

ANNUAL REPORT AND FINANCIAL STATEMENTS

YEAR ENDED 31 JULY 2011



Education
that works...

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HIGHLIGHTS OF THE YEAR

FINANCIAL SUCCESS

Operating surplus of

£6.9m

**In the top quartile
for the sector* for:**

- » Return on income (8.4%)
- » Liquidity days (119)
- » Gearing ratio (7.8%)

QUALITY IMPROVEMENTS

Successful outcome of Quality Assurance Agency (QAA) audit

- » Reported confidence in UWL's management of academic standards and the quality of the learning opportunities for its students
- » Identified UWL's promotion of employer engagement and employability across the curriculum as a feature of good practice

Successful outcome of Nursing and Midwifery Council (NMC) review

- » Achieved good in all categories

STUDENT SATISFACTION

The most improved
modern university in the
UK for student satisfaction**

» Second most improved university in the UK overall**

LEAGUE TABLES

UWL is the

No.1

modern university
in London[†] (for the
second year running) for:

- » Law
- » Psychology
- » Nursing

GRADUATE EMPLOYMENT

The best record
for graduate
employability^{††}

STUDENT APPLICATIONS

The biggest
increase in UCAS
applications^{††}

NEW CHANCELLOR

Installed a new Chancellor,
Laurence Geller, an alumnus
and leading figure in the
hospitality industry

NEW NAME & REBRAND

University of
West London
launched in April 2011

*Metrics published by the Higher Education Funding Council for England

**National Student Survey (NSS)

†Guardian University Guide 2012

††Amongst UK publicly funded universities in 2011

MESSAGE FROM THE CHAIR OF THE BOARD OF GOVERNORS

The year 2010-11 saw a number of important milestones for the University, in particular the granting of its new name, the University of West London. In May 2011, we launched the new name at a prestigious event which saw Mr Laurence Geller installed as the fourth Chancellor of this University.



From left to right: Chris Humphries (Chair of the Board of Governors), Professor Peter John (Vice-Chancellor), Laurence Geller (Chancellor) and Daniel Whittal (President of West London Students' Union) on 12 May 2011 at the ceremony to install Laurence Geller as Chancellor of the University and launch the new name, the University of West London.

The name change marked the return of the University to its roots in west London as part of a significant, and important, change of strategic direction: to move away from a large, extended, tertiary institution to becoming a smaller, more focused and more clearly geographically located university. It was therefore appropriate that the May event also celebrated the University's 150 years in the community of west London.

Determined to provide a truly excellent experience for all our students and raise quality to the highest standards, the University, under the Vice-Chancellor's excellent leadership, has consolidated its prime strategic purpose which is the delivery of high quality professional, technical and vocational Higher Education that equips its graduates with the tools needed for success in their chosen career. And we are succeeding – the University continues to perform well in the league tables for employability and employment, particularly in London. The changes have been noticed by the most important of our stakeholders – the students themselves. Our full-time on time undergraduate applications rose by a staggering 77 % last year and this year the increase is again the highest in the sector at 46 %.

The Board of Governors were closely involved with the fee-setting process for 2012; they were mindful of both the need for financial sustainability and the circumstances facing our student population. Thus the fee we eventually agreed – at an average of just under £7,500 – is one which we believe is appropriate for our aim of inclusiveness and will also allow the University to bid for additional student numbers through the 'core and margin' mechanism.

2011 saw the outcome of an immensely successful Quality Assurance Agency (QAA) Audit with the University receiving full assurance. The 2011 National Student Survey (NSS) also showed substantial improvement. Indeed, the University was named the most improved post-92 university in the UK and the second highest improver in the whole sector.

But the outcome which is, perhaps, of most far reaching significance and is of particular importance for the Board of Governors is that of our financial out-turn for 2010-11. Despite the enormous challenges of the recent past the University is reporting a surplus of £6.9m this year. On a turnover of £82.5m this means that the University is now on a very sound financial footing to face the real challenges posed by the new funding regime.

Chris Humphries CBE
Chair of the Board of Governors

MESSAGE FROM THE VICE-CHANCELLOR AND CHIEF EXECUTIVE

This academic year has been one of the most successful for the University since its inception in 1992. The achievements documented in this report are clear evidence of the progress the institution has made in realising its ambitions.

Financially, the outturn has been quite exceptional with a £6.9million surplus being recorded on operations while the Quality Assurance Agency (QAA) reported full confidence in our academic standards and the quality of the learning opportunities we provide for our students. The National Student Survey (NSS) supported those judgements with the University achieving a 9 % increase in its satisfaction rates making it the second most improved university in the UK. This, alongside some of the best employability rates in the sector combined with a massive increase in applications to courses starting in 2011, heralds a new and exciting era for the University.

Such success, however, resulted not from the efforts of individuals, but from a shared vision supported by staff, students and Governors alike. This vision has seen the University successfully rebrand and reposition itself as a leading modern university in west London which sits firmly at the heart of the region it inhabits. This, together with a new value proposition which puts emphasis on employability and work focused learning will, I am sure, see the University successfully navigate itself through a difficult period of reform and fiscal constraint.

The successes recorded above are just a few of the achievements that marked out this very special year – there are many others. Academically we remain totally committed to inspiring students, transforming their life chances and helping them to succeed in their chosen career and life path. The University is now better placed to achieve these goals and to face the future with its inherent uncertainties. It is leaner, fitter, more agile and sustainable. It also has the ability to adapt and innovate which has been at the heart of its success. As a result, we are now well placed to take advantage of the choice and competition that will be injected into the sector in the years to come and I look forward to the challenges and opportunities that such a landscape provides.

Professor Peter John

Vice-Chancellor and Chief Executive

The University draws on a heritage of over 150 years in teaching and professional education.



Overview

First founded as the Lady Byron School in 1860, the institution as it exists today was originally formed from the merger of Ealing College of Higher Education, Thames Valley College of Higher Education, the London College of Music and Queen Charlotte's College of Health Care Studies. In 1991, this new entity was inaugurated as the Polytechnic of West London. The following year, the Privy Council bestowed full University status and Thames Valley University (TVU) was created. In 2004, TVU merged with Reading College and School of Art & Design to form an extended tertiary institution spanning the Thames Valley.

In 2008, as the sector began to feel the effects of the global financial crisis, it was felt that if the University was to be sustainable in the long-term, then a major rethink of its multiple campus organisations, its espoused tertiary mission and academic base would be required. This reshaping was predicated on a new path dependency which would see the University carve out a distinctive niche for itself within a more focussed London market. This would

be fashioned by improving its reputation and sharpening its business efficiency while maintaining and enhancing its academic quality and standards. This led to the articulation of a new strategic direction underpinned by five core objectives:

- To deliver a long term sustainable future for the University
- To focus on Higher Education through the establishment of a new identity and reputation
- To consolidate the institution's geographical footprint in west London
- To improve recruitment, retention, completion rates and employability
- To modernise all business processes

These objectives were to be delivered through a fundamental academic, organisational and physical restructuring all set within an increasingly constrained economic and policy environment.

The first phase of the strategy was complete by 2010 with the following being delivered:

- Divestment of the Further Education provision in July 2010
- Closure of the Slough Campus and transfer of its provision to west London
- Relocation of the University's core operations back to its heartland in west London on sites in Ealing and Brentford
- A refocusing of the University on being a high quality, employer engaged University that reaches out to learners of all ages, nationalities and backgrounds
- Privy Council agreement on the renaming of the University

The University's return to its roots

was recognised by the Privy Council in August 2010 when it granted permission for the institution's new name which reflects its new focus 'The University of West London.'

As the new fees driven sector approaches, the University is now engaged in the delivery of the second phase of its strategic realignment through a series of objectives relating to quality, the curriculum and learning. The key strategic achievements in 2010-11 included:

- A £6.9m surplus on operations
- A 51 % ratio of staff costs to income which is in the top quartile of the sector*
- An 8 % return on income which places the University in the top quartile of universities for surplus generation on operations*
- Being placed in the best quartile for universities in terms of its borrowing ratio (below 8 %) and for its number of liquidity days (119)
- A strong outcome from the Quality Assurance Agency (QAA) audit of the University's academic areas with full confidence being given
- Assessed by the Nursing and Midwifery Council (NMC) as good in all aspects of our provision
- Being the second most improved result in the National Student Survey (NSS) with a 9 % increase
- Amongst UK publicly funded universities in 2011, the University had the best record for graduate employability
- Receiving the biggest increase in UCAS applications with over 100 % growth in a two year period
- Embedding new business processes which have streamlined the University's core business
- A rapid improvement in completion and continuation rates which puts UWL well ahead of competitor institutions
- A successful rebranding and installation of a new Chancellor, Laurence Geller, an alumnus and leading figure in the hospitality industry
- The construction of a new state of the art 'Hub' in Reading to serve our partners in the Berkshire Strategic Health Authority
- The creation of eight new Academic Schools to strengthen the University's academic focus and alignment with market
- The formation of a core employment driven curriculum with work focused placements guaranteed to all students

These are just a few of the achievements that accompanied the University's most successful financial year since its inception in 1992. There are many others including: a new careers and employment service with over 900 students taking up courses within our employer engagement portfolio; the successful completion of the Higher Education Funding Council for England (HEFCE) funded FutureSkills project; the setting of a new fee structure and the creation of a new University wide Institute for Practice and Interdisciplinary Research (INSPIRE).

As a result of these successes, the University is now better placed to face the future and its inherent uncertainties. It is leaner, fitter, more agile and sustainable with an ability to adapt and innovate which will become the envy of the sector.



OPERATING AND FINANCIAL REVIEW CONTINUED

The sector and fees

The year has been dominated by the debate surrounding the future of Higher Education fees which followed the publication in October 2010 of the Browne Review entitled 'Securing a Sustainable Future for Higher Education'. This report recommended an increase in fees and an extended loan system for all graduates starting their courses in 2012-13. These proposals were embedded in a White Paper entitled 'Students at the Heart of the System' which was published in June 2011.

In essence, from 2012-13 more places in more selective universities will be available for those students with AAB grades while 20,000 'core and margin' places will be offered to institutions where the net average fee for all undergraduate courses is £7,500 or below. The freeing up of student numbers through these methods has been welcomed. As the title of the White Paper suggests, students will now become active consumers with universities having to publish key data on the student experience including employability statistics. This will be backed up by a student charter which will enshrine consumer rights and responsibilities. In addition, new private providers and Further Education Colleges (FECs) will be given greater access to provision.

Much of the White Paper and the debate surrounding it focussed on the financing of the student experience. Overall, students will be given access to loans to be repaid once their salaries hit a particular level. There was also a focus on strategically important and vulnerable subjects which will continue to receive more direct public funding.

The impact of the White Paper and the Government's continued support for access and widening participation meant each university had to set their fee and have their support programme for students agreed by the Office for Fair Access (OFFA) in July 2011.

After much consideration, the University set its standard fee at £7,500 for the majority of incoming undergraduate students in 2012. For those registering on specialist Arts courses the fee will be £7,670 which will include studio fees. For those studying on specialist music and performance courses, the fee will be £8,200 to reflect the one-to-one tuition requirements and the cost of specialist equipment. After taking account of bursaries and scholarships the net average fee for home and EU full-time undergraduates will be below £7,500. The University decided on this fee structure after a wide consultation,

taking careful consideration of its students, and believes it provides value for money combined with a commitment to access, opportunity and quality.

Underpinning the fees will be a generous financial package designed to support the National Scholarship Programme (NSP). The University will also use its resources to provide additional activities to protect and widen access as well as implement measures to improve progression and enhance the student experience. Furthermore, for students undertaking a sandwich course, the placement year will be charged at 50 % of the total annual tuition fee. Beyond the costs of participating in the NSP, the University chose to dedicate most access expenditure to improving retention of its students. However, some access expenditure will be dedicated to outreach work and to scholarships for the most promising applicants.

Of crucial importance will be the University's value proposition which will form the basis of its brand promise for 2012 and beyond. This is summarised in Figure 1 below.

Figure 1. The University's value proposition for 2012-13

Developing creative professionals

- Our aim is to offer a high quality, employment driven education to all aspiring creative professionals whether working in the hospitality industry, business and commerce, the arts, social science, law and technology or in nursing and social care.
- In preparing you for your vocation, we will provide you, whether you are an undergraduate or postgraduate student, with the opportunity to become adaptable, capable and employable graduates in a diverse and aspirational environment.
- This will be underpinned by personalised support, an excellent education in your chosen discipline, access to a range of work focused activity including a guaranteed work placement and personal interaction with top professionals from industry and commerce.
- We will also provide a network for ongoing contact with you after you have completed your studies and provide a student experience that leads you to become part of this.



Strategic Plan 2008-13

The objectives outlined above are embedded in the University's Strategic Plan ('Education that works...2008-2013') which was recently reviewed with the Board of Governors who approved the requisite changes to the organisation and direction of travel of the University. The plan is summarised below.

Mission and vision

Our mission

To raise aspiration through the pursuit of excellence.

The full Strategic Plan can be found at www.uwl.ac.uk/files/The_University/Governance_and_legal_framework/strategic_plan.pdf

Our vision is that, by 2013, the University will:

- Be one of the leading employer engaged universities in the country, playing a major role in taking forward the world class skills agenda
- Be a business facing university with a demand led portfolio
- Continue to be a 'university of choice and opportunity' reaching out to students of all ages and backgrounds
- Be the leading modern university in London specialising in the generation, application and transfer of 'useful' knowledge

To deliver this vision we have identified six clear headline aims. These aims, which are at the heart of all our School and department strategies, form the basis of our Key Performance Indicators (KPIs) and our risk analysis.

By 2013 the University aims to:

1. Provide a quality learning experience

The learner is at the heart of the University. We aim to create an environment that integrates student learning and personal and career development into a fully rounded educational experience across all levels and courses;

2. Enhance enterprise and employer engagement

The University has a long history of working effectively with employers, driving innovation, enterprise and economic growth across the region.

We have a strong record of graduate employment, an international reputation in the fields of healthcare, music and hospitality, and outstanding links with employers across a number of sectors. We will build on these advantages and plan new relationships that will place us at the forefront of employer engagement and enterprise development in the UK;

3. Generate 'useful' knowledge

Teaching, research and scholarship are fundamental to the life of a university. For a university with a deep vocational and professional tradition, it is vital that research and scholarship form part of our ongoing pursuit of excellence in applied, pedagogic and practice based research;

4. Extend our reach

The University is committed to social inclusion and diversity. As a key player in the economic, social and cultural development of our region, we will work proactively with communities, localities and other organisations to enhance prosperity;

5. Be 'fit for purpose'

Our infrastructure requirements will be aligned to the future priorities of the University. We will streamline the University's structures to realise efficiency savings across all activities; and

6. Improve institutional sustainability

Financial stability is the essential prerequisite to the achievement of our academic mission. We must command the confidence of all our stakeholders and set credible, realistic and achievable goals. This means understanding that institutional sustainability will only occur when we generate operating surpluses of sufficient quantity to support investment and guard against risk. All financial decisions will be aligned to our strategic priorities.

"I first joined the University on a four-week taster

course in Psychology but was inspired to enrol on the degree course by one of the academics. I think students of any age have to understand what's required of them to study at university but to anyone who truly wants to, I say go for it. Don't be afraid to try it but you've got to be sure it's what you want to do. Don't waste the opportunity to learn about the profession you're working towards before starting the course. I'm so glad I did it; it's been brilliant and I'm more confident in myself."

Alison Griffin BA Psychology

"The BA Business Studies course really built my confidence and self esteem; I've developed a great understanding of business and I think the course has given me fantastic business acumen. The University has opened up many new opportunities for me, and I now feel as marketable a candidate in the job market as any other."

Chris Watts
BA Business Studies
(Saturday School) graduate

OPERATING AND FINANCIAL REVIEW CONTINUED

Our values reflect these aims:

- **Creativity:**
Facilitated by imagination, innovation and challenge
- **Quality:**
Underpinned by excellent practical, professional and academic learning
- **Inclusiveness:**
Enabling and empowering all to access education that meets their needs
- **Diversity:**
Celebrated through a rich social and ethnic community
- **Integrity:**
Fulfilled by honesty and openness, and working for the public good

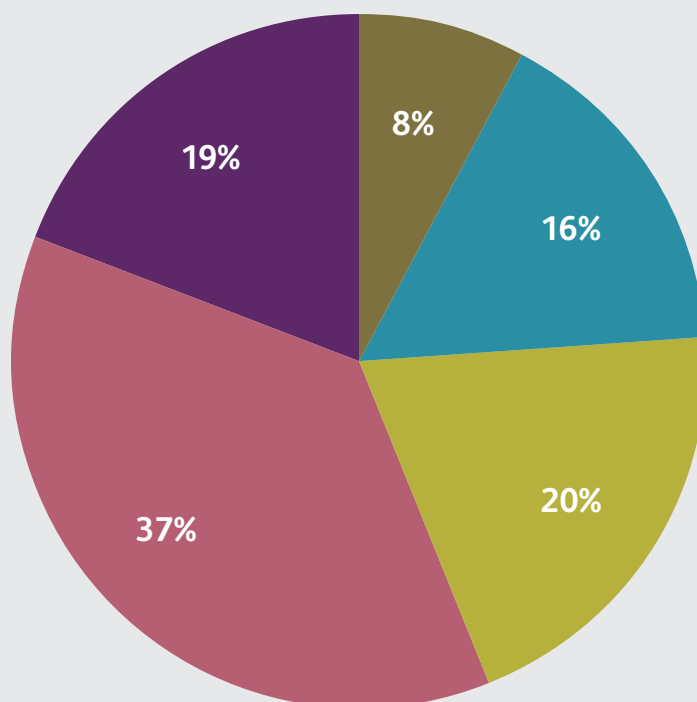
Student base

The University continues to perform well at reaching out to underrepresented groups at a local and national level, which is evident from a student body where more than 97 % have progressed from state education and more than 120 nationalities are included. The University also has a distinctive student base with 58 % of its undergraduate population coming from backgrounds where the family income is below the national average. Many of these choose to study part time in order to meet their employer, personal or financial commitments – a flexible option that is taken by 45 % of students at the University of West London. The institution also has diverse cohorts of students in terms of age (see Figure 2) and social background.

Figure 2. Student enrolments by age

Student enrolments by age group

- 16 to 18
- 19 to 20
- 21 to 24
- 25 to 39
- 40+





Organisation

The University is governed by an independent Board of Governors which is responsible for determining the educational character and mission of the University and for overseeing its general strategic direction. Further details relating to the Board, which is responsible for ensuring the effective management and governance of the University, are set out in the accompanying details of corporate governance on pages 30 to 36.

The strategic leadership and executive management of the University is operated through the Vice-Chancellor's Executive, a group that meets formally each week and comprises the Vice-Chancellor, the Pro-Vice Chancellors, the Executive Director of Finance, the Director of Human Resources, the Director of Estates and IT and the University Secretary and Clerk to the Board. Once a month a wider Strategic Management Group also meets and includes all senior staff at Director level and the Heads of the Academic Schools.

The University provides undergraduate and post-graduate education across a range of disciplines structured into eight Academic Schools:

- London College of Music
- Ealing School of Art, Design and Media
- School of Psychology, Social Care and Human Sciences
- College of Nursing, Midwifery and Healthcare

- West London Business School
- Ealing Law School
- London School of Hospitality and Tourism
- School of Computing and Technology

This new configuration was begun in late 2011 replacing three former Faculties: the Faculty of the Arts, the Faculty of Health and Human Sciences and the Faculty of Professional Studies. The move to Academic Schools was precipitated by the need for the University brand to be supported by a small number of high quality, specialist academic units. The decision was also driven by the exigencies of the new consumer based market attendant upon the fee changes to be introduced in 2012-13.

Research groups operate within Schools and are supported by the Institute for Practice and Interdisciplinary Research (INSPIRE) which co-ordinates all research and scholarly activity across the University. The Schools are also supported in their academic work by a range of Central Service Departments including inter alia: the Institute for Teaching, Innovation and Learning (INSTIL), Academic Registry and Student Services, the Academic Quality and Standards Office (AQSO), Marketing, Communications and Recruitment, Finance and Planning, Estates and Information Technology, Library and Information Services and the Careers and Employment Service.

The University's considerable presence in the London and Berkshire health care training market also remains an important element of its portfolio. Currently, the University trains adult and child nurses, and other specialist nurses in learning disability and mental health as well as midwives and other health care professionals. The training of the London professionals takes place at our state of the art Paragon Campus in Brentford while the Berkshire cohorts are trained at our new 'Hub' in Reading.

The University continues to work collaboratively with its NHS partners as they undergo significant organisational change in the light of Government policy. The University will continue to anticipate and meet the needs of NHS employers as new structures for service delivery and educational commissioning emerge over the next year.

OPERATING AND FINANCIAL REVIEW CONTINUED



Community

The University continues to play a central role in the economic and social development of the region it serves. The University works with a large number of businesses in the region and through its Junior Music College and its Chef's Academy it gives young people the opportunity to learn and develop new knowledge and skills. Its award winning 'Pillars Restaurant' (twice winner of the University Restaurant of the Year competition) likewise provides local facilities for citizens and businesses in Ealing and its environs. More than 500 students and staff also volunteer for community based activities every year.

The University continues to work in close partnership with local charity groups including Action Acton and local business benefits from our incubation hubs across the regions. The latter has been joined this year through the setting up of west London's first Industry Advisory Group to help develop businesses related to media and the creative arts. Finally, the University remains an active sponsor of a myriad of events including this year the Florence Nightingale Memorial Service at Westminster Abbey.



International

The recent visa reforms with the tighter restrictions on English language requirements, access to post study work permits and the easing of entry requirements to Australia and Canada are clearly having a detrimental impact on overseas applications across the UK Higher Education sector.

The University is responding to this new challenge both operationally and strategically. For example it is reviewing the English and academic support with the aim of focussing the provision to respond in a more accessible, timely and flexible way to the individual needs of students prior to the start of their programme and over the course of their studies.

The International Strategy has also been revised to address the more adverse recruitment environment and to embrace the challenges associated with becoming a truly international university. The implementation of the strategy will be steered by an International Strategy Group chaired by the Senior Pro Vice-Chancellor (External and Enterprise Services). A key objective of this strategy is to improve the recruitment planning and operations, the aim is to engage academic schools, support services and partners more effectively and ensure that agents and scholarships are better deployed. The intention is also to extend the University's reach beyond South East Asia into new markets. The postgraduate portfolio will be enhanced to secure a more responsive and accessible alignment with the needs of overseas students. A new senior leadership post, Director of the International Office and Overseas Recruitment, has been created to lead and implement the new strategy.

Risk management

In common with many organisations, the University is affected by a number of risks, not all of which are wholly under our control. Some will affect the whole of the sector, whereas others are particular to the University.

The key objective of the University's risk management policy is to ensure that policies and procedures are in place to manage and mitigate risks and therefore enable the University to meet its strategic objectives. We have a defined University wide risk management process for identifying, evaluating and managing the significant risks faced by the University. The University's Strategic Risk Register is maintained to ensure that operational risks are managed and mitigated wherever possible, while the reporting of Key Risks to Governors and senior management allows the threat of circumstances that could contribute to the institution's failure to be monitored.

In common with all UK universities, a significant proportion of income is dependent upon Government policy. There are further risks associated with the recruitment of students in a competitive market. The University acknowledges the existence of these inherent risks and is committed to managing those key risks within its control that pose a significant threat to the achievement of the strategic plan and financial health of the University. The Board of Governors is responsible for the risk management strategy and a common approach to the management of risk throughout the institution.

The level of risk and the amount of risk appetite which prevails in the institution will vary from time to time, influenced by both internal and external events. It is the view of the Board that wherever possible, mitigating action should be taken to keep the overall level of risk at the lowest possible level.

The Board acknowledges:

1. That the delivery of quality is of paramount importance and therefore action should be taken to keep levels of risk relating to quality at a low level; and
2. In the short term a higher level of risk may have to be accepted to allow the University to achieve its long term strategic objectives and make the changes needed to ensure financial sustainability.

Key risks

The three Key Risks that would lead to the institution's failure to meet its strategic objectives and lead to a risk to its financial stability are set out in Figure 3.

Figure 3. Risks and mitigation

Key Risks	Mitigating actions
1. National fall in student demand from 2012 when new fee regime launched	<ul style="list-style-type: none">■ Seek niche markets – mature students, intensive courses, specialist skills and local students who can reduce debt by living at home■ Extend access and choice with a flexible provision including intensive routes■ Focus on an employment driven curriculum■ Champion a 'student first' culture■ Cut least profitable courses using the established course costing model■ Set the cost base for 2012 to allow for a 10% reduction in demand from home students
2. Reduction or loss in NHS contracts	<ul style="list-style-type: none">■ Creation of Steering Group to address tenders■ Action Plan developed to raise UWL NHS reporting metrics■ Diversification of curriculum to widen offer
3. Reduction in overseas income resulting from changes to UK Border Agency (UKBA) rules	<ul style="list-style-type: none">■ Incentives for overseas agents■ Revision of course portfolio to align with overseas demand■ New International Office and strategy

OPERATING AND FINANCIAL REVIEW CONTINUED

OPERATING REVIEW

Teaching, learning and the student experience

“The learner is at the heart of the University’s mission and vision.

We aim to create an environment that integrates student learning and personal and career development into a fully-rounded educational experience across all levels and courses.”

**Strategic Plan
2008/2013
(updated October
2010)**



The key aims of our teaching and learning strategy are to:

- Provide a high quality learning experience that satisfies the needs of students, employers and other stakeholders
- Develop a demand led, business facing course portfolio, delivered in a flexible learning environment not limited by time, place or mode of study
- Reach out to students of all ages, abilities and backgrounds through the provision of a seamless education across all levels
- Support staff by providing flexible professional development opportunities which meet individual and institutional aims for progression

The strategy was updated during the academic year 2010-11 in line with the institution’s Strategic Plan enabling the University to develop a more considered focus on flexible modes of delivery to meet the more demand led, business facing courses. In addition, the introduction of Student Entitlements has enabled the institution to work closely with the Students’ Union in



monitoring the consistency and quality of the student experience. These have been closely reviewed at both School and University levels and constitute part of the KPIs to assess levels of student satisfaction in relation to the quality of the learning experience.

Academic Schools continue to address the core elements of the strategy in their planning through the annual monitoring cycles. Each School’s performance is then measured against the University’s KPIs at group level, for example:

- Levels of student satisfaction, in relation to the quality of the learning experience, as measured by the National Student Survey (NSS)
- Student progression rates to final award
- Graduate employability as measured by the DLHE survey (Destination of Leavers in Higher Education)
- Numbers of postgraduate students entering and completing their studies



Quality Assurance Agency audit

The University underwent an Institutional Audit by the Quality Assurance Agency (QAA) in spring 2011 with the outcome that confidence can be placed in the soundness of the institution's present and likely future management of the academic standards of its awards and the quality of the learning opportunities available to its students.

The institution was recognised for good practice in several key areas, including the promotion of employer engagement and employability across the curriculum. This clearly substantiates the investment in our demand led courses which is a critical component of the teaching and learning strategy. In addition, the institution was recognised for improvements in University wide communication, the high quality of external educational opportunities offered to our students and the effectiveness of our collaborative link tutors with partner institutions and their students. Further development of external educational opportunities for all students is being addressed for the academic year 2011-12 and maintenance and diversification of our collaborative links are being pursued.

The institution is also implementing the recommendations made by the QAA to address the consistency in procedures for annual monitoring of programmes and



monitoring of the receipt and responses made to external examiners. This has directly been addressed by the new appointment of an Academic Registrar. This new role will provide a more coherent institutional structure to enable collaborative working between the Academic Schools and the Academic Standards and Quality Office.

Student services

In September 2010 the University opened the service of the 'One-Stop Shop'. This was a strategic decision to locate all student services at the St Mary's Road campus to enable a more integrated delivery of student support. The 'One-Stop Shop' provides a rapid response service but also refers to the range of student support services offered by the University including: Advice and Counselling, Careers and Employment Service, International Office, Disability support, Health and Well-being, Library services and Learning support. The introduction of the 'One-Stop Shop' has been extremely effective in reducing the number of students accessing the programme administrative support teams for advice and ensuring that students gain appropriate advice and support more effectively. In addition, for students located on one of our other two sites the service can be accessed via webcam. Students accessing the service have provided positive feedback.

The Accommodation Service is located within the 'One-Stop Shop' and achieved 99 % occupancy in the student accommodation (Paragon House) for 2010-11. This has led to the delivery of bespoke accommodation days with local estate agents and landlords to ensure appropriate housing for all students at the University.



"I have enjoyed my placements to date; they have allowed me to put into practice everything that has been taught, both in the simulation centre and the classroom. The placements have also shown me that I'm making the right career choice. Interaction with patients is so rewarding that I look forward to every shift."

Darren Gaywood
BSc Adult Nursing



A range of student surveys (including the NSS 2010 and the International Student Barometer) highlighted the importance of e-books and e-journals in relation to student satisfaction and enhanced student learning opportunities. This has led to increased investment on e-resources, with particular focus on provision for health-based programmes for both undergraduate and postgraduate study. In addition, during exam periods Library opening hours were increased to meet student demands.

The University was the class winner for the 'Best Social Media Strategy' award from the Institute of Internal Communications for the innovative way that it communicates with students through social media. The Judges were impressed with the unique use of Facebook and Twitter for engaging in conversation with students and other stakeholders through the University's 'West London Guru' profile.

The 'Guru profile' is seen as an expert source of information about the University and by responding to queries quickly and effectively, a sense of community and dialogue has been created online. In what is believed to be the first of its kind for any university, students working as online student ambassadors listen and respond to enquiries from current and prospective students, alumni and University partners to give the profile an authentic, credible and empowering voice.



"Getting students and university team members to run the 'guru' is a great way of keeping information up to date and answering questions fast ...the results are powerful and the concept original and highly effective. I feel sure this will be copied by other universities."

Judges from the Institute of Internal Communications

Developing our portfolio

Following a complete portfolio review and rationalisation of courses, a number of new and innovative courses were planned and developed throughout 2010-11 for 2011-12. With nursing moving to an all graduate profession, the University's choice of Advanced Diplomas has been replaced by a full range of Nursing degrees, with the addition of an innovative Post-graduate Diploma (PgDip) conversion course for applicants already holding a degree who wish to become a qualified nurse.

"The University continues to offer a range of professional part-time intensive courses enabling students to gain a degree through Saturday only attendance for the period of their programme of study. In addition, we are developing a range of courses delivered in new and innovative ways to suit the students of the future, including three year part-time courses and two year intensive degree programmes for professional learners."

Pro Vice-Chancellor (Academic and Student Services)

This year the University also introduced the first level of its new 'enterprise curriculum'. This will see all students having access to core modules that relate directly to their employability and career trajectory. In addition, there was further development of our proposed two year intensive degree programmes and our three and a half year part-time intensive degrees; the latter being run within our successful Saturday Academy.

Overall, there are more than 1,000 courses on offer at the University and new courses are developed and validated every year in response to demand from students, employers and a range of stakeholders.

Student employability

The University has a long history of working effectively with employers, driving innovation, enterprise and economic growth in west London. We have a strong record of graduate employment; an international reputation in the fields of healthcare, music and hospitality; and outstanding links with employers across a number of sectors. We aim to continue to be at the forefront of employer engagement and enterprise development in the UK which is clearly evidenced by the teaching and learning strategy and the outcome of the QAA audit. In addition, many of our courses have been given professional accreditation and details are available within the course search function on our website.

A key focus of the new Careers and Employment Service is to support and enable students to access a wide range of opportunities to enhance their employability skills and their graduate employment prospects. This is undertaken within the academic curriculum and by providing bespoke sessions with external agencies and employer led events.

The effectiveness of this service is evidenced within the Higher Education Statistics Agency (HESA) data for destination of leavers from Higher Education (DLHE). For the third consecutive year, the University exceeded its benchmark for the graduate employment indicator, which is calculated for the whole sector and adjusted for each institution according to subject mix, age of students and the qualifications of students on entry. Importantly, it shows that the University was seven out of 156 Higher Education Institutions (HEIs) in the UK against benchmark performance.

Further development of the Careers and Employment Service will be made during the academic year 2011-12 with the location of placements and the internship provision together to support the excellent development of graduate employment prospects for UWL students.



“The University has given me lots of support to build my CV and write covering letters. I’ve met some great contacts and have industry professionals as lecturers. It’s also given me a better idea of the career I want to pursue after I graduate.”

Jessica French
BA (Hons) Advertising
and Events Management

Figure 4. Student employability

Student employability

- An Employment Performance Indicator (for full-time first degree students) of 91.1 % (up from 86.8% in 2009)
- Best modern university for employment of its graduates
- Highest employment rates of all modern universities in London
- Number 1 for non-specialist institutions for employment of its graduates

From the DLHE
(Destination of Leavers
in Higher Education)
survey of graduates

OPERATING AND FINANCIAL REVIEW CONTINUED

Research and scholarship

Research and scholarly activity remains a key element of academic life for modern universities as it does for other more or traditional institutions. Our research and scholarship, however, is more aligned to our curriculum strengths with a high proportion of the research activity continuing within the College of Nursing, Midwifery and Healthcare and the School of Computing and Technology. However, during this academic year the Pro Vice-Chancellor (Academic and Student Services) chaired a select committee to further develop research groups across all academic Schools. This has led to the appointment of 15 research associates to develop core research activity within targeted disciplines. In addition, the select committee recommended the appointment of a Director of Research. The new Director is Head of the Institute of Practice and Interdisciplinary Research (INSPIRE) and also responsible for the Graduate School.

Our ambitious targets for research activity continue to be met with increased numbers of students completing their postgraduate studies combined with a significant growth in enrolments for higher awards. The ongoing challenge is to improve third stream income generated from research and scholarship and Knowledge Transfer Partnerships (KTPs) which continues to be closely monitored at both a School and institutional level. The postgraduate environment has been enhanced by the opening of the Savoy Suite (a £1.2million capital project partly funded by the Savoy Educational Trust). This is a bespoke post-graduate centre including high quality teaching facilities and social learning space.

In its Strategic Plan, the University is committed to the development of applied and effective research as well as the translation and exchange of 'useful knowledge', of particular note has been the ongoing research carried out by the Richard Wells Research Centre. The Centre developed the national guidelines that identified the most effective ways of preventing healthcare infections. It also advanced education materials for the NHS in England to support NHS staff and healthcare professionals in learning about the fundamentals of preventing infections. In addition, the Centre evaluated a range of policy initiatives such as the Saving Lives Programme that targets reductions in MRSA bloodstream infections and carried out a trial to evaluate the effectiveness of using process control charts to feedback rates of MRSA acquisition to healthcare staff in order to drive improvement.

This research has made a major contribution to the reduction in deaths caused by MRSA and *Clostridium difficile* (C. diff). Recent figures released by the Office for National Statistics have shown a further drop in the number of deaths caused by healthcare infections. According to the figures almost 40 % fewer people died from illnesses involving MRSA last year compared with 2009. Deaths involving C. diff dropped by 31 % over the same period. The research project which generated the data was this year chosen as one of the most important research projects of modern times by the 'Big Ideas for the Future' report. The report, jointly published by Research Councils UK and Universities UK, pulled together the leading research projects currently taking place across British universities.

The University's School of Computing and Technology has a very active research community of staff and students. Current research projects in the Centre for Internationalisation and Usability (CIU) cover a wide range of topics of public benefit to communities and businesses in the University's local environment and beyond. On a global scale, VeSeL (Village eScience for Life) looks at the problems associated with the digital divide in Africa. Projects include research into a usable framework towards enabling ICT in rural sub-Saharan Africa, ICT development for small businesses in Ethiopia and mobile computing in developing countries.

The Centre for Networks and Distributed Systems was established in November 2010 and consists of staff and a number of PhD students. The group aims to contribute to open source projects as well as to create new projects to release back to the community. The Centre has a remit to focus on applied research in areas such as educational tools in the context of networks as well as network protocols and architecture and pervasive computing. Current and recent research has included contribution to or development of an Internet Relay Chat (IRC) robot to teach the principles of programming and tracking the movements of students using Bluetooth technology. The work of the Centre for Networks and Distributed Systems underpins the development of Masters level courses in the field and enables the development of research led teaching at graduate and postgraduate level.

Current live research in the Centre for Research in Midwifery and Childbirth covers areas such as: increasing understanding of pregnant midwives as a client group, developing a support intervention to increase breastfeeding amongst teenage mothers and a study linked to the larger 'Birthplace in England Research Programme' led by the National Perinatal Epidemiology Unit at the University of Oxford. This study will provide information to NHS providers of the needs of women with limited or no English proficiency, in order to reduce maternal morbidity and mortality to this specific group of service users.

Finally, this year the University launched 'VISTAS: Education, Economy and Community' a new in-house journal which provides a space for academic writing and publication. The journal publishes peer reviewed content in the form of academic research papers, scholarly writing and critical discussion. VISTAS is published twice a year, in April and October, as well as in digital format. The journal is widely distributed to libraries and other academic organisations.



Enterprise and employer engagement

Engaging employers to improve their competitiveness is at the heart of the University's mission. The Higher Education Funding Council for England (HEFCE) funded FutureSkills project has now come to a successful conclusion and the external evaluation conducted by Localecon Associates confirms that 'there has been real and discernible progress in building the basis of sustainable employer engagement and new forms of learning and delivery'.

The project has enabled the University to develop a range of professional pathways supporting employee and employer development, regionally and nationally. They embrace work based learning, and provide part-time and flexible routes and also play an important role in ensuring that underrepresented groups can effectively advance in employment and enterprise. These degree pathways include Enterprise and Entrepreneurship, the Innovation, Communication and Enterprise Foundation framework, providing individuals and employers with a personalised development programme, and Cruise Line Management. The recent QAA audit identified the University's promotion of employer engagement and employability across the curriculum as a feature of good practice. This year, despite the austere economic environment, the University has extended its Work Based Learning delivery to meet workforce development needs by delivering over 900 CPD Awards.



Through FutureSkills the University has also played a leading role in supporting regional economic development in delivering over 300 placements for unemployed graduates on internships, with many interns securing permanent positions.

A notable feature of the project has been the development of partnerships with private providers both locally, for example, Questors Theatre in Ealing, and nationally through Babington College, David Battersby Associates and the Professional Association of Diving Instructors.

The new Enterprise and Employer Engagement Strategy will enable the University to:

- Build on the legacy of FutureSkills and its Knowledge Exchange activities
- Further strengthen its commitment to promoting employability and enterprise
- Enhance the economic and social development of west London

The University's success in promoting Knowledge Exchange has been recognised by the allocation of £617,000 per annum from HEFCE for the next four years to further develop its strategic commitment to employer engagement and enterprise. This will enable the University to advance its work in promoting the employability and enterprise qualities of its graduates, enhance employee and organisational performance, promote the application of research and scholarship and increase net income to invest in future capability.



Collaborative partnerships

The University enjoys collaborative partnerships with over 20 UK institutions and six international partners in France, Cyprus, India and Singapore. In 2011, two new partnerships were announced:

1. The Cyprus Institute of Marketing to offer West London Business School programmes to Cypriot students wishing to study abroad; and
2. Questors Theatre in Ealing, which has enabled the London College of Music to offer a new course allowing students to make use of the Questors Theatre facilities to enhance their learning.

OPERATING AND FINANCIAL REVIEW CONTINUED

RESOURCES, INFRASTRUCTURE AND SUSTAINABILITY

Financial resources

At 31 July 2011 the University had gross cash resources of £24.5m, equivalent to 119 days of recurrent total expenditure. Balances increased by £1.0m during the year, reflecting the strong surplus and focussed balance sheet management. There were borrowings outstanding under a 10 year fixed rate unsecured facility of £6.4m which will be repaid by 2019. In addition there were £9m of cash resources available, but undrawn, under a Revolving Credit Facility which will expire in 2013.

University funds are invested to receive the maximum return consistent with low risk and liquidity. Funds are invested in a panel of UK and European banks selected by reference to their credit ratings for up to one year, with a maximum limit with any one counterparty of £5m. Funds can be recalled at immediate notice. During 2010-11 the average monthly investment was £20.5m. The investment policy is kept under review. As Figure 5 shows, this puts the University in best quartile of universities across the country in terms of both its gearing and its liquidity days.

Further funds for the long-term development of the Estate are planned to come from the sale of surplus Estate and through external borrowings.

Human resources

During the year the University has managed a number of change programmes to enhance engagement, responsiveness and sustainability. This included moving to a School structure, removing a tier of management, realigning our enterprise activities, streamlining work with academic partners and preparing for closure of the Reading and Slough campuses.

At a challenging time in relation to overall income, the University has maintained its staff costs at 51 % of income throughout 2010-11. Although there has been a focus throughout the year on controlling costs including monitoring, managing and controlling absence, agreeing and managing a new contract for occupational health, the University continues to be committed to attracting and developing its staff. To achieve this, a programme of professional development activities has taken place throughout 2010-11.

Equality and diversity

We have up-dated our policies and procedures to ensure that they are not only fully compliant with the Equality Act, but also that they underpin the University's commitment to diversity. Both the equality and diversity statement and the policy for staff and students have been unified into one document. A policy has been published on the recruitment and retention of disabled staff, which supports our application for the 'two ticks symbol – positive about disability'. All human resource staff and a number of staff across the University have attended seminars on the Equality Act 2010.

Figure 5. Borrowing ratios and liquidity

UWL in best quartile of gearing and liquidity sector metrics

	UWL 2010-11	Sector best quartile*
Gearing ratio (the lower the better)	7.8%	8.0 %
Liquidity days (the higher the better)	119	116

* HEFCE sector data for 2010/11 based on April 2011 financial forecast submissions from the sector



Estates developments

The Estates Strategy was designed to meet the University's strategic objectives for the Estate in the current difficult financial climate by:

- Consolidating the University Estate in west London
- Rebalancing the Estate to match the University's strategic and academic aims
- Significantly reducing the property related costs and maximising net receipts from the sale of surplus properties
- Ensuring all remaining space meets the needs of the University, is fit for purpose and enhances the student experience
- Improving space utilisation across the Estate to match best practice in the sector

The Estates Strategy also sought to introduce new measures to control and limit the growth of the Estate and included:

- A review of the timetabling of academic space to ensure it is used across the working week from 9am to 5pm and into the evening and weekends where possible
- The introduction of new University wide space standards to provide academic and administrative space that is fit for purpose across the Estate and provided to an agreed minimum footprint and standard for different uses
- The introduction of a new University wide Space Management Group to centrally process and approve requests for new space

Substantial progress was made during 2010-11 to reduce further the University's geographical footprint and to maintain alignment with the mission and vision. The closure and mothballing of the Reading Crescent Road campus and the closure, partial demolition and mothballing of the Slough campus have been completed in order to prepare the way for the sale of these valuable sites. The marketing for sale of two other properties continues. To ensure that the University continues to strongly support its NHS South Central commitments, a newly developed Berkshire 'Hub' was opened in early September 2011. The space, comprising teaching and lecturing facilities, a social learning area, counselling rooms and staff accommodation is located in the heart of Reading town centre with its excellent transport and communications links.

Following the award of a £750,000 grant from the Savoy Educational Trust in 2009-10, a new state of the art teaching and learning centre, including two large lecture theatres, two conference rooms and flexible break-out space was opened during February 2011. The new suite has proved to be very popular with post graduate students and their associated lecturing staff and ushers in the new standard for the University's teaching spaces.

Further work continued to update the infrastructure of the University and many smaller but highly visible projects, including the continued refurbishment of facilities at the Ealing campus have added positively to the student experience.

OPERATING AND FINANCIAL REVIEW CONTINUED



Information Technology (IT)

IT has pursued key projects planned to:

1. Underpin the delivery of the functional IT Strategy to meet the University's Strategic Plan; and
2. Provide and improve the operational IT services and facilities to the University's staff and students

This has been achieved within the context of continuing to contain revenue costs, working within allocated capital for the year and further reducing IT Department headcount. The projects have included:

- Refurbishment and enhancement of the main computer room at the Ealing campus
- Implementation and use of high capacity data storage, backup and recovery facilities at the Ealing and Brentford campuses
- Adoption of server virtualisation technology to significantly reduce the number of physical servers
- Implementing an IP telephony and unified messaging system
- Adoption of Microsoft's SharePoint information management system

The overall IT Strategy and its implementation is being further developed to provide an even greater level of operational resilience and service recovery, focusing on:

1. The delivery of enhanced information systems and facilities to students and staff, particularly in the areas of teaching and learning; and
2. The University's information management and administrative systems

Fundraising

The world-wide economic crisis has created a challenging environment for fundraising. However, with the support of our alumni and friends the University was able to end this year with £612,000 in cash gifts and another £370,000 in new pledges and gifts. Participation in the UK Government Matched Funding Scheme means that every gift received by the University this year will be matched by the Government on a 2:1 basis. Comparisons against the sector are shown in Figure 6.

The support received through philanthropic gifts has enabled the University to create a state of the art learning suite for postgraduate students, award scholarships and bursaries and establish a Professorial Chair to lead the research and teaching in the area of Hotel and Resort Management.

Figure 6. UWL performance in fundraising compared with our mission group

UWL fundraising performance		
	UWL 2010-11	Million +* 2009-10
New pledges and new gifts	£370,000	£226,000
Cash gifts	£612,000	£208,000

* Median across the Million + group of universities within the sector (UWL peer group)

“My journey at University of West London

has been a great one, and one that I will remember and cherish for the rest of my life. Having studied architecture previously, and finding it too rigid and confined, I chose media in order to attain a means of personal expression and creative freedom. I saw each piece of work as an opportunity for personal growth and consequently moulded each assignment to encompass an area of study I was keen to learn more about. My dissertation was an exploration of my upbringing, as it looked into the social stimuli for post-colonial British youths in Hong Kong, and the personal nature of this piece of work made it enlightening in ways I could not have anticipated.

To win the Outstanding Media Studies prize sponsored by alumni is so important to me and truly a great honour. I thank you with all my heart for your prize and hope these lines express at least some of my gratitude and appreciation for your wonderful gesture.”

Christina Wylie (BA Hons Media Studies)

Sustainability

Following an assessment of the available options, the University joined the Ecocampus Environmental Management Scheme in December 2010. The University is now actively working towards the award of Bronze level under the scheme and towards the setting up of a comprehensive Environmental Management System.

This development demonstrates the University's growing commitment to pursuing sustainable practices. The existing Environmental and Sustainability Strategy was amended in March 2011 to reflect the developing sustainability agenda and, particularly, a commitment to continuous improvement.

Significant activities in year have included the following:

- Hosting the Green Travel Day
- Participating in Fairtrade Fortnight
- Applying for Fairtrade University status
- Undertaking a travel audit of staff and students

- Increasing waste recycling rates to 90 %
- Award of Red Tractor membership to The London School of Hospitality and Tourism, making them the first catering school in the country to achieve this sustainability standard
- Supporting the Students' Union in achieving their award of the bronze level under the Green Impact Scheme
- The development and launching of the University travel planning and environmental websites
- The award of Sapphire status under a scheme sponsored by Westrans and West London Business in recognition of its achievements in the promotion of sustainable transport

Considerable work has also been undertaken during the year to develop policies and procedures to support the University's environmental activities. These policies include the Environmental & Sustainability Strategy, Fair Trade Policy, Travel Plan and Sustainable Food Policy.

In accordance with our Estates Strategy, the University requires its new buildings to use the BREEAM approach to sustainable building design and aspires to achieve BREEAM 'Very good' levels of sustainable construction.

“The University of West London is committed

to promoting environmental responsibility amongst its staff and students and to minimising any negative impact of its activities upon the environment.”

The University's Environmental Strategy

OPERATING AND FINANCIAL REVIEW CONTINUED

FINANCIAL REVIEW

Financial strategy

In 2009-10 a new financial strategy was developed with the key targets of:

1. Delivering an operating surplus* for 2010-11; and
2. Realigning the cost base to support delivery of (i) an operating surplus* of at least 2 % of income and (ii) a positive operational cash inflow for 2011-12 and beyond

These targets had to be achieved without damage to the student experience and to ensure delivery of these targets the University established:

- A set of key objectives
- A set of key financial metrics for 2010-11

The key objectives have all been delivered (see Figure 7) and the metrics all met or exceeded (see Figure 8).

Figure 7. Key objectives delivered in 2009-10 and 2010-11

The key objectives, listed below, have all been delivered:

- ✓ Further Education College in Reading divested in July 2010
- ✓ Unprofitable courses run out
- ✓ Capped HEFCE student numbers allocated to higher margin courses
- ✓ Staff costs reduced (including severances and FRS17) to below 53 % of income
- ✓ Numbers of non or partially Government funded students increased
- ✓ Completion and attrition rates improved
- ✓ Franchise numbers brought back in house
- ✓ Operational savings achieved by making more efficient use of the Estate
- ✓ Estate surplus to requirements realised for sale
- ✓ Value for Money from non pay expenditure improved
- ✓ Strong financial control and accountability implemented
- ✓ The efficiency of operations improved by making better use of IT and improving processes
- ✓ Capital expenditure controlled to minimum, but effective, levels

Many of these actions, such as annual reviews of course margins, controls over recruitment of staff and strong financial controls are now firmly embedded in the culture of the University.

Figure 8. Key financial metrics 2010-11

The key financial metrics, listed below, were all exceeded:

Aim	Measure	Metric Target	Metric Achieved
Generate surpluses	Operating surplus as % of total income	2 %	8%
Manage staff costs	Staff costs as % of total income	53 %	51%
Generate cash from operations	Net cash flow as a % of total income	Breakeven	6%
Improve reserves	Discretionary reserves** as % of total income	25 %	28%
Ensure sufficient cash balance	Liquidity days	110 days	119 days

** General reserve including expendable endowments and excluding pension asset / (liability)

* Before including any profits from the sale of properties

Financial performance in 2010-11

The outstanding financial performance in 2010-11 confirms:

- The operational and financial strategies are right
- The objectives have been achieved
- The University is on a firm financial footing

Figure 9. Profitability and staff cost metrics

UWL in best quartile of operating profitability and staff cost sector metrics:

	UWL 2010-11	Sector best quartile*
Operating surplus as a % of income	8.4%	4.7 %
Staff costs as a % of income	50.8%	51.2 %

* HEFCE sector data for 2010/11 based on April 2011 financial forecast submissions from the sector

Figure 10 below compares the 2010-11 results with the results from continuing operations in 2009-10 (continuing operations are the results for the University for 2009-10 excluding the results from the Further Education College in Reading that was divested at the end of July 2010).

Figure 10. Results for 2010-11 and the continuing operations in 2009-10

The 2010-11 results show the financial turnaround:

£m	2010-11	Continuing operations 2009-10
Income	82.5	80.1
Staff costs including severances	(41.9)	(53.2)
Non staff costs	(33.7)	(33.6)
Operating surplus/(deficit)	6.9	(6.7)
FRS17 CPI adjustment to pensions	—	5.4
Property impairment	—	(4.3)
Profit on sale of property	—	0.5
Total surplus/(deficit)	6.9	(5.1)

Figure 10 shows clearly the effect of the strategies adopted and that actions taken during 2009-10 and in 2010-11 to realign the cost base to an income level of c£80m have been successful. In particular, two major severance programmes were run during 2009-10, launched in September 2009 and May 2010. The resulting reduction in annualised staff costs has enabled the 2010-11 staff costs to be controlled.

OPERATING AND FINANCIAL REVIEW CONTINUED

Income

Figure 11. Income for 2010-11 and the continuing operations in 2009-10

On a like-for-like basis income increased compared with 2009-10:		
£m	2010-11	Continuing operations 2009-10
Recurrent grants		
HEFCE	29.3	28.8
LSC	1.2	1.1
Other	2.8	1.9
Total recurrent grants	33.3	31.8
Tuition fees	27.2	26.0
Nursing and midwifery education contracts	15.9	16.1
Other income	6.1	6.2
Total income	82.5	80.1

Figure 11 shows that recurrent grants were £1.5m higher: £0.5m higher due to improved 2010-11 student number controls, £0.8m higher from other projects finalised and £0.2m more deferred capital grant income released. Fees were £1.2m higher, with home and EU undergraduate fees £0.8m higher than 2009-10 and overseas fees increased by £0.4m.

Income from the nursing and midwifery contracts with the London and South Central SHAs was reduced by £0.2m. The reduction was entirely in the South Central contract and a result of a reduction in the post-registration contract.

The University has followed a policy of bringing to an end commercial contracts which make little contribution to the University and starting to grow higher margin contracts.

Operating costs

Staff costs were reduced as the benefits from the 2009-10 severance programme yielded a full year's benefit and savings began to accrue from further staff severances during 2010-11.

With effect from 1 August 2011 the University's academic operations were reorganised and it was announced in June 2011 that the Faculty structure would be removed. In addition, a voluntary redundancy programme was run. The combined effects of in year severances, the Faculty restructure and the voluntary redundancy programme led to the severance costs of £2.6m.

Non staff costs were well managed by implementing tight controls on purchasing and the continued drive for procurement savings and Value for Money from non pay expenditure. During 2010-11 a new University wide 'Procure2Pay' process was implemented.

Efficiencies recorded on HEFCE's 2010-11 Efficiency Measurement Model (EMM) are expected to total £1.1m, following efficiencies of £1.2m recorded for 2009-10.

Figure 12. Operating costs for 2010-11 and the continuing operations for 2009-10

Operating costs were tightly controlled and re-aligned to a lower income base:		
£m	2010-11	Continuing operations 2009-10
Staff costs	(39.3)	(47.2)
Severances	(2.6)	(6.0)
Staff costs	(41.9)	(53.2)
Non staff costs	(33.7)	(33.6)
Operating costs	(75.6)	(86.8)

Figure 13. Operating cost metrics

Operating costs were tightly controlled and re-aligned to a lower income base:		
% of income	2010-11	Continuing operations 2009-10
Staff costs	50.8%	66.4%
Non staff costs	40.8%	41.9%

Financial performance for 2011-12 and beyond

The Board of Governors has agreed that the financial forecast will meet the following KPIs:

- Operating surplus each year of at least 2% of income
- The ratio of staff costs to income to not exceed 53%
- Operating cash flow to be positive

In addition, the Board has agreed that the financial forecast will reflect:

- A worst case basis and include income and cost contingencies
- Fee levels for 2012 onwards that enable investment in the student experience

Financial forecasts through to 2014/15 have been prepared which meet these requirements and the forecasts have been stress-tested against a series of sensitivities, the key sensitivity being the level of Home/EU enrolment from 2012 onwards when the new fee regime applies. The financial forecast to 2014/15 has been benchmarked against HEFCE's metrics taken

from the financial forecast submission from all universities in April 2011. The University's metrics compare well:

- At or above the best quartile for liquidity, gearing, operating profitability and staff cost metrics
- Around the median for surpluses and cash flow
- Third quartile for retained reserves (due to the planned divestment write off in 2009-10)

The key objectives set to deliver the 2011-12 Budget and prepare the University for the later years of the forecast are:

- Grow income
 - Attract students from the "live at home" market
 - Continue to improve NSS scores year on year
 - Continue to reduce non completion and attrition rates
 - Support students to enter employment
 - Develop two year intensive and three and a half year part time courses

- Increase overseas recruitment
- Work with employers to develop third stream income opportunities
- Align capped student numbers to higher margin courses
- Run out least profitable courses
- ii) Control costs
 - Achieve best in sector benchmark costs
 - Maintain controls over the engagement of new staff
 - Improve and streamline administration processes and make the most of IT opportunities
 - Continue to measure 'Value for Money' savings
 - Review commodity expenditure for opportunities to drive down unit costs

iii) Maintain and strengthen cash resources

- Manage expenditure to ensure an operating cash inflow
- Control capital expenditure
- Maintain good banking relationships to ensure borrowing facilities are available on the best of prevailing terms

OPERATING AND FINANCIAL REVIEW CONTINUED

PUBLIC BENEFIT STATEMENT

The University is an exempt charity within the meaning of the Charities Act 2006 and, as such, is required to demonstrate how its work is of 'public benefit'. A contribution is made via teaching, research and other activities to the advancement of education, a specific category of charitable purpose set out in the Charities Act 2006. The Governing Body has had regard to the Charity's Commission's guidance on public benefit and meets these requirements as described below.

The University's mission, vision and values set out on pages 26 to 28 reflect its commitment to public benefit.

Enhancing the employability of our graduates

The University aims to be a leading employer engagement university, playing a key role in taking forward the skills agenda whilst delivering a flexible, demand-led portfolio. Reaching out to students of all ages, abilities and backgrounds, the institutional vision is to be a university of choice and opportunity whilst contributing to the public good through the transfer of 'useful' knowledge. Contributing towards a more employable graduate workforce, the University develops courses hand-in-hand with employers to ensure the needs of the public are identified and met, providing useful and relevant education to its students. The University works towards ensuring the public begins to benefit from its undergraduate students whilst they are studying, not just its graduates.



The award of the Queen's Anniversary Prize in 2009 for outstanding achievement and excellence in hospitality education is an indicator of the value of the University's work to the hospitality industry. Vocational pathways linked to employment, part-time and flexible study routes, and appropriate levels of study support underpinned with basic skills/key skills all play a key role in the future development of local communities.

Our value proposition then is clear: to provide an employment driven student experience, underpinned by personalised tuition and embedded in the world of work. From 2012, all students will get a guaranteed work placement, excellent careers support and mentoring from recognised champions of industry.

Hospitality students join forces with top chefs to deliver prestigious charity dinner

Students from the University's Chef Restaurant Diploma course joined forces with some of the country's most celebrated chefs in June to prepare a prestigious charity dinner.

The students teamed up with Michael Roux OBE, Brian Turner CBE, Anton Edelmann, John Williams MBE, and Philip Corrick, Executive Chef of the Royal Automobile Club. Together they prepared a four course meal in aid of the Chefs 'Adopt a School' Programme, The British Forces Foundation and Epsom Racing Staff Welfare.

Research and enterprise

As a modern university, we engage in research and scholarship that is relevant and beneficial to the public. For instance, the Richard Wells Research Centre, established in 1995 to develop research and educational initiatives within the field of caring for patients with HIV, now incorporates prevention and care issues associated with infectious diseases and infections. As the only research centre of this type in the Higher Education sector, the University has a serious responsibility in this area and collaborations include working closely with the Department of Health, National Institute for Health and Clinical Excellence, NHS Modernisation Agency and National Audit Office.

The work of the Richard Wells Research Centre came to national attention last year (see page 16).

The University's School of Computing and Technology engages in a wide range of research projects and activity (see page 16). The recently established Centre for Networks and Distributed Systems links staff and PhD students with the aim of developing open source projects which have direct community links and access (see page 16).

Research activity in the Centre for Research in Midwifery and Childbirth likewise sees impact at a local level as a major part of its *raison d'être*. Its current projects include research into pregnant midwives, breastfeeding for teenage mothers and support for women with limited English language skills (see page 16).

Widening participation

The University's commitment to inclusiveness and the importance of widening participation is enshrined in its strategy and policies. Specifically, inclusiveness is defined as enabling and empowering all to access education that meets their needs and has helped to deliver increased access for students from under-represented groups. The University of West London consistently beats its benchmarks for recruitment of students from under-represented backgrounds, in 2009-10 47 % of the University's home entrants were from ethnic minority groups and within this category, 555 were males from Black ethnic groups. In 2010-11 just under half of young entrants to full time degrees were from socio-economic groups 4 to 7. This is one of the sector's highest figures for this group of the UK's population that participates in Higher Education at a lower rate than average.

Bursaries and scholarships

In 2010-11 there were 2,288 students in receipt of a maintenance grant or equivalent, who were assessed as having a household income below £25,000 and were eligible for the maximum bursary of £1,060. 351 students were in receipt of a maintenance grant or equivalent, with a household income between £25,000 and £40,000 and were eligible for a bursary of £530.

Additional bursaries and scholarships were on offer in 2010-11 to undergraduates in particular fields including music and the arts, nursing and midwifery, and law and hospitality. Similarly, there are a number of subject-specific bursaries available to postgraduate students.

Education liaison

Through the continuing work of the University's Education Liaison team, whose reach is extended to schools and colleges through organisations such as AimHigher and Lifelong Learning Networks, the University recognises the importance of finding appropriate ways of engaging those groups with low levels of participation in higher education. The team provides advice to inspire secondary school students into higher education, many of whom may never have seen university in their own futures. Through hundreds of unique education initiatives, including summer schools, progression days, mentoring sessions, master classes, workshops, taster days, careers fairs and days and work experience opportunities, the University has helped thousands of students to find their way.

The University has signed progression agreements with other colleges and universities through the West London Lifelong Learning Network, formalising entry routes and specifying a range of other options for learners who successfully complete further education programmes within these partner institutions. Progression agreements mean vocational learners are guaranteed equal consideration on UWL's courses. These partners include Ealing, Hammersmith and West London College and Uxbridge College.

OPERATING AND FINANCIAL REVIEW CONTINUED

Community engagement

The University makes an important contribution to the cultural life of the local community by providing a series of music concerts, musical theatre and other performances, as well as art and photography exhibitions, many of which are open to the general public and often free of charge. The end of year Degree Showcase, which is also open to the public, provides a platform for exhibitions and other demonstrations of student work.

The London School of Hospitality and Tourism achieved accreditation as a *Centre of Vocational Excellence (CoVE)* and runs a multiple award winning student training restaurant that is open to the public. Its programme of activities includes themed dining experiences, often coupled with musical performances, as well as celebrity chef demonstrations and charity events.

The London College of Music has been running a Junior Music College since 1959. The Junior Music College has therefore been providing music education every Saturday morning to children in the local communities for over 20 years and our Junior Chefs' Academy is now in its tenth year.

In 2010-11, the School of Art, Design and Media launched the National Art and Design Saturday Club. This initiative is supported by the Sorrell Foundation to provide free art and design education for 14-16 year olds. The University selected 20 artistically gifted students from local schools to attend free weekly sessions in a range of creative arts, including a master class provided by Michael Horsham of the Tomato Design Agency. The students' work was exhibited at the Embankment Gallery during the summer months, thus providing an outstanding opportunity for these young people to demonstrate their abilities.

The Students' Union hosts local events in its conference hall and local organisations, such as church groups, use the event space at weekends. The University's Volunteering service is designed to allow local voluntary, community and not for profit organisations to benefit from the skills and enthusiasm of students and staff, who have invested thousands of hours of their time into volunteering with local charities, schools and residents. Volunteers are involved in a range of projects from mentoring young offenders in a bid to raise aspirations and reduce the risk of reoffending to supporting primary and secondary children with language barriers.

Public education

The University offers a large number of short courses, which are available to the general public. Courses in the London School of Hospitality and Tourism range from healthy food and school meals provision to patisserie and confectionery, and cake decorating. The London College of Music has several short course offerings including music management, live event management, creativity and personal development, copyright and law, and Pro Tools. The Ealing School of Art, Design and Media offers digital photography, podcasting, creative presentation skills, creating a web presence and information visualisation. Other short courses are provided in psychology, computing, business skills and industry focussed training in management and leadership.

THE BOARD OF GOVERNORS

Ex-officio Member

Professor Peter John	Vice Chancellor	Served whole year
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Independent Members

Mr Chris Humphries CBE	Chair of the Board	Served whole year
Mr Lionel Benjamin		Served whole year
Mr Mike Bellamy		Served whole year
Mr Gareth Cadwallader		Served whole year
Mr Tony Coad		Served whole year
Mr Allan Dodd		Served whole year
Mr Jonathan Lea		Served whole year
Mr Sam Mackover		Served whole year
Ms Justine Stephenson		Served whole year
Dr Alistair Stokes		Served whole year
Dr Kirpal Tahim		Served whole year
Mr John Taylor	Deputy Chair of the Board	Served whole year

Co-opted Member with experience of the provision of education

Professor Roger Brown	Served whole year
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Staff Member

Mr Andrew Dunnett	Served whole year
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Academic Board Member

Ms Sara Raybould	Served from 1 July 2011
Dr Nadia Macdonald	Served until 24 September 2010

Student Member

Mr Daniel Whittall	Served whole year
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Professoriate Member

Professor Ivan Birch	Served from 1 July 2011
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Until 21 June 2011, the Board comprised 17 members in total as follows:

- i) 12 independent members
- ii) The Vice-Chancellor
- iii) One independent co-opted member
- iv) One elected representative of the Academic Board
- v) One elected staff representative
- vi) One student representative

The composition of the Board was amended on 21 June 2011 by the addition of a staff representative from the University's Professoriate, increasing the number of members of the Governing Body to 18.

THE UNIVERSITY'S STRUCTURE OF CORPORATE GOVERNANCE

In accordance with the Education Reform Act 1988, Further and Higher Education Act 1992, and the University's Instrument and Articles of Government, the Board of Governors of the University (The Board) is responsible for ensuring the effective governance and management of the affairs of the University and is required to present audited financial statements for each financial year.

The Board of Governors is responsible for the strategic direction of the University, including:

- i) Determining the educational character and mission of the University and oversight of its activities;
- ii) Ensuring the effective and efficient use of resources, the solvency of the University and the Corporation and for safeguarding their assets;
- iii) Approving annual estimates of income and expenditure;
- iv) The appointment and setting the terms and conditions of senior post holders;
- v) Setting the framework for the pay and conditions of service of all other staff; and
- vi) The assignment and appraisal of the Principal.

The Board consists of independent members and one co-opted member with experience of education. The membership also includes elected representatives of staff, the Academic Board, the Professoriate and the student body. No member of the Board receives remuneration for the work they do for the Board, except for the Vice-Chancellor who is a member of the Board by virtue of the office he holds.

Subject to the overall responsibility of the Board of Governors, the Academic Board has oversight of the academic affairs of the Institution and draws its membership entirely from the staff and students of the Institution.

The Vice-Chancellor is the Head of the Institution, its Chief Executive and the Accountable Officer. The Vice-Chancellor's responsibilities are set out in the Instrument and Articles of Government. Throughout the year the Vice-Chancellor was assisted by the Vice-Chancellor's Executive.

Statement of primary responsibilities

The role of the Board of Governors in fulfilling the University's Mission and Vision is:

- i) To approve the mission and strategic vision of the institution, long-term academic and business plans and KPIs, and to ensure that these meet the interests of stakeholders;
- ii) To delegate authority to the head of the institution, as chief executive, for the academic, corporate, financial, estate and personnel management of the institution;
- iii) To establish and keep under regular review the policies, procedures and limits within such management functions as shall be undertaken by and under the authority of the head of the institution;
- iv) To ensure the establishment and monitoring of systems of control and accountability, including financial and operational controls and risk assessment, and procedures for handling internal grievances and for managing conflicts of interest;
- v) To ensure that processes are in place to monitor and evaluate the performance and effectiveness of the institution against the plans and approved KPIs, which should be – where possible and appropriate – benchmarked against other comparable institutions;

- vi) To establish processes to monitor and evaluate the performance and effectiveness of the governing body itself;
- vii) To conduct its business in accordance with best practice in Higher Education corporate governance and with the principles of public life drawn up by the Committee on Standards in Public Life;
- viii) To safeguard the good name and values of the institution;
- ix) To appoint the head of the institution as chief executive, and to put in place suitable arrangements for monitoring his/her performance;
- x) To appoint a secretary to the governing body and to ensure that, if the person appointed has managerial responsibilities in the institution, there is an appropriate separation in the lines of accountability;
- xi) To be the employing authority for all staff in the institution and to be responsible for establishing a human resources strategy;
- xii) To be the principal financial and business authority of the institution, to ensure that proper books of account are kept, to approve the annual budget and financial statements, and to have overall responsibility for the institution's assets, property and estate;
- xiii) To be the institution's legal authority and, as such, to ensure that systems are in place for meeting all the institution's legal obligations, including those arising from contracts and other legal commitments made in the institution's name;
- xiv) To make such provision as it thinks fit for the general welfare of students, in consultation with the senate or academic board;
- xv) To act as trustee for any property, legacy, endowment, bequest or gift in support of the work and welfare of the institution; and
- xvi) To ensure that the institution's constitution is followed at all times and that appropriate advice is available to enable this to happen.

Financial responsibilities of the Board of Governors 2011-12

The Board is responsible for ensuring that proper accounting records are kept which will disclose, with reasonable accuracy, at any time, the financial position of the University and enable it to ensure that the financial statements are prepared in accordance with the University's Articles of Government, the Statement of Recommended Practice: Accounting for Further and Higher Education and other relevant accounting standards. Within the terms and conditions of the Financial Memorandum agreed between HEFCE and the University, the Board, through its Accountable Officer, is also required to prepare Financial Statements for each financial year which give a true and fair view of the state of affairs of the University and Group companies and of the surplus or deficit and cash flows for that year.

In preparing the Financial Statements, the Board has to ensure that:

- i) Suitable accounting policies are selected and applied consistently;
- ii) Judgments and estimates are made that are reasonable and prudent;
- iii) Applicable accounting standards have been followed, subject to any material departures being disclosed and explained in the financial statements;
- iv) Financial statements are prepared on the going concern basis unless it is inappropriate to assume operations will continue. The Board is satisfied that resources are adequate to continue in operation for the foreseeable future: for this reason the going concern basis continues to be adopted in the preparation of the financial statements; and
- v) The integrity of the financial information included on the University's website is maintained. Legislation in the UK governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

THE UNIVERSITY'S STRUCTURE OF CORPORATE GOVERNANCE CONTINUED

It has taken reasonable steps to:

- i) Ensure that funds from HEFCE are used only for the purposes for which they have been given and in accordance with the Financial Memorandum with HEFCE and any other conditions which HEFCE may from time to time prescribe;
- ii) Ensure that there are appropriate financial and management controls (including controls against fraud and theft) in place to safeguard public funds and funds from other sources;
- iii) Safeguard assets and prevent and detect fraud and other irregularities; and
- iv) Secure the economic, efficient and effective management of the University's resources and expenditure.

Such steps have been taken by the Board, where appropriate, by delegation of function to its Accountable Officer or Committees in accordance with and where permitted by, the Instrument and Articles of Government.

The Board is responsible for maintaining a sound system of internal financial control that supports the achievements of policies, aims and objectives, while safeguarding the public and other funds and assets, in accordance with the responsibilities assigned to the Governing Body in the Education Reform Act 1988, Further and Higher Education Act 1992, the University's Instrument and Articles of Government and the Financial Memorandum agreed with HEFCE.

The system of internal financial control is designed to manage rather than eliminate the risk of failure to achieve policies, aims and objectives; it can therefore only provide reasonable and not absolute assurance of effectiveness.

The system of internal control is based on an ongoing process designed to identify the principal risks to the achievement of policies, aims and objectives, to evaluate the nature and extent of those risks and to manage them efficiently, effectively and economically. These processes accord with HEFCE guidance.

The Board is responsible for reviewing the effectiveness of the system of internal control. The following processes have been established:

- i) The Board meets not fewer than five times a year to consider the plans and strategic direction of the Institution;
- ii) Responsibility for overseeing the process of risk management lies primarily with the Audit & Risk Committee; and
- iii) The full Governing Body receives and considers an annual report on risk management.

Throughout the year the Audit & Risk Committee receives reports at each of its meetings from the internal auditors, which include their independent opinion on the adequacy and effectiveness of the Institution's system of internal control and value for money together with recommendations for improvement.

The University's Vice-Chancellor's Executive, the Audit & Risk Committee, the Finance Committee and the Governing Body have considered and agreed the University's Risk Management Policy and the Strategic Risk Register.

The University maintains a register of Strategic Risks which includes an identification of 'risk owners' and is supported by similar local risk registers. The risks are ranked high, medium and low and movements within each category are highlighted to and discussed by the Audit and Risk Committee.

The Board's regular review of the effectiveness of the system of internal control is also informed by:

- i) The University's internal auditors, who operate to standards defined in the HEFCE Audit Code of Practice;
- ii) The work of the Vice-Chancellor's Executive which has responsibility for the development and maintenance of the internal control framework; and
- iii) Comments made by the external auditors in their management letters and other reports.

Committees of the Board

The Board of Governors currently meets at least five times each academic year including two away days. Much of the detailed work is delegated to its Committees, in particular the Finance Committee, the Audit & Risk Committee, the Governance & Nominations Committee and the Remuneration Committee. The decisions of these Committees are formally reported at each meeting of the Board through the minutes and oral briefings on the detailed work by each Committee's Chair.

The majority of Committee members are independent or co-opted members of the Board: staff and student members are not eligible to serve. The membership of the Governance & Nominations Committee includes a senior member of the academic staff. The Audit & Risk Committee also has two co-opted members who are not members of the University community or the Board. The Finance Committee has one co-opted member who is not a member of the University community or the Board.

Audit & Risk Committee

The Audit & Risk Committee met five times during the year. The University's external and internal auditors attended as appropriate. The Committee considered detailed reports together with recommendations for the improvement of the University's systems of internal control and management's responses and implementation plans. Whilst the Vice-Chancellor attends all meetings and other members of the senior executive team attend meetings of the Audit & Risk Committee as necessary, they are not members of the Committee. The Audit & Risk Committee meets with the external auditors and the internal auditors for independent discussions once a year.

The Audit & Risk Committee considers risk and control including responses thereon from the management team at each of its meetings. Subsequently the Audit & Risk Committee make an annual report on risk to the Governing Body. Ultimate responsibility for the approval of risk rests with the Governing Body.

Finance Committee

The Finance Committee met five times during the year. The Vice-Chancellor attends all meetings and the Executive Director of Finance is in attendance at all meetings. Other members of the senior executive team attend as appropriate.

The Finance Committee received regular reports on the following: management accounts and financial forecasts; the risk register; the Estates strategy; and the HESES return. The Finance Committee also approved the Financial Regulations.

Student Liaison Committee

The Student Liaison Committee met four times during 2010-11, including one away day. The Vice-Chancellor, Pro Vice-Chancellor (Academic and Student Services) and the Head of Finance attend all meetings. The Committee reviews the accounts of the Students' Union and considers the University's block grant to the Students' Union before its approval by the Board.

Governance and Nominations Committee

The Governance and Nominations Committee met four times during the year. The Vice-Chancellor and the Senior Pro Vice-Chancellor (External) attend all meetings.

The Committee considers and recommends nominations for vacancies in Board membership. During 2010-11 the Committee considered a change to governance arrangements in the addition of a member of the Professoriate to the membership of the Board of Governors. The Governance and Nominations Committee also agreed that a governance review be carried out in 2011-12 and recommended to the Board the nature and methodology of the review.

Remuneration Committee

The Remuneration Committee met once during the year. It determines the remuneration of the Vice-Chancellor and other senior post holders, and the Clerk to the Board as specified by the Instrument and Articles of Government. The Vice-Chancellor attends meetings of the Remuneration Committee.

Ideas Forum

The University established a new grouping for 2010-11, entitled 'The Ideas Forum'. The membership of this group consisted of Governors, staff and alumni. The intention was to create a different forum whereby new ideas might be initiated.

THE UNIVERSITY'S STRUCTURE OF CORPORATE GOVERNANCE CONTINUED

Risk management

Following the internal audit of Corporate Governance and Risk Management in March, the Risk Management Policy was updated and approved by the Board in July 2011. The Audit & Risk Committee approved amendments to the Audit & Risk management methodology, including gap analysis. The Risk Register is reviewed by the Audit & Risk Committee at each meeting.

The most significant risk facing the University in 2012, in common with the Higher Education sector in England, is the impact of Government policy on Higher Education funding. Further information on risk management, including the top three risks facing the University, is set out in the Operating and Financial Review on page 11.

Register of Interests

The Institution maintains a Register of Interests of Members of the Board and senior officers. The Register may be consulted by arrangement with the University Secretary and Clerk to the Board of Governors.

Payments to Governors

A total of £4,827.60 was paid in expenses to five Governors during 2010-11 in relation to travel costs. The Academic Board and Staff Governor representatives are employees of the University and are paid accordingly. The student representative is an employee of the University's Students' Union which is predominantly funded by the University. None of the Governors received payment in relation to their Trusteeship.

Clerk to the Board of Governors

In accordance with the Articles of Government of the Institution, the University Secretary has been appointed as Clerk to the Board and in that capacity provides independent advice on matters of governance to all Board members. The Clerk to the Board has a key role to play in the operation and conduct of the Governing Body and in assuring that appropriate procedures are established.

Internal Control

The University's Governing Body is responsible for the University's system of internal control and for reviewing its effectiveness. Such a system is designed to 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 Governing Body is of the view that there is an ongoing process for identifying, evaluating and managing the University's significant risks. During 2010-11 the work of the Audit & Risk Committee focussed on monitoring and reviewing the Institution's approach to the process of risk identification and management on behalf of the Board.

The Audit & Risk Committee, in conjunction with the management team, regularly consider and debate the development of the Strategic Risk Register and the processes required to achieve effective and appropriate risk management. The Audit & Risk Committee considered the Strategic Risk Register at each meeting of the Committee held during the year.

The Committee notes the considerable progress made in previous years in terms of risk identification and management, particularly in the advancement of the Strategic Risk Register, which has been continued throughout 2010-11. The Committee also notes the work done to ensure the current level of risk management and awareness is aligned with the University's Strategic Plan (as approved by the Board of Governors in July 2008 and updated in October 2010). Appropriate processes are now in evidence alongside the day to day strategic planning and decision making process in all areas of the Institution.

The Finance Committee regularly reviews and monitors the risks pertinent to its area of responsibility.

The full particulars of the work of the Audit & Risk Committee including details of the advancements made during the course of 2010-11 are set out in the Committee's annual report to the Board. This report was considered by the Board on 2 November 2011 and will be submitted to HEFCE.

The Audit & Risk Committee place considerable reliance on the work of the internal and external audit teams and assessments made by external agencies such as the HEFCE. The Committee has and will continue to work in conjunction with those audit teams and in conjunction with management to ensure the further development of effective processes which enable the risks facing the Institution to be closely monitored and regularly reported both to Governors and other interested bodies.

The Audit & Risk Committee approves the annual Internal Audit Plan. The plan was approved by the Committee at its meeting on 30 September 2010.

KPMG undertook the following internal audits in 2010-11 with outcomes as indicated:

- HR management and structure – substantial assurance
- IT Review – limited assurance
- Risk Management and Corporate Governance – substantial assurance
- Core financial systems (including financial sustainability) – substantial assurance
- Data quality – substantial assurance
- Estates Strategy and Capital Programme Delivery Core – substantial assurance

Internal audit opinion 2010/11

‘Based on the reviews undertaken during 2010/11, in our opinion the University has satisfactory arrangements in order to provide assurance to the Governing body over the effectiveness and adequacy of the risk management, control and governance processes. We also consider that the University has adequate arrangements in place to promote economy, efficiency and effectiveness.’

KPMG LLP

The Audit & Risk Committee received regular reports on the University’s preparation for the QAA Audit, which took place in 2011. The QAA’s final report acknowledged both the depth and the intensity of institutional change since 2005 including: the review of the multiple campus organisation, the divestment of the University’s provision at Reading and in Slough, organisational restructuring, new committee structures and new arrangements for the review of programmes, all within a context of severe financial constraint.

The QAA audit report noted a number of features of good practice in 2011 as follows:

- Improvements in institution wide communication
- Promotion of employer engagement and employability across the curriculum
- High quality external educational opportunities offered to students
- The Collaborative Link Tutors’ active involvement with partner institutions and their students, and the constructive use of tutor reports by the University to enhance collaborative partnerships

There were two recommendations for action in the ‘advisable’ category and two in the ‘desirable’ category. The team advised the University to:

- Ensure consistency in faculty procedures for the annual monitoring of programme reviews, and in the monitoring of external examiners’ reports and the responses made to them; and
- Ensure that all transcripts or certificates for collaborative students make reference to the name of the partner institution and the location of study

The report suggested that it would be desirable for the University to:

- Respond to students in a more timely, informative and coherent manner on the actions arising from student feedback and consultation; and
- Consider how it might strengthen its existing public information about the management of the quality and standards of its programmes

The University accepted these recommendations and has already implemented them in the case of transcripts and certificates. It has strengthened its arrangements for ensuring consistency of procedures for the annual monitoring of programme reviews, including external examiners’ reports. Further consultation with the Students’ Union has resulted in closer management of student evaluations and a more active approach to student engagement. Finally, a new university-wide working group on Public Information has been set up by the University Secretary to deal with, inter alia, the requirements of the Information Commissioner’s Office and the forthcoming sector-wide requirements on the provision of information on Higher Education (Key Information Sets).

On 2 November 2011 the Governing Body received and discussed the Audit & Risk Committee’s Annual Report for the year.

The Board has received from the Chair of the Audit & Risk Committee the necessary assurances about the adequacy of the internal controls in place throughout the year thus enabling these 2010-11 Financial Statements to be signed and submitted to HEFCE.

Financial Statements

Annual Report and Financial Statements
YEAR ENDED 31 JULY 2011



INDEPENDENT AUDITORS' REPORT TO THE BOARD OF GOVERNORS OF THE UNIVERSITY OF WEST LONDON

We have audited the financial statements of University of West London for the year ended 31 July 2011 which comprise the Consolidated Income and Expenditure Account, Statement of Consolidated Historical Costs Surpluses and Deficits, Consolidated Statement of Total Recognised Gains and Losses, the Balance Sheets for the Group and the University, the Consolidated Cash Flow Statement and the related notes. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

This report is made solely to the University's Governors, as a body, in accordance with paragraph 124B of the Education Reform Act 1988. Our audit work has been undertaken so that we might state to the University's Governors 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 University and the University's Governors as a body, for our audit work, for this report, or for the opinions we have formed.

Respective Responsibilities of the University's Governing Body and Auditors

As explained more fully in the statement of responsibilities of the Board of Governors, the members of the Governing Body are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view.

Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law, regulatory requirements and International Standards on Auditing (UK and Ireland) and the Audit Code of Practice issued by the Higher Education Funding Council for England. Those standards require us to comply with the Auditing Practices Board's (APB's) Ethical Standards for Auditors.

Scope of the audit of the financial statements

A description of the scope of an audit of financial statements is provided on the APB's website at www.frc.org.uk/apb/scope/private.cfm.

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 University 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 Financial Memorandum with the Higher Education Funding Council for England.

Opinion on the financial statements

In our opinion:

- The financial statements give a true and fair view of the state of the Group's and the University's affairs as at 31 July 2011 and of the Group's surplus of income over expenditure for the year then ended;
- The financial statements have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice and the Statement of Recommended Practice: "Accounting for Further and Higher Education Institutions";
- The financial statements have been prepared in accordance with the requirements of the Education Reform Act 1988;
- Income from the Higher Education Funding Council for England, Training and Development Agency for Schools, grants and income for specific purposes and from other restricted funds administered by the University have been applied only for the purposes for which they were received; and
- Income has been applied in accordance with the University's statutes and where appropriate with the applicable Financial Memorandum with the Higher Education Funding Council for England.

BDO LLP

Statutory Auditor
Epsom
United Kingdom

2 November 2011

STATEMENT OF PRINCIPAL ACCOUNTING POLICIES

Basis of preparation

These financial statements have been prepared in accordance with the Statement of Recommended Practice (SORP): Accounting for Further and Higher Education 2007 and in accordance with applicable Accounting Standards. They conform to guidance published by HEFCE. Based on future cash flow forecasts and income expectations, the Board confirms it is appropriate for the financial statements to be prepared on a going concern basis.

Basis of accounting

The financial statements are prepared under the historical cost convention, as modified for the revaluation of investment properties.

Basis of consolidation

These financial statements consolidate the University and all its subsidiary undertakings detailed in note 36. The consolidated financial statements do not include the financial statements of the University Students' Union, which is a separate entity in which the University has no financial interest and over which it has no control or significant influence in policy decisions.

Recognition of income

Grants from HEFCE and similar bodies are credited to the income and expenditure account in the year they are received, except for grants received for specific initiatives which span more than one year. In such cases grant income is deferred to the extent it is not matched by qualifying expenditure.

Tuition fee income is credited to the income and expenditure account over the period in which the students are studying. Where the amount of the tuition fee is reduced, income receivable is shown net of discount. Bursaries are accounted for as expenditure and not deducted from income.

Income from grants, contracts and other services rendered are accounted for on an accruals basis and included to the extent of the completion of the contract or service concerned; any payments received in advance of such performance are recognised on the balance sheet as deferred income.

Income from shortterm deposits is credited to the Income and Expenditure Account on a receivable basis.

Accounting for charitable donations

Unrestricted donations

Donations, bequests or gifts with no specific terms attached to the use are recorded in the Income and Expenditure Account in the period received.

Endowment funds

Where charitable donations are restricted to a particular objective specified by the donor, these are accounted for as an endowment. There are three main types:

- i) Restricted permanent endowments – The capital fund is maintained (and is therefore permanent) and the income thereon is applied to the objective specified by the donor.
- ii) Unrestricted permanent endowments – the capital fund is maintained (and is permanent) but the income thereon can be applied to the general purpose of the University.

- iii) Expendable endowments – the donation is restricted (specific) to a particular objective specified by the donor. The trustees have the power of discretion to convert endowed capital into income.

Donations for fixed assets

Donations and grants received to be applied to the cost of a tangible fixed asset are shown on the balance sheet as a deferred capital grant. The deferred capital grant is released to the Income and Expenditure Account over the same estimated useful life that is used to determine the depreciation charge of the asset.

Pension schemes

Pension costs are provided in accordance with FRS17 'Retirement Benefits'. The cost of providing pensions is determined by independent actuaries and charged to the income statement in the period in which those benefits are earned by employees. Actuarial gains and losses are recognised in full in the period in which they occur and are recognised in the Statement of Total Recognised Gains and Losses. The retirement benefit obligations are recognised in the balance sheet.

The calculation of the cost of early retirement provisions charged to the Income and Expenditure Account is based on the total capital cost of providing enhanced pensions with allowance for future investment returns at percentages in excess of price inflation.

Foreign currencies

Assets and liabilities in foreign currencies are translated into sterling at the rate of exchange ruling on the Balance Sheet date. The resulting exchange differences are charged or credited to the Income and Expenditure Account. Transactions denominated in foreign currencies are recorded at the rate of exchange ruling at the date of the transaction.

Leases

Rental costs under operating leases are charged to expenditure on a straight line basis over the periods of the leases.

Tangible assets

Land and buildings are stated at cost or valuation.

The transitional rules set out in FRS15 'Tangible Fixed Assets' have been applied on implementing FRS15. Accordingly, the book values at implementation have been retained.

Land held freehold is not depreciated as it is considered to have an indefinite useful life. Buildings are depreciated over their remaining expected useful lives. The rates of depreciation per annum are as follows:

Freehold buildings
2 %

Computer equipment
33.33 %

Equipment
20 %

Leasehold premises
Life of Lease

Work in progress is not depreciated until the asset is brought into use.

Where assets are acquired with the aid of specific grants, they are capitalised and depreciated as above. The related grants are treated as deferred capital grants and released to income over the expected useful life of the assets.

Individual fixed assets costing £2,000 or more are capitalised, although items costing less may be capitalised as part of a larger single project. All computer equipment is capitalised on the principle that all such assets are interrelated i.e. capable of being networked.

Investment properties

Investment Properties are included in the Balance Sheet at their open market value. Any changes in the market value of investment properties are shown as movements on the Revaluation Reserve unless a deficit is expected to be permanent in which case it is charged to the Income and Expenditure account. Investment Properties are not depreciated.

Impairment

If an event or change in circumstance has occurred which indicates that the carrying value of a fixed asset may not be recoverable then an impairment review is undertaken. The carrying amount of fixed assets is compared to the recoverable amount and the asset value written down as necessary.

Investments

Endowed asset investments are included in the Balance Sheet at market value.

Stocks

Stocks are stated at the lower of cost or net realisable value.

Cash flows and liquid resources

Cash flows comprise increases or decreases in cash. Cash includes cash in hand, deposits repayable on demand and overdrafts. Deposits are repayable on demand if they are in practice available within 24 hours without penalty. No investments, however liquid, are included as cash.

Provisions

Provisions are recognised when the University has a present legal or constructive obligation as a result of a past event, it is probable that a transfer of economic benefit will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation.

Taxation

The University is an exempt charity within the meaning of schedule 2 of the Charities Act 1993 and, as such, is a charity within the meaning of section 506(1) of the Taxes Act 1988. Accordingly the University is potentially exempt from taxation in respect of income or capital gains received within categories covered by section 505 of the Taxes Act 1988 or section 256 of the Taxation and Chargeable Gains Act 1992 to the extent that such income or gains are applied to exclusively charitable purposes. The University receives no similar exemption in respect of Value Added Tax.

The subsidiary trading company operates as a commercial organisation and is subject to corporation tax. The profits of this company are covenanted to the University.

Tax, including deferred tax, in respect of the trading activities of the University and its subsidiary operations, is provided for at current rates.

Changes in accounting policies

There were no changes in accounting policies during the year.

CONSOLIDATED INCOME AND EXPENDITURE ACCOUNT

for the year ended 31 July 2011

		2010/11	2009/10	2009/10	2009/10
	Note	Consolidated £000	Continuing operations £000	Discontinued operations £000	Consolidated £000
Income					
Funding Council Grants	1	33,307	31,828	18,999	50,827
Tuition fees and education contracts	2	43,107	42,078	1,832	43,910
Research grants and contracts	3	580	879	–	879
Other income	4	5,278	5,192	2,762	7,954
Endowment and investment income	5	200	175	–	175
		82,472	80,152	23,593	103,745
Expenditure					
Staff costs	6	(39,277)	(47,194)	(17,849)	(65,043)
Severance costs		(2,613)	(5,988)	(1,079)	(7,067)
Gain arising from change in pension scheme benefits	30	–	5,354	–	5,354
Other operating expenses	7	(27,713)	(26,978)	(5,090)	(32,068)
Interest payable	9	(1,802)	(2,342)	(223)	(2,565)
Depreciation	13	(4,236)	(4,323)	(1,294)	(5,617)
Impairment	13	–	(4,345)	–	(4,345)
		(75,641)	(85,816)	(25,535)	(111,351)
Group surplus/(deficit) on continuing operations after depreciation of tangible assets but before tax and exceptional items					
		6,831	(5,664)	(1,942)	(7,606)
Surplus on disposal of property	11	–	548	–	548
Deficit on transfer of Reading FE provision	11	–	–	(19,245)	(19,245)
Group surplus/(deficit), after depreciation of assets, disposal of assets and tax					
		6,831	(5,116)	(21,187)	(26,303)
Surplus for the year transferred from accumulated income in endowment funds	23	101	41	–	41
Group surplus/(deficit) for the year retained within general reserve					
		6,932	(5,075)	(21,187)	(26,262)

The notes on pages 44 to 59 form part of these financial statements.

STATEMENT OF CONSOLIDATED HISTORICAL COST SURPLUSES AND DEFICITS

for the year ended 31 July 2011

	Note	2010/11 £000	2009/10 £000
Surplus/(deficit) on continuing operations after depreciation of tangible fixed assets at valuation and disposals but before taxation		6,831	(26,303)
Difference between historical cost depreciation and the actual charge for the period calculated on the revalued amount	25	199	199
Historical cost surplus/(deficit) for the year before taxation		7,030	(26,104)
Taxation	10	–	–
Historical cost surplus/(deficit) for the year before taxation		7,030	(26,104)

STATEMENT OF TOTAL RECOGNISED GAINS AND LOSSES

for the year ended 31 July 2011

	Note	2010/11 £000	2009/10 £000
Surplus/(deficit) on continuing operations after depreciation of assets, disposal of assets and tax		6,831	(26,303)
New endowments	23	330	8
Endowments released	23	–	(16)
Actuarial gain recognised in respect of pension schemes	31	298	3,460
Gain on revaluation of investment property	24	1,243	–
Total recognised surplus/(loss) relating to the year		8,702	(22,851)
Reconciliation			
Opening reserves and endowments		2,449	25,300
Total recognised gain/(loss) for the year		8,702	(22,851)
Closing reserves and endowments		11,151	2,449

CONSOLIDATED BALANCE SHEET

as at 31 July 2011

	Note	Consolidated		University	
		2010/11 £000	2009/10 £000	2010/11 £000	2009/10 £000
Fixed assets					
Intangible assets					
Tangible assets	13	52,568	64,597	52,568	64,597
Investment properties	14	12,440	–	12,440	–
Investments	15	167	154	167	154
Total fixed assets		65,175	64,751	65,175	64,751
Endowment assets	16	608	379	608	379
Current assets					
Stocks		115	126	115	126
Debtors	17	5,057	7,251	5,091	6,919
Cash at bank and in hand		23,913	24,037	23,823	24,034
Total current assets		29,085	31,414	29,029	31,079
Creditors					
Amounts falling due within one year	18	(22,546)	(29,586)	(22,493)	(29,228)
Net current assets		6,539	1,828	6,536	1,851
Total assets less current liabilities		72,322	66,958	72,319	66,981
Creditors					
Amounts falling due after more than one year	19	(8,334)	(11,035)	(8,334)	(11,035)
Provisions for liabilities and charges	20	–	(950)	–	(950)
Pensions liability		(29,033)	(28,480)	(29,033)	(28,480)
Net assets		34,955	26,493	34,952	26,516
Deferred capital grants	22	23,804	24,044	23,804	24,044
Endowments					
Expendable	23	438	209	438	209
Permanent	23	170	170	170	170
Reserves					
Revaluation reserve	24	17,000	15,956	17,000	15,956
General reserve	25	22,576	14,594	22,573	14,617
Total reserves excluding pension reserve		39,576	30,550	39,573	30,573
Pension reserve		(29,033)	(28,480)	(29,033)	(28,480)
Total reserves including pension reserve		10,543	2,070	10,540	2,093
Total funds		34,955	26,493	34,952	26,516

The notes on pages 44 to 59 form part of these financial statements. The financial statements on pages 38 to 59 were approved and authorised for issue by the Board of Governors on 2 November 2011 and signed on its behalf by:

Professor Peter John
Vice-Chancellor

Dr Kirpal Tahim
Member of the Board of Governors

CONSOLIDATED CASH FLOW STATEMENT

for the year ended 31 July 2011

	Note	2010/11 £000	2009/10 £000
Cash inflow from operating activities	26	4,612	561
Returns on investments and servicing of finance	27	(1,602)	(2,390)
Capital (expenditure)/inflow	28	(1,352)	5,767
Cash inflow before financing		1,658	3,938
Financing	29	(641)	1,918
Increase in cash in the period		1,017	5,856
Reconciliation of net cash flow to movement in funds			
Increase in cash in the period	30	1,017	5,856
Change in net debt resulting from cash flows	29	641	(1,918)
Movement in funds in period		1,658	3,938
Net funds at 1 August 2010		16,452	12,514
Net funds at 31 July 2011	30	18,110	16,452

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31 July 2011

1. Funding Council grants

	2010/11 £000	2009/10 £000
Recurrent grants:		
HEFCE	29,314	28,806
LSC	1,211	20,028
Specific grants:		
Continuing vocational education	1,359	754
Releases of deferred capital grants:		
Equipment (note 22)	1,016	681
Buildings (note 22)	407	558
	33,307	50,827

2. Tuition fees and education contracts

	2010/11 £000	2009/10 £000
UK Higher Education students		
Full-time students	13,259	12,757
Part-time students	2,365	2,443
UK Further Education students		
Full-time students	3	255
Part-time students	73	670
EU Students (excl UK students)	1,954	1,819
Non EU students	8,984	8,538
Short courses and examination fees	574	1,299
Nursing and midwifery education contracts	15,895	16,129
	43,107	43,910

3. Research grants and contracts

	2010/11 £000	2009/10 £000
Other grants and contracts	580	879

4. Other operating income

	2010/11 £000	2009/10 £000
Residences, catering and conferences	565	1,153
Other income-generating activities	2,730	4,487
Deferred capital grants release (note 22)	267	445
Other income	1,716	1,869
	5,278	7,954

5. Endowment and investment income

	2010/11 £000	2009/10 £000
Income from endowment asset investments (note 23)	10	7
Other interest receivable	190	168
	200	175

NOTES TO THE FINANCIAL STATEMENTS CONTINUED

for the year ended 31 July 2011

6. Staff costs and exceptional staff costs

	2010/11 £000	2009/10 £000
Wages and salaries	32,642	53,967
Social security costs	2,673	4,238
Pension costs	3,962	6,838
Staff costs	39,277	65,043
Severance costs	2,613	7,067
Exceptional staff costs	2,613	7,067
Teaching departments	24,418	40,221
Teaching support services	3,487	7,536
Administration and central services	11,372	17,286
	39,277	65,043
Staff on permanent contracts	36,406	59,698
Staff on short-term and temporary contracts	2,871	5,345
	39,277	65,043
The average number of persons (including senior post-holders) employed by the University during the period, expressed as full-time equivalents, was:	2010/11 Number	2009/10 Number
Teaching departments	533	951
Teaching support services	79	172
Administration and central services	238	378
	850	1,501
The remuneration of higher paid staff, excluding pension contributions was:		
£100,000-£110,000	2	–
£110,000-£120,000	1	3
£190,000-£200,000	1	1
In 2010-11 no compensation for loss of office was paid to former members of staff earning in excess of £100,000 per annum	2010/11 £000	2009/10 £000
Compensation paid to former post holders	–	123
Estimated value of other benefits	–	80
Vice-Chancellors' emoluments		
Salary	192	191
Benefits in kind	2	2
Pension contributions*	27	27

* Pension contributions are for payments to the Teachers' Pension Scheme (TPS).

7. Other operating expenses

	2010/11 £000	2009/10 £000
Other premises costs	4,740	5,206
Agency and consultancy	3,444	4,599
Equipment rent and maintenance	1,224	1,341
Consumables	708	928
Books and periodicals	1,657	1,586
Franchise payments	3,703	3,960
Advertising	1,268	1,534
Grants to Students' Union	372	489
Travelling and subsistence	610	778
Accommodation	170	498
Equipment not capitalised	392	391
Irrecoverable VAT	122	135
Rents	3,412	3,751
Auditors' remuneration	156	134
External auditors – other remuneration	11	3
Other expenses	5,724	6,735
	27,713	32,068
Included in the above operating expenses:		
External audit fee – University	65	81
External audit fee – Subsidiaries	5	5
Internal audit fee	50	48
Operating lease rentals	338	349

8. Governors' remuneration

A total of £4,827 (£4,564 in 2009-10) was paid in expenses to five Governors during 2010-11 in relation to travel costs. The Academic Board and Staff Governor representatives are employees of the University and are paid accordingly. The student representative is an employee of the University's Students' Union which is predominantly funded by the University. None of the Governors received payment in relation to their Trusteeship.

NOTES TO THE FINANCIAL STATEMENTS CONTINUED

for the year ended 31 July 2011

9. Interest payable

	2010/11 £000	2009/10 £000
On bank loans, overdrafts and other loans:		
Repayable within five years, by instalments	335	354
On pension scheme assets and liabilities:		
Expected return on pension scheme assets	(3,342)	(3,359)
Interest cost on pension scheme liabilities	4,809	5,570
	1,802	2,565

10. Taxation

	2010/11 £000	2009/10 £000
Current year tax charge	–	–
Surplus/(deficit) on operations before tax	6,932	(26,262)
Expected tax charge*	1,895	(7,354)
Effects of:		
Surplus not subject to UK corporation tax	(1,895)	7,354
UK corporation tax charge on profits of subsidiary	–	–

* Calculated at 28 % for August 2010 to March 2011, and 26 % for April 2011 to July 2011. Assumes profits accrue evenly over the year.

11. Surplus/(deficit) on disposal of property

	2010/11 Total £000	2009/10 Freehold Property £000	2009/10 Reading FE provisions £000	2009/10 Total £000
Sale proceeds	–	3,600	–	3,600
Book value assets	–	(3,052)	(17,131)	(20,183)
Deferred capital grants released on disposal	–	–	(2,329)	(2,329)
Disposal costs	–	–	(359)	(359)
Extinguishing of pension liability	–	–	574	574
	–	548	(19,245)	(18,697)

12. Surplus/(deficit) for the period

	2010/11 £000	2009/10 £000
University's surplus/(deficit) for the period	6,906	(26,271)
Surplus generated by subsidiary undertakings	2	10

13. Tangible fixed assets (Consolidated and University)

	Freehold land £000	Freehold buildings £000	Equipment £000	Work in progress £000	Short Leasehold premises £000	Total £000
Cost						
At 1 August 2010	20,404	58,040	35,812	1,754	9,874	125,884
Additions	–	–	–	3,539	–	3,539
Transfer to investment properties	(14,604)	(18,720)	(66)	–	(2)	(33,392)
Reclassifications	–	2,135	1,571	(4,205)	499	–
Disposals	–	–	(3,182)	(21)	–	(3,203)
At 31 July 2011	5,800	41,455	34,135	1,067	10,371	92,828
Depreciation / impairment						
At 1 August 2010	8,025	22,263	29,647	–	1,352	61,287
Disposals	–	–	(3,068)	–	–	(3,068)
Transfer to investment properties	(9,635)	(12,514)	(45)	–	(1)	(22,195)
Charge for year	–	960	2,821	–	455	4,236
Reclassifications	1,610	(1,635)	3	–	22	–
At 31 July 2011	–	9,074	29,358	–	1,828	40,260
Net book value as at 31 July 2011	5,800	32,381	4,777	1,067	8,543	52,568
Net book value as at 31 July 2010	12,379	35,777	6,165	1,754	8,522	64,597

The transitional rules set out in FRS 15 'Tangible Fixed Assets' have been applied on implementing FRS15. Accordingly, the book values at implementation have been retained.

In accordance with the Education Reform Act 1988, the freehold interest in the property occupied by the University at 1 April 1989 was transferred to the University.

Depreciation was funded by:

	2010/11 £000	2009/10 £000
Deferred capital grants released (note 22)	1,690	1,684
Revaluation reserve release (note 24)	199	199
General income	2,347	3,734
	4,236	5,617

NOTES TO THE FINANCIAL STATEMENTS CONTINUED

for the year ended 31 July 2011

14. Investment Properties (Consolidated and University)

The historical cost of investment properties is:

	2010/11 £000	2009/10 £000
Cost	33,392	–
Accumulated depreciation based on historical cost	(22,195)	–
Historical cost net book value	11,197	–
Market value	12,440	–
Revaluation Reserve	1,243	–

The group's investment properties have been valued by Vail Williams Chartered Surveyors and Haslams Chartered Surveyors at open market value, on 31 July 2011. The valuations were undertaken in accordance with the Royal Institute of Chartered Surveyors' Appraisal and Valuation Manual. The surplus arising of £1,243,204 has been credited to the revaluation reserve.

15. Investments (Consolidated and University)

	2010/11 £000	2009/10 £000
At 1 August 2010	154	109
Additions	13	45
At 31 July 2011	167	154

Listed investments include 28,240 Homeserve plc shares which have a market value of £136,286.

The University owns 31,038 £1 ordinary shares in CVCP Properties plc, a company registered in England and operating in the UK. This company is not consolidated into the University accounts because the University owns less than 1% of the shares.

The University consolidated the results of its only trading subsidiary, UWL Commercial Limited, in which it owns 100% of the share capital.

The University also owns 100% of the issued share capital of London College of Music Limited (100 £1 ordinary shares) which is dormant. All the companies are registered in England and Wales.

16. Endowment assets (Consolidated and University)

	2010/11 £000	2009/10 £000
Balance at 1 August 2010	379	428
Movement in cash balances held	229	(49)
Balance at 31 July 2011	608	379
Represented by		
Bank Balances	608	379
Total endowment assets	608	379

17. Debtors

	Consolidated		University	
	2010/11 £000	2009/10 £000	2010/11 £000	2009/10 £000
Trade debtors	3,519	4,740	3,478	4,385
Amounts owed by consolidated undertakings	–	–	75	23
Other debtors	411	1,175	411	1,175
Prepayments	1,127	1,336	1,127	1,336
	5,057	7,251	5,091	6,919

18. Creditors: amounts falling due within one year

	Consolidated		University	
	2010/11 £000	2009/10 £000	2010/11 £000	2009/10 £000
Unsecured loans	659	599	659	599
Overdraft	–	912	–	912
Trade creditors	1,993	1,454	1,993	1,454
Amounts owed to subsidiaries	–	–	–	2,628
Social security and other taxation	1,258	2,690	1,258	2,202
Accruals and deferred income	18,636	23,931	18,583	21,433
	22,546	29,586	22,493	29,228

19. Creditors: amounts falling due after more than one year

	Consolidated		University	
	2010/11 £000	2009/10 £000	2010/11 £000	2009/10 £000
Unsecured loans	5,752	6,453	5,752	6,453
Amounts due to Funding Council	2,582	4,582	2,582	4,582
	8,334	11,035	8,334	11,035

The unsecured loan is repayable by instalments falling due between 11 August 2011 and 12 August 2019 and interest is charged at 5.64%. The University has an additional borrowing facility for up to £9,000,000 of which nil was drawn at the year end.

20. Provisions for liabilities and charges (Consolidated and University)

	Total £000
At 1 Aug 2010	950
Utilised in the year	(439)
Released in the year	(511)
At 31 July 2011	–

NOTES TO THE FINANCIAL STATEMENTS CONTINUED

for the year ended 31 July 2011

21. Borrowings (Consolidated and University)

	2010/11 £000	2009/10 £000
Repayments fall due within the following bands		
Within 1 year (note 18)	659	1,511
Within 2-5 years (note 19)	2,948	2,759
After more than 5 years (note 19)	2,804	3,694
	6,411	7,964

22. Deferred capital grants (Consolidated and University)

	HEFCE funded equipment £000	HEFCE funded buildings £000	Other grants £000	Total £000
At 1 August 2010	3,247	18,893	1,904	24,044
Cash received	1,046	329	485	1,860
Reversal of accrued income for 2009/10	–	(379)	–	(379)
Release to income and expenditure	(1,016)	(407)	(267)	(1,690)
Deferred grant released on disposal	(21)	–	(10)	(31)
At 31 July 2011	3,256	18,436	2,111	23,804

23. Endowments (Consolidated and University)

	Restricted expendable £000	Restricted permanent £000	Total £000
Balances brought forward:			
Capital value	209	167	376
Accumulated income	–	3	3
At 1 August 2010	209	170	379
Additions	330	–	330
Income for the year (note 5)	10	–	10
Expenditure for the year	(111)	–	(111)
At 31 July 2011	438	170	608
Represented by:			
Capital value	438	167	605
Accumulated income	–	3	3
At 31 July 2011	438	170	608

24. Revaluation reserve (Consolidated and University)

	2010/11 £000	2009/10 £000
At 1 August 2010	15,956	16,155
Contributions to depreciation released in the year (note 13)	(199)	(199)
Investment Properties	1,243	–
At 31 July 2011	17,000	15,956

25. Movement on general reserves

	Consolidated		University	
	2010/11 £000	2009/10 £000	2010/11 £000	2009/10 £000
Surplus/(deficit) after depreciation of assets and after tax	6,932	(26,262)	6,906	(26,271)
Release from revaluation reserve	199	199	199	199
Historical cost surplus/(deficit) after tax	7,131	(26,063)	7,105	(26,072)
Pension recognised gains	298	3,460	298	3,460
Transfer from/(to) pension reserve	553	(7,186)	553	(7,186)
Balance brought forward	14,594	44,383	14,617	44,415
Balance carried forward	22,576	14,594	22,573	14,617

26. Reconciliation of consolidated operating surplus/(deficit) to net cash outflow from operating activities

	2010/11 £000	2009/10 £000
Surplus/(deficit) on continuing operations after depreciation but before tax	6,831	(26,303)
Depreciation and amortisation (note 13)	4,236	5,617
Loss/(profit) on sale of freehold property (note 11)	125	(548)
Deficit of transfer of FE provision	–	19,245
Released DCG from disposal of fixed assets (note 22)	(27)	–
Bonus shares acquired (note 15)	–	(45)
Deferred capital grants released to income (note 22)	(1,694)	(1,684)
Investment income (note 5)	(200)	(175)
Interest payable (note 9)	1,802	2,565
Increase/(decrease) in stocks	11	(13)
Impairment of freehold property (note 13)	–	4,345
Decrease/(increase) in debtors	1,815	(2,411)
(Decrease)/increase in creditors	(8,188)	2,670
(Decrease) in provisions	(99)	(2,702)
Net cash inflow from operating activities	4,612	561

NOTES TO THE FINANCIAL STATEMENTS CONTINUED

for the year ended 31 July 2011

27. Returns on investments and servicing of finance

	2010/11 £000	2009/10 £000
Income from endowments (note 5)	10	7
Other interest received (note 5)	190	168
Interest paid (note 9)	(1,802)	(2,565)
Net cash outflow from returns on investments and servicing of finance	(1,602)	(2,390)

28. Capital expenditure

	2010/11 £000	2009/10 £000
Tangible assets acquired (other than leased equipment) (note 13)	(3,539)	(3,726)
Total investments, fixed and endowment asset investments acquired	(3,539)	(3,726)
Sale of investments	(13)	–
Sale of tangible fixed assets (note 11)	10	3,600
Deferred capital grants received (note 22)	1,860	5,901
Endowments received (note 23)	330	8
Transfer to operational cash	–	(16)
Net cash (outflow)/inflow from capital expenditure	(1,352)	5,767

29. Financing

	2010/11 £000	2009/10 £000
Repayments of Debt	(641)	(334)
New Loans	–	2,252
Net cash (outflow)/inflow from financing	(641)	1,918

30. Analysis of changes in net funds

	At 1 August 2010 £000	Non-cash movements £000	Cashflows £000	At 31 July 2011 £000
Cash at bank and in hand				
Endowment assets (note 16)	379	–	229	608
Other	23,125	–	788	23,913
	23,504	–	1,017	24,521
Debt due within one year (note 18)	(599)	(659)	599	(659)
Debt due after one year (note 19)	(6,453)	659	42	(5,752)
	16,452	–	1,658	18,110

31. Pension arrangements

The University's employees belong to the following principal pension schemes: the Teachers' Pension Scheme (TPS), the Universities' Superannuation Scheme (USS), and two Local Government Pension Schemes (LGPSs). The total pension cost for the period was £5,472,000 (2009/2010: £3,174,000).

Teachers' Pension Scheme (TPS)

The Teachers' Pension Scheme is an unfunded scheme; teachers' contributions, on a 'pay-as-you-go' basis, and employers' contributions are credited to the Exchequer under arrangements governed by the Superannuation Act 1972

The contributions for the year were as follows: Employer £2,073,592 (2009/2010: £3,742,053).

More information on the Teachers' Pension Scheme can be obtained from <http://www.teacherspensions.co.uk/>

Universities Superannuation Scheme (USS)

The Universities' Superannuation Scheme is a funded pension scheme where contributions payable are held in a trust separately from the University.

The contributions for the year were as follows: Employer £70,573 (2009/2010: £69,141).

More information on the Universities' Superannuation Scheme can be obtained from <http://www.ussq.co.uk/>

Under the definitions set out in Financial Reporting Standard 17 (Retirement Benefits), the TPS and the USS are multi-employer pension schemes. The University is unable to identify its share of the underlying assets and liabilities of these schemes. Accordingly, the University has taken advantage of the exemption in FRS17 and has accounted for its contributions to these schemes as if they were defined contribution schemes.

Unfunded Enhanced Pensions

The University provides a number of employees with additional pension benefits, typically following redundancies or other staffing changes. These additional pensions are unfunded, so are paid by the University as they fall due (rather than when they are granted).

These unfunded enhanced pensions have been valued as at 31 July 2011 by a qualified independent actuary. The results of this valuation are included in the figures in this note.

LOCAL GOVERNMENT PENSION SCHEMES (LGPS) (including Unfunded Enhanced Pensions)

The University participates in two Local Government Superannuation Schemes; the Royal County of Berkshire (RCB) scheme and the London Borough of Ealing (LBE) scheme.

These are funded defined benefit pension schemes where contributions payable are held in a trust separately from the University. Full actuarial valuations were carried out at 31 March 2010 and updated to 31 July 2011 by qualified independent actuaries. The main results and assumptions of the most recent valuation for the schemes based on the projected unit method are as follows:

NOTES TO THE FINANCIAL STATEMENTS CONTINUED

for the year ended 31 July 2011

31. Pension arrangements (continued)

	2010/11 £000	2009/10 £000
Amounts recognised in the Balance Sheet:		
Present value of funded obligations	82,441	74,555
Fair value of plan assets	(61,153)	(54,036)
	21,288	20,519
Present value of unfunded obligations	7,745	7,961
Net liability in balance sheet	29,033	28,480

	2010/11 £000	2009/10 £000
Amounts recognised in the Income and Expenditure Account are as follows:		
Current service costs	1,712	2,605
Interest on obligation	4,809	5,570
Expected return on plan assets	(3,342)	(3,359)
Past service gain	–	(5,354)
Gain/(loss) on curtailments and settlements	149	(99)
Total charge/(credit) to Income and Expenditure	3,328	(637)
Actual gain on plan assets	7,603	7,533

	2010/11 £000	2009/10 £000
Amounts recognised in Statement of Total Recognised Gains and Losses (STRGL):		
Actuarial gain on pension scheme assets	4,261	4,174
Experience loss arising on the scheme liabilities	(2,478)	(91)
Changes in financial assumptions underlying the value of the scheme liabilities	(1,485)	(623)
Actuarial gain recognised in STRGL	298	3,460

	2010/11 £000	2009/10 £000
Changes in the present value of the defined benefit obligation:		
Opening defined benefit obligation	82,516	85,499
Service cost	1,712	2,605
Past service gain	–	(5,354)
Interest cost	4,809	5,570
Actuarial loss	3,963	714
Losses on curtailments	149	475
Liabilities extinguished on settlement	–	(4,644)
Employee contributions	899	1,205
Benefits paid	(3,862)	(3,554)
Closing defined benefit obligation	90,186	82,516

31. Pension arrangements (continued)

	2010/11 £000	2009/10 £000
Changes in the fair value of plan assets:		
Opening fair value of plan assets	54,036	49,833
Expected return	3,342	3,359
Actuarial gains	4,261	4,174
Assets distributed on settlements	–	(4,070)
Contributions by employer	2,477	3,089
Employee contributions	899	1,205
Benefits paid	(3,862)	(3,554)
Closing fair value of plan assets	61,153	54,036

	2010/11 £000	2009/10 £000
Movement in deficit during the year:		
Deficit at beginning of the year	(28,480)	(35,666)
Current service cost	(1,712)	(2,605)
Employer contributions	2,477	3,089
Past service gain	–	5,354
Impact of settlements and curtailments	(149)	99
Net return on assets	(1,467)	(2,211)
Actuarial gains	298	3,460
Deficit at end of year	(29,033)	(28,480)

The University expects to contribute £1.4m to the LGPS over 2011/12.

	2010/11 %	2009/10 %
The major categories of plan assets as a percentage of total plan assets:		
Equities	57	52
Gilts	1	–
Other bonds	26	32
Property	3	3
Cash	2	6
Alternative assets	11	7

	2010/11 %	2009/10 %
The principal assumptions at the balance sheet date (expressed as weighted averages):		
Discount rate	5.50	5.65
Expected return on plan assets	6.14	6.39
Future salary increases	4.05	3.80
Future pension increases	2.75	2.80
Future life expectancy for a male member aged 65	21.4 years	21.2 years

Where investments are held in bonds and cash, the expected long term rate of return is taken to be the yields generally prevailing on such assets at the balance sheet date. A higher rate of return is expected on equity investments, which is based more on realistic future expectations than on the returns that have been available historically. The overall expected long term rate of return on assets is then the average of these rates taking into account the underlying asset portfolio.

NOTES TO THE FINANCIAL STATEMENTS CONTINUED

for the year ended 31 July 2011

31. Pension arrangements (continued)

Amounts for the current and previous four periods:	2010/11 £000	2009/10 £000	2008/09 £000	2007/08 £000	2006/07 £000
Defined benefit obligation	(90,186)	(82,516)	(85,499)	(87,989)	(77,513)
Plan assets	61,153	54,036	49,833	55,493	61,574
Deficit	(29,033)	(28,480)	(35,666)	(32,496)	(15,939)
Experience (loss)/gain on plan liabilities	(2,478)	(91)	(691)	1,518	1,006
Experience gain/(loss) on plan assets	4,261	4,174	(11,392)	(11,818)	1,647

32. Capital Commitments (Consolidated and University)

	2010/11 £000	2009/10 £000
Commitments contracted	1,567	1,619

33. Financial commitments (Consolidated and University)

Annual rentals under operating lease commitments are as follows:

	2010/11 Property £000	2010/11 Equipment £000	2009/10 Property £000	2009/10 Equipment £000
Expiring in 1-2 years	–	–	–	101
Expiring in greater than 5 years	3,655	–	655	–
Total commitments	3,655	–	655	101

34. Related party transactions

Governors of the University

Mr John Taylor is a member of the NHS Partnership Board. During the year funding was received from the NHS on an arms length basis and this is disclosed in note 2.

Professor Roger Brown is a Professor of Higher Education policy at Liverpool Hope University. During the year the University incurred cost of £990 from Liverpool Hope University on an arms length basis.

Mr Daniel Whittall is the President of West London Students' Union. During the year the University paid a grant to West London Students' Union, which is a registered charity, on an arms length basis and this is disclosed in note 7.

No other related party transactions have been identified.

35. HEFCE: Access funds

The University receives Access funds from HEFCE to assist students who might otherwise be inhibited from entering higher education.

The funds received and their utilisation in the Access funds accounting year to 31 July 2011 were as follows:

	2010/11 £000
Balance at 1 August 2010	(3)
Funds received	(292)
Interest earned	(3)
Loans repaid	4
Audit fee	1
Disbursement of funds	290
Balance at 31 July 2011	(3)

The University acts as paying agent only and the related grants and disbursements are excluded from the Income and Expenditure Account. The unspent balance is included within accruals and deferred income.

36. Subsidiary companies

The transactions relating to the following trading subsidiary company have been included within the University's financial statements.

UWL Commercial Limited

The company, which is incorporated in England and Wales, undertakes commercial work on behalf of the University.

The University also owns the following dormant company:

London College of Music Limited

This company is incorporated in England and Wales. It has not traded in the year.

London College of Music™ is a registered trade mark used by the University in connection with the awarding of qualifications.

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as at 31 July 2011

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