharshiny Pankaj

Dr Maurizio Bragagni - Chairman (appointed 2 March 2020)

The following directors were appointed after the year end:

Mr Simon Paul Blagden CBE (appointed 20 August 2020)

Professor Nadey Hakim (appointed 10 November 2020)

Mr Sithamparampillai Prabakaran (appointed 18 November 2020)

Statement of corporate governance and internal control

The following statement is provided to enable readers of the Statement of Accounts of Regent College London (RCL) to get a better understanding of our governance and legal structure. This statement, including the statement of internal control, covers the financial year 2019/20 and up to the date of approval of the audited financial statements.

Legal Status of the College

Regent College London is a trading name of RTC Education Ltd., a company registered in England and Wales, limited by shares, with the company number 04422774.

The membership of the Board of Directors of RTC Education Ltd. is the Board of Governors of Regent College London. The terms 'independent governor' or 'non-executive director' are interchangeable, therefore.

Registration with the Office for Students

RCL was admitted to the Register of Higher Education Provider in December 2018. For the Financial Year 2019/20, RCL was an 'Approved' provider and was successful in an application for 'Approved (Fee Cap)' registration status which took effect at the start of the new academic year.

Review of Corporate Governance

During the Academic Year 2019/20, RCL undertook a substantive review of its governance arrangements, as part of its application for Approved (Fee Cap) registration with the Office for Students (OfS). This application was ultimately successful, and RCL's change of status on the OfS Register took effect for the new Academic Year.

The first independent governor for the Company, Dr Maurizio Bragagni, was appointed in March 2020, and as noted elsewhere further independent governors have been appointed since the financial year end.

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Directors' Report for the Year Ended 31 July 2020

The Corporate Governance Review was undertaken by reference to the CUC Higher Education Code of Governance (the Code), which the Board of Governors formally adopted on 15 July 2020. From 1 August 2020, new arrangements for Corporate Governance have been adopted, which include:

- a) The adoption of new Articles of Association for the Company, governing its relationships and operation;
- b) Included therein, a commitment to increase the number of independent governors, so as to establish and maintain them in the majority;
- c) The appointment of an independent governor as Chair of the Board;
- d) The establishment of an Audit & Risk Committee, a Finance Committee, and a Nominations & Remuneration Committee. All three committees are populated by a majority of independent members of the Board and, in the case of the Audit & Risk Committee, a further opportunity to co-opt external (independent) expertise from beyond the Board;
- e) The development and adoption of a Statement of Primary Responsibilities of the Board itself, set out below in the section 'Corporate Governance Framework' and a Scheme of Delegation to Committees of the Board and to Senior Management;

Three further independent governors have been appointed subsequent to the financial year-end, taking the Board's membership to six (of which four are independent governors).

Corporate Governance Framework

RCL's framework of governance is set out by the Articles of Association of the legal entity RTC Education Ltd. These were last amended in July 2020 by the Shareholders, on the recommendation of the Board of Directors.

As noted above, the Board of Directors for RTC Education Ltd. are also the Board of Governors for RCL. The Board operates through three committees, established by the Review noted above.

The Primary Responsibilities of the Board of Governors are:

- a) To approve the strategic vision and long-term academic and business plans and key performance indicators, and to ensure that these meet the interests of stakeholders.
- b) To delegate authority to the Principal, as Chief Executive Officer, for the day to day academic, corporate, financial, estate, and people management of the College and to establish and keep under regular review the policies, procedures, and limits within such management functions as shall be undertaken by and under the authority of the Principal.
- c) To ensure the establishment and monitoring of systems of control and accountability, including financial and operational controls, risk assessment, and internal and external audit including procedures for handling internal grievances and conflicts of interest.
- d) To ensure processes are in place to monitor and evaluate the performance and effectiveness of the College against the plans and approved key performance indicators, which should be, where possible and appropriate, benchmarked against other comparable institutions.

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Directors' Report for the Year Ended 31 July 2020

- e) To establish processes to monitor and evaluate the performance and effectiveness of the Board itself as the governing body of the College including in respect of and for the appointment and termination of governors
- f) To conduct its business in accordance with good practice in higher education corporate governance and with the principles of public life drawn up by the Committee on Standards in Public Life (selflessness, integrity, objectivity, accountability, openness, honesty and leadership).
- g) To safeguard the good name and values of the College.
- h) To appoint the Principal, as Chief Executive Officer, and to put in place suitable arrangements for monitoring their performance and establishing their remuneration.
- i) To appoint the Clerk to the Board and to ensure that, if the person appointed has managerial responsibilities in the College, there is an appropriate separation in the lines of accountability.
- j) To appoint any other 'senior' staff as may from time to time be determined, and to agree the level of remuneration and other payments.
- k) To be the employing authority for all staff in the institution and to be responsible for employment policy, including such provision as it thinks fit for the general welfare of staff and the promotion of diversity, equality, and inclusion.
- l) To be the principal financial and business authority of the institution, to ensure that proper books of account are kept, to approve the annual budget and financial statements, and to have overall responsibility for the College's assets, property, and estate.
- m) To be the College's legal authority and, as such, to ensure that systems are in place for meeting all the College's legal obligations, including those arising from contracts and other legal commitments made in the College's name.
- n) To ensure that processes are established to maintain the College's legal and regulatory compliance.
- o) To make such provision as it thinks fit for the general welfare of students, in consultation with the Academic Board, and the promotion of equality, diversity, and inclusion, and to receive assurance that adequate provision has been made for the general welfare of students.
- p) To act as trustee of the College where necessary, and in that role ensuring that processes are in place to comply with all relevant requirements.
- q) To ensure that the College's Articles of Association are followed at all times and that appropriate advice is available to enable this to happen.
- r) To consider the effectiveness and appropriateness of the Articles of Association and make recommendations for change as necessary.
- s) To appoint the Audit & Risk Committee; consider and, where necessary, act on the annual report from the Audit & Risk Committee; appoint the external auditors; consider the annual report of the internal audit service; and receive and approve the audited annual financial statements (this responsibility to be reserved to the governing body for its collective decision, without delegation).

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Directors' Report for the Year Ended 31 July 2020

t) To inform its funding body of any 'material adverse' change in its circumstances and any serious incident which, in the judgement of the accountable officer and the governing body, could have a substantial impact on the interests of the institution and report any reportable event.

Under the Articles of Association, the Board has the responsibility to establish the framework for academic governance, and a revised framework is being developed and implemented during the Academic Year 2020/21. Changes to arrangements will be subject to the approval of the Board of Governors.

The Finance Committee takes responsibility for management of financial matters, and will recommend to the Board the approval of the draft budget, financial forecasts, and all related reports.

The Audit & Risk Committee takes responsibility for the management of internal controls and risk management on behalf of the Board. Internal Auditors will be present at all meetings of the Committee.

The Nominations & Remuneration Committee has the responsibility for identifying new members for the Board and Committees, as well as for the remuneration of the Principal and other senior staff as may be agreed upon.

The principal academic and administrative Officer of the College is the Principal and Chief Executive Officer, Dr Selva Pankaj. Dr Pankaj is also the Accountable Officer to the OfS.

The College also has an Advisory Panel, outside of its formal governance arrangements, which provides the College with a further 'sounding board' for the Board of Governors providing a different external perspective, plus insight, experience and challenge can bring and therefore are supported in their role by an Advisory Panel.

Transparency, Adequacy and Effectiveness

RCL is committed to transparency on corporate governance, and has taken steps to enhance the information available on its web pages to do so. This statement, for example, is available to all stakeholders as an introduction to the corporate governance arrangements and minutes of Board meetings are also being added to the website with the minimum of redactions.

In order to ensure that arrangements for governance, risk management and our ongoing responsibility for compliance with the OfS's conditions of registration are adequate, we are working with our internal auditors to develop our framework further.

Assessing the use of OfS funding, and in particular ensuring that it has been spent in line with any restrictions placed thereon, is a matter that the External Auditors have considered in their work on the Financial Statements.

Internal Audit

RCL has appointed PwC LLP as its internal auditors from the academic year 2020/21. PwC have developed an internal audit plan which has been considered by the Board but which will be implemented through the Audit & Risk Committee.

Risk Management

A new framework for managing risk is being developed during the academic year 2020/21 as part of the responsibilities of the Audit & Risk Committee. Furthermore, Risk Management has been agreed as one of the priorities for the Internal Audit plan for 2020/21.

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Directors' Report for the Year Ended 31 July 2020

Register of Interests

The Clerk to the Board maintains a Register of Interests of all members of the Board. Independent Governors receive no remuneration for their role, though they may be reimbursed for expenses incurred in the course of their work.

Disclosure of information to the auditors

Each director has taken steps that they ought to have taken as a director in order to make themselves aware of any relevant audit information and to establish that the company's auditors are aware of that information. The directors confirm that there is no relevant information that they know of and of which they know the auditors are unaware.

Approved by the Board on 16 December 2020 and signed on its behalf by:



.....
Dr Selva Pankaj
Accountable Officer



.....
Dr Maurizio Bragagni
Chair of the Board of Governors

RTC Education Limited

Statement of Directors' Responsibilities

The directors acknowledge their responsibilities for preparing the Annual Report and the financial statements in accordance with applicable law and regulations.

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the company and of the profit or loss of the company for that period. In preparing these financial statements, the directors are required to:

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

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the company's transactions and disclose with reasonable accuracy at any time the financial position of the company and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

RTC Education Limited

Independent Auditor's Report to the Members of RTC Education Limited

Opinion

We have audited the financial statements of RTC Education Limited (the 'company') for the year ended 31 July 2020, which comprise the Profit and Loss Account, Balance Sheet, Statement of Changes in Equity, Statement of Cash Flows, and Notes to the Financial Statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the company's affairs as at 31 July 2020 and of its profit for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

The different sources of grant and fee income are set out on page 3 of the Financial Statements.

The funds provided by the OfS have been applied in accordance with relevant terms and conditions and, in our opinion, the requirements of the OfS's accounts direction have been met

Basis for opinion

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

Conclusions relating to going concern

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

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

Other information

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

RTC Education Limited

Independent Auditor's Report to the Members of RTC Education Limited

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

We have nothing to report in this regard.

Opinion on other matter prescribed by the Companies Act 2006

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

- the information given in the Strategic Report and Directors' Report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Strategic Report and Directors' Report have been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

In the light of our knowledge and understanding of the company and its environment obtained in the course of the audit, we have not identified material misstatements in the Strategic Report and the Directors' Report.

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

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

Responsibilities of directors

As explained more fully in the Statement of Directors' Responsibilities [set out on page 16], the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

Auditor's responsibilities for the audit of the financial statements

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

As part of an audit in accordance with ISAs (UK), we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

RTC Education Limited

Independent Auditor's Report to the Members of RTC Education Limited

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.
- Conclude on the appropriateness of the directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the company to express an opinion on the financial statements. We are responsible for the direction, supervision and performance of the company audit. We remain solely responsible for our audit opinion.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

Use of our report

This report is made solely to the company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company and the company's members as a body, for our audit work, for this report, or for the opinions we have formed.



Rajinder Basra (Senior Statutory Auditor)

For and on behalf of Cameron & Associates Limited, Statutory Auditor

The Hour House
32 High Street
Rickmansworth
Hertfordshire
WD3 1ER

16 December 2020

RTC Education Limited

Profit and Loss Account for the Year Ended 31 July 2020

	Note	2020 £	2019 £
TURNOVER	3	13,146,731	9,963,578
Cost of sales		<u>(1,464,872)</u>	<u>(370,077)</u>
Gross profit		11,681,859	9,593,501
Administrative expenses		(11,410,467)	(9,085,444)
Other operating income	4	<u>328,748</u>	<u>120,000</u>
OPERATING PROFIT	5	<u>600,140</u>	<u>628,057</u>
Other interest receivable and similar income	6	80,446	121,167
Interest payable and similar expenses	8	<u>(12,254)</u>	<u>-</u>
		<u>68,192</u>	<u>121,167</u>
PROFIT BEFORE TAX		668,332	749,224
Taxation	12	<u>(145,485)</u>	<u>(172,015)</u>
PROFIT FOR THE FINANCIAL YEAR		<u>522,847</u>	<u>577,209</u>

The above results were derived from continuing operations.

The company has no recognised gains or losses for the year other than the results above.

The notes on pages 25 to 36 form an integral part of these financial statements.

RTC Education Limited

(Registration number: 04422774)

Balance Sheet as at 31 July 2020

	Note	2020 £	2019 £
FIXED ASSETS			
Tangible assets	13	1,139,219	817,161
Other financial assets	14	<u>101,000</u>	<u>100,000</u>
		<u>1,240,219</u>	<u>917,161</u>
CURRENT ASSETS			
Debtors	15	10,075,978	6,838,151
Cash at bank and in hand		<u>3,691,496</u>	<u>1,608,516</u>
		13,767,474	8,446,667
CREDITORS: Amounts falling due within one year	17	<u>(7,210,708)</u>	<u>(3,302,349)</u>
NET CURRENT ASSETS		<u>6,556,766</u>	<u>5,144,318</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		7,796,985	6,061,479
Creditors: Amounts falling due after more than one year	17	(1,381,903)	-
Provisions for liabilities	18	<u>(50,931)</u>	<u>(45,175)</u>
NET ASSETS		<u>6,364,151</u>	<u>6,016,304</u>
CAPITAL AND RESERVES			
Called up share capital		100	100
Profit and loss account		<u>6,364,051</u>	<u>6,016,204</u>
TOTAL EQUITY		<u>6,364,151</u>	<u>6,016,304</u>

The notes on pages 25 to 36 form an integral part of these financial statements.

RTC Education Limited

**(Registration number: 04422774)
Balance Sheet as at 31 July 2020**

Approved and authorised by the Board on 16 December 2020 and signed on its behalf by:



.....
Dr Selva Pankaj
Accountable Officer



.....
Dr Maurizio Bragagni
Chair of the Board of Governors

The notes on pages 25 to 36 form an integral part of these financial statements.

RTC Education Limited

Statement of Changes in Equity for the Year Ended 31 July 2020

	Share capital £	Profit and loss account £	Total £
At 1 August 2019	100	6,016,204	6,016,304
Profit for the year	<u>-</u>	<u>522,847</u>	<u>522,847</u>
Total comprehensive income	-	522,847	522,847
Dividends	<u>-</u>	<u>(175,000)</u>	<u>(175,000)</u>
At 31 July 2020	<u>100</u>	<u>6,364,051</u>	<u>6,364,151</u>

	Share capital £	Profit and loss account £	Total £
At 1 August 2018	100	5,637,940	5,638,040
Profit for the year	<u>-</u>	<u>577,209</u>	<u>577,209</u>
Total comprehensive income	-	577,209	577,209
Dividends	<u>-</u>	<u>(198,945)</u>	<u>(198,945)</u>
At 31 July 2019	<u>100</u>	<u>6,016,204</u>	<u>6,016,304</u>

The notes on pages 25 to 36 form an integral part of these financial statements.

RTC Education Limited

Statement of Cash Flows for the Year Ended 31 July 2020

	Note	2020 £	2019 £
Cash flows from operating activities			
Profit for the year		522,847	577,209
Adjustments to cash flows from non-cash items			
Depreciation and amortisation	5	173,208	154,637
Finance income	6	(80,446)	(121,167)
Finance costs	8	12,254	-
Income tax expense	12	145,485	172,015
		<u>773,348</u>	<u>782,694</u>
Working capital adjustments			
Increase in debtors	15	(3,237,827)	(3,055,704)
Increase in creditors	17	3,617,582	2,771,535
		<u>1,153,103</u>	<u>498,525</u>
Cash generated from operations			
Income taxes paid	12	(36,641)	(371,825)
Net cash flow from operating activities		<u>1,116,462</u>	<u>126,700</u>
Cash flows from investing activities			
Interest received	6	80,446	121,167
Acquisitions of tangible assets		(495,266)	(622,341)
Advances of loans, classified as investing activities		(1,000)	(100,000)
Net cash flows from investing activities		<u>(415,820)</u>	<u>(601,174)</u>
Cash flows from financing activities			
Interest paid	8	(12,254)	-
Proceeds from bank borrowing draw downs		1,569,592	-
Dividends paid	23	(175,000)	(198,945)
Net cash flows from financing activities		<u>1,382,338</u>	<u>(198,945)</u>
Net increase/(decrease) in cash and cash equivalents		2,082,980	(673,419)
Cash and cash equivalents at 1 August		<u>1,608,516</u>	<u>2,281,935</u>
Cash and cash equivalents at 31 July		<u>3,691,496</u>	<u>1,608,516</u>

The notes on pages 25 to 36 form an integral part of these financial statements.

RTC Education Limited

Notes to the Financial Statements for the Year Ended 31 July 2020

1 General information

The company is a private company limited by share capital, incorporated in England .

The address of its registered office is:

Regent House
167 Imperial Drive
Harrow
Middlesex
HA2 7JP

These financial statements were authorised for issue by the Board on 16 December 2020.

2 Accounting policies

Summary of significant accounting policies and key accounting estimates

The principal accounting policies applied in the preparation of these financial statements are set out below. These policies have been consistently applied to all the years presented, unless otherwise stated.

Statement of compliance

These financial statements were prepared in accordance with Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland'.

Basis of preparation

These financial statements have been prepared using the historical cost convention except that as disclosed in the accounting policies certain items are shown at fair value.

Going concern

Due to the COVID-19 pandemic, the College moved all teaching and associated services to a digital platform via Regent Digital and, temporarily closed its locations. The move was swiftly carried out with minimal disruption to services. Students were surveyed to ensure that they were satisfied with the move to the digital provision.

The College has prepared and analysed forecasts. As the College is keen that digital teaching and services, irrespective of a return to campus, remain a cornerstone of its provision and has sufficient cash reserves, the Board considers it appropriate to adopt the going concern basis of accounting in preparing these financial statements, having considered a period of at least 12 months from the approval of the financial statements.

Revenue recognition

All income is recognised once the Company has entitlement to the income, it is probable that the income will be received and the amount of income receivable can be measured reliably.

Revenue is recognised in full in the year for which it is receivable and any abatement in respect of the period is deducted from income.

Other income is recognised in the period in which it is receivable and to the extent the services have been provided or on completion of the service.

RTC Education Limited

Notes to the Financial Statements for the Year Ended 31 July 2020

Tax

The tax expense for the period comprises current and deferred tax. Tax is recognised in profit or loss, except that a change attributable to an item of income or expense recognised as other comprehensive income is also recognised directly in other comprehensive income.

The current income tax charge is calculated on the basis of tax rates and laws that have been enacted or substantively enacted by the reporting date in the countries where the company operates and generates taxable income.

Deferred tax is recognised in respect of all timing differences between taxable profits and profits reported in the financial statements.

Unrelieved tax losses and other deferred tax assets are recognised when it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits.

Deferred tax is measured using the tax rates and laws that have been enacted or substantively enacted by the reporting date and that are expected to apply to the reversal of the timing difference.

Tangible assets

Tangible assets are stated in the statement of financial position at cost, less any subsequent accumulated depreciation and subsequent accumulated impairment losses.

The cost of tangible assets includes directly attributable incremental costs incurred in their acquisition and installation.

Depreciation

Depreciation is charged so as to write off the cost of assets, other than land and properties under construction over their estimated useful lives, as follows:

Asset class	Depreciation method and rate
Furniture, fittings and equipment	Depreciated at 25% on a reducing balance basis
Leasehold premises	Depreciated over the term of the lease

Investments

Investments in equity shares which are publicly traded or where the fair value can be measured reliably are initially measured at fair value, with changes in fair value recognised in profit or loss. Investments in equity shares which are not publicly traded and where fair value cannot be measured reliably are measured at cost less impairment.

Interest income on debt securities, where applicable, is recognised in income using the effective interest method. Dividends on equity securities are recognised in income when receivable.

Cash and cash equivalents

Cash and cash equivalents comprise cash on hand and call deposits, and other short-term highly liquid investments that are readily convertible to a known amount of cash and are subject to an insignificant risk of change in value.

RTC Education Limited

Notes to the Financial Statements for the Year Ended 31 July 2020

Trade debtors

Trade debtors are amounts due from customers for merchandise sold or services performed in the ordinary course of business.

Trade debtors are recognised initially at the transaction price. They are subsequently measured at amortised cost using the effective interest method, less provision for impairment. A provision for the impairment of trade debtors is established when there is objective evidence that the company will not be able to collect all amounts due according to the original terms of the receivables.

Trade creditors

Trade creditors are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers. Accounts payable are classified as current liabilities if the company does not have an unconditional right, at the end of the reporting period, to defer settlement of the creditor for at least twelve months after the reporting date. If there is an unconditional right to defer settlement for at least twelve months after the reporting date, they are presented as non-current liabilities.

Trade creditors are recognised initially at the transaction price and subsequently measured at amortised cost using the effective interest method.

Borrowings

Interest-bearing borrowings are initially recorded at fair value, net of transaction costs. Interest-bearing borrowings are subsequently carried at amortised cost, with the difference between the proceeds, net of transaction costs, and the amount due on redemption being recognised as a charge to the Profit and Loss Account over the period of the relevant borrowing.

Interest expense is recognised on the basis of the effective interest method and is included in interest payable and similar charges.

Borrowings are classified as current liabilities unless the company has an unconditional right to defer settlement of the liability for at least twelve months after the reporting date.

Leases

Leases in which substantially all the risks and rewards of ownership are retained by the lessor are classified as operating leases. Payments made under operating leases are charged to profit or loss on a straight-line basis over the period of the lease.

Share capital

Ordinary shares are classified as equity. Equity instruments are measured at the fair value of the cash or other resources received or receivable, net of the direct costs of issuing the equity instruments. If payment is deferred and the time value of money is material, the initial measurement is on a present value basis.

Dividends

Dividend distribution to the company's shareholders is recognised as a liability in the financial statements in the reporting period in which the dividends are declared.

RTC Education Limited

Notes to the Financial Statements for the Year Ended 31 July 2020

Defined contribution pension obligation

A defined contribution plan is a pension plan under which fixed contributions are paid into a pension fund and the company has no legal or constructive obligation to pay further contributions even if the fund does not hold sufficient assets to pay all employees the benefits relating to employee service in the current and prior periods.

Contributions to defined contribution plans are recognised as employee benefit expense when they are due. If contribution payments exceed the contribution due for service, the excess is recognised as a prepayment.

Financial instruments

Classification

The Company only holds basic financial instruments as defined in FRS 102. The financial assets and financial liabilities of the Company and their measurement basis are as follows:

Recognition and measurement

Financial assets - trade and other debtors are basic financial instruments and are debt instruments measured at amortised cost. Prepayments are not financial instruments. Cash at bank is classified as a basic financial instrument and is measured at face value.

Financial liabilities - trade creditors, accruals and other creditors are financial instruments, and are measured at amortised cost. Taxation and social security are not included within the financial instruments disclosure definition. Accrued revenues is not deemed to be a financial liability, as there is an obligation to deliver services rather than cash or another financial instrument.

3 Revenue

The analysis of the company's revenue for the year from continuing operations is as follows:

	2020	2019
	£	£
Rendering of services	13,136,836	9,963,578
Grants receivable	9,895	-
	<u>13,146,731</u>	<u>9,963,578</u>

The breakdown of the revenue is as follows:

	£	£
Higher Education course fees	12,336,194	8,353,387
Sixth Form Further Education course fees	67,428	324,941
Other fees from Home and EU students	733,214	1,233,437
Other fees from non-EU students	-	51,813
Total	<u>13,136,836</u>	<u>9,963,578</u>

RTC Education Limited

Notes to the Financial Statements for the Year Ended 31 July 2020

4 Other operating income

The analysis of the company's other operating income for the year is as follows:

	2020 £	2019 £
Recharged costs	<u>328,748</u>	<u>120,000</u>

5 Operating profit

Arrived at after charging/(crediting)

	2020 £	2019 £
Depreciation expense	<u>173,208</u>	<u>154,637</u>

6 Other interest receivable and similar income

	2020 £	2019 £
Other finance income	<u>80,446</u>	<u>121,167</u>

7 Total revenue breakdown

	2020 £	2019 £
Income from OfS	5,928,950	6,712,000
Income from other bodies	6,381,975	1,963,000
Fee income from taught awards (excl. VAT)	-	-
Fee income from Research Awards (excl. VAT)	-	-
Fee income from non-qualifying course (excl. VAT)	1,235,105	1,529,745
Total grant and fee income	9,895	-
Total	<u>13,555,925</u>	<u>10,204,745</u>

8 Interest payable and similar expenses

	2020 £	2019 £
Interest on bank overdrafts and borrowings	<u>12,254</u>	<u>-</u>

RTC Education Limited

Notes to the Financial Statements for the Year Ended 31 July 2020

9 Staff costs

The aggregate payroll costs (including directors' remuneration) were as follows:

	2020 £	2019 £
Wages and salaries	4,884,780	3,507,449
Social security costs	461,031	324,026
Pension costs, defined contribution scheme	82,465	50,803
Other employee expense	198,663	325,331
	<u>5,626,939</u>	<u>4,207,609</u>

There were no staff whose full time equivalent basic salary exceeded £100,000.

The average number of persons employed by the company (including directors) during the year, analysed by category was as follows:

	2020 No.	2019 No.
Administration and support	<u>180</u>	<u>117</u>

Remuneration of the Chief Executive Officer

The emoluments of the Chief Executive Officer was £169,166 (2019: £199,472). This amount was made up of salary of £81,666 (2019: £100,000) and dividends of £87,500 (2019: £99,472). The Chief Executive Officer did not receive any other remuneration.

RCL is a private institution owned jointly by the Accountable Officer and one other shareholder and, consequently, the remuneration package has been constructed differently to many other providers. RCL is a growing institution, as demonstrated elsewhere in the Financial Statements, and the remuneration has been determined appropriately. As noted elsewhere, RCL has undertaken a very significant review of governance in the past year, much of which has taken effect after the end of the financial year. One element directly affecting remuneration, is the establishment of a Nominations and Remuneration Committee which will, inter alia, determine the remuneration of the Accountable Officer in future years.

Pay ratios

The Head of the Provider's basic salary is 3.4 times the median pay of staff, where the median pay is calculated on a full-time equivalent basis for the salaries paid by the provider to its staff.

The Head of the Provider's total remuneration is 6.9 times the median total remuneration of staff, where the median total remuneration is calculated on a full-time equivalent basis for the total remuneration paid by the provider to its staff.

Compensation for loss of office

No payments were made during the year in respect of compensation for loss of office.

RTC Education Limited

Notes to the Financial Statements for the Year Ended 31 July 2020

10 Directors' remuneration

The directors' remuneration for the year was as follows:

	2020 £	2019 £
Remuneration	<u>163,333</u>	<u>200,000</u>

11 Auditors' remuneration

	2020 £	2019 £
Audit of the financial statements	<u>14,000</u>	<u>14,500</u>

12 Taxation

Tax charged/(credited) in the income statement

	2020 £	2019 £
Current taxation		
UK corporation tax	139,729	143,395
Deferred taxation		
Arising from origination and reversal of timing differences	<u>5,756</u>	<u>28,620</u>
Tax expense in the income statement	<u>145,485</u>	<u>172,015</u>

The tax on profit before tax for the year is the same as the standard rate of corporation tax in the UK (2019 - the same as the standard rate of corporation tax in the UK) of 19% (2019 - 19%).

The differences are reconciled below:

	2020 £	2019 £
Profit before tax	<u>668,332</u>	<u>749,224</u>
Corporation tax at standard rate	126,983	142,353
Effect of expense not deductible in determining taxable profit (tax loss)	17,586	1,042
Decrease in UK and foreign current tax from adjustment for prior periods	(4,840)	-
Tax increase from effect of capital allowances and depreciation	<u>5,756</u>	<u>28,620</u>
Total tax charge	<u>145,485</u>	<u>172,015</u>

RTC Education Limited

Notes to the Financial Statements for the Year Ended 31 July 2020

13 Tangible assets

	Land and buildings £	Furniture, fittings and equipment £	Computer equipment £	Total £
Cost or valuation				
At 1 August 2019	487,125	482,302	335,376	1,304,803
Additions	<u>394,338</u>	<u>50,947</u>	<u>49,981</u>	<u>495,266</u>
At 31 July 2020	<u>881,463</u>	<u>533,249</u>	<u>385,357</u>	<u>1,800,069</u>
Depreciation				
At 1 August 2019	38,066	263,394	186,182	487,642
Charge for the year	<u>56,226</u>	<u>67,084</u>	<u>49,898</u>	<u>173,208</u>
At 31 July 2020	<u>94,292</u>	<u>330,478</u>	<u>236,080</u>	<u>660,850</u>
Carrying amount				
At 31 July 2020	<u>787,171</u>	<u>202,771</u>	<u>149,277</u>	<u>1,139,219</u>
At 31 July 2019	<u>449,059</u>	<u>218,908</u>	<u>149,194</u>	<u>817,161</u>

Included within the net book value of land and buildings above is £787,171 (2019 - £449,059) in respect of short leasehold land and buildings.

RTC Education Limited

Notes to the Financial Statements for the Year Ended 31 July 2020

14 Other financial assets (current and non-current)

	Financial assets at cost less impairment £	Total £
Non-current financial assets		
Cost or valuation		
At 1 August 2019	100,000	100,000
Additions	<u>1,000</u>	<u>1,000</u>
At 31 July 2020	<u>101,000</u>	<u>101,000</u>
Impairment		
Carrying amount		
At 31 July 2020	<u>101,000</u>	<u>101,000</u>

15 Debtors

	Note	2020 £	2019 £
Trade debtors		7,136,169	2,889,841
Amounts owed by related parties	24	1,719,620	2,850,861
Other debtors		392,610	273,129
Prepayments		<u>827,579</u>	<u>824,320</u>
Total current trade and other debtors		<u>10,075,978</u>	<u>6,838,151</u>

16 Cash and cash equivalents

	2020 £	2019 £
Cash at bank	<u>3,691,496</u>	<u>1,608,516</u>

RTC Education Limited

Notes to the Financial Statements for the Year Ended 31 July 2020

17 Creditors

	Note	2020 £	2019 £
Due within one year			
Loans and borrowings	21	187,689	-
Trade creditors		1,050,143	771,940
Social security and other taxes		35,685	33,027
Other payables		5,366,491	2,408,041
Accrued expenses		426,130	47,859
Corporation tax liability	12	<u>144,570</u>	<u>41,482</u>
		<u>7,210,708</u>	<u>3,302,349</u>
Due after one year			
Loans and borrowings	21	<u>1,381,903</u>	<u>-</u>

18 Deferred tax and other provisions

	Deferred tax £	Total £
At 1 August 2019	45,175	45,175
Additional provisions	<u>5,756</u>	<u>5,756</u>
At 31 July 2020	<u>50,931</u>	<u>50,931</u>

19 Pension and other schemes

Defined contribution pension scheme

The company operates a defined contribution pension scheme. The pension cost charge for the year represents contributions payable by the company to the scheme and amounted to £82,465 (2019 - £50,803).

RTC Education Limited

Notes to the Financial Statements for the Year Ended 31 July 2020

20 Share capital

Allotted, called up and fully paid shares

	2020 No.	£	2019 No.	£
Ordinary shares of £1 each	100	100	100	100

21 Loans and borrowings

	2020 £	2019 £
Non-current loans and borrowings		
Other borrowings	1,381,903	-

The loan was obtained under the Business Interruption Loan Scheme at an interest rate of 2.2%. The loan is repayable over six years.

	2020 £	2019 £
Current loans and borrowings		
Other borrowings	187,689	-

22 Obligations under leases and hire purchase contracts

Operating leases

The total of future minimum lease payments is as follows:

	2020 £	2019 £
Not later than one year	1,141,000	1,108,000
Later than one year and not later than five years	4,060,417	4,365,370
Later than five years	4,652,000	5,339,923
	9,853,417	10,813,293

The amount of non-cancellable operating lease payments recognised as an expense during the year was £732,355 (2019 - £648,400).

RTC Education Limited

Notes to the Financial Statements for the Year Ended 31 July 2020

23 Dividends

	2020 £	2019 £
Dividends paid	<u>175,000</u>	<u>198,945</u>

24 Related party transactions

The following properties are owned by Dr Selva Pankaj and Mrs Tharshiny Pankaj and the Companies are under the control of Dr Selva Pankaj and Mrs Tharshiny Pankaj.

Regent House, 167-173 Imperial Drive, Harrow HA2 7JP paid rent of £140,000 (2019: £140,000) during the year. Future rents will be based on the turnover rising during the year. At the balance sheet date, the property was valued at £4m.

Nursery House, 459 Rayners Lane, Harrow HA5 5ET is licensed to the franchisee of Regent Nursey. Rental of £30,000 (2019: £20,000) were paid during the year. At the balance sheet date, the property was valued at £1m.

During the year, the balance outstanding from SPRO Ltd was fully repaid to the Company.

During the year, a net loan of £152,183 was made to RTC Education 2 Ltd, a UK resident company. Interest of £30,721 (2019: £14,388) was charged during the year. At the year-end, a balance of £998,154 (2019: £815,251) was owed to the Company. This company runs another of our sixth-form colleges and has an estimated valuation of £1m.

During the year, the outstanding amount owed of £39,286 was received from RTC Education 3 Ltd, a UK resident company. This company was dissolved on 20 October 2020.

A net repayment of £872,801 (2019: £498,431) was received from FP (GB) Ltd, a UK resident company under common control. Interest of £44,592 (2019: £71,630) was charged during the year. At the year-end, a balance of £617,659 (2019: £1,445,868) was owed to the Company. At the balance sheet date, the property was valued at £2.5m.

During the year, a net repayment of £267,222 was received from Regent House Ltd, a UK resident company. Interest of £2,655 (2019: £13,825) was charged during the year. At the year-end, a balance of £103,807 (2019: £368,374) was owed to the Company.

RTC Education Limited

Detailed Profit and Loss Account for the Year Ended 31 July 2020

	2020 £	2019 £
Turnover	13,146,731	9,963,578
Cost of sales	<u>(1,464,872)</u>	<u>(370,077)</u>
Gross profit	<u>11,681,859</u>	<u>9,593,501</u>
Administrative expenses		
Employment costs	6,456,396	5,497,366
Establishment costs	1,696,777	1,256,992
General administrative expenses	3,069,256	2,159,099
Finance charges	14,830	17,350
Depreciation costs	<u>173,208</u>	<u>154,637</u>
	(11,410,467)	(9,085,444)
Other operating income	<u>328,748</u>	<u>120,000</u>
Operating profit	<u>600,140</u>	<u>628,057</u>
Other interest receivable and similar income	80,446	121,167
Interest payable and similar charges	<u>(12,254)</u>	<u>-</u>
	<u>68,192</u>	<u>121,167</u>
Profit before tax	<u><u>668,332</u></u>	<u><u>749,224</u></u>

This page does not form part of the statutory financial statements.

RTC Education Limited

Detailed Profit and Loss Account for the Year Ended 31 July 2020

	2020 £	2019 £
Turnover		
Rendering of services, UK	13,136,836	9,963,578
Grants receivable	9,895	-
	<u>13,146,731</u>	<u>9,963,578</u>
Cost of sales		
University management fees	(1,464,872)	(370,077)
Employment costs		
Salaries (excluding directors)	4,721,447	3,307,449
Staff NIC (Employers)	461,031	324,026
Directors remuneration	163,333	200,000
Staff pensions	82,465	50,803
Subcontract costs	829,457	1,289,757
Recruitment expenses	98,710	141,137
Annual functions	44,371	82,879
Travel & subsistence	55,582	101,315
	<u>6,456,396</u>	<u>5,497,366</u>
Campus costs		
Rent and rates	1,206,596	976,043
Light & heat	121,654	78,479
Insurance	42,136	37,143
Fire & security costs	11,395	8,729
Repairs & maintenance	246,110	104,799
Cleaning	68,886	51,799
	<u>1,696,777</u>	<u>1,256,992</u>
General administrative expenses		
Telephone and mobile	55,720	53,423
Subscriptions	50,948	28,724
Course & field fees	46,403	27,025
Computer software & maintenance costs	159,930	138,350

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RTC Education Limited

Detailed Profit and Loss Account for the Year Ended 31 July 2020

	2020 £	2019 £
Software updates	190,820	88,270
Postage	3,482	3,879
Printing & stationery	54,827	39,617
Books	35,488	42,550
Exam boards	182,374	176,310
Charitable donations	(2,440)	32,104
Sports expenses	3,492	4,318
Sundry expenses	518	4,436
Lab & art room expenses	1,553	3,549
Advertising	876,440	666,631
Accountancy fees	11,610	2,720
Auditor's remuneration	14,000	14,500
Consultancy fees	849,605	449,375
Legal and professional fees	237,819	163,318
Management fees	296,667	220,000
	<u>3,069,256</u>	<u>2,159,099</u>
Finance charges		
Bank and credit card charges	<u>14,830</u>	<u>17,350</u>
Depreciation costs		
Depreciation of short leasehold property	56,226	32,076
Depreciation of tangible fixed assets	<u>116,982</u>	<u>122,561</u>
	<u>173,208</u>	<u>154,637</u>
Other operating income		
Other operating income	<u>328,748</u>	<u>120,000</u>
Other interest receivable and similar income		
Other interest receivable	<u>80,446</u>	<u>121,167</u>
Interest payable and similar expenses		
Bank interest payable	<u>12,254</u>	<u>-</u>

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