



Annual Report and Financial Statements
2019/20

CHAIRMAN'S INTRODUCTION

for the year ended 31 July 2020

I am pleased to present the Royal Veterinary College's (RVC) Annual Report and Financial Statements for the year 2019/20. This has been my first year as Chairman of Council and what a year!

Drawing a line in the sand in the middle of a pandemic, as our Financial Year reporting deadline requires, has been an interesting exercise with uncertainty and change pervading all of our operations. That we are able to look back on the last 12 months with some degree of satisfaction is comforting, as these foundations will be critical in the coming years as we forge our recovery in what is a vastly altered environment for Higher Education.

With nearly half of the period under report affected by the spread of COVID-19 through society, there is no doubt that several elements of our performance have been under pressure. However, with a precautionary approach, the RVC has, thus far, managed the crisis and navigated a course that has delivered an outcome in line with budget for 2019/20 and set a more positive trajectory than the more conservative scenarios in our mid-year financial modelling had indicated. That said, with the financial pressures that predated COVID-19, the
ture from the
EU, and with a range of new calls on our resources, there is much work to be done to maintain the sustainability and levels of investment that we know are required for long term success.

Addressing these challenges has required enormous effort, patience and understanding from all at the RVC – our staff, our students, my colleagues on Council and, importantly, our external stakeholders.

In particular, the shift to blended delivery of our teaching and the adaptation of hospital processes to maintain our clinical services, accompanied by the

required significant additional outlay on many of our systems. If ever proof was needed that remote learning was not a cheap option, this has provided it.

Throughout, we have remained committed to our standards in all areas of our business as it will be the maintenance of these markers of quality that will allow RVC to continue to deliver to its mission locally, nationally and internationally. We do not underestimate the challenges ahead and remain alert to how rapidly the situation can change. We will continue to adopt a precautionary approach, with the health and safety of our community at the forefront of our thinking.

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STRATEGIC AND FINANCIAL REVIEW for the year ended 31 July 2020

Context and Risk Analysis

Founded in 1791, the Royal Veterinary College (RVC) was the first of its kind in the UK and remains the only independent Higher Education institution dedicated to teaching and research in the veterinary and allied sciences, whilst also benefiting from being a member institution of the federal University of London. As one of the largest veterinary schools in Europe, RVC also provides the most extensive veterinary, para-veterinary and animal science undergraduate and postgraduate courses of any veterinary school in the world.

refreshed and are set out in its extended Strategic Plan to 2021. The three pillars of our mission are: Education, discovery and translation of new knowledge and delivery of optimal clinical care and opinion. Above all, the RVC seeks to push back the frontiers of what is possible in veterinary medicine and its associated sciences.

The College has adopted a range of Key Performance Indicators to assess its progress against its Strategic Plan. Areas covered include: student recruitment, retention and employability; improving the student experience.

and diversifying the support we provide to meet the needs of this changing student body.

The COVID-19 pandemic has led to more of our student support services being delivered online and this has proved effective in providing students more choice and opportunity to access these services. Significant work has been done by widening participation and recruitment teams to further increase applications and admission from under-represented groups to reach the ambitious targets we have set in our Access and Participation Plan 2020-25. Again, the move to online activity has resulted in a significant increase in outreach and engagement with students from these groups.

The pandemic has also strengthened the collaborative work between the College and the

initiatives, in particular the Race Equality Task Group, which aims to raise awareness of race equality issues across the RVC community.

The establishment of the Learning and Wellbeing Directorate has focused our efforts in supporting all students to reach their potential through managing their health and wellbeing. Combined with a sustained programme of enhanced student engagement and representation, this has reinforced the place of the student at the centre of our mission. This strategy is continuing to have a

were proud to be ranked second in the world among veterinary educational establishments by the prestigious QS rankings. This evidences the high quality of the educational experience we offer.

Our Research and innovation

Acquisition of funding for research remains strong, in particular our ability to attract funding from medical sources for public health and translational research involving large animal experimental models and veterinary patients. The total value of grants and contracts awarded during the 2019 calendar year was £16.5m, which is a record total for the RVC and includes two UKRI Hubs. Grants awarded to date in 2020 (£12.0m in the first 8 months) show continued successes both in the Global Challenges Research Fund (GCRF)

competitions, COVID -19 emergency funding and from new academic appointments made in strategically important areas targeted for the Research Excellence Framework(REF) 2021. The College has also had recent success in securing capital grant funding (£2.1m) from the Hertfordshire Local Enterprise Partnership for a Translational Research Centre (including a 3T MRI) and £1.25m from the Wolfson Foundation towards the development 871 0 595.32 841.(41.92 re W*Q-1

recognise that, in order to succeed, we need to attract, develop and retain a highly skilled workforce from a range of diverse backgrounds to work in a collaborative and supportive way in line with the RVC Behaviours Framework.

Employment strategy is considered by the RVC Council, through the Finance and General Purposes Committee and the Remuneration Committee. In addition, regular meetings are held between management and Recognised Trade Unions (RTUs). The College strives to work collaboratively and constructively with the RTUs locally and contributes nationally to the aims and objectives of the Universities & Colleges Employers Association through participation in annual consultations about national pay award negotiations and other matters.

The RVC values its highly skilled workforce and supports positive and proactive engagement with its Behaviours Framework as part of a commitment to professionalism and personal development at all levels. It offers a broad range of personal, professional and skills-based development opportunities through a structured annual programme including leadership and management, health and safety and wellbeing. Due to the COVID-19 restrictions, many training courses have been adapted in order to facilitate remote delivery. Specific training and networking

monitors leading and lagging KPIs including

Equality Impact Assessments and risk assessments to cover both employees working from home and planning for the phased

Financial review

Scope of the Financial Statements

depreciation impact. Operating cash flow in 2019/20 was £13.4m, representing 13.3% (2019: 12.3%) of

distorted by the impact of the reporting of movements in the valuation of the pension provision. The overall movement on this was a credit of £9.9m in 2019/20 compared to a debit of £12.9m in 2018/19. Adjusting for these items, expenditure was £100.1m: an increase of £4.3m (4.5%) which is explained in the following paragraphs.

Staff costs excluding the pension provision adjustment, were £57.8m, increasing by 6.8% on the prior year, representing 53% of turnover (2019: 53%). The increase was a combination of incremental pay progression, a 2.0% national pay award, the full year effect of a 1.5% increase in the USS employer contributions from April 2019 and a further increase of 1.6% in October 2019. In addition, staff numbers, expressed as FullTime Equivalents (FTEs), increased by 2.6% to 961. The increase was primarily due to fixed-term staff working on externally funded projects.

Other operating expenses at £32.8m, reduced by 3.8%. Of this, 1.2% (£0.4m) was due to a reclassification of amortisation costs under

remainder is attributable to a reduced volume of activity, notably in the hospitals, in the latter part of the financial year due to COVID-19. Cost savings also arose from campus depopulation and curtailment of travel and events.

Depreciation and amortisation costs increased by 31% to £8.3m. Of this, 8% was due to the aforementioned reclassification of amortisation costs. The remainder of the increase primarily relates to completion of the major refurbishment works at the Camden campus as well as the purchase of clinical and research equipment and investment in IT. Amortisation costs (£0.4m) represent the write-off over a 10-year period of goodwill relating to the acquisition of A corn House Veterinary Hospital through RVC Veterinary Practices Ltd.

Interest and other finance costs, at £1.6m, include interest charges (£1.2m) relating to external financing (£45m pri9.96 Tf 0x96 Tf s (£1.2m) relating 7s16)re£454ut

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process, with formal sign-off by the Trustee and Pension Regulator, is June 2021. Please refer to Note 38: Pension Schemes for further information.

Future outlook

referenced the uncertain external environment for higher education; however, the current circumstances pose unprecedented challenges few, if any, could have envisaged.

positive. Nevertheless, given the various challenges students are facing, there is a risk of increased student attrition. Given the popularity of the

opportunities to restore some of this loss from future intakes, if necessary. However, as stated previously, eviden

susceptible to infection with the virus causing Peste des Petits Ruminants (PPR) is informing the Food and Agriculture Organization Eradication Plan for PPR.

The College is active in research to develop new vaccines for poultry and pigs; both major food-producing species globally. By reducing the need to

Knowledge Quarter to deliver local activities in central London and we also attend science fairs and community festivals in local areas and public festivals around the country. It is the intention that this work will continue in both a virtual and face-to-face format.

We work in collaboration with numerous partners to deliver education for the common good. Such partners include: The Royal Society, Francis Crick Institute, Wellcome Trust, Natural History Museum, Royal Society of Biology, Society of Physiology, and the Royal Society of Chemistry.

We are continuing to build on our local community engagement particularly working to build stronger relationships in Welwyn Hatfield to build on our more established programme in Camden. Our audiences include local residents, schools and community groups. Prior to COVID-19 and the

STATEMENT OF RESPONSIBILITIES OF THE COLLEGE COUNCIL
in respect of the Annual Report and the Financial Statements
for the year ended 31 July 2020

The Council is responsible for preparing the Annual Report and Financial Statements in accordance with the terms and conditions of the grant and applicable law and regulations.

The financial statements are prepared in accordance with UK accounting standards and applicable law (UK Generally Accepted Accounting Practice), including FRS 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland. The terms and conditions of funding further require the financial statements to be prepared in accordance with the 2019 Statement of Recommended Practice Accounting for Further and Higher Education, in accordance with the requirements of the Accounts Direction issued by the Office for Students. The Council is required to prepare financial statements which give a true and fair view of the state of affairs of the Group and parent College and of their income and expenditure, gains and losses and changes in reserves for that period.

In preparing the Group and parent College financial statements, the Council is required to:

- x select suitable accounting policies and then apply them consistently;
- x make judgements and estimates that are reasonable and prudent;
- x state whether applicable UK accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- x state any matters related to going concern; and
- x use the going concern basis of accounting unless they either intend to liquidate the Group or the parent College or to cease operations, or have no realistic alternative but to do so.

The Council is responsible for keeping proper accounts and proper records in relation to the accounts. It is also responsible for such internal control as it determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error, and has general responsibility for taking such steps as are reasonably open to it to safeguard the assets of the Group and to prevent and detect fraud and other irregularities.

The Council is also responsible for ensuring that:

- x funds from whatever source administered by the Group or the College for specific purposes have been properly applied to those purposes and managed in accordance with relevant legislation;
- x funds provided by the Office for Students and Research England have been applied in accordance with the terms and conditions attached to them;
- x there are appropriate financial and management controls in place to safeguard public funds and funds from other sources; and
- x

The Council is responsible for the maintenance and integrity of the corporate and financial information included in the financial statements. The financial statements may differ from legislation in other jurisdictions.

CORPORATE GOVERNANCE STATEMENT for the year ended 31 July 2020

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The Royal Veterinary College (RVC) is committed to ensuring it operates in accordance with identified good practice in all aspects of its corporate governance. The RVC is confident that for the year ended 31 July 2020 it is fully compliant with all those elements of the Higher Education Code of Governance issued by the Committee of University Chairs (CUC) in December 2015 and revised in June 2018. It continues to monitor and ensure that its compliance with the Code is as effective and efficient as it should be and that recommendations are not only met but exceeded, where considered appropriate. In accordance with the CUC Code, the RVC has adopted a Statement of Primary Responsibilities as part of its governance arrangements. The RVC, through the management and governance arrangements detailed below also monitors compliance with, and maintains appropriate controls to ensure that it meets, the conditions of registration with the Office for Students (OfS), as well as other relevant regulatory responsibilities.

The Council of the RVC has an on-going process for identifying, evaluating and managing significant risks relating to the delivery of institutional strategic and operational objectives. This process has been in place for the year ending 31 July 2020 and up to the date of the Council's approval of the Annual Report and Accounts. The risk register is subject to regular review by the Council and is available to the Council members at every meeting.

The RVC can trace its history as a corporate body back to 1791 and is an independent body, whose legal status derives from its Royal Charter. Its objects, powers and framework of governance are set out in the Charter and its supporting Statutes, which were most recently revised in 2010 and are currently still pending approval by the Office for Students (OfS) and Privy Council following recent revisions arising as a consequence of amendments to the

University title.

The Charter and Statutes require that the governance of the RVC shall be vested in the Council, which, as the governing body, is collectively responsible for overseeing the institution's activities.

Statement of internal control

The Council, as governing body, is responsible for ensuring that the RVC has a sound system of internal control and for reviewing its effectiveness. Such a system is designed to understand and manage rather than eliminate the risk of failure to achieve business objectives and can only provide reasonable and not absolute assurance against material misstatement or loss. The risk management process covers business, operational and compliance risks as well as financial risks.

The College's system of internal control, which is designed to discharge the responsibilities set out in the Statement of Responsibilities of the Council, includes the following elements:

- x clear definitions of the responsibilities and delegated authority of heads of academic and administrative departments;
- x a comprehensive medium and short-term planning process, supplemented by detailed annual income, expenditure, capital and cash flow budgets;
- x regular reviews of academic performance and monthly reviews of financial results involving variance reporting and quarterly updates of forecast outturns;
- x clearly defined and formalised requirements for approval and control of expenditure, with investment decisions involving capital or revenue expenditure being subject to formal appraisal and review according to approval limits set by the Council;
- x Financial Regulations, together with supporting financial policies and procedures, approved by Finance & General Purposes Committee and/or Audit Committee as appropriate; and
- x a professional Internal Audit team, provided by an external firm, whose annual programme is approved by the Audit Committee, and endorsed by Council. The Head of Internal Audit provides Council with an annual report on internal audit activity within the College, and a view on the adequacy and effectiveness of the College's system of internal control, including internal financial control.

Planning of both external and internal audit work is risk-based informed by the Strategic Risk Register. On the recommendation of Audit Committee, the Council has adopted a revised Risk Management Annual Report and Financial Statements 2019/20

approach to risk management. It ensures that key risks are identified and managed appropriately, and that risk management is integrated with planning activity, operational plans and performance monitoring.

In accordance with the Strategy and Policy:

- x the Council has charged Audit Committee with keeping the integrity and effectiveness of the which duty is discharged by regular oversight of the Strategic Risk Register; and
- x the College Executive Committee supports the Principal in discharging the responsibility for implementation of the Strategy and Policy as well as ensuring that risk management is embedded in strategic and operational decision-making processes. It also ensures ownership of risk management throughout the organisation (including the identification and management of risks) and regularly reviews strategic and operational risk registers.

During the year, the College re-tendered its audit services. BDO have been appointed as external auditors commencing with the 2019/20 audit. KPMG are the new internal auditors with effect from the 2020/21 financial year.

The Audit Committee, on behalf of the Council, has reviewed the effectiveness of the College's system of internal controls, and found it provides reasonable assurance against material misstatement or loss. Given the potential for increased risks to internal controls due to alternative working arrangements during the pandemic, Audit Committee charged

financial governance during COVID -19. This gave an assurance rating of

The Council ensures there are adequate and effective arrangements in place to manage public funds appropriately in line with the conditions of grant and the principles of regularity, propriety and value for money and to protect the interests of taxpayers and other stakeholders. This is achieved through the operation of policies which are regularly tested by internal and external audit or other internal monitoring with appropriate reports through to the

Other information

The Council are responsible for the other information. Other information comprises the information included in the annual statements does not cover the other information and we do not express any form of assurance conclusion thereon. In connection with our audit of the financial statements, our responsibility is to read the other information

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

We have nothing to report in this regard.

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In our opinion, in all material respects:

- x Funds from whatever source administered by the College for specific purposes have been properly applied to those purposes and managed in accordance with relevant legislation.
- x Funds provided by the OfS, UK Research and Innovation (including Research England) have been applied in accordance with the relevant terms and conditions .
- x

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

- x

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.

A further description of our responsibilities for the audit of the financial statements is located on the Financial : www.frc.org.uk/auditorsresponsibilities . This description forms part of our

In addition, we also report to you whether income from funding bodies, grants and income for specific purposes and from other restricted funds administered by the College have been properly applied only for the purposes for which they were received and whether income has been applied in accordance with the Statutes and, where appropriate, with the Terms and Conditions of Funding with the OfS and Research England.

Use of our report

This report is made solely to the Council, as a body, in accordance with Section 75 of the Higher Education Research Act 2017.

CONSOLIDATED STATEMENT OF CASH FLOWS
for the year ended 31 July 2020

		Consolidated	
		2020	2019
		£'000	£'000
Cash flow from operations	1,234,567	1,234,567	1,234,567
Cash flow from investing activities	(123,456)	(123,456)	(123,456)
Cash flow from financing activities	(567,890)	(567,890)	(567,890)
Change in cash and cash equivalents	(456,789)	(456,789)	(456,789)
Cash and cash equivalents at the beginning of the year	1,234,567	1,234,567	1,234,567
Cash and cash equivalents at the end of the year	777,778	777,778	777,778

The accompanying policies and notes on pages 40 to 79 form part of these financial statements.

STATEMENT OF PRINCIPAL ACCOUNTING POLICIES for the year ended 31 July 2020

a. Basis of preparation

These financial statements have been prepared in accordance with the Statement of Recommended Practice (SORP) Accounting for Further and Higher Education, 2019 edition FEHE SORP 2019 in accordance with Financial Reporting Standards (FRS 102).

RVC

benefit entity and therefore has applied the relevant public benefit requirements of FRS 102. The financial

Revenue grant funding

living animals or plants held as assets from which economic benefits flow to the RVC.

Agricultural produce is the harvested product of a biological asset. The RVC support student learning include breeding sheep which are stated at fair value. The values held for these assets are not considered material for separate disclosure as a non-current asset and are shown as a current asset within Farm stocks. Changes in fair value less costs to sell are recognised in the Statement of Comprehensive Income.

Other stocks are stated at the lower of their cost and net realisable value. For practical purposes, it is assumed that net realisable value is the same as either the cost charged on to external customers or the cost of the equivalent item most recently purchased. Stocks are valued at the lower of cost and expected selling price. Stock counts are carried out as close to the year end as is practically feasible with estimates for stock movements being used where appropriate.

Stocks of consumables held for administrative purposes and in academic departments are expensed during the year and are not valued on the Statement of Financial Position.

t. Cash and cash equivalents

Cash includes cash in hand and deposits repayable on demand.

Cash equivalents are short-term, highly liquid investments that are readily convertible to known amounts of cash with insignificant risk of change in

NOTES TO THE FINANCIAL STATEMENTS
for the year ended 31 July 2020

1. Tuition Fees and Education Contracts

	2020	2019	2020	2019	
Research training support grants	754	754	864	864	Research training support grants
Short course fees	925	925	1,129	1,129	Short course fees
Total	34,126	34,126	30,846	30,849	

2. Funding Body Grants

	2020 Consolidated and RVC £'000	2019 Consolidated and RVC £'000	
Recurrent grants			
Other specific grants	1,197	1,197	
Research training support grants	754	754	
Short course fees	925	925	
Specific grants			
Higher Education Innovation Fund	1,418	1,222	
Other specific grants	1,197	1,197	
Total	34,126	30,849	

3. Research Grants and Contracts

	2020 Consolidated and RVC £'000	2019 Consolidated and RVC £'000
Research councils	14,418	14,210
Other research grants and contracts	2,576	8,012
Total	16,994	12,226

Under UK government, local and health bodies in 2020 is a sum of £6,490k (2019: £510k). Included under research grants and contracts.

4. Other Income (including Clinical and Related Income)

	2020		2019	
	Consolidated £'000	RVC £'000	Consolidated £'000	RVC £'000
Residences, catering and conferences	2,236	2,079	3,126	3,077
Rent and other income	3,339	3,253	4,230	4,590
Subsidiaries trading income	2,549	-	2,494	-
Government grant - CJRS	541	499	-	-
Other income	8,665	5,831	9,850	7,667
Total	24,233	21,683	24,796	22,471
Total	32,898	27,514	34,646	30,138

RVC and its subsidiary entities have received government grant support under the UK government's COVID-19 furlough scheme (Coronavirus Job Retention Scheme [CJRS]), amounting to £541k.

5. Investment Income

	2020		2019	
	Consolidated	RVC	Consolidated	RVC
Investment income from investments	4,300	4,300	4,300	4,300
Interest income from bank deposits	2,100	2,100	2,100	2,100
Dividend income from investments	1,200	1,200	1,200	1,200
Other income	1,000	1,000	1,000	1,000
Total	8,600	8,600	8,600	8,600

6. Donations and Endowments

	2020		2019	
	Consolidated	RVC	Consolidated	RVC
Donations	0	0	0	0
Endowments	0	0	0	0
Total	0	0	0	0

7. Grant and Fee Income

	2020		2019	
	Consolidated £'000	RVC	Consolidated £'000	RVC
Grant income from the Office for Students	14,367	14,367	14,662	14,662
Other grants	1,200	1,200	1,200	1,200
Fees	1,000	1,000	1,000	1,000
Total	16,567	16,567	16,862	16,862

8. Staff Costs

The average number of staff (including senior post holders) employed by the RVC Group during the year

	2019	2020
Number	Consolidated	Consolidated
Academic departments	206	219
Academic services	67	73
Research and development	57	55
Administrative services	30	30
Finance	41	41
Staff support and technical	17	19
Total	367	377

	2020	2019
£'000	Consolidated	Consolidated
Salaries	43,643	43,033
Social security costs	1,441	1,362
Pension contributions - defined contribution	7,040	6,270
Redundancy costs	99	111
Gratuities provided	57,882	58,238
Provision for annual leave	12,269	12,740
Total staff costs	123,374	121,754

9. Remuneration of Senior and Higher Paid Staff continued

With the latter months of the academic and financial year disrupted by the COVID -19 pandemic, Professor Reid has displayed exceptional and exemplary leadership in his oversight and direction of the major adjustments required across the College to protect the health and safety of students and staff whilst maintaining business continuity.

respectively. As the Principal is required to live within a reasonable travelling distance of the College, the accommodation k and £12k

11. Interest and Other Finance Costs

	2020		2019	
	Consolidated £'000	RVC £'000	Consolidated £'000	RVC £'000
Private placements (interest payable)	1,014	1,014	1,014	1,014
Other interest payable	247	247	247	247
Finance income	(22)	(22)	(22)	(22)
Exchange differences	(5)	(5)	(5)	(5)
Total	1,054	1,034	1,234	1,234

12. Other Operating Expenses and Analysis of Expenditure by Activity

2019/20	Staff Costs £'000	Other Operating Expenses £'000	Depreciation and Amortisation £'000	Interest and Other Finance Costs £'000	2020 Total £'000
Academic departments	16,859	5,147	147	2	22,155
Administrative departments	1,234	3,456	123	1	4,814
Support services	567	1,234	45	0	1,846
Research and development	1,234	2,345	67	0	3,646
Other	1,234	2,345	67	0	3,646
Total	20,728	12,289	386	3	23,406

12. Other Operating Expenses and Analysis of Expenditure by Activity continued

Other audit work includes the following:

	2020	
	£	
Audit of Subsidiaries' financial statements	31,100	
Other audit work	25,700	
Total	56,800	

Non-audit services relate to Corporation Tax compliance and submission of the RVC's and subsidiaries' Corporation Tax returns and financial statements and include:

2020	
£	
16,650	Tax compliance services London BioScience Innovation Centre Ltd.
2,000	service charge audit
9,800	External professional services

All members (Trustees) of Council have received no remuneration for acting as a member of Council. Staff and, where applicable, as officers of Council.

13. Access and Participation Plan

		2020		2019	
		Consolidated	RVC	Consolidated	RVC
At 1 July 2019		1,238	1,238	1,238	1,238
Transfer to the Access and Participation Fund		1,238	1,238	1,238	1,238
At 31 July 2020		2,476	2,476	2,476	2,476

14. (Loss) on Disposal or Impairment of Fixed Assets

These Financial Statements include a loss on disposal of fixed assets in 2018/19 as follows:

	2020		2019	
	Consolidated	RVC	Consolidated	RVC
Disposal of fixed assets, equipment	1,238	1,238	1,238	1,238
Impairment of fixed assets	1,238	1,238	1,238	1,238
At 31 July 2020	2,476	2,476	2,476	2,476

17. Intangible Assets and Goodwill

	Consolidated £'000	RVC £'000	Consolidated £'000	RVC £'000
Software				
Gross book value at 1 August	1,902	1,902	1,809	1,809
Additions in the year	22	22	93	93
Gross book value at 31 July	1,924			

18. Tangible Assets

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RVC Veterinary Practices Limited carried out an impairment review of fixed assets for the year ended 31 July 2020. This led to a net write-back of impairments of £53,876 which is included within Other operating expenses in the Consolidated Statement of Comprehensive Income.

18. Tangible Assets continued

RVC Under Finance Leases		Consolidated fixtures, fittings and equipment (including assets held by the trust included above) were as follows:	
		2020	2019
		£'000	£'000
Cost	2,000	2,000	2,000
Accumulated depreciation	(1,000)	(1,000)	(1,000)
Net book value	1,000	1,000	1,000

The freehold land comprising the Royal Veterinary College estate was valued as part of a valuation of land and buildings as at 31 July 2014 by an external valuer, Gerald Eve LLP, a regulated firm of Chartered Surveyors. The valuation was prepared in accordance with the requirements of the RICS Valuation - Professional Standards January 2014 amendment, and April 2015 UK amendment and Financial Reporting Standard 102 and the 2014 Statement of Recommended Practice Accounting for Further and Higher Education. The valuation was undertaken on a Fair Value basis, with specialised properties valued by reference to Depreciated Replacement Cost, and with non-specialised properties valued on a Fair Value basis equating to Market Value on the assumption of a continuation of the existing use. The valuation was reported under the special assumptions to exclude any value of development opportunities for which planning permission would be required and has not been granted or where development has not yet commenced.

19. Heritage Assets

		2020	2019		
Cost	4,583	4,583	4,583	4,583	At 31 July
Accumulated depreciation	(1,000)	(1,000)	(1,000)	(1,000)	At 31 July
Net book value	3,583	3,583	3,583	3,583	At 31 July
There were no additions or disposals in the year.					
The College holds various valuable works of art and publications in its collection. These comprise three main categories: books, paintings and objects of art. The collection is held for the benefit of the College and its students. The collection is held for their contribution to knowledge and culture. Works of art are stated at their insurance valuation. The most recent valuation was undertaken by Bonhams as at 31 July 2017.					
Heritage assets are held for their contribution to knowledge and culture. Works of art are stated at their insurance valuation. The most recent valuation was undertaken by Bonhams as at 31 July 2017.					

20. Investments

Movement on the investment long-term portfolio comprises:					
	2020		2019		
	Consolidated £'000	RVC £'000	Consolidated £'000	RVC £'000	
At 1 August	13,652	10,543	12,748	9,816	
Acquisitions	8,019	6,196	3,842	3,842	Acquisitions
Disposals	(7,647)	(5,922)	(3,378)	(4,431)	Disposals
Realised gains	113	89	34	44	Realised gains
Net additions	481	303	498	455	Net additions
At 31 July	14,133	10,846	13,246	10,271	
	<u>13,652</u>	<u>10,543</u>	<u>12,748</u>	<u>9,816</u>	

The consolidated investments portfolio is managed by UBS AG except for some specific direct investments held directly by the RVC. Term deposits placed by UBS on behalf of the RVC are disclosed in Note 26 (Investments - Short-term).

22. Subsidiary and Consolidated Entities

The subsidiary undertakings which are wholly owned or effectively controlled by the RVC are as follows:

Company	Holding	Nature of Business	Jurisdiction where registered	Shareholding
London BioScience Innovation Centre Limited	100%	Laboratory and offices for bioscience companies	England and Wales (no. 04013123)	123,000 ordinary £1
RVC Veterinary Practices Limited	100%	Veterinary practice	England and Wales (no. 11293077)	4,150,000 ordinary £1
RVC Developments Limited	100%	Construction services provided to RVC	England and Wales (no. 07114564)	2 ordinary £1
Royal Veterinary College (Hong Kong) Limited	100%	Education provision in Hong Kong	Hong Kong (no. 1337151)	2 ordinary £1

The RVC is the corporate (sole) Trustee of The Royal Veterinary College Animal Care Trust, a charity registered in England (charity no. 281571). As the RVC exercises control over the Animal Care Trust, the RVC is the corporate (sole) Trustee of The Royal Veterinary College Animal Care Trust with the Charity Commission in England and Wales (charity no. 281571).

RVC Developments Limited and Royal Veterinary College (Hong Kong) Limited had no trading activities in the year. In accordance with section 479C of the Companies Act 2006, the RVC has waived the requirement for RVC Developments Limited and Royal Veterinary College (Hong Kong) Limited to file accounts for the year ended 31 July 2020.

23. Non-Current Receivables

	2020	2019
Long-term element of a loan to London BioScience Innovation Centre Limited (LBIC)	£1,236,000	£1,300,000
Short-term element of a loan to London BioScience Innovation Centre Limited (LBIC)	£236,000	£236,000
Total	£1,472,000	£1,536,000

The amounts shown under the RVC relates to the long-term element of a loan to London BioScience Innovation Centre Limited (LBIC). At 31 July 2020 the total value of the loan is on commercial terms and £1,236,000 (2019: £1.3m) of which £236,000 is due within one year (see Note 25). The loan is secured by a charge over the assets of LBIC.

26. Investments - Short-Term

	2020			2019		
	Consolidated	General Data	BVIC	Consolidated	General Data	BVIC
	£'000	£'000	£'000	£'000	£'000	£'000
Short-term deposits	15,000	15,000	30,411	30,411		
	15,000	15,000	30,411	30,411		

ACT's short-term cash deposits are managed through the BVIC's investment fund managers. The BVIC and ACT's short-term cash deposits are managed through the BVIC's investment fund managers. The BVIC and ACT's short-term cash deposits are managed through the BVIC's investment fund managers.

27. Cash and Cash Equivalents

	2020			2019		
	Consolidated	General Data	BVIC	Consolidated	General Data	BVIC
	£'000	£'000	£'000	£'000	£'000	£'000
Cash and cash equivalents	22,000	22,000	100	22,000	22,000	100

29. Creditors – Amounts falling due after one year

	2020		2019	
	Consolidated	RVC	Consolidated	RVC
	£'000	£'000	£'000	£'000
Amounts falling due after one year:				
Trade payables	1,024,000	1,024,000	1,024,000	1,024,000
Other payables	1,000	1,000	1,000	1,000
Total	1,025,000	1,025,000	1,025,000	1,025,000
Trade receivables	1,024,000	1,024,000	1,024,000	1,024,000
Other receivables	1,000	1,000	1,000	1,000
Total	1,025,000	1,025,000	1,025,000	1,025,000

31. Endowment Reserves

Consolidated	Restricted Permanent £'000	Expendable Endowments £'000	2020 Total £'000	2019 Total £'000
Balances at 1 August				
Capital	1,158	4,430	5,588	5,636
Accumulated income	1,470	1,993	3,463	3,554
	<u>2,628</u>	<u>6,423</u>	<u>9,051</u>	<u>9,190</u>
New endowments	4	6	10	11

34. Capital and Other Commitments

	2020 Consolidated and RVC £'000	2019 Consolidated and RVC £'000
Capital commitments intended for use	16,598	3,676
	<u>16,598</u>	<u>3,676</u>

The increase in capital commitments reflects the awarding of the main construction contract for the new terminal building at Gatwick Airport.

35. Contingent Liabilities

The RVC has given written undertakings to support the subsidiary companies until 31 January 2022.

36. Lease Obligations

37.

The technical provisions assumptions include appropriate margins to allow for the possibility of events turning out worse than expected. However, the funding method and assumptions do not completely remove the risk that the Technical provisions could be insufficient to provide benefits in the future.

A formal actuarial valuation of SAUL is carried out every three years by a professionally qualified and independent actuary. The last actuarial valuation was carried out with an effective date of 31 March 2017. Informal reviews of carried out between formal valuations.

The funding principles were agreed by the Trustee and employers in June 2018 next formal valuation in 2020.

At the 31 March 2017 valuation SAUL was fully funded on its Technical provisions basis so no deficit contributions rate of 16% of CARE salaries.

Accounting policy and costs reflected in RVC

The RVC is a participating employer in SAUL. The actuarial valuation applies to SAUL as a whole and does not identify surpluses or deficits applicable to individual employers. As a whole, the mark £3,205million representing 102% of the liabilities for benefits accrued up to 31 March 2017.

It is not possible to identify an individual RVC accounts for its participation in SAUL as if it were a defined contribution scheme and pension costs are therefore based on the amounts actually paid (i.e. cash amounts) in accordance with paragraphs 28.11 of FRS 102.

As there was a technical provisions

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