

RTC Education Limited

Annual Report and Financial Statements

for the Year Ended 31 July 2023

RTC Education Limited

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RTC Education Limited

Company Information

Chairman	Professor Maurizio Bragagni, OBE
Directors	Professor Maurizio Bragagni, OBE Dr Selva Pankaj Mrs Tharshiny Pankaj Mr Sithamparampillai Prabakaran
Company number	04422774
Registered office	Regent UK, Carmine Court, 202 Imperial Drive, Harrow, HA2 7HG
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 2023

The Directors present their strategic report for the year ended 31 July 2023.

Principal activity

The principal activity of the company is the 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).

Overview and ethos

RTC Education Ltd provides educational services in higher education (HE) including A-level and pre-sessional courses to access higher education. Higher education is delivered through Regent College London (RCL) and pre-HE courses are delivered through Regent Independent College (RIC).

RTC Education Ltd's ethos is that the end result of education is character. All students have access to Thinking into Character, a course designed to accelerate their personal growth, professional success and achieve character as the end result of their education.

RCL is proud to implement widening participation, targeting students who have previously struggled to access higher education; over half of RCL's students are aged 31 or over and almost half are from disadvantaged socioeconomic backgrounds. More than 6,000 students are enrolled at RCL & RIC in 2023.

RCL encourages employability through vocational-based courses and offers full-time higher education courses in four specialist faculties: Business and Enterprise, Law, Engineering and Computing, and Health and Sports Science. The courses, whether Foundation Degrees, Foundation Year Routes, bachelor's Degrees, Top-up Degrees or master's Degrees, are validated by world-leading partner institutions: the University of Bolton, Buckinghamshire New University, St Mary's University and Pearson.

RCL offers students maximum flexibility. They can study at several locations across the City of London, all with excellent facilities and resources; take morning, evening or weekend classes; start courses at different points in the year and choose between on-campus learning, fully online courses or blended learning. Students benefit from lectures in small groups meaning they benefit from more focus, attention and direct support from lecturers. The academic team is highly trained with extensive experience in their fields.

RIC offers A-level courses, NCUK Pathways to prepare students for first year undergraduate study and GCSE retake courses.

Teaching excellence

Regent Independent College was inspected by ISI in September 2023. Personal development was judged as excellent and achievement good.

RTC Education Ltd (RCL) was awarded Bronze by the Teaching Excellence Framework (TEF) in 2023. TEF is a national scheme run by the Office for Students (OfS) designed to encourage higher education providers to deliver excellence in teaching, learning and student outcomes. Bronze recognises that, typically, the experience students have at RTC Education Ltd and the outcomes it leads to are high quality, and that there are some very high-quality features.

In terms of student experience, TEF highlighted the following very high-quality features:

- Very high quality teaching, feedback and assessment practices that are effective in supporting students' learning progression and attainment;
- A supportive learning environment where students have access to a readily available range of very high quality academic support;
- Physical and virtual learning resources that are used effectively to support very high quality teaching and learning; and
- An effective student voice model.

RTC Education Limited

Strategic Report for the Year Ended 31 July 2023 (continued)

In terms of student outcomes, TEF highlighted the following very high quality features:

- Effective activities and strategies that prepare students for employment and raise ambitions to develop sustained learning skills;
- Very high rates of continuation and completion for students and courses;
- Effective articulation of the educational gains students are expected to make and why these are relevant; and
- Effective support for students to achieve those gains.

Student satisfaction

In the latest RIC student and parent survey 100% of students agreed that teachers give them help if they have problems with their work, 91% of students agreed that teachers help them to learn and make progress and 100% of students agreed that the school helps them to develop strong teamwork and social skills.

RCL was rated very positively in the National Student Survey (NSS) 2023. The NSS is carried out annually by the OfS asking nearly half a million students for feedback on their higher education experience.

The NSS found:

- 92% of RCL students would recommend the teaching quality of their courses.
- RCL students were consistently more positive than the student sector average across all seven question categories, including Teaching on My Course, Learning Opportunities, Assessment and Feedback, Academic Feedback, Academic Support, Organisation and Management, Learning Resources and Student Voice.
- The College scored 15% above the sector average for student representation.
- Mental and Wellbeing Support Services at RCL received an 89.68% positive rating against the sector average of 75.87%.
- Academic Support received an 88.14% positive rating, nearly 5% above the sector average.
- Learning Opportunities received a 76.88% positive rating, also nearly 5% above the sector average.

Future plans

Our goals for RTC Education Ltd are:

- To lead as a technology-enabled education provider, fueled by the metaverse and Web 3.0.
- To be given degree awarding powers.
- To create a new British university (RHU) by 2030.

RHU - Yet to be named and approved by OFS, will build on RTC Education Ltd's decades of educational success. The cornerstone of its ethos will be that the end result of education is character. RHU will specialise in digital Teaching, Learning and Assessment Curriculum Continuum (TLACC). RHU shall be led by Dr Selva Pankaj, as newly appointed Vice Chancellor, and Tarshiny Pankaj as Academic Registrar. Dr and Mrs Pankaj are also joint CEOs of RTC Education Ltd.

Section 172(1) statement

The Directors believe that they have acted in the way they consider, in good faith, to promote the long-term success of the College. The annual financial budgeting cycle requires the long-term impact of strategic decisions to be considered. The Board and executive management interact regularly and executive management attends Board and Committee meetings to discuss performance, opportunities, risks and implications of potential new developments.

RTC Education Ltd is committed to supporting, developing and promoting equality and diversity in all of its practices and activities and aims to establish an inclusive culture free from discrimination and based upon the values of dignity, courtesy and respect. We support and develop our staff through providing all with access to facilities, personal and career development opportunities and employment on the basis of equality. The College is committed to creating and sustaining a positive, supportive and excellent teaching and learning environment for its students. The College is committed to providing fair, equitable and mutually supportive learning and working environment for both our students and our staff. These are set out in the Equality and Diversity Policy of the College.

The Directors aim to work in partnership with suppliers to ensure that they reflect similar values and behaviours to those promoted by the College.

RTC Education Ltd puts our students at the centre of everything we do. The Directors ensure that all employees are very much focused on our relationship with our students and consistently strive to provide high-quality programmes of study and excellent customer service.

RTC Education Limited

Strategic Report for the Year Ended 31 July 2023 (continued)

We are committed to ensuring that our employees and individuals in the communities affected by our activities are treated with dignity and respect. Our principal activity as a College is focused on a positive impact to community through widening access to higher education among groups currently underrepresented in the higher education sector.

The Directors are mindful of environmental issues and seek to minimise the impact of the College's activities on the environment. The majority of energy utilisation and greenhouse gas emissions are generated through our nine campuses. Our environmental impact is discussed further in our Streamlined Energy and Carbon Reporting disclosures made within the Directors' Report.

The College expects its directors, employees, and contractors to exercise reasonable judgment when conducting business. Anti-bribery and data protection policies are in place which all employees are expected to read, understand and comply with, and online learning packages are provided where appropriate.

The Directors have regular and open dialogue with the members representatives.

Engagement with suppliers, customers and other relationships

Regent adheres to a consistent payment policy with its suppliers, where payments are made within 30 days following invoice receipt. This policy, agreed upon with each supplier, ensures effective cash flow management for both parties, aligning with standard business practices.

Non-financial and sustainability information

Energy and carbon report

Regent Group's commitment to environmental sustainability is evident through the diverse range of initiatives spearheaded by their Estates Team. Their commitment to environmental responsibility is complex, encompassing energy efficiency, waste management, and education of their employees to minimise environmental impact.

Transitioning to LED Lighting

The switch from traditional halogen and fluorescent lights to LED lighting across their campuses marks a significant step towards energy conservation. LED lights are not only more energy-efficient but also have a longer lifespan, contributing to lower electricity consumption and costs, thereby reducing the Group's carbon footprint.

Energy-Efficient Boilers

Installing energy-efficient boilers at Southall and GTS is a key initiative. These modern boilers are likely more efficient in heating and consume less energy than older models, further decreasing the Group's environmental impact.

Recycling Initiatives

Implementing comprehensive recycling across all campus sites is a crucial element of their sustainability strategy. This initiative aids in reducing waste, conserving natural resources, and lowering greenhouse gas emissions, reflecting a responsible approach to resource management.

Sustainability-Focused Waste Removal

Opting for a waste removal company that emphasises sustainability showcases Regent Group's commitment to responsible and environmentally-friendly waste management practices. This choice is indicative of a broader commitment to reducing environmental impacts in all aspects of their operations.

RTC Education Limited

Strategic Report for the Year Ended 31 July 2023 (continued)

Continuous Improvements for Energy Efficiency and Sustainability

The Group's ongoing efforts to enhance their sites for better energy efficiency and sustainability underscore a deep-seated commitment to long-term environmental objectives. This continuous improvement aligns with global movements to tackle climate change and foster sustainable practices.

Emission Reporting

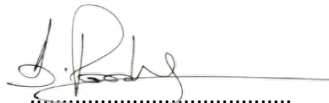
The appointment of an agency to produce a detailed emission report for the Group is a commendable step. This action demonstrates transparency and accountability in their environmental efforts, providing a clear picture of their impact and areas for further improvement.

Overall, Regent Group's proactive and comprehensive approach to sustainability illustrates their dedication to reducing their carbon footprint and promoting sustainable energy use. These initiatives contribute significantly to environmental conservation and align with the evolving international standards for corporate responsibility in sustainability. This holistic approach, combined with their commitment to continual assessment and improvement, positions the Group as a leader in corporate environmental responsibility.

Approved by the Board on ~~14/12/2023~~ and signed on its behalf by:



.....
Professor Maurizio Bragagni, 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 2023

The Directors present their report and the financial statements for the year ended 31 July 2023.

Directors of the company

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

Professor Maurizio Bragagni, OBE - Chairman

Dr Selva Pankaj

Mrs Tharshiny Pankaj

Professor Nadey Hakim (Resigned 22 September 2023)

Mr Sithamparampillai Prabakaran

Statement of corporate governance and internal control

The following statement is provided to enable readers of the Statement of Accounts of RTC Education Ltd to get a better understanding of our governance and legal structure. This statement, including the statement of internal control, covers the financial year 2022/23 and up to the date of approval of the audited financial statements.

The company has taken the opportunity to strengthen both internal controls and the oversight of these. In particular, the introduction of an independently chaired Audit and Risk Committee, reporting to an independently chaired Board of Directors plays a key role in this.

The Board of Directors has the responsibility for maintaining a robust system of internal control that supports the achievements of the company's strategic objectives, and policies while making every reasonable endeavour to safeguard the public and other funds and assets in accordance with the responsibilities assigned in the regulatory framework for Higher Education in England. In particular, the regularity and propriety of the tuition fee received.

The Board's assurance about the effectiveness of the system of risk and internal control is informed by the work of the Senior Management Team within the company. This is led by the CEO, who has responsibility for the development and maintenance of the internal control framework and scrutinised by the Audit & Risk Committee.

The system of internal control is designed to manage rather than eliminate the risk of failure to achieve policies, aims and objectives. It can, therefore, provide only reasonable, and not absolute, assurance of effectiveness. The system of internal control is based on an ongoing process designed to identify the principal risks to the achievement of policies, aims and objectives; to evaluate the nature and extent of those risks; and to manage them efficiently, effectively and economically.

The company's approach is to minimise exposure to reputational, compliance and financial risk, while accepting a degree of managed risk in pursuit of its mission and objectives. It recognises that the appetite for risk varies according to activity undertaken but that controlled risk taking enables the College to take advantage of opportunities to generate further value for its stakeholders. The company maintains a Risk Register which is updated regularly and formally reviewed by the Board.

The system of internal control has been in place throughout the year ended 31 July 2023 and up to the date of approval of the financial statements and is consistent with OfS guidance.

RTC Education Limited

Directors' Report for the Year Ended 31 July 2023 (continued)

The key elements of the internal risk control system, designed to discharge responsibilities set out above, include the following processes:

- Consideration at Board meetings of the strategic direction, plans and performance of the institution.
- Clear definitions of responsibilities of, and the authority delegated to, senior academic and professional staff.
- Comprehensive financial regulations associated with financial controls and procedures approved by the Board.
- Maintenance of a Risk Register covering corporate level risks, including the ability to comply with all OfS conditions of registration.
- Regular reviews of student recruitment, academic performance and financial results involving variance reporting and updates to the projected financial outturns.
- A short and medium term planning process supplemented by details of annual income, capital and revenue expenditure, and cash flows.
- Constant review of RTC Education Ltd's policies, procedures and power delegated by the Board to other bodies and individuals.

The Board has taken reasonable steps to: (a) ensure that there are appropriate financial and management controls in place to safeguard funds from all sources, especially in relation to the regularity and propriety of the use of the tuition fees received; (b) safeguard RTC Education Ltd's assets and prevent and detect fraud; (c) secure the efficient and effective management of RTC Education Ltd's resources; and (d) ensure that the tuition fees received are used only for the purposes they have been granted in accordance with the existing regulations and legislation. The Board oversees the preparation of an annual report and accounts and lodges an annual report and accounts with Companies House, in addition to which the financial statement is presented to meet OfS requirements.

The external auditors reviewed the system of internal controls and did not identify any weaknesses which needed to be brought to the attention of the Board.

Legal Status of the College

Regent College London and Regent Independent College are the 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 (OfS)

RCL has been on the OfS Register of Higher Education Providers since December 2018. In March 2020, RCL applied to move to the Approved Fee Cap category. The application was approved on 20 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 15 July 2020. Academic Year 2022/23 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 OfS guidance in supporting RCL to achieve its mission and outputs.

RTC Education Limited

Directors' Report for the Year Ended 31 July 2023 (continued)

RTC Education Ltd's corporate governance structure for the academic year 2022/23 consisted of:

The Board of Directors

The Board is responsible for exercising all powers and functions of RTC Education Ltd.

Audit and Risk Committee

The Audit and Risk Committee as a minimum:

- receives and approves the Internal and External Audit Plans;
- receives and approves the Internal and External Auditors' annual reports;
- reviews and recommends the Financial Statements to the Board.

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

The panel supports and advises the executive team in the development and focused delivery of the operational mission and strategic vision, that is to create RHU (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 and RIC.

The 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 improved the information available on its website 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, PricewaterhouseCoopers Limited (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 2022/23. Audits took place on the matters of Cyber security, UKVI Compliance, Estates, HR as well as strategic and management reporting on OfS submissions. These reviews entailed PwC agreeing terms of reference for the review with RCL, and then setting up meetings with key people who were involved 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 and all actions are fully completed.

Risk Management

A Risk Management Framework has been developed for RTC Education Ltd as of January 2023. In addition, there is a Corporate Risk Management procedure and Risk Register in place that is monitored within the Corporate Governance structure.

Managing Risk and Uncertainty

The Board of Directors maintains an institutional risk register that shows the most significant areas of risk exposure. Each risk is documented with details of the nature of the risk alongside mitigation/treatment and is monitored by the risk owners. Each risk item has an assessment for likelihood and impact (L/I) at both the gross level and at a residual level after the operation of the control mechanisms, with a time horizon of the next two years, and is assessed as low, medium or high.

RTC Education Limited

Directors' Report for the Year Ended 31 July 2023 (continued)

Student Outcomes

The company's vision can only be achieved by delivering high quality student outcomes. Our focus on outcomes is reflected in four of the top risks in the Board of Directors risk register: Student Continuation; Student Experience; Academic Quality and Student Employability. These risks are mitigated through the use of specialist teams to support retention, student success and provide student services. Our teams mitigate these risks by monitoring student engagement and attendance and our student welfare officers and student tutors focus on student wellbeing and experience, our student demographic is such that most would not be able to access traditional models of delivery of higher education. With this in mind, all teaching is hybrid and at times and locations that are accessible to our students. We have built our KPIs to include measurements of continuation, completion, achievement and academic quality.

Infrastructure

The Board risk register recognises the challenges in delivering high quality systems, staffing and estates, especially in the light of the growth in recent years. This is overseen by the Board and is achieved through developing and delivering plans in each area. We have established support functions which will enhance our systems, processes and capabilities as we grow.

Cyber Risk

Cyber risk is a pivotal duty for corporate boards, particularly in light of the escalating frequency and complexity of cyber threats. The Board diligently ensures regular disclosure of any cyber risks to the Audit and Risk Committee, maintaining transparency and proactive management in this domain. Additionally, the company has secured cybersecurity insurance, providing a financial safeguard against potential claims arising from cyber incidents, thereby fortifying its risk mitigation strategy and reinforcing its commitment to robust cybersecurity measures.

Register of Interests

The Board of Directors were presented with the Conflicts of Interest Policy. All Board Members have made 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 the register, if required, for presentation at the first board meeting of the Academic Year 2023/24.

Employment of disabled persons

Regent represents a concerned and inclusive approach towards its employees, particularly those with disabilities. The company diligently fosters an accessible work environment, tailored to meet diverse needs. This commitment extends to organising various awareness training programs, designed to cultivate an understanding and supportive workplace culture. Regent also prioritises flexible work arrangements, acknowledging the unique challenges faced by disabled employees. Furthermore, the firm ensures equal opportunities for career advancement, underpinning its dedication to equality. Regular feedback and open communication channels are a cornerstone of Regent's strategy, ensuring that the voices of disabled employees are heard, and their contributions valued. Through these initiatives, Regent not only supports its disabled employees but also sets a standard for inclusivity and empowerment in the corporate world.

Engagement with suppliers

Regent adheres to a consistent payment policy with its suppliers, where payments are made within 30 days following invoice receipt. This policy, agreed upon with each supplier, ensures effective cash flow management for both parties, aligning with standard business practices.

RTC Education Limited

Directors' Report for the Year Ended 31 July 2023 (continued)

Health and safety

Promoting health and safety at Regent involves a layered approach, ensuring both staff and students are well-informed and prepared for various scenarios. Regent is effectively promoting health and safety in the following ways:

Induction and Continuous Learning

New staff members are immediately enrolled in Health and Safety (H&S) e-learning modules. This ensures they are aware of the company's health and safety policies and procedures from the outset. Continual refresher courses would also be beneficial to keep all staff up to date.

Specialised Roles

Having designated first aiders and fire marshals is an excellent practice. These individuals can receive in-depth training to handle specific emergencies. Regular training updates for these roles are essential to maintain their readiness.

Accessible Policies

Publishing the H&S policy on the company's website makes it easily accessible. This transparency not only informs but also reassures staff and students that health and safety are taken seriously. Periodic reviews and updates of the policy should be conducted to ensure it remains relevant and effective.

Practical Drills

Involving students in fire drills is crucial. These drills help everyone understand what to do in an emergency, reducing panic and confusion. They also provide an opportunity to assess and improve evacuation procedures.

Wellbeing Focus

Health and safety also encompass mental wellbeing. Providing resources or training sessions focused on mental health can create a supportive environment for both staff and students.

Regular Audits

Conducting regular health and safety audits ensures that physical environments, such as classrooms, labs, and recreational areas, meet safety standards and that any hazards are promptly addressed.

By integrating these practices, Regent can foster a culture of safety awareness and preparedness, crucial for the wellbeing of everyone involved.

Going concern

The College has prepared and analysed forecasts. The College upholds the hybrid digital teaching provision of services, teaching is provided in person and online and are the pivotal cornerstones of its provision. As the College has substantial 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.

RTC Education Limited

Directors' Report for the Year Ended 31 July 2023 (continued)

Comprehensive Income and Expenditure	31 July 2023	31 July 2022
	£'000	£'000
INCOME		
Course fees and education contracts	36,215	23,224
Other income - University Partners	16,515	18,757
Other income	1,773	907
Total Income	54,503	42,888
EXPENDITURE		
Staff costs	18,473	11,592
Restructuring costs	850	457
Operating costs	24,342	19,829
Depreciation	711	787
Interest and other finance costs	654	122
Total Expenditure	45,030	32,787
Profit before Tax	9,473	10,101
Taxation	(2,062)	(1,986)
Profit for the Financial Year	7,411	8,115
Add back:		
Restructuring costs	850	457
Depreciation	711	787
Interest and other finance costs	654	122
Taxation	2,062	1,986
Group rent charge	160	160
Adjusted EBITDA	11,847	11,627
One-off cost saving	-	300
Adjusted EBITDA %	22%	28%

The financial growth continued with income rising by £11.6m in the academic year 2022/23 as compared to the academic year 2021/22, reflecting a noteworthy 27% increase.

The remarkable increase in income from students for the academic year 2022/23, primarily attributed to expanded international recruitment across three intakes (September 2022, January 2023, and April 2023), in contrast to a single intake in the academic year 2021/22.

In tangent, the increase of 25% in university partner fees is parallel to the overall income growth.

Private fee income, particularly in the School of Sixth Form, saw a reduction in the academic year 2023/24, primarily due to a decline in student recruitment.

The increase in staff costs, particularly in academic staff, aligns with increased student recruitment as a commitment to maintain high-quality services to students.

Operating costs increased, primarily driven by higher university partnership fees and outreach partner fees.

RTC Education Limited

Directors' Report for the Year Ended 31 July 2023 (continued)

Report on Academic Development and Quality 2022-23

Over the academic year 2022-23, there have been improvements in the continuation and completion rate across RCL, with increases of up to 11%. The expected continuation rate across all Schools will be between an average of 8% above the threshold for undergraduate programmes (>80%) and 15% above the threshold for postgraduate programmes (>80%). There are currently no completion statistics for 2022-23, and we are making progress with our progression statistics. In addition, our National Student Survey results show student satisfaction at an average of 90%, with satisfaction with teaching at 92%, 7% above the sector average.

In order to achieve the above, we have made a number of structural changes and developments. We have implemented the following:

- A revised academic structure including 2 x Deputy Provosts, 2 x Academic Directors of Quality and Governance, Director of Data Intelligence and UKVI Compliance and Head of Academic Operations, Heads of Programme, Programme Leaders and other roles.
- Data Quality Working Group and bi-weekly B3 conditions meeting set up to monitor overall performance of programmes.
- Academic Governance Action Plan put in place from November 2022, aligned with the Academic Risk Register and supported by 4 strategic plans: Learning, Teaching and Assessment; Scholarship and Research; Student Experience; and Graduate Outcomes, each with designated KPIs.
- Taken a range of measures to improve our progression rates under the direction of a new Graduate Outcomes team.
- Revised Semester Structure to include reading weeks, assessment weeks and consolidation weeks introduced.
- Implemented School Quarterly Monitoring Reports to analyse top and poor performing modules which has seen improved pass rates in SoBE, SoHSS and SoEC.
- Launched a new partnership in September 2022 with St Mary's University in the Sports and Law subject areas.
- Revised quality processes for University of Bolton assessments including tracking internal moderation and external approval, and working with partners to create a bank of briefs for the academic year.
- Introduced a range of weekly operational meetings to drive improvements across RCL.

Approved by the Board on ~~14/12/2023~~ and signed on its behalf by:



.....
Professor 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 2023, 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 2023 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.

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
- The Strategic Report and Directors' Report have been prepared in accordance with applicable legal requirements.

RTC Education Limited

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

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.

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.

Responsibilities of directors

As explained more fully in the Statement of Directors' Responsibilities [set out on page 13], 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.

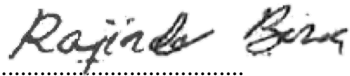
A further description of our responsibilities is available on the Financial Reporting Council's website at: www.frc.org.uk/auditorsresponsibilities. This description forms part of our auditor's report.

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

Date: 14/12/2023.....

RTC Education Limited

Profit and Loss Account for the Year Ended 31 July 2023

	Note	2023 £	2022 £
TURNOVER	3	53,995,846	42,649,149
Cost of sales		<u>(8,571,223)</u>	<u>(6,619,110)</u>
Gross profit		45,424,623	36,030,039
Administrative expenses		(35,824,715)	(26,057,529)
Other operating income	4	<u>99,349</u>	<u>115,518</u>
OPERATING PROFIT	6	<u>9,699,257</u>	<u>10,088,028</u>
Other interest receivable and similar income	7	407,903	121,004
Interest payable and similar expenses	8	<u>(634,399)</u>	<u>(108,180)</u>
		<u>(226,496)</u>	<u>12,824</u>
PROFIT BEFORE TAX		9,472,761	10,100,852
Taxation	12	<u>(2,061,603)</u>	<u>(1,985,620)</u>
PROFIT FOR THE FINANCIAL YEAR		<u><u>7,411,158</u></u>	<u><u>8,115,232</u></u>

The above results were derived from continuing operations.

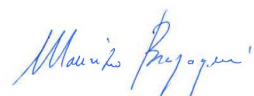
The company has no recognised gains or losses for the year other than the results above.

RTC Education Limited

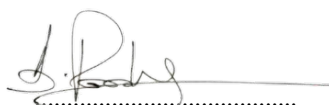
(Registration number: 04422774)
Balance Sheet as at 31 July 2023

	Note	2023 £	2022 £
FIXED ASSETS			
Tangible Assets	13	17,872,493	16,324,824
CURRENT ASSETS			
Debtors	14	14,892,618	10,676,248
Cash at bank and in hand		<u>15,530,426</u>	<u>13,944,079</u>
		30,423,044	24,620,327
CREDITORS: Amounts falling due within one year	16	<u>(7,827,599)</u>	<u>(8,282,398)</u>
NET CURRENT ASSETS		<u>22,595,445</u>	<u>16,337,929</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		40,467,938	32,662,753
Creditors: Amounts falling due after more than one year	16	(9,323,625)	(9,326,712)
Provisions for liabilities	17	<u>(2,870,701)</u>	<u>(2,323,587)</u>
NET ASSETS		<u>28,273,612</u>	<u>21,012,454</u>
CAPITAL AND RESERVES			
Called up share capital		100	100
Other reserves		500,000	500,000
Profit and loss account		<u>27,773,512</u>	<u>20,512,354</u>
TOTAL EQUITY		<u>28,273,612</u>	<u>21,012,454</u>

Approved and authorised by the Board on 14/12/2023...and signed on its behalf by:



.....
 Professor Maurizio Bragagni, OBE
 Chair of the Board of Directors



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

The notes on pages 21 to 32 form an integral part of these financial statements.

RTC Education Limited

Statement of Changes in Equity for the Year Ended 31 July 2023

	Share capital	Other reserves	Profit and loss	Total
	£	£	account	£
	£	£	£	£
At 1 August 2022	100	500,000	20,512,354	21,012,454
Profit for the year	-	-	7,411,158	7,411,158
Total comprehensive income	-	-	7,411,158	7,411,158
Dividends	-	-	(150,000)	(150,000)
At 31 July 2023	<u>100</u>	<u>500,000</u>	<u>27,773,512</u>	<u>28,273,612</u>
	Share capital	Other reserves	Profit and loss	Total
	£	£	account	£
	£	£	£	£
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	<u>100</u>	<u>500,000</u>	<u>20,512,354</u>	<u>21,012,454</u>

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 2023

	Note	2023 £	2022 £
Cash flows from operating activities			
Profit for the year		7,411,158	8,115,232
Adjustments to cash flows from non-cash items			
Depreciation	6	711,289	786,969
Finance income	7	(407,903)	(121,004)
Finance costs	8	623,919	107,530
Income tax expense	12	2,061,603	1,985,620
		10,400,066	10,874,347
Working capital adjustments			
Increase in debtors	14	(4,216,370)	(5,242,000)
Increase in creditors	16	291,005	3,639,640
Increase in provisions	17	149,679	609,819
		6,624,380	9,881,806
Cash generated from operations		6,624,380	9,881,806
Income taxes paid	12	(2,364,387)	(1,574,122)
Net cash flow from operating activities		4,259,993	8,307,684
Cash flows from investing activities			
Interest received	7	407,903	121,004
Acquisitions of tangible assets		(2,258,958)	(14,816,870)
Deferred income		1,080,000	-
OfS capital grants received		1,350,000	-
OfS capital grants spread over 5 years		(1,350,000)	-
Net cash flows from investing activities		(771,055)	(14,695,866)
Cash flows from financing activities			
Interest paid	8	(623,919)	(107,530)
Proceeds from bank borrowing draw downs		-	9,800,000
Repayment of bank borrowing		(1,128,672)	(602,437)
Dividends paid	21	(150,000)	(176,377)
Net cash flows from financing activities		(1,902,591)	8,913,656
Net increase in cash and cash equivalents		1,586,347	2,525,474
Cash and cash equivalents at 1 August		13,944,079	11,418,605
Cash and cash equivalents at 31 July		15,530,426	13,944,079

The notes on pages 21 to 32 form an integral part of these financial statements.

RTC Education Limited

Notes to the Financial Statements for the Year Ended 31 July 2023

1 General information

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

The address of its registered office is:

Carmine Court,
202 Imperial Drive,
Harrow, HA2 7HG

These financial statements were authorised for issue by the Board on ~~14/12/2023~~

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

The College has prepared and analysed forecasts. The College upholds the hybrid digital teaching provision of services, Teaching is provided in person and online, and are the pivotal cornerstone of its provision. As the College 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.

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.

RTC Education Limited

Notes to the Financial Statements for the Year Ended 31 July 2023 (continued)

2 Accounting policies (continued)

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.

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.

RTC Education Limited

Notes to the Financial Statements for the Year Ended 31 July 2023 (continued)

2 Accounting policies (continued)

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.

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.

RTC Education Limited

Notes to the Financial Statements for the Year Ended 31 July 2023 (continued)

3 Turnover

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

	2023	2022
	£	£
Rendering of services	52,917,914	42,316,006
Rental income from investment property	23,400	-
OfS capital grants receivable	270,000	-
Grants received	784,532	333,143
	<u>53,995,846</u>	<u>42,649,149</u>

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

During the year, RTC Education Ltd received a capital grant of £1.35m, which is to be recognised as income over a period of 5 years.

	2023	2022
	£	£
The breakdown of the revenue is as follows:		
Grant income from the OfS	1,054,532	333,143
Grant income from other bodies	-	-
Fee income for taught awards (exclusive of VAT)	52,730,233	41,980,738
Fee income for research awards (exclusive of VAT)	-	-
Fee income from non-qualifying courses (exclusive of VAT)	187,681	335,268
Total	<u>53,972,446</u>	<u>42,649,149</u>

4 Other operating income

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

	2023	2022
	£	£
Miscellaneous other operating income	<u>99,349</u>	<u>115,518</u>

5 Grant income

Government capital grants are recognised in income over the expected useful life of the asset. Other capital grant are recognised in income when the College is entitled to the funds subject to any performance related conditions being met.

RTC Education Limited

Notes to the Financial Statements for the Year Ended 31 July 2023 (continued)

Access and Participation Plan (APP)

This was the third 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 submitted their first APP monitoring report to the OfS in April 2023.

Although we committed to spend £2.5m during the financial year 2022-23, we more than exceeded our spending budget by £546k, which reflects our commitment to the students.

	31 July 2023	31 July 2022
	£	£
Access investment	1,086,906	732,629
Financial support	1,254,122	845,341
Research and evaluation	167,216	112,712
Total commitment to spend	2,508,244	1,690,682

6 Operating profit

Arrived at after charging/(crediting)

	2023	2022
	£	£
Depreciation expense	711,289	786,969

7 Other interest receivable and similar income

	2023	2022
	£	£
Other finance income	407,903	121,004

8 Interest payable and similar expenses

	2023	2022
	£	£
Interest on bank overdrafts and borrowings	623,919	64,332
Interest expense on other finance liabilities	-	43,198
Foreign exchange gains/losses	10,480	650
	634,399	108,180

RTC Education Limited

Notes to the Financial Statements for the Year Ended 31 July 2023 (continued)

9 Staff costs

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

	2023	2022
	£	£
Wages and salaries	15,502,353	9,870,843
Social security costs	1,589,167	1,102,254
Other short-term employee benefits	26,408	-
Pension costs, defined contribution scheme	369,439	173,521
Other employee expense	667,637	309,332
	<u>18,155,004</u>	<u>11,455,950</u>

There were 11 (2022: 3) 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:

	2023	2022
	No.	No.
Academic	276	182
Non-Academic	165	153
	<u>441</u>	<u>335</u>

Basic salary of higher paid staff (including head of provider)	31 July 2023	31 July 2022
Total	11	3
Split into bands as follows:	FTE	FTE
£100,000 - £104,999	7	2
£150,000 - £154,999	2	1
£250,000 - £254,999	2	0

RTC Education Limited

Notes to the Financial Statements for the Year Ended 31 July 2023 (continued)

9 Staff costs (continued)

Remuneration of the Accountable Officer/Principal

The emoluments of the Accountable Officer/Principal was £325,000 (2022: £238,188). This amount was made up of salary of £250,000 (2022: £150,000) and dividends of £75,000 (2022: £88,188). The Accountable Officer/Principal did not receive any other remuneration.

RTC Education Ltd is a private institution owned jointly by the Accountable Officer/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 Accountable Officer's basic salary is 10.06 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 Accountable Officer's total remuneration, including dividends, is 16.10 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.

10 Directors' remuneration

The Directors' remuneration for the year was as follows:

	2023	2022
	£	£
Remuneration	<u>1,143,417</u>	<u>532,000</u>

RTC Education Limited

Notes to the Financial Statements for the Year Ended 31 July 2023 (continued)

11 Auditors' remuneration

	2023 £	2022 £
Audit of the financial statements	<u>18,000</u>	<u>18,000</u>

12 Taxation

Tax charged/(credited) in the income statement

	2023 £	2022 £
Current taxation		
UK corporation tax	1,664,168	2,045,080
Deferred taxation		
Arising from origination and reversal of timing differences	-	(59,460)
Arising from changes in tax rates and laws	<u>397,435</u>	<u>-</u>
Total deferred taxation	<u>397,435</u>	<u>(59,460)</u>
Tax expense in the income statement	<u>2,061,603</u>	<u>1,985,620</u>

The tax on profit before tax for the year is higher than the standard rate of corporation tax in the UK (2022 - higher than the standard rate of corporation tax in the UK) of 19.38% (2022 - 19%).

The differences are reconciled below:

	2023 £	2022 £
Profit before tax	<u>9,472,761</u>	<u>10,100,852</u>
Corporation tax at standard rate	1,835,821	1,919,162
Effect of expense not deductible in determining taxable profit (tax loss)	-	71,359
Tax increase/(decrease) from effect of capital allowances and depreciation	<u>225,782</u>	<u>(4,901)</u>
Total tax charge	<u>2,061,603</u>	<u>1,985,620</u>

RTC Education Limited

Notes to the Financial Statements for the Year Ended 31 July 2023 (continued)

13 Tangible Assets

	Land and buildings £	Furniture, fittings and equipment £	Computer equipment £	Total £
Cost or valuation				
At 1 August 2022	15,612,292	543,752	2,189,154	18,345,198
Additions	-	1,309,549	949,409	2,258,958
At 31 July 2023	<u>15,612,292</u>	<u>1,853,301</u>	<u>3,138,563</u>	<u>20,604,156</u>
Depreciation				
At 1 August 2022	522,345	421,823	1,076,206	2,020,374
Charge for the year	56,707	273,791	380,791	711,289
At 31 July 2023	<u>579,052</u>	<u>695,614</u>	<u>1,456,997</u>	<u>2,731,663</u>
Carrying amount				
At 31 July 2023	<u>15,033,240</u>	<u>1,157,687</u>	<u>1,681,566</u>	<u>17,872,493</u>
At 31 July 2022	<u>15,089,947</u>	<u>121,929</u>	<u>1,112,948</u>	<u>16,324,824</u>

Included within the net book value of land and buildings above is £14,730,829 (2022 - £14,730,829) in respect of freehold land and buildings and £302,411 (2022 - £359,118) in respect of short leasehold land and buildings.

14 Debtors

Current	Note	2023 £	2022 £
Trade debtors		5,347,953	5,014,770
Amounts owed by related parties	22	8,558,385	4,548,051
Other debtors		21,479	634,863
Prepayments		964,801	478,564
		<u>14,892,618</u>	<u>10,676,248</u>

RTC Education Limited

Notes to the Financial Statements for the Year Ended 31 July 2023 (continued)

15 Cash and cash equivalents

	2023 £	2022 £
Cash on hand	13,022	11,132
Cash at bank	15,517,404	13,932,947
	15,530,426	13,944,079

16 Creditors

	Note	2023 £	2022 £
Due within one year			
Loans and borrowings		1,230,001	1,273,586
Trade creditors		862,852	1,131,164
Director's current account	22	2,522	-
Social security and other taxes		309,966	118,943
Other payables		4,496,396	4,086,356
Accrued expenses		361,694	407,962
Corporation tax liability	12	564,168	1,264,387
		7,827,599	8,282,398
Due after one year			
Loans and borrowings		8,243,625	9,326,712
Deferred income		1,080,000	-
		9,323,625	9,326,712

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.

17 Deferred tax and other provisions

	Bad debts £	Deferred tax £	Total £
At 1 August 2022	2,099,681	223,906	2,323,587
Additional provisions	149,679	397,435	547,114
At 31 July 2023	2,249,360	621,341	2,870,701

RTC Education Limited

Notes to the Financial Statements for the Year Ended 31 July 2023 (continued)

18 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 £369,439 (2022 - £173,521).

The number of staff who participated in the pension scheme was 317 (2022: 302). None of the directors participated in the pension scheme.

19 Share capital

Allotted, called up and fully paid shares

	2023		2022	
	No.	£	No.	£
Ordinary shares of £1 each	<u>100</u>	<u>100</u>	<u>100</u>	<u>100</u>

20 Obligations under leases and hire purchase contracts

Operating leases

The total of future minimum lease payments is as follows:

	2023	2022
	£	£
Not later than one year	1,311,000	1,150,000
Later than one year and not later than five years	4,599,667	4,098,417
Later than five years	<u>2,400,417</u>	<u>3,125,417</u>
	<u>8,311,084</u>	<u>8,373,834</u>

The amount of non-cancellable operating lease payments recognised as an expense during the year was £1,451,000 (2022 - £1,150,000).

RTC Education Limited

Notes to the Financial Statements for the Year Ended 31 July 2023 (continued)

21 Dividends

	2023	2022
	£	£
Dividends paid	<u>150,000</u>	<u>176,377</u>

22 Related party transactions

The Company had the following transactions during the year with Companies 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 (2022: £140,000) was paid during the year.
- Management fees of £Nil (2022: £1.5m) was paid to Regent Family Office Ltd, a UK resident company, during the year which related to educational services.
- Interest of £52,107 (2022: £39,038), was charged to Regent Family Office Ltd by the Company, and at the year-end, a balance of £1,233,340 (2022: £533,685) was owed to the Company.
- Management fees of £1,330,889 (2022: £19,181) was paid to FP (GB) Ltd, a UK resident company, during the year.
- Interest of £102,191 (2022: £39,778) was charged to FP (GB) Ltd by the Company, and at the year-end, a balance of £1,495,429 (2022: £2m) was owed to the Company.
- Management fees totalling £1,831,540 (2022: £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.

A total amount of £8.5m, as noted above, is included within debtors (note 13), (2022: £4.5m). This amount represents a rolling annual loan provided on an arms length basis with market interest rates payable by the respective related party legal entities. All loans are secured against collateral such as Real Estate, listed company shares and other investments. The market value of the combined collateral is greater than the book cost of the loans.

RTC Education Limited

Detailed Profit and Loss Account for the Year Ended 31 July 2023

	2023 £	2022 £
Turnover	53,995,846	42,649,149
Cost of sales	<u>(8,571,223)</u>	<u>(6,619,110)</u>
Gross profit	<u>45,424,623</u>	<u>36,030,039</u>
Administrative expenses		
Employment costs	18,472,638	11,591,560
Establishment costs	3,554,638	3,964,393
General administrative expenses	13,071,181	9,700,059
Finance charges	14,969	14,548
Depreciation costs	<u>711,289</u>	<u>786,969</u>
	(35,824,715)	(26,057,529)
Other operating income	<u>99,349</u>	<u>115,518</u>
Operating profit	<u>9,699,257</u>	<u>10,088,028</u>
Other interest receivable and similar income	407,903	121,004
Interest payable and similar charges	<u>(634,399)</u>	<u>(108,180)</u>
	<u>(226,496)</u>	<u>12,824</u>
Profit before tax	<u><u>9,472,761</u></u>	<u><u>10,100,852</u></u>

RTC Education Limited

Detailed Profit and Loss Account for the Year Ended 31 July 2023 (continued)

	2023	2022
	£	£
Turnover		
Rendering of services, UK	52,917,914	42,316,006
OfS grants receivable	784,532	333,143
OfS capital grants receivable	270,000	-
Rent receivable	23,400	-
	<u>53,995,846</u>	<u>42,649,149</u>
Cost of sales		
University management fees	7,861,246	6,285,360
Bursary grants	101,875	71,250
Student scholarships	608,102	262,500
	<u>8,571,223</u>	<u>6,619,110</u>
Employment costs		
Salaries (excluding directors)	14,358,936	9,338,843
Staff NIC (Employers)	1,589,167	1,102,254
Directors remuneration	1,143,417	532,000
Staff pensions	369,439	173,521
Staff training	26,408	-
Subcontract costs	317,634	135,610
Recruitment expenses	186,677	84,517
Annual functions	89,526	96,676
Travel & subsistence	391,434	128,139
	<u>18,472,638</u>	<u>11,591,560</u>
Campus costs		
Service charges	27,328	-
Rent and rates	2,263,749	1,625,342
Light & heat	314,096	107,711
Insurance	109,747	72,495
Fire & security costs	16,903	10,226
Repairs & maintenance	712,734	2,114,334
Cleaning	110,081	34,285
	<u>3,554,638</u>	<u>3,964,393</u>

RTC Education Limited

Detailed Profit and Loss Account for the Year Ended 31 July 2023 (continued)

	2023 £	2022 £
General administrative expenses		
Student welfare	9,146	-
Telephone and mobile	97,405	63,919
Subscriptions	98,113	84,010
Course & field fees	-	60,188
Computer software & maintenance costs	1,070,774	349,316
Software updates	55,506	232,158
Postage	6,045	8,938
Printing & stationery	107,464	42,986
Books	43,908	89,102
Exam boards	13,148	90,073
Charitable donations	259,788	285,268
Sports expenses	19,480	13,930
Sundry expenses	4,857	3,124
Lab & art room expenses	533	-
Catering and kitchen supplies	27,444	3,739
Advertising	1,798,046	1,445,676
Staff entertaining	69,099	-
Accountancy fees	9,090	8,520
Auditor's remuneration	18,000	18,000
Internal auditor	58,800	76,725
Professional fees	1,366,297	1,041,310
Marketing consultancy costs	3,595,988	2,203,705
Legal and professional fees	4,500	13,418
Management fees	3,868,680	2,956,135
Bad debts provision	469,070	609,819
	<u>13,071,181</u>	<u>9,700,059</u>
Finance charges		
Bank and credit card charges	<u>14,969</u>	<u>14,548</u>
Depreciation costs		
Depreciation of short leasehold property	56,707	375,575
Depreciation of tangible fixed assets	654,582	411,394
	<u>711,289</u>	<u>786,969</u>
Other operating income		
Other operating income	<u>99,349</u>	<u>115,518</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 2023 (continued)

	2023 £	2022 £
Other interest receivable and similar income		
Other interest receivable	<u>407,903</u>	<u>121,004</u>
Interest payable and similar expenses		
Bank interest payable	623,919	64,332
Other loan interest	-	43,198
Foreign currency (gains)/losses	<u>10,480</u>	<u>650</u>
	<u>634,399</u>	<u>108,180</u>