



**THE ROYAL NATIONAL COLLEGE FOR THE BLIND
(a Company limited by guarantee)**

ANNUAL REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED

31 July 2023

**Charity Registered Number 1000388
Company Registered Number 02367626**

The Royal National College for the Blind
ANNUAL REPORT AND FINANCIAL STATEMENTS
for the year ended 31 July 2023

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The Royal National College for the Blind

CHAIR'S STATEMENT

for the year ended 31 July 2023

In September 2022 we welcomed to College 95 new and continuing students, all of whom were able to participate in a variety of activities to celebrate RNC's 150 year anniversary. A year of celebration culminated with a visit in December by our patron, King Charles III. His Majesty witnessed many examples of the inspirational work of staff and students. The visit represented a milestone in the College's history and we are very honoured to enjoy His Majesty's continuing patronage. Students played a central part in The King's visit showing their own pride in the work of the College, and demonstrating how much they benefit from their attendance at RNC.

We were delighted that a number of students and staff were invited to attend the coronation concert at Windsor Castle in May 2023, and the photographic record of the event showed how much they enjoyed themselves. Our students also held local events to mark the coronation, including a Dine in the Dark tea on the bank holiday Monday attended by members of the public, which raised valuable funds to support student activities.



We achieved our recruitment target for 2022/23, a reflection of the role staff play in supporting applicants and their supporters, in navigating a challenging and often perplexing system in order to win the funding required to pursue their chosen path. We also achieved a very high rate of student retention, a testament to the hard work of all student-facing staff in supporting students through their learning, inside and outside the classroom. It is a fundamental philosophy of the College that students learn the life skills as well as the qualifications they require to progress to the next stage of their lives, whether to further and higher education, employment or self-employment, or voluntary work.

The 2022/23 accounts that follow show a significant surplus, building on the success of the previous financial year and the Board's determination to build a sustainable financial future for the College. This success is due in large part to the efforts of our talented and dedicated staff, all of whom, whatever their role, have played a part in transforming the College's financial position and thereby retaining the confidence of our stakeholders. I am pleased that as a result we have been able to make annual pay awards that have helped staff cope with the pressures of the cost of living crisis, although there is still work to be done to address a number of issues relating to the reward and remuneration of staff.

In March the Lord Lieutenant of Herefordshire, Edward Harley, opened formally the new state-of-the-art Media Centre for the teaching of media and related subjects, a project supported by a generous grant from the Eveson Foundation. The occasion was attended by many friends and supporters of RNC who



were able to witness student learning activities across a broad range of subjects. Later in the year there was a formal opening of the sensory garden, made possible by the generous gifts of numerous companies and individuals. The garden is now well-used by staff and students and is an attractive addition to the campus. Both projects exemplify the work of our fundraising team. Our next significant project to enhance the estate and the student experience will be the refurbishment of two of our halls of residence, which will be the focus of a major fundraising campaign.

The Royal National College for the Blind
CHAIR'S STATEMENT (*continued*)
for the year ended 31 July 2023

I have referred already in this and in previous reports, to the challenging and sometimes hostile environment that young people with Special Education Needs and Disabilities (SEND) face in securing the support they need to facilitate their education. This is not getting any easier and this is reflected in recruitment for the 2023/24 academic year. In October 2023 the student roll numbered 88 students, with a much higher than usual number of offers that were still being progressed. Every effort continues to be made to secure in-year starts. There were 10 students who were offered a place for a September 2023 start who were either the subject of discussions with the local authority concerned (2), or who were the subject of appeals tribunals (8). Inevitably this places a strain of students and their families and means for them a period when their education is interrupted.

Unfortunately there appears to be little prospect of improvement. The Department for Education has introduced a Delivering Better Value (DBV) in SEND financial intervention programme in which 55 local authorities in England are involved. It has also been reported that the government has engaged a consultancy firm on a contract which includes a target of reducing the number of EHCPs by 20%. These measures are already having an impact. Given that there are no proposals to change legislation to alter the circumstances in which a young person is entitled to an EHCP, it is not clear how authorities will be able to reduce spending on SEND legally.

The situation is best illustrated by reference to the statistics relating to SEND tribunals in 2022/23:

- 13,658 appeals were registered in 2022/23 – 24% up on the previous year and four times the number registered in 2014/15 when the SEND reforms were introduced
- Of these 7,968 proceeded to a full hearing at a tribunal with ever-increasing delays in listing appeals
- In 2022/23 Councils won only 1.7% of appeals that went to a hearing
- Local authorities spent £99.2m taking families to the SEND tribunal in 2022/23
- Total spent by local authorities since Send reforms began following the Children and Young Persons Act in 2014 amounts to £425.6m

The figures speak for themselves in painting an alarming portrait of a broken system through which our most vulnerable young people must travel in order to secure the educational package that is their right.

Looking forward, the College's financial position remains healthy but as ever will depend on student recruitment. Applications and offers for 2024/25 are well ahead of previous years and we shall continue to support applicants in their applications for funding. We shall also continue to work with colleagues through the National Association of Special Education Colleges for overdue improvements in the system to support young people with SEND.

This is my last report as Chair of RNC – my tenure will come to an end at the Annual General Meeting on 1st March 2024. It has been an enormous privilege to chair the Board, which I joined in February 2016. When I assumed the position of Chair in February 2020, we were in the second year of our Business Recovery Plan and within one month found ourselves in the throes of the Covid-19 pandemic. I am delighted to say that with the support of my colleagues on the Board, the RNC Executive, and with the outstanding contribution of all RNC staff and the inspirational resilience of our students, we have come through all the challenges we have faced and emerged stronger and fitter – thank you all.



John Ryan MBE
Chair

Date: 1st March 2024



The Royal National College for the Blind
GOVERNORS' REPORT
for the year ended 31 July 2023

The Governors (who are also the Company directors and charity trustees as listed on page 9) present their annual report and audited financial statements for the year ended 31 July 2023, which comply with the Charities Act 2011, the Companies Act 2006, RNC's Memorandum and Articles of Association, and Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (effective 1 January 2019).

Aims, objectives and activities

Aims

The aim of The Royal National College for the Blind ("RNC") is to provide and promote education and training for people who are blind or visually impaired and for such other people as the Governors may determine from time to time.

Charitable objectives

The objectives of RNC are covered by its Vision and Mission statement.

Vision: A world where every person with a visual impairment has true equality.

Mission statement: Education, employment and empowerment for all people with a visual impairment.

Activities

The principal activity of RNC is that of a residential specialist college of Further Education, promoting the independence and potential of people who are blind or partially sighted aged 16 and over.

RNC's major funders are the Education and Skills Funding Agency, the Welsh Government and Local Authorities. In addition, some students are also funded through private funding.

Other areas of activity include providing disabled student assessments and the operation of a Sports and Complementary Therapy Centre (thePoint4). These facilities are widely used by our students and the general public. RNC also has a range of support services to offer to organisations which require assistance in addressing the needs of the visually impaired.

Public benefit

In setting our objectives and planning our activities our Governors have given careful consideration to the Charity Commission's general guidance on public benefit and in particular to its supplementary public benefit guidance on advancing education and relief of those in need by reason of disability. The activities described above enable us to meet the definition of public benefit.

During the academic year 2022/23, there were 97 students aged 16 to 25 enrolled at RNC (2021/22: 101 students).



Strategic report

Achievements and performance

This year represented a return to something close to normality, with the effects of the pandemic still being felt, but no longer dominating day to day College life. Strong student numbers and a number of improvements to the campus brought with them a palpable sense of excitement and positivity. Among the improvements was the opening of the new Eveson Audio Music Studio, a long-awaited project which provides outstanding teaching and recording facilities for our Audio Music Production students.

We welcomed the introduction of 'The Curriculum Framework for Children and Young People with Vision Impairment (CFVI)', which was developed by University of Birmingham, RNIB, VICTA and Thomas Pocklington Trust. Until the launch of this framework in March 2022 there had been no universally recognised specialist framework for children and young people with vision impairment in the UK context.

The CVFI is strongly aligned to the RNC curriculum framework, which sees students develop essential skills for independent adulthood which are transformative for their future prospects. As an example, 2022/23 saw our Assistive and Digital Technologies (ADT) students make excellent progress in developing their working medium. Of the 30 new students that completed ADT during the year, 16 were screen readers and the remaining 14 used large print. On arrival at RNC 81% of screen readers had no PC working medium and the remaining 19% had only very basic skills. Of the large print users, 36% arrived at RNC with no PC working medium and the remaining 64% had only very basic skills. Within one year of study at RNC all screen readers and large print users had a secure PC working medium and skills in Microsoft.



A third of the students who left RNC in 2023 transitioned to higher education. Others progressed to apprenticeships, employment or internships, further education in their home area, and voluntary work. This breadth of outcomes reflects the profile of our students, who have a shared need in their visual impairment, but a very wide range of personal ambitions.

There were many achievements in sport, including the launch of the first ever RNC female football team, who won a competitive match in the National Blind Championship division. Massage and Complementary Therapies students engaged with employers and organisations, developing internal and external links which further expand the opportunities for students including with NHS Trust, Hereford Carers, The Armed Forces Support Service, Mencap Special Games, and Holmer Court Care Home. Other community engagement included work experience placements across Herefordshire and in students' home areas, providing gym sessions for young people with a range of needs from National Star College, and a range of activities delivered under the Duke of Edinburgh umbrella.



Finally, we were deeply honoured to welcome King Charles III to our campus in December 2022 for his first official engagement in the West Midlands. We are very proud of our status as a Royal College, and students and staff alike were delighted to share their experiences of RNC with His Majesty.

The Royal National College for the Blind
GOVERNORS' REPORT (continued)
for the year ended 31 July 2023

Risk management

The major risks and uncertainties facing RNC, and the mitigation measures in place are:

| Risk | Mitigation measures |
|--|---|
| Failure to achieve the budgeted number of students based on current commissioning practices/law, disadvantageous changes to the Children & Families Act or in interpretation of the current law at tribunal, or increased emphasis on economic impact of specialist placements in rulings. | Investment in legal support and specialist staffing. Work actively and collaboratively with other visually impaired organisations, Departments of State, NATSPEC, funders and others to develop strategies. Active lobbying of political parties and local authorities. Visit key people in Local Authorities/Welsh Government. Explore overseas opportunities. |
| Gaps in structure, sickness absence and workload have a negative impact on staff wellbeing and their ability to effectively perform their roles. | Investment in an improved employee assistance plan; professional development, workflow review and staff wellbeing integrated within the quality improvement plan; investment in additional posts within structure and further pay award from Board; wellbeing committee established as part of mental health strategy. Further wellbeing monitoring and proactive initiatives to be implemented incorporating staff feedback. Wellbeing group to continue to lead on this. |
| As a consequence of being a lean organisation, the impact of recruitment and retention issues, sickness absence and the legacy of covid may have a negative impact upon the effective implementation of the curriculum. | Professional development, workflow review and staff wellbeing integrated within the quality improvement plan; ESQAC meet regularly to review quality standards; recruitment of a Director for Quality; curriculum review continues; regular scrutiny by the Education and Training Committee; further development of departmental Self Assessment Reviews. Revised recruitment strategy for teaching staff including focus on positives of working at RNC with testimonies from current staff. 'Grow our own' teachers. Look at potential of staff in other areas to transition in to teaching roles. |
| Major IT fail - hacking/phishing/ransomware | Tech team well versed in the risks and run regular exercises to check understanding across staff and students. Strong firewall in place, all systems backed up regularly, Cyber Essentials Plus status. Continue with internal phishing exercises for staff and follow up training where needed; continue to network with external bodies to ensure we are up to date with risks and mitigation. |

The Board has examined the principal areas of RNC's operations and considered what major risks may arise in each of these areas. RNC keeps a detailed risk register which is reviewed and updated by Governors and the Senior Management Team every three months. In the opinion of the Governors, RNC has therefore established policies, resources and review systems, which under normal conditions should allow the risks identified by them to be mitigated to an acceptable level in its day to day operations.

The Royal National College for the Blind
GOVERNORS' REPORT (continued)
for the year ended 31 July 2023

Financial review

One of the principal risks of RNC is maintaining financial viability in light of continual changes to funding arrangements for high needs students. Monthly accounts and cash flows are monitored by the Senior Management Team and Governors to identify potential issues at the earliest opportunity.

A summary of key figures over the last three year have been:

| | 2023 | 2022 | 2021 |
|--|--------|--------|-------|
| | £000 | £000 | £000 |
| Total income of the Charitable Group | 7,578 | 7,761 | 5,620 |
| Income from donations and legacies | 474 | 451 | 507 |
| Net income before pension scheme | 613 | 1,594 | 107 |
| Net movement in funds after pension scheme | (692) | 2,410 | 613 |
| Net assets at year end | 10,771 | 11,463 | 9,053 |
| Unrestricted funds at year end | 9,608 | 10,436 | 7,904 |

Despite the continual challenges of obtaining placements and funding from Local Authorities, student numbers were well above the target of 90 during the year resulting in income from student services showing a 6.3% increase in 2023 (33.9% increase in 2022).

Included within the above figures are those of the trading subsidiary, R N C Enterprises Limited, and the controlled charity, Blindcare. Detailed results of these entities are shown in note 5 to these financial statements.

Turnover of R N C Enterprises Limited for the year was £440,000 (2022: £400,000), and the amount gift-aided to RNC during the year was £nil (2022: £nil). R N C Enterprises returned an operating profit in 2022/23, the first profit since the Covid-19 pandemic in 2020. There is a business plan in place that will enable the subsidiary to grow its profits over the next three years as business returns to pre-pandemic levels.

Turnover of Blindcare for the year was £88,000 (2022: £85,000) and the amount donated to RNC during the year was £52,000 (2022: £85,000).

Going concern

RNC has a bank loan facility with a final repayment date of 31st January 2025, and a significant deficit on its defined benefit pension scheme, but has worked through a detailed recovery plan to address this and has the full support of its bankers, pension fund trustees and other funders. RNC has a three year financial forecast and a three year cash flow forecast which show that the Group has sufficient headroom to continue to trade within its current bank loan and overdraft facilities. The Governors therefore believe that it is appropriate to prepare these financial statements on the basis that RNC is a going concern.

Pension liability

RNC operates a defined benefit funded pension plan in the UK. The scheme is closed to new entrants and benefits ceased to accrue with effect from 31 March 2012. A full actuarial valuation was carried out at 30 September 2022 and showed a deficit in the scheme of £3,572,000. Following the valuation, the pension trustee and the employer agreed that additional contributions would continue to be paid to the scheme by the employer at the rate of £332,688 per annum over a period of 9 years 8 months as from 1 April 2024.

The Royal National College for the Blind
GOVERNORS' REPORT (continued)
for the year ended 31 July 2023

Reserves policy

The Governors have examined the requirement for free reserves which are those unrestricted funds not invested in tangible fixed assets, restricted funds or otherwise committed. The Governors consider that, given the nature of RNC's operations, this should be approximately £600,000, equivalent to one month's expenditure, which gives flexibility to cover temporary timing differences for fees and grants, adequate working capital for core costs, and will allow a quick response to emergencies.

The free reserves as at 31 July 2023 consist of unrestricted investments plus unrestricted net current assets/liabilities less long term liabilities (excluding pension reserve), which total -£309,000 (2022: -£475,000). However, despite having negative free reserves, as at 31 July 2023 the group had net current assets of £1,306,000 (2022: £1,212,000) giving it sufficient working capital in the short term. Governors acknowledge that having negative free reserves is below the desired level, however they continue with the ethos of the recent business recovery plan by aiming to stabilise or grow student numbers, sell the one remaining property that is surplus to requirement and closely monitor and control the cost base of the college thus maintaining working capital and improving the level of free reserves within the longer term.

At year end, the Group had funds of £10,771,000 (2022: £11,463,000) which consisted of £9,608,000 unrestricted funds (2022: £10,436,000) and £1,163,000 restricted funds (2022: £1,027,000). Included within the unrestricted funds was the pension reserve, which currently sits at a deficit of £2,345,000 (2022: £1,369,000).

Land and buildings

The freehold land and buildings were bought by the Royal National College and Academy of Music for the Blind Trust in 1978, and transferred to RNC on incorporation in 1989.

Under the transition to FRS 102, the net book value of the freehold land and buildings as at the transition date has been used as the historical cost.

Investment policy

The memorandum of association authorises the Governors to invest in such stocks, shares, investments and property in the UK as they see fit. The Governors' policy is to adopt a medium risk investment strategy based upon maintaining the real value of investments and achieving a reasonable income.

At year end, RNC owned one property which is surplus to requirement and on the market to be sold and is therefore treated as an Investment Property. Note 10 to these accounts gives more information on the investment held at the year end.

Structure, Governance and Management

Governing document

RNC is a registered charity (No. 1000388) and a Company limited by guarantee (No. 02367626). RNC is governed by memorandum and articles of association adopted by special resolution of the Board of Governors dated 8 December 2009.

Trustee recruitment, induction and training

The Board has a sub-Group, the Nominations and Governance Committee, who manage the recruitment of Governors. They identify skills/ethnicity gaps and target recruitment to fill those gaps. There is an extensive induction process for new Governors and regular training events are organised aligned to priorities identified within the self assessment process.

The Royal National College for the Blind
GOVERNORS' REPORT (continued)
for the year ended 31 July 2023

Organisation

The Governors ratify the general direction and policy of RNC and monitor its performance, whilst the day to day leadership and management of the College and its subsidiaries is delegated to the Executive Principal.

Pay policy for key management personnel

The pay of key management personnel is set by the Governors having regard for levels of responsibility, corresponding positions in similar organisations and pay scales issued by the Association of Colleges.

Related parties

R N C Enterprises Limited (RNCE) is RNC's wholly-owned trading subsidiary and carries out non-charitable trading activities for RNC. The results of RNCE are consolidated within the overall RNC results. Further details of RNCE's activities are shown above in the Financial Review, and in Note 5 to these financial statements.

RNC is the sole beneficiary of an independent charity, Blindcare (charity registration number 1020073). The results of Blindcare are consolidated within the overall RNC results as RNC controls the Board of Blindcare. Further details of the results of Blindcare are given in Note 5 to these financial statements.

Equal opportunities

It is the policy of RNC to provide equal employment opportunities to ensure that no employee receives less favourable treatment than others on the grounds of age, disability, gender reassignment, marriage and civil partnership, pregnancy and maternity, race, religion or belief, sex or sexual orientation. Staff development programmes have been run with the aim of promoting equal opportunities amongst staff, Governors and students.

Employees

RNC is an equal opportunities employer, committed to the promotion of equality, diversity and a supportive environment for all members of our community. We are committed to safeguarding and all staff are subject to necessary Disclosure and Barring Service checks, which are reviewed on a three year cycle. RNC has safeguarding and equality and diversity groups with staff representation which meet on a regular basis and ensure that policies and practices are up to date.

There is mandatory training on safeguarding, equality and diversity and data protection for all staff. Managers involved in staff recruitment all have to complete a "Safer Recruitment in Education" programme. There is also an extensive programme of other developmental training for staff.

RNC has a staff consultation group made up of representatives from across RNC who meet on a regular basis and there is an open policy in the provision of information to employees.

Fundraising

RNC employs a small fundraising team (2.8 FTE staff) who concentrate mainly on grant applications to Trusts and Foundations. No professional fundraisers or commercial participators are used by RNC, however Blindcare, the controlled independent charity, uses professional fundraising organisations for payroll giving income, with no fundraising direct from the general public. As a result, the fundraising team were not required to implement any policies regarding the safeguarding of vulnerable members of the general public, nor did they receive any complaints during the year. A detailed fundraising report is presented to Governors at all board meetings, which sets out the current strategy, fundraising income received year to date against budget, income pledged but not yet received, and any other issues of which Governors should be aware. RNC therefore has no fundraising activities requiring disclosure under S162A of the Charities Act 2011.

The Royal National College for the Blind
GOVERNORS' REPORT (continued)
for the year ended 31 July 2023

Future development and plans

There is a clear ongoing need for RNC as a national centre of expertise. We are secure in our mission and our specialism, and remain committed to providing our students with a holistic experience which includes the embedding of essential skills for life alongside academic and vocational qualifications. We will continue to review our curriculum to ensure that it meets the needs of both our students and their future employers, while recognising the value of study for its own sake. We will develop strategies to support new students whose education has been interrupted by the pandemic. Having consolidated our provision on to a single site, we will implement a multi-year Estates strategy, investing in student accommodation, teaching areas and recreation spaces to ensure that our facilities support and enhance the student experience throughout their time at RNC.

Reference and administrative details

Charity name: The Royal National College for the Blind (also known as "RNC")
Charity number: 1000388
Company number: 02367626
Principal and registered office: thePoint4, Venns Lane, Hereford, HR1 1DT

Our advisers

Independent auditor Crowe U.K. LLP, 4th Floor, St James House, St James Square, Cheltenham, GL50 3PR
Bankers Barclays Bank plc, 1 - 3 Broad Street, Hereford, HR4 9BH
Solicitors Eversheds Sutherland, 115 Colmore Row, Birmingham, B3 3AL

Key management personnel

| | |
|---|--------------------------------|
| Executive Principal | L Proctor (ex-officio trustee) |
| Director of Quality and Student Journey | M Fisher |
| Director of Business and Enterprise | L Lawrence |
| Director of Learning | J Lynch |
| Director of Learning | N Smith |
| Director of Student Support | J Price |

Governors, Directors and Trustees

The Governors of The Royal National College for the Blind are also the trustees and Company directors. The Governors and elected directors who served during the year and since the year end were as follows:

| | |
|--------------------|--|
| Ms J Barnes | |
| Mr E Bastable | |
| Mr J Brew | Also a director of Blindcare |
| Mrs S Bryson | |
| Mr J Clarke-Morris | Also a director of R N C Enterprises Limited |
| Miss K Diamond | |
| Mr P Flynn | Also a director of R N C Enterprises Limited |
| Mr P Gebbie | |
| Mr S Hairsnape | Also a director of Blindcare |
| Ms H Miles | |
| Mrs S Penny | |
| Mr A Powell | Staff governor |
| Mrs L Proctor | Also a director of Blindcare |
| Mrs V Pugh | |
| Mrs L Roberts | Staff governor |
| Mr J Ryan | (Chair) |
| Mr P Walker | (resigned 1 May 2023) |

The Royal National College for the Blind
GOVERNORS' REPORT (continued)
for the year ended 31 July 2023

Governors are elected by the Board for a renewable term of three years by rotation. New Governors are given a full induction to the College and its activities.

There are three sub-committees of the Board of Governors that meet at various times during the year; the Audit and Assurance Committee, the Finance, Development and Commercial Committee and the Education and Training Committee.

Charity Governance Code

As RNC is a not for profit organisation which aims to follow charity sector best practice, the Governors reviewed the Charity Governance Code (the "Code") published in July 2017. Following an in-depth review of the Code carried out at the Governors' meeting held on 20th December 2018, the Governors agreed to adopt the Code in full at their meeting on 17th May 2019. Governors have reviewed the updated Code issued in December 2020, which is used to measure the Board of Governors' effectiveness and is built into the annual Governor Self-Assessment Report (SAR).

Statement of Governors' responsibilities

The Governors (who are also directors of The Royal National College for the Blind for the purposes of Company law) are responsible for preparing the Governors' Report and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

Company law requires the Governors to prepare financial statements for each financial year. Under Company law the Governors 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 Charitable Company and the Group and of the incoming resources and application of resources, including the income and expenditure, of the Charitable Group for that period. In preparing these financial statements, the Governors are required to:

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

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



The Royal National College for the Blind
GOVERNORS' REPORT (*continued*)
for the year ended 31 July 2023

Disclosure of Information to Auditor

In so far as each of the directors of RNC at the date of approval of this report is aware, there is no relevant audit information (information needed by RNC's auditor in connection with preparing the audit report) of which RNC's auditor is unaware. Each director has taken all of the steps that he/she should have taken as a director in order to make himself/herself aware of any relevant audit information and to establish that RNC's auditor is aware of that information.

The Governor's Report, including the Strategic Report, was approved by the Board of Governors of The Royal National College for the Blind on 1st March 2024 and is signed on its behalf by:



John Ryan
Chair

Date: 1st March 2024



**INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF
THE ROYAL NATIONAL COLLEGE FOR THE BLIND for the year ended 31 July 2023**

Opinion

We have audited the financial statements of The Royal National College for the Blind ('the Charitable Company') and its subsidiaries ('the Group') for the year ended 31 July 2023 which comprise the Consolidated statement of financial activities, Consolidated balance sheet, College balance sheet, Consolidated statement of cash flows and notes to the financial statements, including 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 Group's and the Charitable Company's affairs as at 31 July 2023 and of the Group's income and expenditure 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's responsibilities for the audit of the financial statements section of our report. We are independent of the Group in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

In auditing the financial statements, we have concluded that the Governors' 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 Charitable Company's or the Group's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

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

Other information

The Governors' are responsible for the other information contained within the annual report. 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.

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 this gives rise to a material misstatement in the

**INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF
THE ROYAL NATIONAL COLLEGE FOR THE BLIND for the year ended 31 July 2023 (continued)**

financial statements themselves. 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.

Opinions on other matters prescribed by the Companies Act 2006

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

- the information given in the Governors' report, which includes the Directors' report and the Strategic report prepared for the purposes of Company law, for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Strategic report and the Directors' report included within the Governors' report have been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

In light of the knowledge and understanding of the Group and the Charitable Company and their environment obtained in the course of the audit, we have not identified material misstatements in the Strategic report or the Directors' report included within the Governors' report.

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

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

Responsibilities of Governors

As explained more fully in the Governors' responsibilities statement set out on page 10, the Governors (who are also the directors of the Charitable Company for the purposes of Company law) are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the Governors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the Governors are responsible for assessing the Charitable 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 Governors either intend to liquidate the Charitable Company or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

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

Details of the extent to which the audit was considered capable of detecting irregularities, including fraud and non-compliance with laws and regulations are set out below.

**INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF
THE ROYAL NATIONAL COLLEGE FOR THE BLIND for the year ended 31 July 2023 (continued)**

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

Extent to which the audit was considered capable of detecting irregularities, including fraud

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We identified and assessed the risks of material misstatement of the financial statements from irregularities, whether due to fraud or error, and discussed these between our audit team members. We then designed and performed audit procedures responsive to those risks, including obtaining audit evidence sufficient and appropriate to provide a basis for our opinion.

We obtained an understanding of the legal and regulatory frameworks within which the Charitable Company and Group operates, focusing on those laws and regulations that have a direct effect on the determination of material amounts and disclosures in the financial statements. The laws and regulations we considered in this context were the Companies Act 2006 together with the Charities SORP (FRS 102). We assessed the required compliance with these laws and regulations as part of our audit procedures on the related financial statement items.

In addition, we considered provisions of other laws and regulations that do not have a direct effect on the financial statements but compliance with which might be fundamental to the Charitable Company's and the Group's ability to operate or to avoid a material penalty. We also considered the opportunities and incentives that may exist within the charitable company and the group for fraud. The laws and regulations we considered in this context were Ofsted.

Auditing standards limit the required audit procedures to identify non-compliance with these laws and regulations to enquiry of the Governors' and other management and inspection of regulatory and legal correspondence, if any.

We identified the greatest risk of material impact on the financial statements from irregularities, including fraud, to be within the timing of recognition of grant income and the override of controls by management. Our audit procedures to respond to these risks included enquiries of management, and the Audit and Assurance Committee about their own identification and assessment of the risks of irregularities, sample testing on the posting of journals, designing audit procedures over grant income, reviewing accounting estimates for biases, reviewing regulatory correspondence with the Charity Commission, Ofsted and reading minutes of meetings of those charged with governance.

Owing to the inherent limitations of an audit, there is an unavoidable risk that we may not have detected some material misstatements in the financial statements, even though we have properly planned and performed our audit in accordance with auditing standards. For example, the further removed non-compliance with laws and regulations (irregularities) is from the events and transactions reflected in the financial statements, the less likely the inherently limited procedures required by auditing standards would identify it. In addition, as with any audit, there remained a higher risk of non-detection of irregularities, as these may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal controls. We are not responsible for preventing non-compliance and cannot be expected to detect non-compliance with all laws and regulations.

**INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF
THE ROYAL NATIONAL COLLEGE FOR THE BLIND for the year ended 31 July 2023 (continued)**

Use of this report

This report is made solely to the Charitable 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 Charitable 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 Charitable Company and the Charitable Company's members as a body, for our audit work, for this report, or for the opinions we have formed.



Tara Westcott

Senior Statutory Auditor

For and on behalf of

Crowe U.K. LLP

Statutory Auditor

4th Floor

St James House

St James Square

Gloucestershire

GL50 3PR

Date: 08 March 2024

The Royal National College for the Blind
CONSOLIDATED STATEMENT OF FINANCIAL ACTIVITIES *(incorporating an income and expenditure account)*
for the year ended 31 July 2023

| | Notes | Unrestricted Funds £'000 | Restricted Funds £'000 | Total 2023 £'000 | Total 2022 £'000 |
|--|-------|-----------------------------|---------------------------|------------------------|------------------------|
| Income from: | | | | | |
| Donations and legacies | 2 | 196 | 278 | 474 | 451 |
| Charitable activities | 2 | 6,568 | 58 | 6,626 | 6,316 |
| Other trading activities | 5 | 455 | - | 455 | 414 |
| Investments | 2 | 23 | - | 23 | 1 |
| Other income | 2 | - | - | - | 579 |
| TOTAL INCOME | | 7,242 | 336 | 7,578 | 7,761 |
| Expenditure on: | | | | | |
| Raising funds | 4 | 530 | - | 530 | 508 |
| Charitable activities | 4 | 6,272 | 163 | 6,435 | 5,734 |
| TOTAL EXPENDITURE | 4 | 6,802 | 163 | 6,965 | 6,242 |
| Net gain on investments | 10 | - | - | - | 75 |
| NET INCOME | | 440 | 173 | 613 | 1,594 |
| Transfers between funds | 16 | 37 | (37) | - | - |
| Other recognised gains | | | | | |
| Actuarial gain on defined benefit pension scheme | 21 | (1,305) | - | (1,305) | 816 |
| NET MOVEMENT IN FUNDS | | (828) | 136 | (692) | 2,410 |
| Reconciliation of funds: | | | | | |
| Total funds brought forward | 15 | 10,436 | 1,027 | 11,463 | 9,053 |
| Total funds carried forward | 15 | 9,608 | 1,163 | 10,771 | 11,463 |

The notes on pages 19 to 40 form part of these financial statements.

The Royal National College for the Blind (a Company limited by guarantee no. 02367626)
CONSOLIDATED AND COLLEGE BALANCE SHEETS
as at 31 July 2023

| | Notes | Consolidated | | College | |
|---|-------|----------------------|----------------------|----------------------|----------------------|
| | | 2023 £'000 | 2022 £'000 | 2023 £'000 | 2022 £'000 |
| FIXED ASSETS | | | | | |
| Tangible assets | 9 | 13,177 | 13,059 | 13,176 | 13,058 |
| Investments | 10 | 350 | 350 | 350 | 350 |
| <i>Total fixed assets</i> | | <u>13,527</u> | <u>13,409</u> | <u>13,526</u> | <u>13,408</u> |
| CURRENT ASSETS | | | | | |
| Stock | 11 | 6 | 6 | 1 | 1 |
| Debtors | 12 | 228 | 390 | 347 | 543 |
| Cash at bank and in hand | | 1,868 | 1,579 | 1,773 | 1,499 |
| <i>Total current assets</i> | | <u>2,102</u> | <u>1,975</u> | <u>2,121</u> | <u>2,043</u> |
| LIABILITIES | | | | | |
| Creditors: amounts falling due within one year | 13 | (796) | (763) | (745) | (737) |
| <i>Net current assets</i> | | <u>1,306</u> | <u>1,212</u> | <u>1,376</u> | <u>1,306</u> |
| <i>Total assets less current liabilities</i> | | <u>14,833</u> | <u>14,621</u> | <u>14,902</u> | <u>14,714</u> |
| Creditors: amounts falling due after more than one year | 14 | (1,717) | (1,789) | (1,717) | (1,789) |
| <i>Net assets excluding pension scheme liability</i> | | <u>13,116</u> | <u>12,832</u> | <u>13,185</u> | <u>12,925</u> |
| Defined benefit pension scheme liability | 21 | (2,345) | (1,369) | (2,345) | (1,369) |
| TOTAL NET ASSETS | | <u>10,771</u> | <u>11,463</u> | <u>10,840</u> | <u>11,556</u> |
| THE FUNDS OF THE GROUP | | | | | |
| Restricted income funds | 16 | 1,163 | 1,027 | 1,163 | 1,027 |
| <i>Unrestricted funds</i> | | | | | |
| General | 15 | 11,953 | 11,805 | 12,022 | 11,898 |
| Defined benefit pension scheme liability | 21 | (2,345) | (1,369) | (2,345) | (1,369) |
| <i>Total unrestricted funds</i> | 17 | <u>9,608</u> | <u>10,436</u> | <u>9,677</u> | <u>10,529</u> |
| TOTAL GROUP FUNDS | 15 | <u>10,771</u> | <u>11,463</u> | <u>10,840</u> | <u>11,556</u> |

The notes on pages 19 to 40 form part of these financial statements.

The College only net income for the year totalled £589,000 (2022: net income of £1,551,000).

The financial statements were approved and authorised for issue by the Governors on 1st March 2024 and were signed on their behalf by:



John Ryan
Chair

Date: 1st March 2024

The Royal National College for the Blind
CONSOLIDATED STATEMENT OF CASH FLOWS
for the year ended 31 July 2023

| | Notes | 2023 | | 2022 | |
|--|-------|-------|--------------|-------|--------------|
| | | £'000 | £'000 | £'000 | £'000 |
| Cash flows from operating activities: | | | | | |
| Net cash generated by operating activities | 23(a) | | 927 | | 1,287 |
| Cash flows from investing activities: | | | | | |
| Bank interest received | | 23 | | 1 | |
| Proceeds from sale of tangible fixed assets | | - | | 4 | |
| Proceeds from sale of investments | | - | | 366 | |
| Purchase of tangible fixed assets | | (489) | | (281) | |
| Net cash (used in) / provided by investing activities | | | (466) | | 90 |
| Cash flows from financing activities | | | | | |
| Repayment of borrowing | 23(c) | (155) | | (402) | |
| Repayment of finance lease | 23(c) | (31) | | (28) | |
| New finance lease | 23(c) | 131 | | - | |
| Interest paid | | (117) | | (80) | |
| Net cash used in financing activities | | | (172) | | (510) |
| Change in cash and cash equivalents in the year | | | 289 | | 867 |
| Cash and cash equivalents at the beginning of the year | | | 1,579 | | 712 |
| Cash and cash equivalents at the end of the year | 23(b) | | 1,868 | | 1,579 |

The notes on pages 19 to 40 form part of these financial statements.

The Royal National College for the Blind
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
for the year ended 31 July 2023

1 STATEMENT OF ACCOUNTING POLICIES

The Royal National College for the Blind ("RNC") is a Charitable Company limited by guarantee and was incorporated on 3 April 1989 (Company no: 02367626). The Royal National College for the Blind is registered as a charity with the Charity Commission England and Wales (charity no. 1000388). Its registered and principal office is thePoint4, Venns Lane, Hereford, HR1 1DT. This is also the registered office of the 100% wholly-owned subsidiary, R N C Enterprises Limited, and the controlled charity, Blindcare.

Basis of accounting

The financial statements have been prepared in accordance with Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (effective 1 January 2019) - (Charities SORP (FRS 102)), the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102), the Companies Act 2006 and Charities Act 2011.

The Royal National College for the Blind meets the definition of a public benefit entity under FRS 102. Assets and liabilities are initially recognised at historical cost or transaction value unless otherwise stated in the relevant accounting policy note.

Going concern

RNC has a bank loan facility with a final repayment date of 31st January 2025, and a significant deficit on its defined benefit pension scheme, but has worked through a detailed recovery plan to address this and has the full support of its bankers, pension fund trustees and other funders. RNC has a three year financial forecast and a three year cash flow forecast which show that the Group has sufficient headroom to continue to trade within its current bank loan and overdraft facilities. The Governors therefore believe that it is appropriate to prepare these financial statements on the basis that RNC is a going concern.

Income

Income is included in the Statement of Financial Activities when the Group has entitlement to the funds, any performance conditions have been met, it is probable the income will be received and the amount can be measured reliably.

Student services and grants

Student services and grants are accounted for in the period in which the service is provided. Student services consist of income from student fees and any sundry receipts.

Government grants

Grants from government bodies and other sources are received for specific projects/costs and are recognised in accordance with their individual terms and conditions. Income is recognised when the Group has entitlement to the funds which is when any performance conditions attached are met, it is probable that the income will be received and the amount can be reliably measured. Grant income will be deferred if received in advance of meeting performance conditions or if the funder specifically states that the income must be spent in a future accounting period.

1 STATEMENT OF ACCOUNTING POLICIES *(continued)*

Donations

Donations received for the general purposes of the Group are credited to unrestricted funds but shown separately from direct Group income. Donations subject to specific wishes of the donors are carried to the relevant restricted fund. Donations are accounted for when received.

Legacies

Legacies received for the general purposes of RNC are credited to unrestricted funds and shown within donations and legacies. Legacies subject to specific wishes of the donor are included within restricted funds. Legacy income is accounted for based upon settlement of the Estate Accounts, or receipt of payment, whichever is earlier.

Income from trading

Income from trading activities is included in the financial statements in the period in which the relevant goods and services have been provided, and is stated net of Value Added Tax.

Investment and similar income

Investment and similar income is accounted for when receivable.

Taxation

As a charity, RNC is generally exempt from corporation tax on income it receives which is properly applied for its Charitable purpose.

Expenditure

Group expenditure is accounted for on an accruals basis. Where expenditure is apportioned across cost categories, it is apportioned at the best estimate of the Governors based on the level of activity during the year. Costs are allocated to the appropriate cost categories in the Statement of Financial Activities.

Support costs are those costs directly incurred in administering and supporting RNC operations as an educational establishment. Governance costs comprise the costs of running the charity, including external audit and all the costs of complying with constitutional and statutory requirements, such as the cost of the Board and Committee meetings and of preparing statutory accounts.

Expenditure of trading and the costs of raising funds are accounted for in the period in which the expenditure is incurred.

Investments

Investment properties are stated in the Balance Sheet at potential freehold market value. A formal professional valuation is carried out at least every five years, and prepared on an informal basis in the intervening period. Gains or losses are taken to the Statement of Financial Activities. No depreciation is provided on investment properties.

1 STATEMENT OF ACCOUNTING POLICIES *(continued)*

Leased assets and obligations

Where assets are financed by leasing agreements that give rights approximating to ownership ("finance leases"), the assets are treated as if they had been purchased outright. The amount capitalised is the present value of the minimum lease payments payable during the lease term. The corresponding leasing commitments are shown as obligations to the lessor.

Lease payments are treated as consisting of capital and interest elements, and the interest is charged to the Statement of Financial Activities in proportion to the remaining balance outstanding.

All other leases are "operating leases" and the annual rentals are charged to the Statement of Financial Activities on a straight line basis over the term of the lease.

Tangible fixed assets and depreciation

The Group took advantage of the transition to FRS 102 and all freehold land and buildings are recognised at their deemed cost which was their net book value at the date of transition. The historic cost basis will apply going forward. Other fixed assets are stated at historical cost.

Depreciation is calculated so as to write off the cost of assets over their estimated useful lives as follows:

| | |
|----------------------------------|-------------------------|
| Freehold land | No depreciation |
| Freehold buildings | 2% straight line |
| Building improvements | 5% - 10% straight line |
| Fixtures, fittings and equipment | 20% - 25% straight line |
| Leased assets | 20% straight line |

Equipment costing more than £1,000 is capitalised and carried in the Balance Sheet at historical cost.

Cash

Cash is represented by cash in hand and deposits with financial institutions.

Stocks

Stocks comprise goods for resale by the Group. They are included in the financial statements at the lower of cost and net realisable value, after making due allowance for obsolete and slow moving items.

Debtors

Short term debtors are initially measured at their settlement amount.

Creditors

Short term creditors are initially measured at their settlement amount.

1 STATEMENT OF ACCOUNTING POLICIES *(continued)*

Financial instruments

The Group only has financial assets and financial liabilities of a kind that qualify as basic financial instruments. Basic financial instruments are initially recognised at transaction value and subsequently measured at their settlement value with the exception of the bank loan and the finance lease obligations which are subsequently measured at amortised cost using the effective interest method.

Unrestricted funds

Unrestricted funds can be used at the discretion of the Governors in accordance with RNC's and the Group's objects.

Restricted funds

Restricted funds are those funds whose income is for a specific purpose as stipulated by the donor, the details of which are set out in the notes to the financial statements.

Pension schemes

The Group contributes to the Teachers' Pension Defined Benefits Scheme at rates based either on instructions from the Department for Education or actuarial advice. The scheme is a multi-employer scheme and it is not possible to identify the assets and liabilities of the scheme which are attributable to the Group. The scheme is therefore accounted for as a Defined Contribution scheme. The amount charged to the Consolidated Statement of Financial Activities in respect of pension costs and other post retirement benefits is the contributions payable in the year.

The Group also contributed to a Defined Benefit pension scheme for non-teaching staff up until its closure to future accruals on 31st March 2012. The assets of the scheme are held separately from those of The Group, and are administered by TPT Retirement Solutions ("TPTRS"). Pension scheme assets are measured at fair value and liabilities are measured on an actuarial basis using the projected unit method and discounted at a rate equivalent to the current rate of return on a high quality corporate bond of equivalent currency and term to the scheme liabilities. The actuarial valuations are obtained every three years and are updated at each Balance Sheet date. The resulting defined asset or liability is presented separately after other net assets on the face of the Balance Sheet.

The amounts charged to expenditure are the notional interest charges and the other costs charged by the trustee for running the scheme. Actuarial gains and losses are recognised within "Other recognised losses".

Since 1st April 2012 the Group has contributed to a Defined Contribution Scheme for non-teaching staff, administered by TPTRS. The amount charged to the Consolidated Statement of Financial Activities is the contributions payable by the Group in the year.

All pension fund costs are charged against unrestricted funds in line with the associated staff costs.

1 STATEMENT OF ACCOUNTING POLICIES *(continued)*

Consolidation

RNC has a 100% wholly owned trading subsidiary, R N C Enterprises Limited, a Company registered in England and Wales. The results of the subsidiary are included in the consolidated accounts on a line by line basis, with all intra-Group transactions fully eliminated on consolidation. A summary of the results of R N C Enterprises Limited is shown in note 5 to the consolidated financial statements.

RNC is also the sole beneficiary of an independent charity, Blindcare (charity registration number 1020073). RNC controls the Board of Blindcare, so its results have been included in the consolidated accounts on a line by line basis, with all intra-Group transactions fully eliminated on consolidation. A summary of the results of Blindcare is shown in note 5 to the consolidated financial statements.

The Group has taken advantage of Section 408 of the Companies Act 2006 by not providing a separate Statement of Financial Activities for the Charity.

The Group has taken advantage of the exemptions in FRS 102 from the requirements to present a charity only Statement of Cash Flows and certain disclosures about the Charity's financial instruments.

Critical judgements and key sources of estimation uncertainty

Preparation of the financial statements requires management to consider making any significant judgements and estimates where necessary. Significant judgements and estimations have been made on the following items:

Useful economic lives of tangible fixed assets

The annual depreciation charges for tangible fixed assets is sensitive to changes in the estimated useful economic lives and residual values of the assets. The useful economic lives and residual values are re-assessed annually. They are amended when necessary to reflect current estimates, based on economic utilisation and the physical condition of the assets. See note 9 for the carrying amount of the tangible fixed assets and note 1 for the useful lives for each class of assets.

Defined benefit pension fund

The present value of the TPTRS defined benefit liability depends on a number of factors that are determined on an actuarial basis using a variety of assumptions. The assumptions used in determining the net cost (income) for pensions include the discount rate. Any changes in these assumptions, which are disclosed in note 21, will impact the carrying amount of the pension liability. Furthermore, a roll forward approach which projects results from the latest full actuarial valuation performed at 30 September 2022 has been used by the actuary in valuing the pensions liability at 31 July 2023. Any difference between the figures derived from the roll forward approach and a full actuarial valuation would impact on the carrying amount of the pension liability.

Impairment of fixed assets

Governors considered there to be no impairment of fixed assets during the year.

The Royal National College for the Blind
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS *(continued)*
for the year ended 31 July 2023

2 INCOME

| | 2023 | 2022 |
|---|--------------|--------------|
| | £'000 | £'000 |
| Donations and legacies | | |
| Donations | 97 | 105 |
| Blindcare reserves brought into the Group | - | 74 |
| Trusts and Foundations | 310 | 226 |
| Legacies | 67 | 46 |
| Income from donations and legacies | <u>474</u> | <u>451</u> |

| | 2023 | 2022 |
|--|--------------|--------------|
| | £'000 | £'000 |
| Charitable activities | | |
| Student fees from: Education & Skills Funding Agency | 1,035 | 905 |
| Welsh Government | 336 | 464 |
| Local Authorities | 4,951 | 4,664 |
| Private sources | 151 | 57 |
| Other income | 6 | 3 |
| Income from student services | <u>6,479</u> | <u>6,093</u> |

Grants

| | | |
|--|--------------|--------------|
| Education & Skills Funding Agency | 88 | 125 |
| Department for Education | 58 | 51 |
| Government Job Retention Scheme | - | 4 |
| Other grants | 1 | 43 |
| Income from charitable activities | <u>6,626</u> | <u>6,316</u> |

| | 2023 | 2022 |
|------------------------------------|--------------|--------------|
| | £'000 | £'000 |
| Investment and other income | | |
| Bank interest | 23 | 1 |
| Income from investments | <u>23</u> | <u>1</u> |

| | 2023 | 2022 |
|---|--------------|--------------|
| | £'000 | £'000 |
| Other income | | |
| Profit on sale of fixed assets | - | 4 |
| Compensation payment received from construction company | - | 575 |
| Other income | <u>-</u> | <u>579</u> |

The Royal National College for the Blind
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS *(continued)*
for the year ended 31 July 2023

3 NET INCOME

| | 2023 | 2022 |
|---|--------------|--------------|
| | £'000 | £'000 |
| Net income for the year is stated after charging: | | |
| Auditor's remuneration - audit fees | 23 | 21 |
| - accountancy and tax services | 2 | 2 |
| - grant assurance | 1 | 1 |
| Operating lease rentals | 48 | 42 |
| Depreciation - owned assets | 349 | 319 |
| - leased assets | 22 | 28 |
| Interest payable - finance lease interest | 5 | 5 |
| - loan interest | 112 | 75 |
| | <u>112</u> | <u>75</u> |

4 ANALYSIS OF TOTAL EXPENDITURE

| Expenditure on Charitable activities: | Staff costs | Expenses | Deprec'n | Total | Total |
|--|--------------------|-----------------|-----------------|--------------|--------------|
| | £'000 | £'000 | £'000 | 2023 | 2022 |
| | | | | £'000 | £'000 |
| Education and training | 2,824 | 225 | - | 3,049 | 2,709 |
| Welfare | 157 | 438 | - | 595 | 532 |
| Premises | 212 | 584 | 237 | 1,033 | 872 |
| Marketing | 131 | 24 | - | 155 | 146 |
| Support costs | 830 | 601 | 133 | 1,564 | 1,429 |
| Governance costs (see below) | 20 | 19 | - | 39 | 46 |
| | <u>4,174</u> | <u>1,891</u> | <u>370</u> | <u>6,435</u> | <u>5,734</u> |
| Expenditure on raising funds: | | | | | |
| Fundraising | 87 | 8 | - | 95 | 90 |
| Trading activities | 217 | 207 | 1 | 425 | 412 |
| Blindcare activities | - | 10 | - | 10 | 6 |
| | <u>304</u> | <u>225</u> | <u>1</u> | <u>530</u> | <u>508</u> |
| | <u>4,478</u> | <u>2,116</u> | <u>371</u> | <u>6,965</u> | <u>6,242</u> |

Governance costs comprise:

| | 2023 | 2022 |
|---------------------------|--------------|--------------|
| | £'000 | £'000 |
| Staff costs | 20 | 19 |
| Audit & accountancy costs | 18 | 22 |
| Legal & professional fees | 1 | 5 |
| | <u>39</u> | <u>46</u> |

The Royal National College for the Blind
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)
for the year ended 31 July 2023

5 OTHER GROUP ENTITIES

The wholly owned trading subsidiary, R N C Enterprises Limited, is incorporated in the United Kingdom (company number 01747998) and pays all of its profits to the parent charity under the gift aid scheme. R N C Enterprises Limited operates all commercial trading activities of RNC, including the sports and conferencing facilities. The summary financial performance of the subsidiary alone is:

| | 2023 | 2022 |
|---|---------------------|---------------------|
| | £'000 | £'000 |
| Turnover | 440 | 400 |
| Cost of sales | (83) | (72) |
| Gross profit | <u>357</u> | <u>328</u> |
| Administrative expenses | (341) | (339) |
| Operating profit / (loss) | 16 | (11) |
| Retained deficit at start of period | <u>(147)</u> | <u>(136)</u> |
| Retained deficit at end of period | <u><u>(131)</u></u> | <u><u>(147)</u></u> |
| | 2023 | 2022 |
| | £'000 | £'000 |
| Total assets at balance sheet date | <u>52</u> | <u>50</u> |
| Total liabilities at balance sheet date | <u><u>(183)</u></u> | <u><u>(197)</u></u> |

In addition to income of £440,000 (2022: £400,000) shown above, miscellaneous trading income of £15,000 (2022: £14,000) is included within the results of the College.

RNC is the sole beneficiary and controlling party of an independent charity, Blindcare (charity registration number 1020073, company number 02806606). Blindcare receives donations from various payroll giving schemes and makes donations to the parent charity at the discretion of the Blindcare directors. The summary financial performance of Blindcare alone is:

| | 2023 | 2022 |
|---|-------------------|-------------------|
| | £'000 | £'000 |
| Income | 88 | 85 |
| Costs of raising funds | (10) | (6) |
| Charitable activities | (70) | (99) |
| Net income / (deficit) | <u>8</u> | <u>(20)</u> |
| Retained income at start of period | 54 | 74 |
| Retained income at end of period | <u><u>62</u></u> | <u><u>54</u></u> |
| | 2023 | 2022 |
| | £'000 | £'000 |
| Total assets at balance sheet date | <u>68</u> | <u>59</u> |
| Total liabilities at balance sheet date | <u><u>(6)</u></u> | <u><u>(5)</u></u> |

6 CORPORATION TAXATION

RNC is exempt from corporation tax on its Charitable activities.

The Royal National College for the Blind
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)
for the year ended 31 July 2023

7 STAFF NUMBERS

The average monthly headcount of full time and part time staff was 150 (2022: 153).

| | 2023 | 2022 |
|---------------------------|---------------|---------------|
| | Number | Number |
| Education and training | 93 | 95 |
| Student welfare | 9 | 10 |
| Premises | 6 | 6 |
| Support | 21 | 21 |
| Marketing | 5 | 5 |
| Fundraising | 5 | 5 |
| R N C Enterprises Limited | 11 | 11 |
| | <u>150</u> | <u>153</u> |

8 ANALYSIS OF STAFF COSTS, GOVERNOR REMUNERATION AND EXPENSES, AND THE COST OF KEY MANAGEMENT PERSONNEL

| | 2023 | 2022 |
|--|--------------|--------------|
| | £'000 | £'000 |
| Salaries and wages | 3,603 | 3,343 |
| Social security costs | 305 | 283 |
| Pension contributions - teaching | 301 | 268 |
| - non-teaching | 51 | 50 |
| Defined benefit pension scheme contributions | 180 | 129 |
| Redundancy payment | 38 | - |
| Total staff costs | <u>4,478</u> | <u>4,073</u> |

Pension contributions were made to the Teachers' Pension Scheme for teaching staff and to a fund independently administered by TPTRS for non-teaching staff.

The Executive Principal, Mrs Lucy Proctor, is an ex-officio trustee and received emoluments of £79,719 (2022: £70,296) with employer pension contributions of £2,392 (2022: £2,100). Mr Andy Powell and Mrs Lisa Roberts were appointed as Staff Governors during the year and received emoluments of £45,820 and £31,423 respectively (2022: £19,332 and £14,959) whilst serving as staff governors, with employer pension contributions of £1,240 and £5,952 respectively (2022: £557 and £2,668).

No other Governors nor persons connected with them received any remuneration from the College or any connected organisation in either financial year.

During the year, 3 Governors were reimbursed expenses relating to travel for meetings of £569 (2022: 0 Governor total of £nil).

The number of higher paid employees whose emoluments exceeded £60,000 were:

| | 2023 | 2022 |
|-------------------|-------------|-------------|
| | No. | No. |
| £60,000 - £69,999 | - | 1 |
| £70,000 - £79,999 | <u>1</u> | <u>1</u> |

Pension contributions for the higher paid employee(s) amounted to £2,392 (2022: £14,066).

The key management personnel of the Group during the year, who were remunerated, comprise the Executive Principal, the Director of Quality and Learner Journey, the Director of Business and Enterprise, the Director of Student Support and the Directors of Learning. The total employee benefits of the key management personnel, including pension contributions and employer national insurance contributions, were £325,681 (2022: £326,815).

The Royal National College for the Blind
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS *(continued)*
for the year ended 31 July 2023

9 TANGIBLE FIXED ASSETS

| Consolidated | Freehold land and buildings £'000 | Fixtures, fittings & equipment £'000 | Leased assets £'000 | Group Total £'000 |
|------------------------|--|---|------------------------------------|----------------------------------|
| Cost | | | | |
| At 1 August 2022 | 13,914 | 1,476 | 152 | 15,542 |
| Additions | 276 | 82 | 131 | 489 |
| Transfer | - | 140 | (140) | - |
| Disposals | - | (404) | (12) | (416) |
| At 31 July 2023 | 14,190 | 1,294 | 131 | 15,615 |
| Depreciation | | | | |
| At 1 August 2022 | 1,172 | 1,159 | 152 | 2,483 |
| Charge for the year | 237 | 112 | 22 | 371 |
| Transfer | - | 140 | (140) | - |
| Disposals | - | (404) | (12) | (416) |
| At 31 July 2023 | 1,409 | 1,007 | 22 | 2,438 |
| Net book values | | | | |
| At 31 July 2023 | 12,781 | 287 | 109 | 13,177 |
| At 31 July 2022 | 12,742 | 317 | - | 13,059 |

The net book value of tangible fixed assets owned by R N C Enterprises Limited is £899 (2022: £519). The net book value of freehold land and buildings includes an amount of £4,173,000 (2022: £4,173,000) in respect of land.

10 INVESTMENT ASSETS

| Consolidated Fixed Assets | Investment Properties £'000 |
|--|--|
| Balance at 31 July 2022 and 31 July 2023 | 350 |
| The investment property is located within the county of Herefordshire. The investment is primarily held to provide a return where monies are not required immediately for Charitable activities. | |
| College | £'000 |
| Balance at 31 July 2023 as above | 350 |
| Investment in subsidiary Company (see note 5) amounts to £15 | - |
| | 350 |

No investments were held by R N C Enterprises Limited or Blindcare.

The residential property was valued in August 2023 at open market value by Flint & Cook. The Governors are of the opinion that there has been no diminution in value of the property since the date of the valuation.

The Royal National College for the Blind
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS *(continued)*
for the year ended 31 July 2023

11 STOCKS

| | Consolidated | | College | |
|------------------|--------------|----------|----------|----------|
| | 2023 | 2022 | 2023 | 2022 |
| | £'000 | £'000 | £'000 | £'000 |
| Goods for resale | 6 | 6 | 1 | 1 |
| | <u>6</u> | <u>6</u> | <u>1</u> | <u>1</u> |

12 DEBTORS

| | Consolidated | | College | |
|-----------------------------|--------------|------------|------------|------------|
| | 2023 | 2022 | 2023 | 2022 |
| Due within one year: | £'000 | £'000 | £'000 | £'000 |
| Student fees | 165 | 296 | 165 | 296 |
| Amount due from subsidiary | - | - | 138 | 177 |
| Prepayments | 35 | 30 | 30 | 25 |
| Other debtors | 28 | 64 | 14 | 45 |
| | <u>228</u> | <u>390</u> | <u>347</u> | <u>543</u> |

13 CREDITORS: amounts falling due within one year

| | Consolidated | | College | |
|------------------------------|--------------|------------|------------|------------|
| | 2023 | 2022 | 2023 | 2022 |
| | £'000 | £'000 | £'000 | £'000 |
| Bank loan | 156 | 156 | 156 | 156 |
| Finance lease payments | 26 | 9 | 26 | 9 |
| Trade creditors | 97 | 136 | 94 | 131 |
| Taxation and social security | 84 | 79 | 81 | 76 |
| Pension contributions | 48 | 43 | 48 | 43 |
| Other creditors | 110 | 50 | 110 | 50 |
| Accruals and deferred income | 275 | 290 | 230 | 272 |
| | <u>796</u> | <u>763</u> | <u>745</u> | <u>737</u> |

Barclays Bank have security over all of RNC's properties.

14 CREDITORS: amounts falling due after more than one year

| | Consolidated | | College | |
|------------------------|--------------|--------------|--------------|--------------|
| | 2023 | 2022 | 2023 | 2022 |
| | £'000 | £'000 | £'000 | £'000 |
| Bank loan | 1,634 | 1,789 | 1,634 | 1,789 |
| Finance lease payments | 83 | - | 83 | - |
| | <u>1,717</u> | <u>1,789</u> | <u>1,717</u> | <u>1,789</u> |

The bank loan is repayable at £38,899 per quarter, with the remaining balance repayable in full on 31st January 2025. Interest is charged at 2.5% over Base.

The Royal National College for the Blind
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS *(continued)*
for the year ended 31 July 2023

15 ALLOCATION OF THE GROUP NET ASSETS

| | Tangible fixed assets £'000 | Investm'ts £'000 | Net current assets/ (liabilities) £'000 | Long term liabilities & prov'ns £'000 | 2023 Total £'000 |
|---|--------------------------------------|---------------------|--|--|------------------------|
| The net assets are held for various funds as follows: | | | | | |
| Restricted funds (note 16) | 845 | - | 318 | - | 1,163 |
| Unrestricted funds: | | | | | |
| - General (note 17) | 12,331 | 350 | 1,058 | (1,717) | 12,022 |
| - Pension reserve (note 21) | - | - | - | (2,345) | (2,345) |
| Total RNC | 13,176 | 350 | 1,376 | (4,062) | 10,840 |
| Total Subsidiary (note 17) | 1 | - | (132) | - | (131) |
| Total Blindcare (note 17) | - | - | 62 | - | 62 |
| Total Group | 13,177 | 350 | 1,306 | (4,062) | 10,771 |

| | Tangible fixed assets £'000 | Investm'ts £'000 | Net current assets/ (liabilities) £'000 | Long term liabilities & prov'ns £'000 | 2022 Total £'000 |
|--|--------------------------------------|---------------------|--|--|------------------------|
| At 31 July 2022 the net assets were held as follows: | | | | | |
| Restricted funds (note 16) | 685 | - | 342 | - | 1,027 |
| Unrestricted funds: | | | | | |
| - General (note 17) | 12,373 | 350 | 964 | (1,789) | 11,898 |
| - Pension reserve (note 21) | - | - | - | (1,369) | (1,369) |
| Total RNC | 13,058 | 350 | 1,306 | (3,158) | 11,556 |
| Total Subsidiary (note 17) | 1 | - | (148) | - | (147) |
| Total Blindcare (note 17) | - | - | 54 | - | 54 |
| Total Group | 13,059 | 350 | 1,212 | (3,158) | 11,463 |

The Royal National College for the Blind
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS *(continued)*
for the year ended 31 July 2023

| 16 RESTRICTED FUNDS | Balance | Income | Expenditure | Transfers | Balance |
|----------------------------|----------------|---------------|--------------------|------------------|----------------|
| | 31.7.22 | | | | 31.7.23 |
| | £'000 | £'000 | £'000 | £'000 | £'000 |
| Football Foundation Grant | 434 | - | (9) | - | 425 |
| Media Equipment | 90 | 155 | (22) | (4) | 219 |
| Overseas Scholarship Fund | 181 | - | - | (10) | 171 |
| Sport England Grant | 130 | - | (3) | - | 127 |
| Keyless Swipe System | 31 | 27 | (6) | 2 | 54 |
| IT Equipment | - | 28 | - | 6 | 34 |
| Student Garden | 41 | 2 | (11) | - | 32 |
| LED Lighting | - | 23 | (4) | - | 19 |
| Astro Pitch Scoreboard | - | 11 | (1) | - | 10 |
| Students from Malvern area | 15 | - | - | (6) | 9 |
| Spa Refurbishment | 8 | - | - | - | 8 |
| Student Activities | - | 10 | (2) | - | 8 |
| Independent Living Skills | 9 | - | (3) | - | 6 |
| Switchboard | 11 | - | (4) | (2) | 5 |
| Gym Floor Sweeper | 6 | - | (1) | - | 5 |
| Sunshades | - | 6 | (4) | - | 2 |
| Refurbish Student Gym | 26 | - | (2) | (24) | - |
| Teacher Training | 12 | (22) | - | 10 | - |
| Braille Notes & Brailiants | 10 | - | (1) | (9) | - |
| Building Maintenance | - | 80 | (80) | - | - |
| Miscellaneous Small funds | 23 | 16 | (10) | - | 29 |
| | 1,027 | 336 | (163) | (37) | 1,163 |

The Royal National College for the Blind
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS *(continued)*
for the year ended 31 July 2023

16 RESTRICTED FUNDS *(continued)*

| | Balance | | | | Balance |
|----------------------------|----------------|---------------|--------------------|------------------|----------------|
| | 31.7.21 | Income | Expenditure | Transfers | 31.7.22 |
| | £'000 | £'000 | £'000 | £'000 | £'000 |
| Football Foundation Grant | 444 | - | (10) | - | 434 |
| Overseas Scholarship Fund | 181 | - | - | - | 181 |
| Sport England Grant | 133 | - | (3) | - | 130 |
| Media Equipment | 38 | 78 | (19) | (7) | 90 |
| Student Garden | 10 | 39 | (5) | (3) | 41 |
| Keyless Swipe System | - | 26 | (1) | 6 | 31 |
| Refurbish Student Gym | 29 | 5 | (8) | - | 26 |
| Students from Malvern area | 18 | - | - | (3) | 15 |
| Teacher Training | - | 55 | (43) | - | 12 |
| Braille Notes & Brailiants | 14 | 10 | - | (14) | 10 |
| Independent Living Skills | 24 | 7 | (8) | (14) | 9 |
| Spa Refurbishment | 8 | - | - | - | 8 |
| Gym Floor Sweeper | 19 | - | (1) | (12) | 6 |
| Student Equipment | 9 | - | - | (5) | 4 |
| Running and Cycling Club | 6 | - | (4) | - | 2 |
| College Move | 105 | - | - | (105) | - |
| IT Equipment | 31 | - | (2) | (29) | - |
| European Exchange Project | 24 | - | (24) | - | - |
| Covid Costs | 18 | - | (4) | (14) | - |
| ETF Training / Filming | 10 | - | (10) | - | - |
| Building Maintenance | - | 51 | (51) | - | - |
| Miscellaneous Small funds | 28 | 27 | (19) | (8) | 28 |
| | 1,149 | 298 | (212) | (208) | 1,027 |

Once the restriction has been fulfilled in line with SORP (FRS 102), restricted assets are transferred to unrestricted funds, as shown above. Where a grant or donation has been given and the asset is required to be held for a number of years the fund has remained restricted and the appropriate depreciation has been charged against the fund.

Football Foundation

The Football Foundation awarded a grant of £1million in total towards a new Sports Centre.

Media Suite

Various grants were received towards the building of a new Media suite and the purchase of media and sound equipment, including £34,306 from the Eveson Trust and £30,000 from the Foyle Foundation.

Overseas Scholarship Fund

The Overseas Scholarship Fund is represented by cash at bank, and is only to be used for issuing scholarships to learners and teachers from abroad.

Sport England

Sport England awarded a grant of £200,000 in total towards a new Sports Centre.

Keyless Swipe System

A number of grants have been received for the purchase of a keyless swipe system to be installed on all student bedroom doors.

16 RESTRICTED FUNDS *(continued)*

IT Equipment

A number of grants and donations continue to be received for support towards the cost of specialist computer equipment and assistive technology software.

Student Garden

A number of grants were received for the development of a new student garden area.

LED Lighting

A number of grants were received to enable the lighting in the Sports Hall to be changed to LED.

Astro Pitch Scoreboard

Two grants were received towards a new electronic scoreboard alongside the astro pitch.

Students from Malvern area

A donation was received from the KJ Tandy Will Trust to assist with the education and training of ten students from the Malvern area.

Spa Refurbishment

Sponsorship and donations were received in respect of a 24 hour spinathon event, with 50% of the monies pledged towards refurbishment of the spa areas in thePoint4 sports centre.

Student Activities

A number of grants were received to enable students to undertake a wider range of extracurricular activities.

Independent Living Skills

A number of grants have been received for the purchase of equipment to be used in developing students' independent living skills.

Switchboard

A number of grants were received to enable the college to replace its outdated telephone system.

Gym Floor Sweeper

Several grants were received for the purchase of a floor sweeper to use on the main hall floor within the sports centre.

Sunshades

Three grants were received towards the cost of installation of three sunshades for the student outdoor seating areas.

Refurbish Student Gym

A number of grants and donations were received in order that the student gym could be refurbished.

Teacher Training

A grant was received from the Department for Education to enable three members of staff to undergo a two year programme of teacher training.

Braille Notes and Brailliants

A number of grants have been received for the purchase of Braille Notes and Brailliants, specialist equipment for the visually impaired.

Building Maintenance

A grant was received from the ESFA towards ongoing maintenance and upkeep of RNC buildings.

Miscellaneous Small Funds

Includes a number of separate small restricted funds for a variety of activities, including acoustic shooting equipment, mental health training, alumni events, new defibrillators and office equipment.

The Royal National College for the Blind
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS *(continued)*
for the year ended 31 July 2023

17 UNRESTRICTED FUNDS

| | Balance | Expenditure & net loss on | | | Balance |
|--|----------------|--|--------------------|------------------|----------------|
| GENERAL | 1.8.22 | Income | investments | Transfers | 31.7.23 |
| | £'000 | £'000 | £'000 | £'000 | £'000 |
| RNC (excluding pension fund valuation) | 11,898 | 6,714 | (6,298) | (292) | 12,022 |
| Pension fund | (1,369) | - | (1,305) | 329 | (2,345) |
| Trading Company | (147) | 440 | (424) | - | (131) |
| Blindcare | 54 | 88 | (80) | - | 62 |
| | <u>10,436</u> | <u>7,242</u> | <u>(8,107)</u> | <u>37</u> | <u>9,608</u> |

| | Balance | Expenditure & net loss on | | | Balance |
|--|----------------|--|--------------------|------------------|----------------|
| Prior year comparative | 1.8.21 | Income | investments | Transfers | 31.7.22 |
| | £'000 | £'000 | £'000 | £'000 | £'000 |
| RNC (excluding pension fund valuation) | 10,612 | 7,053 | (5,514) | (253) | 11,898 |
| Pension fund | (2,572) | - | 816 | 387 | (1,369) |
| Trading Company | (136) | 400 | (411) | - | (147) |
| Blindcare | - | 85 | (105) | 74 | 54 |
| | <u>7,904</u> | <u>7,538</u> | <u>(5,214)</u> | <u>208</u> | <u>10,436</u> |

18 OTHER FINANCIAL COMMITMENTS

Commitments in respect of operating lease rentals are as follows:

| | Equipment 2023 | Equipment 2022 |
|--------------------------|---------------------------|---------------------------|
| | £'000 | £'000 |
| Commitment payable: | | |
| Within one year | 31 | 45 |
| Within two to five years | 34 | 46 |
| | <u>65</u> | <u>91</u> |

19 CAPITAL COMMITMENT

At the year end, RNC had no capital commitments (2022: £190,000 committed towards the conversion of office space to a new media suite).

20 RELATED PARTY DISCLOSURES

During the year RNC recharged expenses of £269,042 (2022: £288,772) to R N C Enterprises Limited and paid £11,061 (2022: £2,305) for products and services. The amount due from R N C Enterprises Limited at the year end was £138,194 (2022: £177,221) and the amount due to R N C Enterprises Limited at the year end was £nil (2022: £nil).

RNC is the sole beneficiary of an independent charity, Blindcare (charity registration number 1020073). During the year, RNC received income of £53,325 from Blindcare (2022: £85,000). There was no balance due to or from Blindcare (2022: £nil) at the year end.

During the year RNC paid £nil (2022: £69,384) in respect of legal services to Harrison Clark Rickerby, a firm of solicitors in which Mr J Brew, a trustee of RNC, is a former partner. There was no balance outstanding at the year end.

21 PENSION OBLIGATIONS

a) Defined Benefit Scheme - TPT Retirement Solutions

RNC operates a defined benefit scheme in the UK. This is a separate trustee administered fund holding the pension scheme assets to meet long term pension liabilities. Benefits ceased to accrue within the scheme with effect from 31 March 2012. A full actuarial valuation was carried out at 30 September 2022 and the results of this have been updated to 31 July 2023 by a qualified actuary, independent of the scheme's sponsoring employer.

The most recent completed actuarial valuation, as at 30 September 2022, showed a deficit of £3,572,000. RNC has agreed with the trustee that it will aim to eliminate the deficit over a period of 9 years 8 months from 1 April 2024 by payment of contributions of £332,688 per annum (payable monthly). In addition, from 1 April 2024, RNC will pay £77,340 per annum (payable monthly) to cover scheme expenses (including the Pension Protection Fund levy), increasing by 3% per annum.

Present values of defined benefit obligation, fair value of assets and defined benefit liability

| | 31 July 2023 | 31 July 2022 |
|---|---------------------|---------------------|
| | £000 | £000 |
| Assets | | |
| Equity Type | 366 | 553 |
| Bonds | 1,721 | 5,812 |
| Property | 935 | 1,231 |
| Other | 1,829 | 3,190 |
| LDI | 5,759 | 5,217 |
| Cash | 451 | 196 |
| | <hr/> | <hr/> |
| Fair value of plan assets | 11,061 | 16,199 |
| Present value of defined benefit obligations | (13,406) | (17,568) |
| | <hr/> | <hr/> |
| Deficit in plan | (2,345) | (1,369) |
| | <hr/> | <hr/> |
| Defined benefit liability to be recognised under FRS102 | (2,345) | (1,369) |
| | <hr/> | <hr/> |

None of the market values of the assets shown above include any direct investments in RNC's own financial instruments or any property occupied by, or other assets used by, RNC.

The Royal National College for the Blind
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS *(continued)*
for the year ended 31 July 2023

21 PENSION OBLIGATIONS *(continued)*

Change in assets during the year

| | 2023 £'000 | 2022 £'000 |
|---|-----------------------------|-----------------------------|
| Assets at the start of the year | 16,199 | 21,044 |
| Interest income on assets | 561 | 345 |
| Expenses | (128) | (79) |
| Experience on plan assets (excluding amounts included in interest income) | (5,517) | (5,002) |
| Employer contributions | 500 | 506 |
| Benefits paid | (554) | (615) |
| Assets at the end of the year | <u>11,061</u> | <u>16,199</u> |

Change in liabilities during the year

| | 2023 £'000 | 2022 £'000 |
|--|-----------------------------|-----------------------------|
| Liabilities at the start of the year | 17,568 | 23,616 |
| Interest expense | 604 | 385 |
| Actuarial gain on changes in assumptions | (4,405) | (6,654) |
| Actuarial loss due to scheme experience | 193 | 836 |
| Benefits paid | (554) | (615) |
| Liabilities at the end of the year | <u>13,406</u> | <u>17,568</u> |

Analysis of amount charged to income statement

| | 2023 £'000 | 2022 £'000 |
|--|-----------------------------|-----------------------------|
| Expenses | 128 | 79 |
| Interest income on assets | (561) | (345) |
| Interest cost of defined benefit obligation | 604 | 385 |
| Total expense recognised in the statement of financial activities | <u>171</u> | <u>119</u> |

Actuarial gain recognised in Statement of Financial Activities

| | 2023 £'000 | 2022 £'000 |
|---|-----------------------------|-----------------------------|
| Return on assets excluding interest income | (5,517) | (5,002) |
| Experience losses on scheme liabilities | (193) | (836) |
| Gain/(loss) due to change in demographic assumptions | 519 | (84) |
| Gain due to change in financial assumptions | 3,886 | 6,738 |
| Actuarial gain recognised in statement of financial activities | <u>(1,305)</u> | <u>816</u> |

The Royal National College for the Blind
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS *(continued)*
for the year ended 31 July 2023

21 PENSION OBLIGATIONS *(continued)*

Movement in balance sheet liability during the year

| | 2023 | 2022 |
|---|----------------|----------------|
| | £'000 | £'000 |
| Deficit in plan at the start of the year | (1,369) | (2,572) |
| Net interest cost | (43) | (40) |
| Expenses | (128) | (79) |
| Re-measurements included in the statement of financial activities | (1,305) | 816 |
| Employer contributions | 500 | 506 |
| Deficit in plan at the end of the year | <u>(2,345)</u> | <u>(1,369)</u> |

| Assumptions | 2023 | 2022 | 2021 |
|-------------------------------|--------------------------|--------------------------|--------------------------|
| | % p.a. | % p.a. | % p.a. |
| Discount rate | 5.23 | 3.49 | 1.65 |
| Inflation (RPI) | 3.14 | 3.16 | 3.20 |
| Inflation (CPI) | 2.68 | 2.63 | 2.60 |
| Deferred revaluations | 3.14 | 3.16 | 3.20 |
| Earnings growth | 3.18 | 3.13 | 3.10 |
| Pension increases in payment: | | | |
| RPI max 5.5% pa | 3.08 | 3.10 | 3.15 |
| Pension increases in payment: | | | |
| CPI max 2.5% pa | 1.92 | 1.90 | 1.90 |
| Allowance for commutation | 75% of maximum allowance | 75% of maximum allowance | 75% of maximum allowance |

The mortality assumptions adopted at 31 July 2023 imply the following life expectancies:

| | Life expectancy at age 65 (years) |
|-------------------------|--------------------------------------|
| Male retiring in 2023 | 21.1 |
| Female retiring in 2023 | 23.4 |
| Male retiring in 2043 | 22.7 |
| Female retiring in 2043 | 24.8 |

b) Defined Contribution Scheme - TPT Retirement Solutions (TPTRS)

During the year RNC contributed to a Defined Contribution Scheme for non-teaching staff. It is operated by TPTRS and the assets/(liabilities) in the scheme are held separately from those of RNC. During the year RNC paid contributions of £50,909 (2022: £50,317) to the scheme and at the year end £14,347 (2022: £11,674) was outstanding in respect of contributions to this scheme.

21 PENSION OBLIGATIONS *(continued)*

c) Defined Benefit Scheme - Teachers' Pension Scheme

RNC participates in the Teachers' Pension Scheme ("the TPS") for its teaching staff. The pension charge for the year includes contributions payable to the TPS of £300,845 (2022: £268,471) and at the year end £33,840 (2022: £31,249) was accrued in respect of contributions to this scheme.

The TPS is an unfunded multi-employer defined benefits pension scheme governed by The Teachers' Pensions Regulations 2010 (as amended) and The Teachers' Pension Scheme Regulations 2014 (as amended). Members contribute on a 'pay as you go' basis with contributions from members and the employer being credited to the Exchequer. Retirement and other pension benefits are paid by public funds provided by Parliament.

The employer contribution rate is set by the Secretary of State following scheme valuations undertaken by the Government Actuary's Department. The most recent actuarial valuation of the TPS was prepared as at 31 March 2020 and the valuation report was published in October 2023.

Following the McCloud judgement, the remedy proposed that when benefits become payable, eligible members can select to receive them from either the reformed or legacy schemes for the period 1 April 2015 to 31 March 2022. The actuaries have assumed that members are likely to choose the option that provides them with the greater benefits, and in preparing the 2020 valuation have valued the 'greater value' benefits for groups of relevant members.

The valuation confirmed that the employer contribution rate for the TPS would increase from 23.6% to 28.6% from 1 April 2024. Employers are also required to pay a scheme administration levy of 0.08% giving a total employer contribution rate of 28.68%.

22 CONTINGENT LIABILITY

RNC operates a defined benefit pension scheme in the UK, through TPT Retirement Solutions, and have been made aware that some historical changes made to the scheme's benefits may not have been in accordance with the scheme rules. The trustees of the pension scheme are seeking court direction as to whether the changes were made in accordance with the rules and whether they have the power to make changes in respect of benefits built up after the date the changes were made. The court ruling could potentially give rise to an additional liability for RNC. As the pension scheme trustees are currently going through the court process any potential liability has not been recorded in the balance sheet.

The Royal National College for the Blind
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS *(continued)*
for the year ended 31 July 2023

23 (a) RECONCILIATION OF NET INCOME TO NET CASH FLOWS FROM OPERATING ACTIVITIES

| | 2023 | 2022 |
|--|--------------|--------------|
| | £'000 | £'000 |
| Net income for the year as per the Statement of Financial Activities | 613 | 1,594 |
| <i>Adjustments for:</i> | | |
| Gain on sale of assets | - | (4) |
| Gain on investments | - | (75) |
| Interest paid | 117 | 80 |
| Depreciation charges | 371 | 347 |
| Bank interest received | (23) | (1) |
| Payment into Defined Benefit Pension Scheme | (500) | (506) |
| Pension FRS102 adjustment | 171 | 119 |
| Increase in stock | - | (1) |
| Decrease / (increase) in debtors | 162 | (239) |
| Increase / (decrease) in creditors | 16 | (27) |
| Net cash generated by operating activities | <u>927</u> | <u>1,287</u> |

23 (b) ANALYSIS OF CASH AND CASH EQUIVALENTS

| | 2023 | 2022 |
|--|--------------|--------------|
| | £'000 | £'000 |
| Cash at bank and in hand | 1,868 | 1,579 |
| Total cash and cash equivalents | <u>1,868</u> | <u>1,579</u> |

23 (c) CHANGE IN NET DEBT

| | 2023 | 2022 |
|---------------------------------|--------------|--------------|
| | £'000 | £'000 |
| Net debt brought forward | 1,954 | 2,384 |
| Repayment of borrowing | (155) | (402) |
| New finance lease | 131 | - |
| Repayment of finance lease | (31) | (28) |
| Net debt carried forward | <u>1,899</u> | <u>1,954</u> |

The Royal National College for the Blind
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS *(continued)*
for the year ended 31 July 2023

24 PRIOR YEAR ANALYSIS OF CONSOLIDATED STATEMENT OF FINANCIAL ACTIVITIES

| | Unrestricted Funds £'000 | Restricted Funds £'000 | Total 2022 £'000 |
|--|--------------------------------|------------------------------|------------------------|
| Income from: | | | |
| Donations and legacies | 259 | 192 | 451 |
| Charitable activities | 6,210 | 106 | 6,316 |
| Other trading activities | 414 | - | 414 |
| Investments | 1 | - | 1 |
| Other income | 579 | - | 579 |
| TOTAL INCOME | 7,463 | 298 | 7,761 |
| Expenditure on: | | | |
| Raising funds | 508 | - | 508 |
| Charitable activities | 5,522 | 212 | 5,734 |
| TOTAL EXPENDITURE | 6,030 | 212 | 6,242 |
| Net gain on investments | 75 | - | 75 |
| NET INCOME | 1,508 | 86 | 1,594 |
| Transfers between funds | 208 | (208) | - |
| Other recognised gains | | | |
| Actuarial gain on defined benefit pension scheme | 816 | - | 816 |
| NET MOVEMENT IN FUNDS | 2,532 | (122) | 2,410 |
| Total funds brought forward | 7,904 | 1,149 | 9,053 |
| Total funds carried forward | 10,436 | 1,027 | 11,463 |