

RTC Education Limited

Annual Report and Financial Statements

for the Year Ended 31 July 2022

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, OBE
Directors	Dr Maurizio Bragagni, OBE Dr Selva Pankaj Mrs Tharshiny Pankaj 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 2022

The directors present their strategic report for the year ended 31 July 2022.

Principal activity

The principal activity of the company is provision of educational services in higher education, including A-Level 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).

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, the University of Bolton in September 2019 and Saint Mary's University more recently in 2022.

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 34. Having one campus with multiple sites 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 motto of RCL is "The end result of education is character". RCL has wholeheartedly embraced the use of technology and it is core to its plans for future development. RCL has six schools: The School of Business and Enterprise, the School of Health and Sports Science, the School of Engineering and Computing, The School of Law and Social Sciences, the School of Pathways and the School of Sixth Form which trades as Regent Independent College (RIC). RIC is registered with the Department for Education and is inspected by the Independent Schools Inspectorate.

Teaching, Learning, Assessment, Curriculum Continuum (TLACC)

The College Teaching Learning Assessment Curriculum Continuum environment supports students' development. Regent is committed to providing teaching, learning and assessment of the highest possible quality and this is rooted in the College's core values which include the personal development of both staff and students through the concept of Thinking into Character (Ed.Tic).

Excellence is also underpinned by the promotion of Scholarship in Learning and Teaching i.e. application and integration of knowledge from research about higher education. The aim is to foster a community of best practice in delivery and student learning approaches. This is vital to Regent because of the demography and diversity of students, who typically come from non-traditional, disadvantaged and underrepresented backgrounds.

Regent core values extend to supporting access and participation in Higher Education, driving Equality, Diversity, Inclusion and Belonging (EDIB) for our student and staff learning community, and ensuring that all students have the choice of delivery formats to suit their needs. The Regent community is enhanced by these values throughout a student's time with the College and beyond by developing a rich and active alumni society.

RTC Education Limited

Strategic Report for the Year Ended 31 July 2022 (continued)

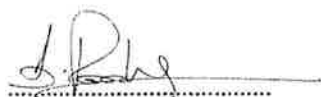
The Strategy is underpinned by the following principles:

- I. Quality of the student learning experience and quality of outcomes underpinned by excellent continuation, progression and completion data
- II. Increased use of technologies, especially for online and on demand delivery.
- III. Accessibility
- IV. Access and Participation/Equality, Diversity and Inclusion
- V. Focus on scholarship of learning and teaching
- VI. Sustainability

Approved by the Board on ...22/12/2022... and signed on its behalf by:



.....
Dr Maurizio Bragagnoli OBE
Chair of the Board of Directors



.....
Dr Selva Pankaj
Accountable Officer, CEO and Principal

RTC Education Limited

Directors' Report for the Year Ended 31 July 2022

The directors present their report and the financial statements for the year ended 31 July 2022.

Directors of the company

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

Dr Maurizio Bragagni, OBE - Chairman

Dr Selva Pankaj

Mrs Tharshiny Pankaj

Dr Simon Paul Blagden CBE (ceased 30 June 2022)

Professor Nadey Hakim

Mr Sithamparampillai Prabhakaran

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 2021/22 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.

Registration with the Office for Students

RCL has been on the OfS Register of Higher Education Providers since December 2018. In March 2020, RCL applied to move to Approved Fee Cap category. That application was approved on 20th July 2020. Academic year 2020/21 was the first full year of being an Approved Fee Cap provider.

Corporate Governance Framework

A full time Secretary to the Board was appointed in June 2021 to implement and embed the governance arrangements for RCL that were approved by the Board of Directors on 15th July 2020. Academic Year 2021/22 saw a successful year of activity undertaken by the Board and Committees fulfilling their respective roles as set out in the Committee of University Chairs (CUC) and Office for Students (OfS) guidance in supporting RCL to achieve its mission and outputs.

RTC Education Limited

Directors' Report for the Year Ended 31 July 2022 (continued)

The structure for Academic Year 2021/22 consisted of the following:

• **The Board**

The Board shall exercise and be responsible for exercise of all powers and functions of RCL not reserved to the shareholders by the Articles of Association or by any provision of law.

• **Audit Committee**

The Audit Committee as a minimum will :

- Receive and approve the Internal and External Auditors' annual reports
- Review and recommend to the Board the Financial Statements.

• **Nomination and Remuneration Committee**

This committee will be responsible for appointing and removing board members as well as considering the remuneration (salary and dividend) of senior post holders.

• **The Advisory Panel**, as per Board and Committees, shall support and advise the executive team in the development and focused delivery of the Regent College Higher Education operational mission and strategic vision, that is to create a private University (subject to approval). Whilst not legally responsible or accountable, the Advisory Panel is called upon to act as a valuable and critical adviser to RCL.

Independent Higher Education (IHE) launched its new Governance Code on 23rd September 2021 to support institutions to be more effective in the changing landscape of HE - one that is focused on new high quality forms of provision, digital learning, wellbeing and being more inclusive. Learning from this Governance Code has been applied, where relevant, as part of RCL's continuous improvement in this area.

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, PriceWaterhouseCooper (PwC) 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 reappointed PwC as internal auditors for the academic year 2021/22. Audits took place on the matters of Access and Participation, Academic Governance, Data Quality and Student Experience. These reviews entailed PwC agreeing terms of reference for the review with RCL, and then setting up meetings with key people who had involvement in or contributed to that area. The outcome of each review was a report highlighting the key areas of concern identified, rating the severity of the risk and indicating actions to be taken to remedy them. RCL has put in place steps to action these.

Risk Management

At the time of writing the risk management report is due shortly and this will aid in setting up a risk register for RCL.

Register of Interests

The Board of Directors were presented with the Conflicts of Interest Policy which was approved in September 2020. All Board Members have made their declarations of interests which are documented in the Register of Interests. The Secretary to the Board of Directors will request for the Directors to review and update, if required, for presentation at the first board meeting of Academic Year 2022/23. The Conflict of Interest Policy will also require update and re-approval.

RTC Education Limited

Directors' Report for the Year Ended 31 July 2022 (continued)

Going concern

When the COVID-19 pandemic ended in Q2 2022, the College re-opened all campus sites for students and offered a hybrid model of delivery that included a combination of Digital In-Person teaching in the campus and Digital On Line. This flexible delivery model supported a return to campus with full resume of services while supporting students to continue consuming education services remotely. This was in direct response to student consultation who noted the hybrid model supported their study and personal lives.

The College has prepared and analysed forecasts. The College upholds the hybrid digital teaching and services, In Person and On Line, as a pivotal 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.

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.

Financials

The below table provides an overview and comparison of income and expenditure for the financial year recently ended and for its predecessor.

Comprehensive Income and Expenditure	31 July 2022	31 July 2021
	£'000	£'000
INCOME		
Course fees and education contracts	23,224	13,406
Other income - University Partners	18,757	14,902
Other income	907	961
Total Income	42,888	29,269
EXPENDITURE		
Staff costs	11,592	7,487
Restructuring costs	457	723
Operating costs	19,829	12,060
Depreciation	787	573
Interest and other finance costs	122	13
Total Expenditure	32,787	20,856
Profit before Tax	10,101	8,413
Taxation	(1,986)	(1,526)
Profit for the Financial Year	8,115	6,887

RTC Education Limited

Directors' Report for the Year Ended 31 July 2022 (continued)

Add back:

Restructuring costs	457	723
Depreciation	787	573
Interest and other finance costs	122	13
Taxation	1,986	1,526
Group rent charge	160	160
Adjusted EBITDA	11,627	9,882
One-off cost saving	300	3,965
Adjusted EBITDA %	28%	20%

The income increased in the academic year 2021/22 by £13.5m in comparison to the academic year 2020/21. This represents a 47% increase. The expenses also increased, in line with the company's growth, by 53% to ensure and maintain a high-quality service for its consumers.

The increase of 73% in income from course fees and education contracts is partly due to a significant increase in students registering directly with RCL. However, post the move to Approved Fee Cap status on the OfS register on 20/07/2020, we have been able to charge higher fees of £9,250 for RCL courses instead of £8,000 for all our courses and this has also been a large contributor to the boost in income.

In tangent, the increase of 22% in university partner fees is because of the growth in the portfolio of courses franchised from University of Bolton in the third year of the relationship, as the university has become our main education partner, and the consequential increase in the proportion of students seeking university awarded qualifications.

The reduction in private fee income is due to difficulties experienced in collecting fees from private paying individuals in the School of Sixth Form which has been affected by drops in income as a result of the Covid-19 pandemic as parents have struggled to find money to pay school fees.

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. Further it can be noted that RTC Education Ltd educational activity is ring-fenced.

Staff costs have been increased due to a number of senior appointments and an increase in academic and support staff to provide the high-quality services to students to match the growing number of students on roll.

The main increase in operating costs is due to an increase in university partnership fees and outreach partners fees.

RTC Education Limited

Directors' Report for the Year Ended 31 July 2022 (continued)

Access and Participation Plan (APP)

This was the second year of delivery of the College APP produced and agreed with the Office for Students as a condition of registration. The plan commits to five-year targets to increase access and participation to the following under-represented groups against baseline data:

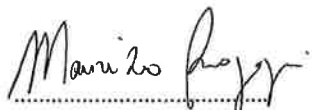
- Access: Increase the number of entrants with a known disability.
- Success:
 - Increase success rates for those from low income backgrounds
 - Reduce (halve) the attainment gap between white and Black and Minority Ethnic (BME) students
 - Reduce (halve) the attainment gap between disabled and non-disabled students.
- Progression: Eliminate the progression to good graduate outcomes gap between male and female qualifiers from disadvantaged neighbourhoods.

RCL have submitted the first APP monitoring report to the OfS in April 2022.

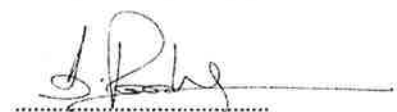
We committed to spend £1,690,982 for the Financial year 21-22, however RCL over-spent it by £185,325.

	31 July 2022	31 July 2021
	£	£
Access investment	732,629	269,728
Financial support	845,341	311,225
Research and evaluation	112,712	41,497
Total commitment to spend	1,690,682	622,450

Approved by the Board on 22/12/2022... and signed on its behalf by:



Dr Maurizio Bragagni, OBE
Chair of the Board of Directors



Dr Selva Pankaj
Accountable Officer, CEO and Principal

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 United Kingdom 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 2022, 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 2022 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 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

In auditing the financial statements, we have concluded that the director's use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the company's ability to continue as a going concern for a period of at least twelve months from when the original financial statements were authorised for issue.

Our responsibilities and the responsibilities of the directors with respect to going concern are described in the relevant sections of this report.

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.

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. Other information includes any matters of material misstatement in respect to access and participation activities. 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

RTC Education Limited

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

- 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 9], 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 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.

The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below:

We determined materiality and assessed the risks of material misstatement in the financial statements, including how fraud may occur by enquiring of management of its own consideration of fraud. In particular, we looked at where management made subjective judgements. We also considered potential financial or other pressures, opportunity and motivations for fraud. As part of this discussion we identified the internal controls established to mitigate risks related to fraud or non-compliance with laws and regulations and how management monitor these processes.

We did not identify any key audit matters relating to irregularities, including fraud. We also addressed the risk of management override of internal controls including testing journals.

A further description of our responsibilities is available on the Financial Reporting Council's website at: www.frc.org.uk/auditorsresponsibilities. This description forms part of our auditor's report.

RTC Education Limited

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

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

22 December 2022

RTC Education Limited

Profit and Loss Account for the Year Ended 31 July 2022

	Note	2022 £	2021 £
TURNOVER	3	42,649,149	29,052,177
Cost of sales		<u>(6,619,110)</u>	<u>(4,221,790)</u>
Gross profit		36,030,039	24,830,387
Administrative expenses		(26,057,529)	(16,701,940)
Other operating income	4	<u>115,518</u>	<u>183,518</u>
OPERATING PROFIT	5	<u>10,088,028</u>	<u>8,311,965</u>
Other interest receivable and similar income	6	121,004	100,553
Interest payable and similar expenses	7	<u>(108,180)</u>	<u>319</u>
		<u>12,824</u>	<u>100,872</u>
PROFIT BEFORE TAX		10,100,852	8,412,837
Taxation	11	<u>(1,985,620)</u>	<u>(1,525,864)</u>
PROFIT FOR THE FINANCIAL YEAR		<u><u>8,115,232</u></u>	<u><u>6,886,973</u></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.

RTC Education Limited

(Registration number: 04422774)
Balance Sheet as at 31 July 2022

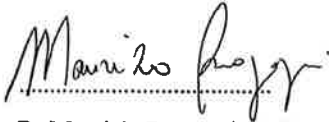
	Note	2022 £	2021 £
FIXED ASSETS			
Tangible Assets	12	16,324,824	2,294,923
Other financial assets		<u>-</u>	<u>110,433</u>
		<u>16,324,824</u>	<u>2,405,356</u>
CURRENT ASSETS			
Debtors	13	10,676,248	5,434,248
Cash at bank and in hand		<u>13,944,079</u>	<u>11,418,605</u>
		24,620,327	16,852,853
CREDITORS: Amounts falling due within one year	15	<u>(8,282,398)</u>	<u>(3,404,670)</u>
NET CURRENT ASSETS		<u>16,337,929</u>	<u>13,448,183</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		32,662,753	15,853,539
Creditors: Amounts falling due after more than one year	15	(9,326,712)	(1,006,712)
Provisions for liabilities	16	<u>(2,323,587)</u>	<u>(1,773,228)</u>
NET ASSETS		<u>21,012,454</u>	<u>13,073,599</u>
CAPITAL AND RESERVES			
Called up share capital		100	100
Other reserves		500,000	500,000
Profit and loss account		<u>20,512,354</u>	<u>12,573,499</u>
TOTAL EQUITY		<u>21,012,454</u>	<u>13,073,599</u>

The notes on pages 18 to 28 form an integral part of these financial statements.

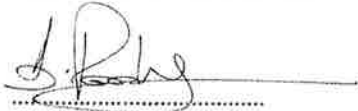
RTC Education Limited

(Registration number: 04422774)
Balance Sheet as at 31 July 2022 (continued)

Approved and authorised by the Board on 22/12/2022.... and signed on its behalf by:



Dr Maurizio Bragagni, OBE
Chair of the Board of Directors



Dr Selva Pankaj
Accountable Officer, CEO and Principal

The notes on pages 18 to 28 form an integral part of these financial statements.

RTC Education Limited

Statement of Changes in Equity for the Year Ended 31 July 2022

	Share capital £	Other reserves £	Profit and loss account £	Total £
At 1 August 2021	100	500,000	12,573,499	13,073,599
Profit for the year	-	-	8,115,232	8,115,232
Total comprehensive income	-	-	8,115,232	8,115,232
Dividends	-	-	(176,377)	(176,377)
At 31 July 2022	100	500,000	20,512,354	21,012,454

	Share capital £	Other reserves £	Profit and loss account £	Total £
At 1 August 2020	100	-	6,364,051	6,364,151
Profit for the year	-	-	6,886,973	6,886,973
Other comprehensive income	-	500,000	(500,000)	-
Total comprehensive income	-	500,000	6,386,973	6,886,973
Dividends	-	-	(177,525)	(177,525)
At 31 July 2021	100	500,000	12,573,499	13,073,599

Other reserves represent the apportionment of profits of £500,000, to facilitate the set-up of Regent Hill University subject to name and approval as a UK university.

RTC Education Limited

Statement of Cash Flows for the Year Ended 31 July 2022

	Note	2022 £	2021 £
Cash flows from operating activities			
Profit for the year		8,115,232	6,886,973
Adjustments to cash flows from non-cash items			
Depreciation and amortisation	5	786,969	572,555
Finance income	6	(121,004)	(100,553)
Finance costs	7	107,530	442
Income tax expense	11	<u>1,985,620</u>	<u>1,525,864</u>
		10,874,347	8,885,281
Working capital adjustments			
(Increase)/decrease in debtors	13	(5,242,000)	4,641,730
Increase/(decrease) in creditors	15	3,639,640	(4,663,230)
Increase in provisions	16	<u>609,819</u>	<u>1,489,862</u>
Cash generated from operations		9,881,806	10,353,643
Income taxes paid	11	<u>(1,574,122)</u>	<u>(644,570)</u>
Net cash flow from operating activities		<u>8,307,684</u>	<u>9,709,073</u>
Cash flows from investing activities			
Interest received	6	121,004	100,553
Acquisitions of tangible assets		(14,816,870)	(1,728,260)
Advances of loans, classified as investing activities		<u>-</u>	<u>(9,433)</u>
Net cash flows from investing activities		<u>(14,695,866)</u>	<u>(1,637,140)</u>
Cash flows from financing activities			
Interest paid	7	(107,530)	(442)
Proceeds from bank borrowing draw downs		9,800,000	-
Repayment of bank borrowing		(602,437)	(166,857)
Dividends paid	20	<u>(176,377)</u>	<u>(177,525)</u>
Net cash flows from financing activities		<u>8,913,656</u>	<u>(344,824)</u>
Net increase in cash and cash equivalents		2,525,474	7,727,109
Cash and cash equivalents at 1 August		<u>11,418,605</u>	<u>3,691,496</u>
Cash and cash equivalents at 31 July		<u>13,944,079</u>	<u>11,418,605</u>

The notes on pages 18 to 28 form an integral part of these financial statements.

RTC Education Limited

Notes to the Financial Statements for the Year Ended 31 July 2022

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 22 December 2022.

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 United Kingdom and Republic of Ireland and the Companies Act 2006'.

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

When the COVID-19 pandemic ended in Q2 2022, the College re-opened all campus sites for students and offered a hybrid model of delivery that included a combination of Digital In-Person teaching in the campus and Digital On Line. This flexible delivery model supported a return to campus with full resume of services while supporting students to continue consuming education services remotely. This was in direct response to student consultation who noted the hybrid model supported their study and personal lives.

The College has prepared and analysed forecasts. The College upholds the hybrid digital teaching and services, In Person and On Line, as a pivotal 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 2022 (continued)

2 Accounting policies (continued)

Foreign currency transactions and balances

Transactions in foreign currencies are initially recorded at the functional currency rate prevailing at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies are retranslated into the respective functional currency of the entity at the rates prevailing on the reporting period date. Non-monetary items carried at fair value that are denominated in foreign currencies are retranslated at the rate on the date when the fair value is re-measured.

Non-monetary items measured in terms of historical cost in a foreign currency are not retranslated.

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 balance sheet 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

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.

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.

RTC Education Limited

Notes to the Financial Statements for the Year Ended 31 July 2022 (continued)

2 Accounting policies (continued)

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.

Provisions

Provisions are recognised when the company has an obligation at the reporting date as a result of a past event, it is probable that the company will be required to settle that obligation and a reliable estimate can be made of the amount of the obligation.

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.

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.

RTC Education Limited

Notes to the Financial Statements for the Year Ended 31 July 2022 (continued)

2 Accounting policies (continued)

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 Turnover

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

	2022 £	2021 £
Rendering of services	42,316,006	28,682,014
Grants receivable	333,143	370,163
	<u>42,649,149</u>	<u>29,052,177</u>

The recurrent and non-recurrent teaching funding grant received from the OfS, was fully spent to support the students on various teaching activities.

	2022 £	2021 £
The breakdown of the revenue is as follows:		
Grant income from the OfS	333,143	370,163
Grant income from other bodies	-	-
Fee income for taught awards (exclusive of VAT)	41,980,738	28,268,755
Fee income for research awards (exclusive of VAT)	-	-
Fee income from non-qualifying courses (exclusive of VAT)	335,268	413,259
Total	<u>42,649,149</u>	<u>29,052,177</u>

4 Other operating income

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

	2022 £	2021 £
Miscellaneous other income	<u>115,518</u>	<u>183,518</u>

RTC Education Limited

Notes to the Financial Statements for the Year Ended 31 July 2022 (continued)

5 Operating profit

Arrived at after charging/(crediting)

	2022 £	2021 £
Depreciation expense	<u>786,969</u>	<u>572,555</u>

6 Other interest receivable and similar income

	2022 £	2021 £
Other finance income	<u>121,004</u>	<u>100,553</u>

7 Interest payable and similar expenses

	2022 £	2021 £
Interest on bank overdrafts and borrowings	64,332	442
Interest expense on other finance liabilities	43,198	-
Foreign exchange gains/losses	<u>650</u>	<u>(761)</u>
	<u>108,180</u>	<u>(319)</u>

8 Staff costs

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

	2022 £	2021 £
Wages and salaries	9,870,843	6,527,181
Social security costs	1,102,254	667,442
Pension costs, defined contribution scheme	173,521	105,953
Other employee expense	<u>309,332</u>	<u>134,039</u>
	<u>11,455,950</u>	<u>7,434,615</u>

There were three members of 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:

	2022 No.	2021 No.
Academic	182	123
Non-Academic	<u>153</u>	<u>92</u>
	<u>335</u>	<u>215</u>

RTC Education Limited

Notes to the Financial Statements for the Year Ended 31 July 2022 (continued)

8 Staff costs (continued)

Basic salary of higher paid staff (including head of provider)	31 July 2022	31 July 2021
Total	3.00	1.00
Split into bands as follows:	FTE	FTE
£100,000 - £104,999	2.00	1.00
£150,000 - £154,999	1.00	0.00

Remuneration of the Chief Executive Officer

The emoluments of the CEO/Principal was £238,188 (2021: £185,013). This amount was made up of salary of £150,000 (2021: £96,250) and dividends of £88,188 (2021: £88,763). The Chief Executive Officer did not receive any other remuneration.

RCL is a private institution owned jointly by the CEO/Principal and one other shareholder. 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, 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 6.99 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, including dividends, is 11.10 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.

9 Directors' remuneration

The directors' remuneration for the year was as follows:

	2022 £	2021 £
Remuneration	532,000	181,250

RTC Education Limited

Notes to the Financial Statements for the Year Ended 31 July 2022 (continued)

10 Auditors' remuneration

	2022 £	2021 £
Audit of the financial statements	<u>18,000</u>	<u>15,000</u>

11 Taxation

Tax charged/(credited) in the income statement

	2022 £	2021 £
Current taxation		
UK corporation tax	2,045,080	1,293,429
Deferred taxation		
Arising from origination and reversal of timing differences	<u>(59,460)</u>	<u>232,435</u>
Tax expense in the income statement	<u>1,985,620</u>	<u>1,525,864</u>

The tax on profit before tax for the year is higher than the standard rate of corporation tax in the UK (2021 - lower than the standard rate of corporation tax in the UK) of 19% (2021 - 19%).

The differences are reconciled below:

	2022 £	2021 £
Profit before tax	<u>10,100,852</u>	<u>8,412,837</u>
Corporation tax at standard rate	1,919,162	1,598,439
Effect of expense not deductible in determining taxable profit (tax loss)	71,359	10,451
Tax decrease from effect of capital allowances and depreciation	<u>(4,901)</u>	<u>(83,026)</u>
Total tax charge	<u>1,985,620</u>	<u>1,525,864</u>

RTC Education Limited

Notes to the Financial Statements for the Year Ended 31 July 2022 (continued)

12 Tangible Assets

	Land and buildings £	Furniture, fittings and equipment £	Computer equipment £	Total £
Cost or valuation				
At 1 August 2021	881,463	533,669	2,113,196	3,528,328
Additions	<u>14,730,829</u>	<u>10,083</u>	<u>75,958</u>	<u>14,816,870</u>
At 31 July 2022	<u>15,612,292</u>	<u>543,752</u>	<u>2,189,154</u>	<u>18,345,198</u>
Depreciation				
At 1 August 2021	146,770	381,276	705,359	1,233,405
Charge for the year	<u>375,575</u>	<u>40,547</u>	<u>370,847</u>	<u>786,969</u>
At 31 July 2022	<u>522,345</u>	<u>421,823</u>	<u>1,076,206</u>	<u>2,020,374</u>
Carrying amount				
At 31 July 2022	<u>15,089,947</u>	<u>121,929</u>	<u>1,112,948</u>	<u>16,324,824</u>
At 31 July 2021	<u>734,693</u>	<u>152,393</u>	<u>1,407,837</u>	<u>2,294,923</u>

Included within the net book value of land and buildings above is £14,730,829 (2021 - £Nil) in respect of freehold land and buildings and £359,118 (2021 - £734,693) in respect of short leasehold land and buildings.

13 Debtors

	Note	2022 £	2021 £
Current			
Trade debtors		5,014,770	3,559,280
Amounts owed by related parties	21	4,548,051	1,435,527
Other debtors		634,863	45,132
Prepayments		<u>478,564</u>	<u>394,309</u>
		<u>10,676,248</u>	<u>5,434,248</u>

RTC Education Limited

Notes to the Financial Statements for the Year Ended 31 July 2022 (continued)

14 Cash and cash equivalents

	2022 £	2021 £
Cash on hand	11,132	-
Cash at bank	13,932,947	11,418,605
	<u>13,944,079</u>	<u>11,418,605</u>

15 Creditors

	Note	2022 £	2021 £
Due within one year			
Loans and borrowings		1,273,586	396,023
Trade creditors		1,131,164	943,382
Social security and other taxes		118,943	-
Other payables		4,086,356	528,532
Accrued expenses		407,962	743,304
Corporation tax liability	11	<u>1,264,387</u>	<u>793,429</u>
		<u>8,282,398</u>	<u>3,404,670</u>
Due after one year			
Loans and borrowings		<u>9,326,712</u>	<u>1,006,712</u>

Included in loans is a bank loan received of £9.8m, payable over 120 months at an interest rate of 2% over base. The loan was drawn down in March 2022 and is repayable at £93,469 a month with a final bullet payment at the end of 120 months.

16 Deferred tax and other provisions

	Bad debts £	Deferred tax £	Total £
At 1 August 2021	1,489,862	283,366	1,773,228
Additional provisions	<u>609,819</u>	<u>(59,460)</u>	<u>550,359</u>
At 31 July 2022	<u>2,099,681</u>	<u>223,906</u>	<u>2,323,587</u>

RTC Education Limited

Notes to the Financial Statements for the Year Ended 31 July 2022 (continued)

17 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 £173,521 (2021 - £105,953).

The number of staff who participated in the pension scheme was 302 (2021: 162). None of the directors participated in the pension scheme.

18 Share capital

Allotted, called up and fully paid shares

	2022 No.	£	2021 No.	£
Ordinary shares of £1 each	<u>100</u>	<u>100</u>	<u>100</u>	<u>100</u>

19 Obligations under leases and hire purchase contracts

Operating leases

The total of future minimum lease payments is as follows:

	2022 £	2021 £
Not later than one year	1,150,000	1,246,000
Later than one year and not later than five years	4,098,417	3,734,167
Later than five years	<u>3,125,417</u>	<u>4,012,667</u>
	<u>8,373,834</u>	<u>8,992,834</u>

The amount of non-cancellable operating lease payments recognised as an expense during the year was £1,150,000 (2021 - £730,655).

RTC Education Limited

Notes to the Financial Statements for the Year Ended 31 July 2022 (continued)

20 Dividends

	2022 £	2021 £
Dividends paid	<u>176,377</u>	<u>177,525</u>

21 Related party transactions

The Company had the following transactions in which the directors Dr Selva Pankaj and Mrs Tharshiny Pankaj have a controlling interest:

- A property was let to RTC Education Limited, at Regent House, 167-173 Imperial Drive, Harrow HA2 7JP. Rent of £140,000 (2021: £140,000) was paid during the year.
 - Management fees paid of £1.5m (2021: £1.1m) was paid to Regent Family Office Ltd, a UK resident company, during the year which related to educational services.
 - Interest of £39,038 (2021: £58,262), was charged to Regent Family Office Ltd by the Company, and at the year-end, a balance of £553,865 (2021: £790,421) was owed to the Company.
 - Management fees of £19,181 was paid to FP (GB) Ltd, a UK resident company, during the year.
 - Interest of £39,778 (2021: £34,768) was charged to FP (GB) Ltd by the Company, and at the year-end, a balance of £2m (2021: £645,107) was owed to the Company.
 - Management fees totalling £709,519 was paid during the year to Regent Institute Middle East FZ LLC relating to the provision of educational, marketing and publishing services to the Company.
 - An amount of £2m was advanced to Regent Institute Middle East FZ LLC, in order to establish an educational establishment in the region and this amount is outstanding at the year-end. Interest of 5% is chargeable on an annual basis on any outstanding amounts at the year-end.
 - An amount of £40,000 was paid to Spro Ltd in relation to management charges.
- A total amount of £4.5m, as noted above, is included in debtors (note 13), (2021:£1.4m).

RTC Education Limited

Detailed Profit and Loss Account for the Year Ended 31 July 2022

	2022 £	2021 £
Turnover	42,649,149	29,052,177
Cost of sales	<u>(6,619,110)</u>	<u>(4,221,790)</u>
Gross profit	<u>36,030,039</u>	<u>24,830,387</u>
Administrative expenses		
Employment costs	11,591,560	7,621,273
Establishment costs	3,964,393	2,011,695
General administrative expenses	9,700,059	6,483,703
Finance charges	14,548	12,714
Depreciation costs	<u>786,969</u>	<u>572,555</u>
	(26,057,529)	(16,701,940)
Other operating income	<u>115,518</u>	<u>183,518</u>
Operating profit	<u>10,088,028</u>	<u>8,311,965</u>
Other interest receivable and similar income	121,004	100,553
Interest payable and similar charges	<u>(108,180)</u>	<u>319</u>
	<u>12,824</u>	<u>100,872</u>
Profit before tax	<u>10,100,852</u>	<u>8,412,837</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 2022 (continued)

	2022 £	2021 £
Turnover		
Rendering of services, UK	42,316,006	28,682,014
OfS grants receivable	333,143	370,163
	<u>42,649,149</u>	<u>29,052,177</u>
Cost of sales		
University management fees	6,285,360	4,218,790
Bursary grants	71,250	3,000
Student scholarships	262,500	-
	<u>6,619,110</u>	<u>4,221,790</u>
Employment costs		
Salaries (excluding directors)	9,338,843	6,345,931
Staff NIC (Employers)	1,102,254	667,442
Directors remuneration	532,000	181,250
Staff pensions	173,521	105,953
Subcontract costs	135,610	186,658
Recruitment expenses	84,517	58,687
Annual functions	96,676	54,966
Travel & subsistence	128,139	20,386
	<u>11,591,560</u>	<u>7,621,273</u>
Campus costs		
Rent and rates	1,625,342	1,673,518
Light & heat	107,711	63,707
Insurance	72,495	44,074
Fire & security costs	10,226	8,914
Repairs & maintenance	2,114,334	201,888
Cleaning	34,285	19,594
	<u>3,964,393</u>	<u>2,011,695</u>

RTC Education Limited

Detailed Profit and Loss Account for the Year Ended 31 July 2022 (continued)

	2022 £	2021 £
General administrative expenses		
Telephone and mobile	63,919	36,584
Subscriptions	84,010	84,009
Course & field fees	60,188	9,792
Computer software & maintenance costs	349,316	242,010
Software updates	232,158	180,866
Postage	8,938	3,261
Printing & stationery	42,986	32,686
Books	89,102	38,749
Exam boards	90,073	270,475
Charitable donations	285,268	40,232
Sports expenses	13,930	11,623
Sundry expenses	3,124	166
Catering and kitchen supplies	3,739	2,402
Advertising	1,445,676	897,815
Accountancy fees	8,520	6,390
Auditor's remuneration	18,000	15,000
Internal auditor	76,725	51,975
Professional fees	1,041,310	152,688
Marketing consultancy costs	2,203,705	2,254,163
Legal and professional fees	13,418	31,875
Management fees	2,956,135	1,737,278
Bad debts provision	609,819	222,786
Loan write-offs	-	160,878
	<u>9,700,059</u>	<u>6,483,703</u>
Finance charges		
Bank and credit card charges	<u>14,548</u>	<u>12,714</u>
Depreciation costs		
Depreciation of short leasehold property	375,575	52,478
Depreciation of tangible fixed assets	<u>411,394</u>	<u>520,077</u>
	<u>786,969</u>	<u>572,555</u>
Other operating income		
Other operating income	<u>115,518</u>	<u>183,518</u>
Other interest receivable and similar income		
Other interest receivable	<u>121,004</u>	<u>100,553</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 2022 (continued)

	2022 £	2021 £
Interest payable and similar expenses		
Bank interest payable	64,332	442
Other loan interest	43,198	-
Foreign currency (gains)/losses	650	(761)
	<u>108,180</u>	<u>(319)</u>