



Annual Report and Financial Statements

Year ended 31 July 2016

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Substantial increase in reputation:

↑ 37

Increase of 37 places in the Sunday Times Good University Guide to 84th

14th

Ranked 14th in London (out of 42 institutions)

Graduate employability¹:

96.1 %

of full-time first degree graduates in employment or further study within six months of graduating

Top 20 in the country for employability

- Top modern university in London for employment of graduates
- Top 30 in UK and top modern university in London for highest graduate salaries²

National Student Survey 2016:

1st

in London for student satisfaction³

- Annual increase of 5% in overall satisfaction to 84%, the largest annual increase in London⁴, and the University’s best ever results
- Students’ Union was first in London for overall satisfaction

Top 3

in England in the Good University Guide 2017 for mature students

Successful completion of multi-million pound investment in the St Mary’s Road, Ealing:

- Heart space and performance space
- Blast Radio with state-of-the-art facilities
- New catering facility
- New library , showing the biggest single gain in NSS 2016 with an increase of 13 % in student satisfaction
- Film & performance studio
- Engineering labs

Excellent financial results:

£9.4m

Operating surplus in excess of £9.4 m (an increase of £2.8m over budget)

Income of £87m

(5.6 % above budget)

10.8%

for return on income

Partnership with the English Chamber Orchestra 2015

4 new applied research centres

- Dementia Care
- Airline & Airport
- Non-destructive Testing
- Studio and Performance

¹ Destination of Leavers in Higher Education Survey of Graduates 2015 (published July 2016)
² Good University Guide 2017 (published September 2016)
³ Compared to other multi-faculty higher education institutions in London; average of NSS 2016 questions 1 to 22
⁴ NSS 2016 Q22 Overall Satisfaction, compared to other multi-faculty higher education institutions in London

Message from the Chair of the Board of Governors

I have now been the Chair of the Board of Governors for seven years and it gives me great pleasure to present this report which demonstrates another year of growth and achievement.

The review highlights some of the achievements of the third year of University of West London's 2013–2018 Strategic Plan: Ambition 2018. Progress with the plan continues well, in spite of all the challenges facing the sector: all the University's financial targets were met or exceeded and student satisfaction climbed 5 % points following successful initiatives in teaching and learning, student support and significant infrastructure investment. The result of these and many other successes means that we are attracting more and better student applications every year and with a graduate employment rate of 96 %, providing them with the basis for successful careers.



This year saw the opening of the new Paul Hamlyn Library, a new catering and social space 'the Heartspace' together with improved refurbished teaching rooms. The re-development of the campus has provided state of the art facilities for students which will enhance their experience in the years to come. However, the University recognises that it must continue to invest to maintain these facilities and in 2015–16 it was successful in securing a £55m external investment for the purchase of Paragon House in Brentford which will allow further enhancements to that site. Future investment is also planned to provide enhanced sporting facilities on campus to ensure that the University is developing student and staff well-being as well as their academic prowess.

Whilst these new investments have contributed to the improvements in the University's student satisfaction scores and its overall reputation, the Board of Governors is in no doubt that it is the hard work, dedication and talent of our whole staff team that has made the greatest contribution. I want to put on record here the Board of Governors' gratitude and admiration for the Vice-Chancellor, Professor Peter John, the senior management and all staff at the University of West London for another excellent year of progress and success.

Chris Humphries CBE
Chair of the Board of Governors

Message from the Vice-Chancellor and Chief Executive



Sitting as we do in the heart of west London, we remain an integral part of the principal gateway to the heart of the most prosperous city in Western Europe.

We are determined to take advantage of our proximity to this engine of economic growth by positioning ourselves as the career-focused university for London where we balance a traditional commitment to education as a public good with a brand promise that sees employability as our primary purpose.

This review provides a synopsis of the institutional achievements and developments for the academic year 2015–16. The overview relates to the third year of our strategic plan Ambition 2018 and shows how we are continuing to meet our targets and improve the University's academic offer and student experience. In 2014–15 our graduate

employability rate reached an all-time high with 96 % of our students gaining employment within six months of graduating and we have maintained this rate in 2015–16. Our student satisfaction levels have also increased markedly by 5 % as have the success of our students with increased numbers gaining good degrees.

The above successes were supported by another year of strong financial performance in a challenging political environment. We achieved growth in student numbers in a more competitive market following the removal of the Student Number Cap which led to increased income. Enterprise income is also increasing as we increasingly look to become a global facing institution and undertake more transnational work.

All these successes are built on the hard work, dedication and commitment of all our staff, both academic and those in the professional services. This is beginning to have a very positive impact on our external reputation including a rise of 37 places in the Good University Guide to 84 and the University is now ranked 14th in London.

In the coming years we now have the uncertainties created by the UK's decision to leave the European Union in addition to those of increased competition between institutions encouraged by new government legislation. However, the commitment of the staff and the investment in state of the art infrastructure means that the University is in a good position to continue to thrive.

Professor Peter John
Vice-Chancellor and Chief Executive

The origins of the University of West London date back over 150 years to 1860 when the Lady Byron School was first opened on the Ealing site. Today, the University is a thriving institution whose core aims are to inspire students to become ‘creative professionals’ and to connect them to exciting and rewarding careers.

Based in the heart of one of the UK’s most successful business regions, the University has a wealth of experience in a number of vocational disciplines and powerful connections with key industries.

The University has gained a strong reputation for high quality, career focussed education closely linked to employment: 96 %* of our graduates are in full-time employment within six months of graduating and our graduates go on to achieve excellent starting salaries and great success in their chosen disciplines and professions.

96%
of our graduates
are **in employment**
within six months
of graduating*

* According to Employment Performance Indicators (EPI) figures published by HESA in July 2016. Graduates who have studied an undergraduate degree programme.

Ambition 2018

A vibrant transformational strategic plan for the period 2013–18 ‘Ambition 2018’ was launched in 2013. The plan aims to secure the University’s mission as a sector leading institution specialising in the education and development of ‘creative professionals’. It is underpinned by a clear and ambitious vision and value proposition:

‘To provide a high quality career-focused student experience connected to the world of work and underpinned by a guaranteed work placement.’

The plan promotes excellence in student learning, experiences and outcomes. It focuses on employability to develop students with the career credentials they will need for success and leadership in the 21st century.

As well as diversity and the advancement of the University’s reputation, the plan also concentrates on research which can benefit people, society and the economy.

Sector context

Higher Education in the UK continued to operate in a turbulent external environment during the 2015–16 academic year. The increased competition through the emergence of new providers continued, and this is set to intensify if the Government’s White Paper Higher education: success as a knowledge economy is enacted and the Higher Education Bill which is currently going through parliament is passed. The Bill also provides for a new regulator for Higher Education: the Office for Students. The overall direction of the newly formed government under a new Prime Minister are unclear, but this is one area where they are pressing ahead with the draft legislation.

Public Sector finances remain constrained and further cuts in HEFCE funding were made. As well as austerity measures, another financial challenge for the sector is the huge reduction in capital grant funding. This is coupled with greater expectations from students who are paying £9,000 in fees and the need to maintain and enhance facilities. In order to fund these future capital requirements, universities need to increase the level of surpluses to enable this investment.

Although it came late in 2015–16, the UK referendum decision to leave the European Union will magnify the current uncertainties in the sector. Already the credit rating of some universities has been

downgraded as they rely on public funding through the student support system. Research opportunities are also likely to shrink as European institutions look elsewhere for collaboration. Students from the EU comprise 13 % of students in the UK and their loss would affect many institutions, particularly in London. The declaration of the government that tuition fee loans would still be available for EU students in September 2016 was helpful, but it is unclear what will happen in future. The sector is already affected by the stricter immigration regulations for those outside the EU which have impacted the sector’s ability to recruit international students, particularly for modern universities.



Operating and Financial Review

Ambition 2018: Mission, values and strategic aims

Continued

This is a trend that is expected to continue.

The removal of the student number control for undergraduate entrants in 2015–16 led to increased competition between universities for a potentially declining pool of students. Demographics will present future challenges to undergraduate recruitment due to a declining 18 year old population in England and EU countries over the next four years.

More positively, new postgraduate loans are now available which appear to have arrested the decline in postgraduate study. It also seems that the change from maintenance grants to tuition fee loans has not had a negative impact on overall recruitment.

There are changes planned for the way that nursing and midwifery courses will be funded from 2017, with the current bursary system being

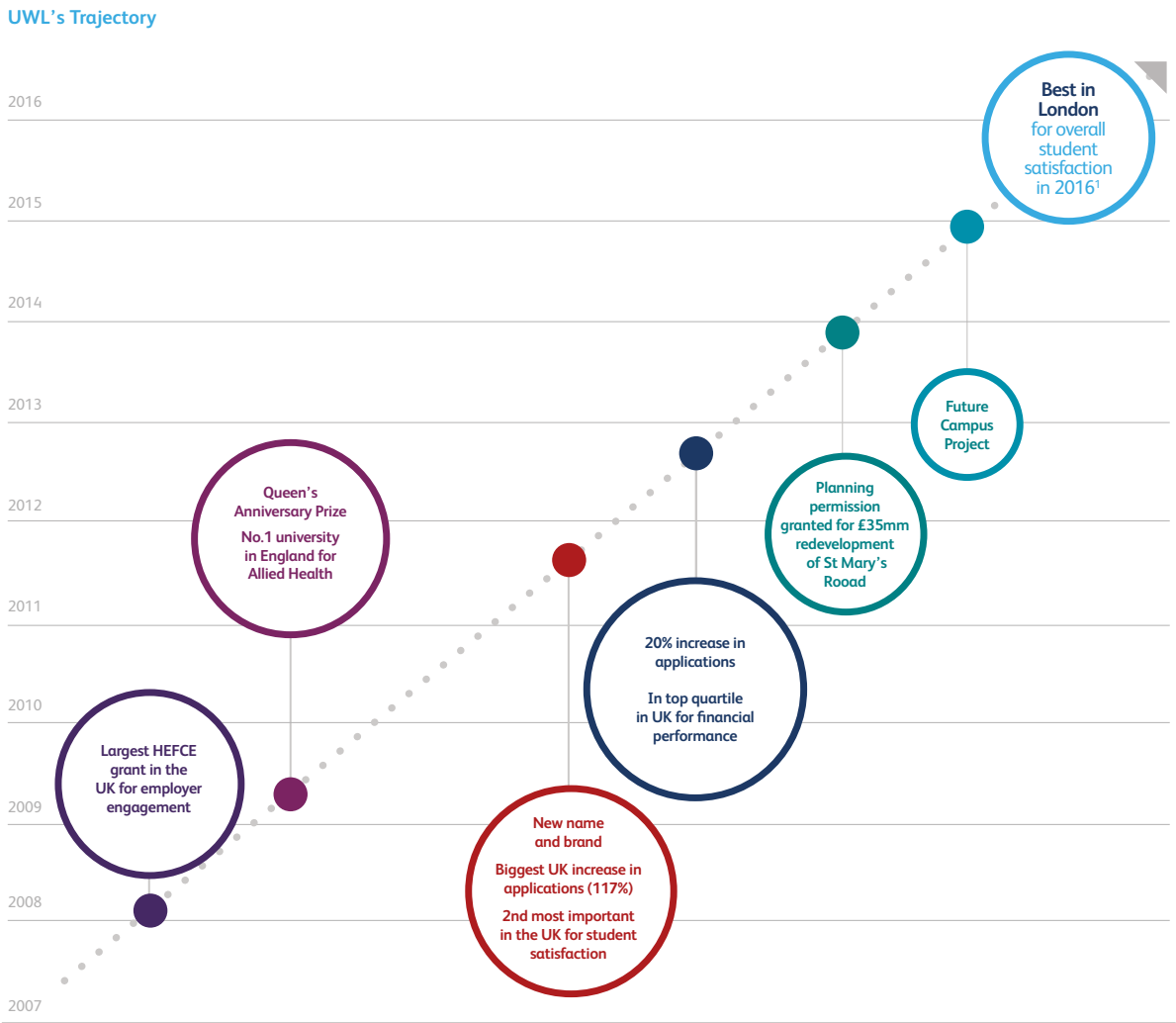
replaced by student loans. Local commissioning will also cease and student numbers will no longer be capped. However, institutions will need to continue to work very closely with Trusts to ensure that there are placements available to students which will be a constraining factor on recruitment.



Operating and Financial Review

Further progress

The last seven years have seen a remarkable transformation of the University and it now has strong financial growth indicators, an excellent recruitment record and improving student satisfaction. The trajectory of change is illustrated below:



Graduate employability:

No.1

Modern University for Employment²

Financial results:

Operating surplus of £9.4m

All financial targets exceeded

No.1

University in London

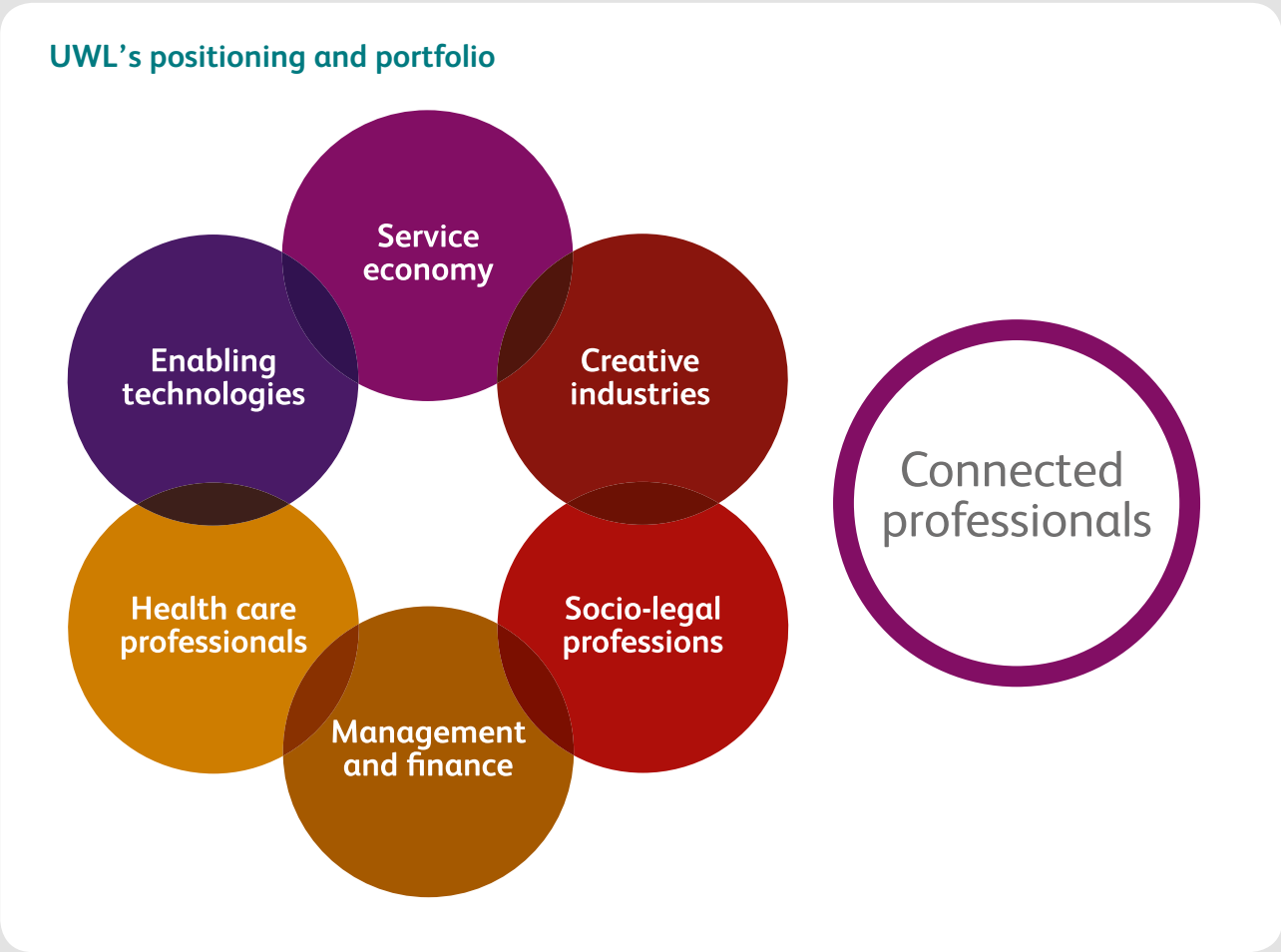
National Student Survey¹

¹ NSS 2016 Compared to other multi-faculty higher education institutions in London: average of NSS questions 1 to 22
 ² Destination of Leavers in Higher Education Survey of Graduates 2015 (published July 2016)

Operating and Financial Review

UWL’s positioning and portfolio

London provides the principal gateway for international trade and inward investment for the UK economy. It is also currently a major centre of global finance. A number of high level reports predict that by 2018 the economic activity in areas such as media, hospitality and tourism, IT and management will be pivotal to the success of London and the recovery of the UK as a whole.



As part of Ambition 2018, the University mapped its portfolio against these needs and how it can deliver programmes to meet them. In 2015–16, it continued to develop new programmes in areas such as Business Economics, Education Studies, Cybersecurity and Dementia Care in order to respond to requirements and plans to deliver more over the coming years.

Operating and Financial Review

UWL’s positioning and portfolio

Continued

In order to deliver this demand-led curriculum, the University has structured itself into eight schools:

- London College of Music
- School of Human and Social Sciences
- College of Nursing, Midwifery and Healthcare
- The Claude Littner Business School
- School of Law and Criminology
- London Geller College of Hospitality and Tourism
- School of Computing and Engineering
- London School of Film, Media and Design

In addition to the above, the University offers a suite of further education courses in hospitality and the culinary arts as part of its Academy for Professional Skills. This Academy is also responsible for developing degree apprenticeships to take advantage of the new apprenticeships levy (and the funding that is available through this route) and to ensure that the local economy has the skills it needs to grow. September 2016 saw the launch of a degree apprenticeships in Chartered Management with more being planned in areas such as Healthcare and Digital Design.

The University also launched a new initiative (New INSPIRE) to develop courses in strategic areas to support the University’s growth plans. These courses are developed where market demand has been identified and often where an interdisciplinary approach is required to deliver innovation both in delivery and subject area. A ‘Today’s Problems: Tomorrow’s Solutions’ approach has supported the creation of degrees in Education Studies, Early Years Education, Cybersecurity, Information Technology, Business

Economics, Human Resources Management and an MSc in Dementia Care. In addition, four courses have been validated for partners in Spain.

The University continues to work collaboratively with its NHS partners as they undergo significant organisational change in the light of changing Government policy. The University will continue to anticipate and meet the needs of NHS employers as new structures for service delivery and educational commissioning are introduced. The University’s considerable presence in the London and Berkshire healthcare training market also continues to be a strategically important element of its portfolio which accounted for 14 % of the University’s income in 2015–16 at £12.1m, a £430k increase on 2014–15. However, the University has also started work in preparation for the removal of NHS bursaries planned for 2017–18 and is working with Trusts to ensure that it will have placement for its students once local commissioning is removed.

Operating and Financial Review

UWL's positioning and portfolio

Continued



The University has a number of academic partnerships; currently 25 in total. These enable us to widen participation in HE, generate income and demonstrate a commitment by the University to genuine external collaboration. Partner institutions range from FE Colleges across the UK, to private providers of Higher Education, both in the UK and overseas. We have developed new partnership activity in the last academic year in Spain and China, and we have partnerships in every School, in particular London College of Music and London School of Film, Media and Design. Current registered students on partnerships stand at 3,670, increasing from a 2014–15 figure of 3,440.

In addition to the above partnerships, the University has established two new companies: UWL (Hong

Kong) and LCM (China), the latter in collaboration with the Hong Kong Music Association. The aim of this initiative is to deliver specialist courses in Hong Kong and music courses in mainland China whereby students either undertake a foundation course before completing their studies in the UK, or study for the full UWL award in-country. This work recognises the growing importance of transnational education and will further develop the University's profile in Asia.

Partnerships represent a great strength to the University, but they also require diligent management. Inevitably the provision is at a distance and the University has to be assured that all its partnership provision meets its expectations for standards and the quality of student learning opportunities.

Mechanisms are in place, both in Schools and within the Academic Quality Office, to audit, approve, monitor and review partnership activity. A KPMG review undertaken in 2015 of our External Relationships confirmed that these procedures are robust and that all partnership activity is managed rigorously.

Operating and Financial Review

Key performance indicators (KPIs)

In order to monitor its progress with Ambition 2018 and to ensure the long-term academic and financial sustainability of the University, the Board of Governors has approved a set of long-term KPIs against which annual progress can be measured. The University continued to make good progress against these indicators in 2015–16 and key milestones are set out below.

In terms of staffing, the percentage of staff with HEA membership has risen to 82%. The Staff Student Ratio improved from 17.3 to 15.7. The percentage of academic staff with a doctorate has increased to 47%.

The student related indicators also improved with the student employability indicator increasing from 95.9% to 96.1%. Student Satisfaction has risen sharply to an historical high, with overall satisfaction standing at 84% and satisfaction on average, the highest of all London Universities.

A key achievement this year was the substantial gain in the University's reputation as measured by league table position. As a result of the above achievements, the University rose by 37 places to 84th in The Sunday Times Good University Guide – the biggest improvement by any institution for over 10 years.

In terms of financial and infrastructure indicators, staff costs as a percentage of income remain in the top quartile and operating surplus as a percentage of income at 10% continues to be higher than the sector average. The value of research bids rose from £4.1M to £5.72M and research income has increased from £0.4M to £1.12M. The completion of St Mary's Road development has had a significant positive impact on the condition of the Estate and it is anticipated that 92% of the estate will be classed as Grade A condition.



As part of the management of its operations, the University monitors a wide range of risks with a focus on seven overarching risks relating to recruitment and retention, academic quality, finance and reputation. These risks and the range of actions the University takes to mitigate them are set out below.

Key risks	Key mitigating actions
Failure to recruit student numbers to target	<ul style="list-style-type: none">• Review of programme portfolio• Introduction of new courses and increase the UWL subject footprint• Strategic planning increased• Engagement with School planning activities• Bi monthly monitoring of numbers and actions
Failure to deliver high standard educational experience to students	<ul style="list-style-type: none">• Focus on threshold teaching and learning standard• PhD as standard for new lecturers and above• Staff required to be members of Higher Education Academy• Fit for purpose quality assurance procedures
Failure to respond/deliver to government and professional body standards	<ul style="list-style-type: none">• Targets for PhD and HEA membership• Changes in regulations to improve retention• Continuous data monitoring
Failure to achieve enterprise contracts	<ul style="list-style-type: none">• Enterprise executive monitors prospects• Enterprise products developed to meet market needs and school expertise• DVC actively pursuing new partnership and transnational education opportunities• Development of enterprise leadership within Schools

Key risks	Key mitigating actions
Failure to engage with research scholarship	<ul style="list-style-type: none">• Recruitment of new staff with research expertise• Institutional repository of scholarly and research outputs• Annual audit of research outputs and preparedness for REF 2021• Regular school and University-wide research symposia and lecture series
Failure to maintain infrastructure and IT to deliver core business	<ul style="list-style-type: none">• IT governance underpinned by IT Steering Group• Disaster recovery plans• Identify other sites to be used for business continuity• Insurance cover for interruption
Failure to maintain legal compliance and financial health	<ul style="list-style-type: none">• University Secretary and Strategic Planning monitoring and sector engagement• Staff cost control via the Vacancy Management Group• Control of general expenditure• Focus on budget and key metrics at each Vice-Chancellor's Executive meeting

The University increased its full time Home/EU undergraduate recruitment intake by 16 % in 2015–16. This is in the context of a 4 % national increase in UK and other European Union (EU) undergraduate entrants.

The University’s part-time undergraduate degree recruitment reduced slightly, reflecting the continuing sector trend of significant decline in the part-time undergraduate population. Nationally there has been a 58 % decrease (150,000 students) in entrants to part-time undergraduate study since 2010–11.

At postgraduate level, full time Home/EU taught and research recruitment increased by 19 % at UWL in 2015–16 and part time postgraduate recruitment was stable. This performance surpassed that of the sector as a whole where the number of UK and other EU students starting full-time postgraduate research courses increased by 5.1 % The number of UK and other EU students starting part-time postgraduate research courses also increased. Across the UK, international student entrants decreased by 13.2 % at undergraduate level and by 0.9 % at postgraduate level. In contrast, overseas recruitment at UWL increased at both undergraduate and postgraduate levels, albeit from a low base. UKVI compliance

issues remain a significant risk to this area of our activity however.

In total, the University had 12,261 full time equivalent students, including further education (FE) and partnerships. 77 % were undergraduate, 23 % post graduate and 23 % part-time. There were 564 FE students.

Widening participation
Widening participation is at the heart of the University of West London’s mission. This is clearly reflected in our inclusive culture which supports one of the most diverse student populations in the UK and we actively reach out to under-represented groups at a local and national level. Our Widening Participation Strategy, as outlined in our Access Agreement, is to significantly improve the student experience for our diverse student body and to ensure access to the best possible learning and teaching facilities, student attainment and success, and progression to professional employment and further study.

The University’s performance is strong in terms of the participation of students from groups that are traditionally under-represented within Higher Education and the success of its work is underlined by the outcomes set out below which have improved year on year:

- 98 % of full-time first degree entrants are from State Schools or Colleges (8 % above the national average)
- 50 % of full-time first degree entrants are from social classes 4 to 7 (17 % above the national average)⁵
- 55 % of the University’s students are from Black and Minority Ethnic backgrounds
- 10 % of entrants are from low participation neighbourhoods (LPN), which is the highest LPN participation rate in London⁵
- 54 % of full-time undergraduate entrants are from households with an income of £25,000 or less
- 55 % of UWL students are from the first generation in their family to participate in HE

⁵Higher Education Statistics Agency Performance indicators 2014–15

- 5.6 % of full-time first degree students were in receipt of Disabled Students’ Allowance

The University is seeking to improve its non-continuation rates and has increased its successful peer mentorship service as part of this strategy. This has significantly increased in size from 156 drop-in users and 67 mentor pairings in 2012–13 to 506 drop-in users and 86 mentor pairings in 2015–16, with students from every School/ College in the University now participating. The University also has a particular focus on care leavers. In 2014, the *Buttle UK Quality Mark* for care leavers was extended for a further two years, ensuring that ‘cared for students’ are supported by the University from recruitment through to graduation. In recognition of the need to improve retention, in 2016–17 the University will be investing in a learning analytics system whereby it will use information on students study behaviours and characteristics to develop positive programmes to support students throughout

their studies. In terms of equality and diversity in 2015–16, 55 % of the University’s students were from ethnic minority groups with 24 % from Black ethnic groups, 20 % from Asian ethnic groups and 11 % from other/ mixed ethnic groups. 63 % of students were female, 32 % were aged 30 or over and 9 % had a disability. The University has been undertaking work to gain a greater understanding of the profile of its students and also their different experiences through the Equality and Diversity Advisory Group. This Group is developing student focussed objectives based on UWL data, one of which is to improve the experience and attainment of its black and ethnic minority students.

Teaching and learning
The focus for 2015–16 has been the implementation and delivery of key features of the University’s Learning, Teaching and Assessment strategy for 2014–2018 CREATE Excellence. The strategy aims to position the University to be consistently the best modern university in London and is deliberately and unashamedly ambitious, placing at its heart the excellence of learning and teaching.

The strategy has six key elements: Creativity and Core Skills; Research-Informed Learning, Teaching and Assessment; Employability; Applying Useful Knowledge; Technology-Enhanced Learning; and Engagement.



During 2015–16, work begun on a number of immediate priorities, including:

- the redevelopment and re-launch of a new personal tutor model, with associated staff development programmes based on academic support
- a review and re-launch of peer review and observation of teaching
- new processes for monitoring the timely marking and return of assessed work, and approval of course and module information
- re-design of the University’s questionnaire for collecting student feedback and informing action planning on course modules
- more robust monitoring of course changes
- the development of opportunities for international exchange and collaboration, particularly through Erasmus+
- the further development of UWL Replay (lecture capture) and associated staff development and engagement activities
- reviewing student attendance systems to support engagement
- close partnership working with the UWL Students’ Union to strengthen the student voice in Schools, courses and across the University.

The University has made good progress with these objectives with much stronger student engagement in the personal tutoring scheme, increased participation in module evaluation, a reduction in course changes, improved module and course information, and universal participation among staff in a refreshed scheme for the peer review and observation of teaching.

The value of this work is reflected in significantly improved NSS scores in 2016, with the University achieving the highest average scores of any London HEI, and showing the largest annual increase in overall satisfaction in London, the third highest in England,

and the fourth largest rise in the UK. Satisfaction both with Assessment and Feedback and with Personal Development places the University in the top 20 HEIs in the UK for these aspects of the NSS. Some courses did particularly well with 100 % overall satisfaction for nine courses across the University and top in the UK for overall satisfaction in Civil Engineering and Building and top 10 in the UK for overall satisfaction in Nursing and Computer Science. 86 % of respondents would recommend their course to others, an annual increase of 6 %. Satisfaction with the Students’ Union has also risen dramatically, placing the UWL Students’ Union in the top 30 nationally.

The University’s eight academic schools are supported in their implementation of the University’s Strategy by a number of support units, including the Quality Office and the Institute for Teaching, Innovation and Learning (INSTIL). The schools are required to address the core elements of the strategy both in their planning and reporting functions through the annual monitoring cycles.

As outlined elsewhere, investment in high quality teaching facilities has continued during 2015–16 at the St Mary’s Road site in Ealing, Paragon House in Brentford and the Berkshire Institute for Health in Reading,



with much focused around library provision. The new Paul Hamlyn Library at our St Mary’s Road site opened for the 2015–16 academic year consolidates library provision on one site and offers a number of new services. With around 780 study spaces, it also houses a group study ‘pavilion’, four quiet study rooms, over 150 PCs, three PC training labs, two kilometres of book shelving, and new self-service technology for book check in/check out. New interactive floor plans help students quickly identify the locations of key resources. The launch of the new library comes with extensive term-time 24/7 opening hours. As a result of these and other investments in the Library

service, student satisfaction has risen sharply, by 13 % in the annual NSS, and now stands equal to the average for the sector as a whole.

In tandem with this development, the second floor of Paragon House has been dedicated as a social learning space, incorporating quiet study zones, and access to the Students’ Union and Student Services. Meanwhile, at Fountain House in Reading, a new library facility has opened providing study space and book and journal collections for the students at the Berkshire Institute for Health.

Further investments in the student experience are planned, particularly in the Berkshire Institute for Health at Reading. The University is installing a state of the art simulation centre in the Institute and also upgrading its teaching rooms which will greatly enhance the learning experience.

Student Employability and Employer Engagement

Our value proposition to students is clear: to provide an employment driven student experience, underpinned by personalised tuition and embedded in the world of work. All students joining the University receive guaranteed exposure to the world of work facilitated by a dedicated Placement and Employment services team along side excellent career support and mentoring from recognised champions of industry facilitated by careers advisors within Student Services.

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. As a result we are the number one university in London for employability and our graduates command salaries in the upper quartile.

We aim to ensure that our students' investment in their education at the University provides an excellent basis for their future career. Facilitating the transfer of knowledge gained through study into experience within the workplace, lies at the heart of this. The University combines career advice and support with an enhanced external-facing employer engagement function. This is supported by appropriate technology and an expanded volunteering activity which, by working closely with Student Services, supports and facilitates students' access to a wide range of opportunities to enhance their employability skills and graduate employment prospects.

IT Services worked with colleagues across the institution to deliver the electronic Higher Education Achievement Record ('HEAR'). This provides all students with a certified record of not only their academic progress but also all of their extra-curricular activities – a major benefit to their future employability.

The effectiveness of this employability focus is evidenced by the fact that 96.1 % of students who graduated in 2015 from full-time undergraduate courses were in employment or undertaking further study within six months of leaving. This is 2.3 % above the national average of 93.8 % and the University continues to be the top modern university in London for employment of its graduates and in the top five modern universities in England. This is the 11th consecutive year that UWL has exceeded its benchmark and the fifth year that we have surpassed the benchmark by at least 3 % . Professional/managerial level employment has increased by almost 9 % from 60 % to 68.8 % in 2013–14. The sector average for this measure is 71 % in 2013–14 and the University is actively working to reach and exceed this level.

Research and Enterprise

Research and Enterprise activities remain a key element of academic life for the university, informing and enhancing the curriculum and creating opportunity through extension of knowledge. The innovation, insight and expertise of our staff and students continue to be the engine for knowledge creation, whilst translating knowledge into practice by capitalising on our strategic position in London. Our interface with Business remains central to our mission to provide solutions to contemporary challenges thus generating 'useful knowledge'.

In the last academic year, the University saw a further 5.5 % increase in the income generated from research and enterprise to £15.3 million (following an 11 % increase in 2014–15).

There was an expansion of activities undertaken by London College of Music Examinations, particularly in SE Asia; an activity enhanced by establishing LCM (Hong Kong) Ltd. Further increases in this income is anticipated as the University purchased the Registry of Guitar Tutors in August 2016 adding to its portfolio of music examinations.

There was also an extension of academic partnerships by London College of Music (BIMM UK and Berlin), School of Law and Criminology (Cyprus), London School of Film, Media and Design (Germany and Spain) and The Claude Littner Business School (Spain). These activities together yielded over £6 million.

Research and training activities delivered by College of Nursing Midwifery and Healthcare with Health Education North West London were enhanced. The University also received a further grant from the Arts and Humanities Research Council (AHRC) supporting research within the field of music technology and sees the London College of Music firmly established as a recipient of AHRC funds.

In 2015–16, the University produced 233 outputs of national and international significance and secured £1.11 million of research funding (an increase from £0.9m in 2014–15). The current Research & Scholarship Strategy (2014–18) set out three core objectives which lie at the heart of Ambition 2018 and some of the achievements are outlined below:

People: Developing staff expertise

Over 47 % of academic staff now hold a doctorate, with a further 8 % registered and conducting research towards their qualification. Through the application of formal staff development days combined with school and University wider research centred activities (including writing retreats, presentations and conferences) an increased number of staff are disseminating research and scholarly activity internally and externally. The launch of the University's research repository and the continued success of the in-house journal New Vistas, are offering enhanced opportunities for the University to showcase its staff expertise, innovation and creativity.

Knowledge: Create and disseminate useful knowledge

The University’s translational research has local, regional, national and ultimately international impact. The College of Nursing, Midwifery and Healthcare is guiding UK policy on infection control and the provision of midwifery care. There have been advances in the usability of mobile networks and enhanced technologies to improve the safety and durability of concrete structures within

the School of Computing and Engineering. In addition, the London College of Music has led cutting edge developments in music technology.

Impact: Engage with the wider world

In 2013, the University acquired the charity ‘Pyramid’ which continues to undertake research in the field of children’s wellbeing. Pyramid provides an empirical evidence base to support the work of a range of stakeholders including

practitioners, policy makers, and researchers. Drawing on the evidence base, the impacts include the securing of funding for the continuation of Pyramid clubs in schools and informing future development and the successful extension of the Pyramid club intervention for delivery to additional age groups – a truly live example of ‘useful research’.



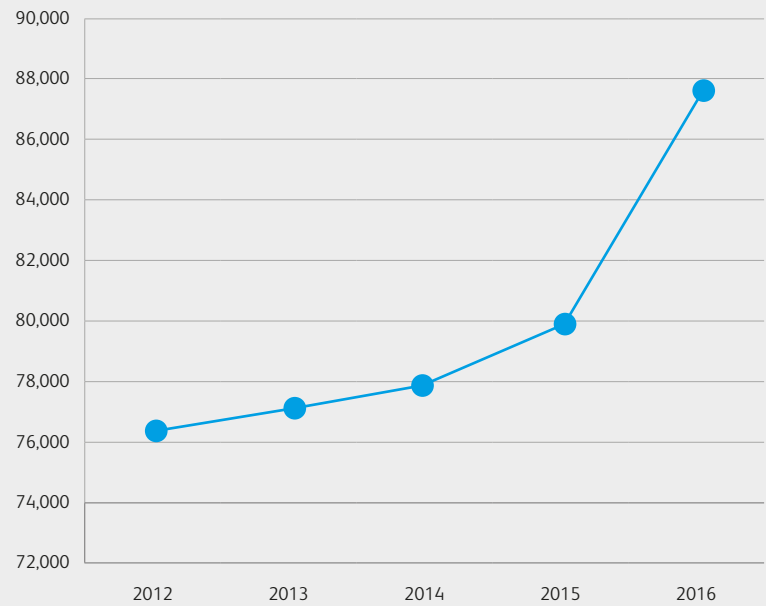
In order to deliver a value for money experience to our students and give them maximum benefit from their fees, UWL aims to be well-managed and operate efficiently and effectively. It also aims to improve significantly its environmental credentials.

Financial performance

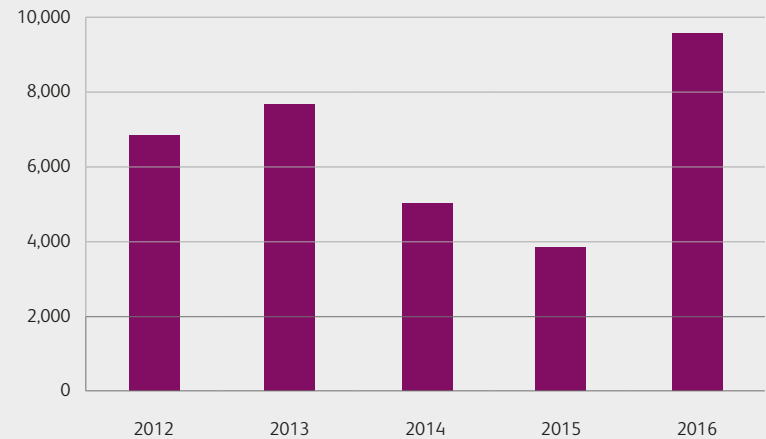
The University has delivered another year of excellent financial results with an income in excess of £87m, a £6.7m increase on 2014–15 and a 5.6 % improvement on budgeted target in an increasingly competitive sector. Income growth has been driven mainly by a strong recruitment performance with an increase in UK/EU student tuition fees and associated HEFCE grant income. An enhanced target for Enterprise income was also successfully achieved with the achievement of two significant research grants and an expansion of partnerships as outlined above.

The net operating surplus is in excess of £9.4m, representing 10.8 % return on income. This return is ahead of budgeted expectation and has been achieved through both improved income and well managed costs.

5 year income growth



Operating Surplus



Resources, Infrastructure and Sustainability Continued

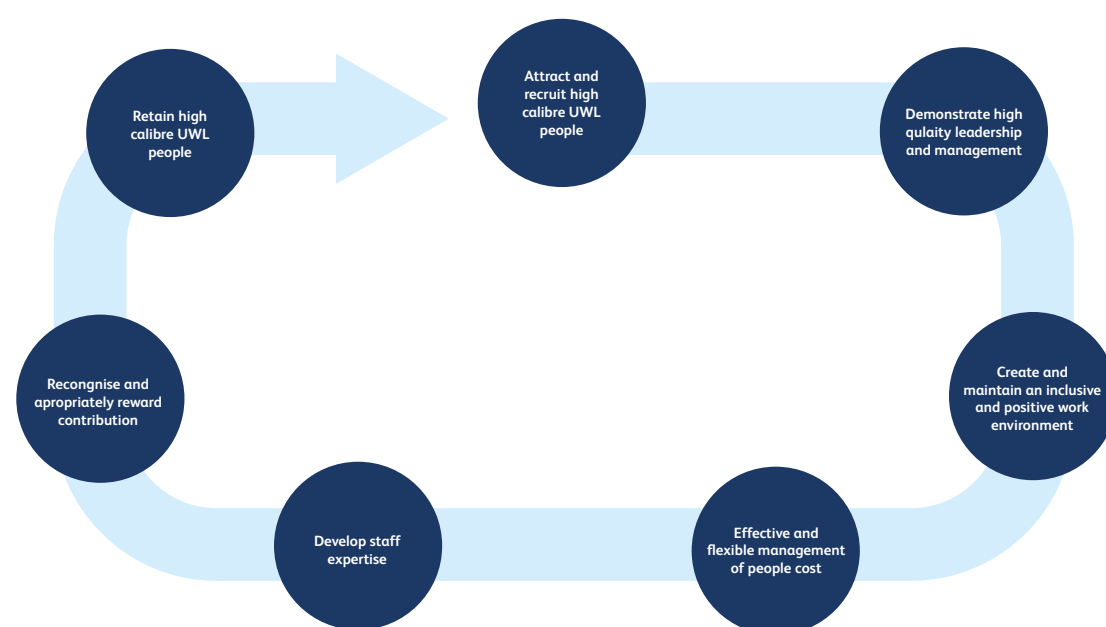
The increased financial performance has enabled the University to continue to invest in its Estate Strategy and enhance the student experience through the provision of improved facilities. It also helped secure the £55m loan for the purchase of Paragon House (which it had leased previously) through a private placement initiative, thereby reducing ongoing operating costs. This investment, together with the completion of St Mary's Road site, has increased the University's asset base from £77m on 31st July 2015 to £136m on 31 July 2016.

Human resources

The University's Strategic Plan, Ambition 2018, recognises

that the University's reputation and success depends upon the development and deployment of effective people management strategies and frameworks. In 2015–16 the University developed and approved a new People Strategy based on the goals of Ambition 2018 and further informed by the challenges currently facing the University and the HE sector as a whole. The People Strategy aims to ensure that the University is able to deliver a constantly improving student experience and to achieve its Ambition 2018 targets by providing competitive, flexible and enabling management frameworks for engaging, managing, developing and retaining high calibre staff.

A high quality student experience and improved levels of student satisfaction are most effectively delivered if we engender high levels of employee engagement and performance. We want all staff to take pride in how they are contributing to the continued development and success of the University and to know that their contribution is recognised. There are seven overarching people themes which will facilitate delivery of our people vision and these will be put into operation through key objectives. Headline work has already commenced on these objectives along with a dashboard for reporting and monitoring the key measures of success and impact of the Strategy.



Resources, Infrastructure and Sustainability Continued

Building on the implementation of the academic employment framework in August 2013, 93 % of academics are now employed on new contracts, with 82 % having HEA membership or another recognised teaching qualification and 47 % of staff having a PhD.

The diversity of staff at the University continues to be a strength: the gender make up is balanced and 28 % of staff are from black and minority ethnic backgrounds (compared to the sector HE average of just under 12 % and the London HE average of 19.8 %). Work has taken place to develop focused staff equality and diversity objectives and an action plan to 'create and maintain an inclusive and positive working environment'¹. The action plan is built upon a foundation of analytical work that aims to ensure that our staffing more closely mirrors the make-up of our student population.

Estates and facilities

The ambitious Future Campus project was completed at the St Mary's Road site in September 2015. This saw the opening of the new Heartspace providing

catering and social space for students and staff, the newly refurbished Paul Hamlyn library (based on an innovative design to promote both group work, social learning and space for individual study) and the Weston Performance Hall to enhance the University's provision for performance. These developments have been highly successful as evidenced by student feedback. The score for resources (reflecting Library, IT and specialist teaching facilities) increased by 11 % in the NSS and the use of the new refectory by staff and students has doubled in comparison to the previous catering operation. The Estates Team was shortlisted for the Times Higher Education Leadership and Management Awards in respect of these developments.

The acquisition of Paragon House in Brentford in 2015 was a major achievement for the University. As well as enabling the future development of the Brentford site, this acquisition has opened up a number of opportunities for the University to exploit the high profile location next to the M4 gateway into central London. Projects are now

being considered to generate improved awareness of the University of West London through direct advertising and to generate revenue from other marketing opportunities.

The University has continued to invest in 2015–16 in all parts of the estate to improve the infrastructure, enhance facilities for students and generate funds for future investment. For example, investment in the St Mary's Road site in Ealing has added new laboratory space for the School of Computing and Engineering and further enhancements to the infrastructure. Planning consent for a new residential development on land adjoining the University has been secured and provides a real opportunity to raise capital for new investment in the future, including the provision of enhanced sporting and leisure facilities. These facilities would not only improve the University's 'offer' to students but would also support both student and staff health and well-being.

¹ Supporting people theme 3 of the People Strategy

Resources, Infrastructure and Sustainability Continued

In 2015–16, the University agreed to take a third floor at Berkshire Institute for Health in Reading for the College of Nursing, Midwifery and Healthcare, to build on the success of the Berkshire Institute for Health and to invest in a new simulation centre and social space to further enhance the facilities and offer to students there.

Over the last year, the strategic partnerships formed with Elinor and Bouygues have continued

to raise standards in the catering offer to staff and students and in the upkeep of the estate. An example of this is that Bouygues has introduced a new mobile app for students and staff to easily check on the availability and arrival times of the shuttle buses running between all sites in west London. The University is also working closely with Elinor to improve the catering offer to our students. Good progress has been achieved in exploiting the other aims of these

strategic partnerships to drive out efficiencies and deliver work experience opportunities to students.

In the last year, Elinor has taken on part time students and provided placements within their business.

The completion of the Future Campus project saw the successful conclusion of the Estate Strategy that looked to consolidate the University in west London.



Resources, Infrastructure and Sustainability Continued

Following extensive consultation, the Board of Governors approved a new Estate Strategy to take the University up to 2018 and beyond. The new strategy is focused on ensuring the University maximises the space that it occupies and uses the estate to drive up student recruitment and retention. Central to the new strategy is the development and promotion of new sports and leisure facilities at the St Mary's Road site and off-site, in collaboration with local partners, and to expand our student housing accommodation to complement the current 850 rooms at Paragon in Brentford.

IT and library services

Throughout the year, both IT and Library Services have continued to support the clear strategic goal to improve the student experience. The most significant achievement towards that goal was the opening of the new Paul Hamlyn Library in September 2015. The facility offers a blend of traditional print-based library resources with state-of-the-art learning spaces, including a collaborative working pavilion on the first

floor, three 25-seater PC classrooms, nearly 200 PCs and Apple Mac workstations and silent and individual study spaces on the third floor. During 2016, these were enhanced by providing more assistive technology for those needing additional support. Student feedback has been incredibly positive. The NSS score for the Library increased 13 points to 87% and the score for IT Services was 90%, well in excess of the sector benchmark.

In 2016, a third floor was added to the Berkshire Institute of Health at Reading, with more teaching and learning space. Use of the lecture recording system – UWL Replay – increased 53% year-on-year across the campus.

Perhaps the biggest innovation that commenced in 2016 was the implementation of UWL's learning analytics system. Working in partnership with Civitas, a market-leader in the US, UWL is now able to predict individual student progress and success and to make early positive interventions wherever necessary.

Other achievements included a new web application to help students access their teaching timetable more easily online, the replacement of over 700 staff PC workstations, a major upgrade to our physical cable network infrastructure, three upgrades to the University's central student records system and, working with colleagues in Marketing, to refresh the University's homepage.

Sustainability

UWL has continued to make good progress towards meeting the objective of Ambition 2018 to "improve significantly the University's environmental credentials". During 2015–16 The University's Environmental Review Board approved a new Environmental Sustainability Strategy. This provides a comprehensive framework for embedding sustainability in teaching, research and operations across the University. This Strategy is supported by a high level Sustainability Plan that sets out policy statements and management objectives to support its delivery.

Resources, Infrastructure and Sustainability Continued

The University has also made good progress in establishing the necessary procedures to manage the environmental impact from our own operations and retained our Eco-Campus Silver status for the year. As part of the Eco-Campus process we have developed a series of environmental objectives and targets in nine broad areas. These have a particular focus on carbon reduction, sustainable resource use, transport, and sustainable food; and complement the new Sustainability Strategy. Figures from the latest Estates Management Statistics show that the University continues to perform well and is in the lower quartile for a number of key environmental ratios ie carbon emissions per full time equivalent student.

Controlling utility costs while meeting carbon reduction targets is a priority for the University. Extensive work to improve monitoring of both energy and buildings services has been undertaken and this in turn has allowed further energy efficiency and carbon reduction opportunities to be identified. The first of these efficiency projects has

been upgrading of lighting controls in Paragon House. This project is expected to save in the region of £10,000 and reduce the University's carbon footprint by 20 tonnes per annum.

To support the aim of producing sustainability focused graduates, the academic schools increasingly incorporate sustainability topics in relevant curricula. An example of this is the inclusion of food sustainability training in the London Geller College of Hospitality and Tourism and the Academy for Professional Skills. Furthermore, collaborative research by the School of Computing and Engineering and the National Energy Foundation is helping devise solutions to adapt older domestic buildings to a warming climate.

The University's Green Week in February provided wider environmental engagement opportunities for staff and students. The week of events was planned and managed by student 'Green Champions' and was made possible with the support of the University's Volunteering Team and close collaboration with

UWL Students' Union. The success of the volunteering approach provides a model for environmental engagement activities which will be developed in coming years.

In addition to internal engagement, the University has, in conjunction with external organisations, actively contributed to the development of a new Green Scorecard by the Association of University Directors of Estates and the Environmental Association of University and Colleges to measure and report on environmental performance within the sector. We have also worked closely to with the local London Boroughs of Ealing and Hounslow to promote sustainable travel and waste reduction plans to staff and students.

Public Benefit Statement

The University is an exempt charity (as defined by the Charities Act 2006) and is regulated by the Higher Education Funding Council for England (HEFCE). The University's charitable purpose is the advancement of education and it makes a contribution for public benefit via teaching, research and other related activities. The Board of Governors are the trustees of the Charity and the governors have had regard to the Charity Commission's guidance on public benefit.

The University's mission, vision and values reflect its commitment to public benefit. How the University meets these requirements is described below.

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 in collaboration with employers, local authorities and professional bodies and offers

all students relevant industry-focused experience to ensure the needs of the public are identified and met, thereby providing useful and relevant education to its students.

Widening participation

The University's commitment to inclusiveness and the importance of widening participation is enshrined in its strategies and policies. Specifically, inclusiveness is defined as enabling and empowering all students to access education that meets their needs and providing increased access for students from under-represented groups. The University's success in meeting and exceeding benchmarks is outlined on page 13.

Bursaries and scholarships

In 2015/16, there were 1,236 (50%) full-time first year undergraduate students who were assessed as having a household income below £25,000. 482 students received National Scholarship funding worth £3,000 over three academic years, which was available to students with a household income of £25,000 or less. Additional subject-specific bursaries and scholarships were also available to students in all eight academic Schools. According to a report from the Office for Fair Access (OFFA) published in July 2015, the University's percentage investment of higher fee

Public Benefit Statement

Continued

income in bursaries and other activities to widen participation is greater than the sector average. At 23.3%, it was the second highest percentage of expenditure amongst all modern universities in London.

Research

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, within the College of Nursing, Midwifery and Healthcare (CNMH) undertakes research and educational initiatives widening our understanding of contemporary issues including the prevention and care issues associated with infectious diseases and infections; learning disabilities and mental health.

In the past year the University and CNMH has established a group developing innovative support programmes and educational courses in Dementia Care. Utilising the diverse expertise of the University, holistic approaches to Dementia Care are being evaluated and a developing relationship with the Alzheimer's Society will enhance this further.

Whether in health or engineering, UWL has a pedigree of developing non-invasive and non-destructive technologies all which have one thing in common – to generate simple data with impact that has value to the end user. For example, work undertaken in the School of Computing and Engineering has seen Ground Penetrating Radar (GPR) applied to evaluating and interrogating buried structures from archaeological artefacts to tree root growth patterns and the response of trees to hostile conditions.

Community engagement

The University has a commitment to engaging with its local community and provides opportunities for both the community to use its facilities and also services to the community through volunteering and sponsoring community organisations. The completion of the St Mary's Road Future Campus Project should also enable further community engagement as many of the new and enhanced facilities will be accessible to the local community. The University's volunteering service enables students and staff to work directly with

local, voluntary, community and not for profit organisations. Volunteers are involved in a wide variety of projects from mentoring young offenders to supporting primary and secondary children with language barriers. The Volunteering Team was established in 2010 and has since created 406 volunteering opportunities, amounting to 1,800 hours of community service and raising significant funds for 140 local and national voluntary organisations. The University is working with schools in the London boroughs of Ealing, Westminster, Brent and Harrow, thanks to a grant from the John Lyon's Charity, and is supporting new Pyramid projects in Bedfordshire, Staffordshire and Salford. 37 students volunteered to run 10 clubs in eight schools during the academic year.

The Junior Music College provides music education every Saturday morning to children in the local communities.

Public Benefit Statement

Continued



The London Geller College of Hospitality and Tourism's Junior Chefs' Academy for school children in years 9–11 is now in its eleventh year.

The University also runs a series of professorial and public lectures throughout the year. In 2015–16 events included: *An interview with a Lord* – Lord Daniel Finkelstein, Associate Editor of The Times, speaking about his career and becoming a member of the House of Lords; An evening with Ronit Zilka – world renowned fashion designer, speaking about her 25 years in the fashion industry and Professor Christine Bigby, Melbourne based expert in learning disabilities gave a lecture on the subject of growing old with learning disabilities.

The University sponsors the 'Pride in our People' annual awards in partnership with the Ealing Gazette. These awards honour local people as community champions in different categories. The final award ceremony is hosted at the University and is catered for by students from the London Geller College of Hospitality and Tourism.

The University also supports and sponsors local sport and is a sponsor of Brentford Football Club and the Ealing Trailfinders Rugby Club. As part of the agreement with Trailfinders, students, sports teams and societies can use the club's facilities for training and matches. Students are also

invited to play in both the clubs and Men's Amateur teams throughout the season.

The Economic Impact of the University of West London

The University made a contribution to the Ealing economy of £60 million, supporting 1,250 jobs in the borough, resulting in tax payments of £24 million to the Exchequer in 2011–12¹.

The Witty Review of Higher Education Institutions (HEIs) and their role in driving innovation and being a source of economic growth highlights the need for HEIs to engage with local businesses to support both skills development and innovation. Our location in

¹ A report by Oxford Economics, commissioned in 2013

Public Benefit Statement

Continued

west London places us at the heart of an unrivalled region of expertise and industry that maps perfectly to the strategic areas we wish to promote and expand. The Claude Littner Business School which was launched in September 2014 has a clear remit to support the businesses in west London.

Public education
The University offers a variety of short professional courses for the media, creative and cultural industries, all of which are open to the general public.

All courses are delivered by expert tutors, with teaching scheduled to accommodate participants who have full-time work commitments.

The University also offers flexible Continuing Professional Development (CPD) accredited courses in psychology, computing, business skills and industry-focused training in management and leadership designed to enhance professional development.

Modern slavery
The University is required to produce a statement on its approach to eradicating modern slavery from its supply chain. The University considers that modern slavery is a crime and a gross violation of fundamental human rights. It takes various forms, such as slavery, servitude, forced and compulsory labour and human trafficking, all of which have in common the deprivation of a person’s liberty by another in order to exploit them for personal or commercial gain.

UWL is committed to acting ethically and with integrity in all our business dealings and relationships and to implementing effective systems and controls to ensure modern slavery is not taking place anywhere within the University.

UWL is also committed to ensuring there is transparency in our approach to tackling modern slavery throughout its contracts and supply chains, consistent with its disclosure obligations under the Modern Slavery Act 2015. The University expects the same high standards from all contractors, suppliers and other business partners, and as part of the contracting processes, includes specific prohibitions against the use of forced, compulsory or trafficked labour, or anyone held in slavery or servitude, whether adults or children. The university expects that suppliers will hold their own suppliers to the same high standards.

Fundraising

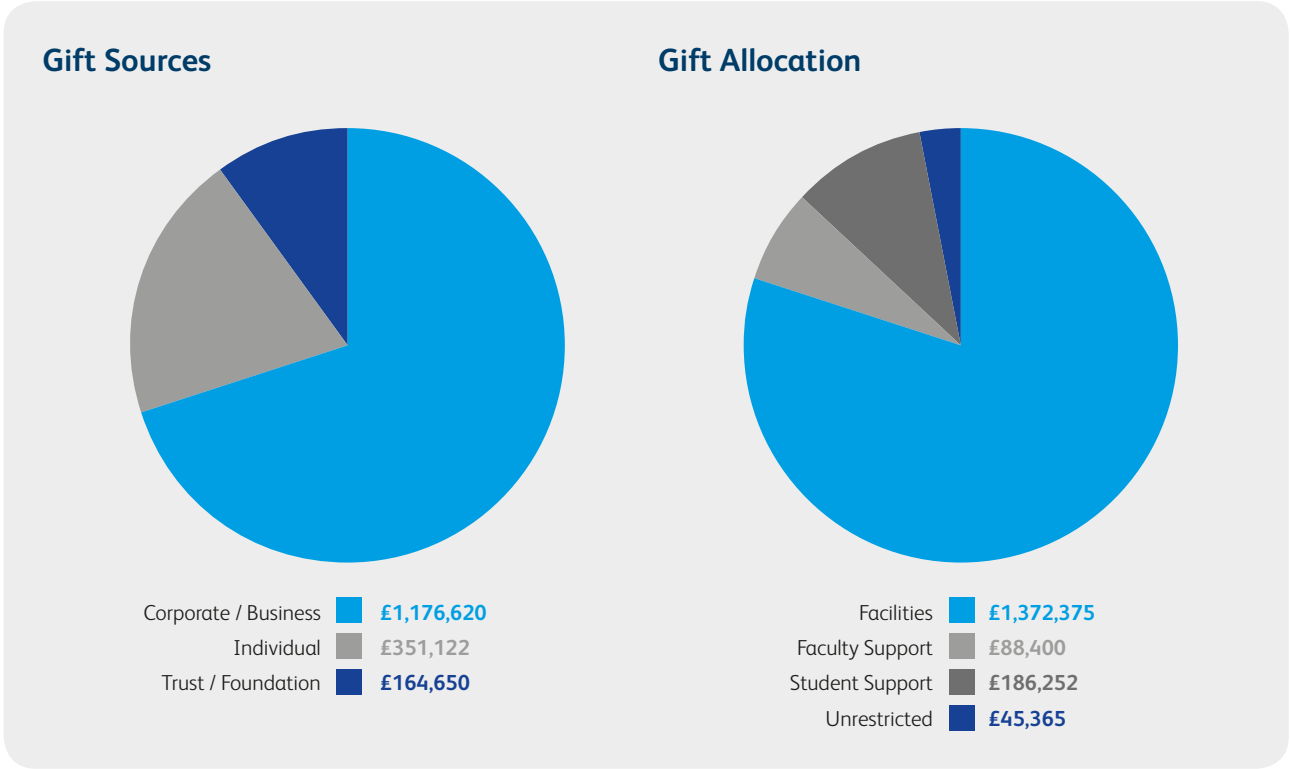
2015–16 was another successful year for fundraising at the University of West London. With support from our alumni and friends we were able to raise nearly £1.7 million in pledged income and received £742k in cash gifts. Philanthropic income greatly contributed towards supporting the University’s objective of facilitating research, campus development and increasing the number of scholarships and bursaries available to our students.

In the past academic year, donor gifts assisted 67 students with scholarships and bursaries. Generous gifts received from the Heritage Lottery Fund and Heathrow

Airport will allow the University to host, curate and exhibit irreplaceable items related to Heathrow’s fascinating past. A gift from The Daiwa Foundation facilitated a collaborative opportunity between our Law School and Nagoya University Japan. The project will conduct a comparative analysis and make recommendations on positioning Japan as an attractive destination for arbitration based on success of arbitration institutions in England. A leadership gift from the University’s Chancellor, Laurence Geller CBE, attracted a further generous pledge from the Westmont Group to realise the University’s vision of establishing an Innovation

Hub for students wishing to establish their own companies. We are extremely grateful to all our donors for their unstinting support.

All philanthropic gifts across the University are solicited, managed and stewarded by the Office of Development and Alumni Relations (ODAR). ODAR works within the best practise and ethical guidelines for fundraising as described by the Council for the Advancement and Support of Education and the Code of Fundraising Practise prescribed in the Fundraising Regulator. The University’s philanthropic activity is overseen by the Finance and Audit and Risk Committees.



Independent members

Mr Chris Humphries CBE ^{3,4}	(and Chair of the Board)
Mr Mike Bellamy ^{2,4,5}	
Ms Jennifer Bernard ^{1,3,5}	
Mr Dermot Blastland ^{1,2,4}	(Audit and Risk Committee from 22 June 2016)
Mr Gareth Cadwallader ³	(Deputy Chair)
Ms Shirley Cameron ¹	(appointed to the Board 1 February 2016)
Mr Tony Coad ^{3,5,6}	(retired 31 May 2016)
Mr Allan Dodd ¹	
Mr Kris Murali ²	
Ms Justine Stephenson ^{3,6}	
Dr Alistair Stokes ^{1,4}	(retired 31 December 2015)
Dr Kirpal Tahim ^{2,3}	
Ms Valerie Todd ⁴	
Mr Patrick Younge ^{5,6}	

Ex-officio member

Professor Peter John	(Vice-Chancellor)
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Co-opted members

Mr Mark Cammies ²	(Co-opted Governor)
Mr Jonathan Lawrence ⁵	(appointed to the Board on 1 June 2016)
Mr Christopher McLaverty ¹	(appointed to the Board on 1 June 2016)

Member of the:
¹ Audit and Risk Committee
² Finance Committee
³ Governance and Nominations Committee
⁴ Remuneration Committee
⁵ Workforce Advisory Committee
⁶ Student Liaison Committee

Co-opted member with experience of the provision of education

Vacancy

Academic Board member

Ms Sara Raybould

Professoriate member

Professor Thomas Roth-Berghofer	(appointed to the Board on 1 November 2015)
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Staff member

Ms Zabin Visram

Student member

Mr David Titley	(appointed to the Board on 1 July 2016)
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Co-opted members of sub-committees

Mr Mustafa Faruqi ⁵	(appointed 1 June 2016)
Mr John Morley ²	
Mr James Southgate ¹	(appointed on 1 August 2014)

Member of the:
¹ Audit and Risk Committee
² Finance Committee
³ Governance and Nominations Committee
⁴ Remuneration Committee
⁵ Workforce Advisory Committee
⁶ Student Liaison Committee

The University is a higher education corporation established by the Education Reform Act 1988, Further and Higher Education Act 1992. It is an exempt charity regulated by the Higher Education Funding Council for England. It is governed by the University’s Instrument and Articles of Government which are approved by the Privy Council.

In accordance with the Instrument and Articles, 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 consists of independent members, one co-opted member with experience of education, other co-opted members and the Vice-Chancellor. The membership also includes the elected representatives of staff from the Academic

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

1. Determining the educational character and mission of the University and oversight of its activities;
 2. Ensuring the effective and efficient use of resources, the solvency of the University and safeguarding its assets;
 3. Approving annual estimates of income and expenditure;
4. The appointment and setting the terms and conditions of senior post holders;
 5. Setting the framework for the pay and conditions of service of all other staff; and
 6. The appointment of the Vice-Chancellor.

Board, the Professoriate and the student body. Subject to the overall responsibility of the Board, the Academic Board has oversight of the academic affairs of the University and draws its membership entirely from the staff and students of the University.

The Vice-Chancellor is the Head of the University, 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 is assisted by the Vice-Chancellor’s Executive. The Board conducts its business in accordance with the Standards in Public Life and the Committee of University Chairs (CUC) Code of Governance (2014). It also takes account of other codes or good practice as appropriate including those from the Charity Commission.

Committees of the Board
Much of the detailed work of the Board is delegated to its Committees, details of which are set out below. The decisions of these Committees are formally reported at each meeting of the Board.

Audit and Risk Committee
The Audit and Risk Committee considers detailed reports on risk and control together with recommendations for the improvement of the University’s systems of internal control and management responses and implementation plans. The Audit and Risk Committee makes an annual report on risk to the Board. Ultimate responsibility for the approval of risk rests with the Board.

Finance Committee
The Finance Committee received regular reports on the following: management accounts and financial forecasts, the Estates Strategy and the HESES return. The Finance Committee reviews and monitors the risks pertinent to its areas of responsibility. The Finance Committee also approves the Financial Regulations.

Student Liaison Committee
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. It also considers the University’s strategic approach to the improvement of the student experience.

Governance and Nominations Committee
The Committee considers issues of governance, committee membership and the recruitment, training and succession planning of governors. The Committee considers and recommends nominations for vacancies in Board membership.

Remuneration Committee
The Remuneration Committee determines the remuneration of the Vice-Chancellor, other senior post holders and the Clerk to the Board as specified by the Instrument and Articles of Government.

Workforce Advisory Committee
The Workforce Advisory Committee advises the Board on all matters relating to the University’s workforce.

Register of Interests
The University 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.

Clerk to the Board
In accordance with the Articles of Government of the University, 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 Board and in ensuring that appropriate procedures are adhered to.

The University's Structure of Corporate Governance Continued

Financial responsibilities of the Board

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 of the surplus or deficit and cash flows for that year.

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

1. Suitable accounting policies are selected and applied consistently;
2. Judgments and estimates are made that are reasonable and prudent;
3. Applicable accounting standards have been followed, subject to any material departures being disclosed and explained in the Financial Statements;
4. 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 and for this reason the going concern basis continues to be adopted in the preparation of the Financial Statements; and
5. 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

The Board must ensure that it has taken reasonable steps to:

1. 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;
2. 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;
3. Safeguard assets and prevent and detect fraud and other irregularities; and
4. 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.

All current Governors have taken all the steps that they ought to have taken to make themselves aware of any information needed by the University's auditors for the purposes of their audit and to establish that the auditors are aware of that information. The Governors are not aware of any relevant audit information of which auditors are unaware.

Internal control and risk management

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 business objectives and can only provide reasonable and not absolute assurance against material misstatement or loss.

The Board is responsible for reviewing the effectiveness of the system of internal control, and this is informed by:

1. Matters related to the Mission, Strategy and sustainability of the University are discussed on a regular basis.
2. The Chair of the Audit and Risk Committee reports to each meeting of the Board on matters discussed at Audit Committee.
3. The Audit Committee receives reports from Internal Auditors at each of its meetings, which provide an independent opinion on the adequacy and effectiveness of the internal control systems together with recommendations for approval.
4. Each year the Audit Committee approves a programme for the year, which is based on a balanced portfolio of risk exposure while focussing on key risks.
5. There is a clear policy and plan of risk management which has been communicated throughout the University. Risk appetite has been clearly defined by the Board.
6. The Audit Committee annually reviews the effectiveness of the risk management arrangements.

The Corporate Risk Register is updated throughout the year and includes the main risk owners and risk mitigating actions. Risks are prioritised by likelihood and impact and ranked accordingly, and are also linked to the Key Performance Indicators set out in the University's Strategic Plan.

The Board reviews the risk management policy regularly and agrees the level of acceptable risk. The Audit and Risk Committee on behalf of the Board has responsibility for overseeing risk management within the University as a whole.

The Audit and Risk Committee, in conjunction with the management team, regularly considers and debates the development of the Strategic Risk Register and the processes required to achieve effective and appropriate risk management. The Audit and Risk Committee considered the Strategic Risk Register at three of its four meetings of the Committee held during the year.

The Strategic Risk Register is maintained by Strategic Planning with the support of the Vice-Chancellor's Executive. The Strategic Risk Register sets out the key risks and the controls for their mitigation. This work is underpinned by the maintenance of risk registers in the academic schools and central service departments.

The full particulars of the work of the Committee, including details of the advancements made during the course of 2015–16, are set out in the Audit and Risk Committee's Annual Report to the Board.

This report, which was considered by the Board on 9 November 2016 and will be submitted to HEFCE, included the Audit and Risk Committee's conclusions on:

- Risk management, control and governance
- Economy, efficiency and effectiveness (value for money)
- The management and quality assurance of data submitted to the Higher Education Statistics Agency, HEFCE and other funding bodies

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

The Audit and Risk Committee approves the annual Internal Audit Plan. The Plan was approved by the Committee at its meeting on 28 September 2016.

The Board has received from the Chair of the Audit and Risk Committee the necessary assurances about the adequacy of the internal controls in place throughout the year thus enabling the 2015–16 Financial Statements to be signed and submitted to HEFCE.

Signed on behalf of the Board of Governors

Chris Humphries CBE
Chair of the Board of Governors

Professor Peter John
Vice-Chancellor and Chief Executive

Independent Auditor's Report to the Governors of the University of West London

Independent Auditors' Report to the Governors of the University of West London

We have audited the financial statements of the University of West London for the year ended 31 July 2016 which comprise the Consolidated Statement of Comprehensive Income and Expenditure, the Balance Sheets for the Group and the University, the Consolidated Cash Flow Statement, the Consolidated Statement of Changes in Reserves 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 Financial Reporting Council's (FRC'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 FRC's website at www.frc.org.uk/auditscopeukprivate.

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 Memorandum of Assurance and Accountability 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 2016 and of the Group's and University's income and expenditure, gains and losses and reserves, and the Group's cash flows for the year;

- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been properly prepared in accordance with the Education Reform Act 1988 and the Statement of Recommended Practice: Accounting for Further and Higher Education.

Opinion on other matters required by the Higher Education Funding Council for England Audit Code of Practice

In our opinion, in all material respects:

- Funds from whatever source administered by the University for specific purposes have been properly applied to those purposes and, if relevant, managed in accordance with relevant legislation;
- Funds provided by HEFCE have been applied in accordance with the Memorandum of Assurance and Accountability and any other terms and conditions attached to them; and
- The requirements of the HEFCE's Accounts Direction have been met.

James Aston, Senior Statutory Auditor

for and on behalf of BDO LLP,
Statutory Auditor
Gatwick
United Kingdom
Date: 28/11/2016.

BDO LLP is a limited liability partnership registered in England and Wales (with registered number OC305127).

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 2015 and in accordance with Financial Reporting Standards (FRS 102). The University is a public benefit entity and therefore has applied the relevant public benefit requirement of FRS 102. The financial statements are prepared in accordance with the historical cost convention (modified by the revaluation of fixed assets).

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 consolidation

These consolidated financial statements include the University and all its subsidiary undertakings for the financial year to 31 July 2016, detailed in note 24. Intra-group transactions are eliminated on consolidation.

The consolidated financial statements do not include the income and expenditure of the University Students' Union as the University does not exert control or dominant influence over policy decisions.

Significant judgements and estimates

In preparing these financial statements, the board have made the following judgements:

- Determine whether leases entered into by the University either as a lessor or a lessee are operating or finance leases. These decisions depend on an assessment of whether the risks and rewards of ownership have been transferred from the lessor to the lessee on a lease by lease basis.
- Determine whether there are indicators of impairment of the University's tangible and intangible assets. Factors taken into consideration in reaching such a decision include the economic viability and expected future financial performance of the asset and where it is a component of a larger cash-generating unit, the viability and expected future performance of that unit.
- The critical underlying assumptions in relation to the estimate of the pension defined benefit scheme obligation such as standard rates of inflation, mortality, discount rate and anticipated future salary increases. Variations in these assumptions have the ability to significantly influence the value of the liability recorded and annual defined benefit expense.

- The underlying assumptions in relation to the estimate of the present value of the obligation in respect of the funding deficit plan for the USS pension scheme such as the salary inflation over the period of the funding deficit plan and the discount rate to be used.

Other key sources of estimation uncertainty

- Tangible fixed assets (see note 13)

Tangible fixed assets are depreciated over their useful lives taking into account residual values, where appropriate. The actual lives of the assets and residual values are assessed annually and may vary depending on a number of factors. In re-assessing asset lives, factors such as technological innovation, product life cycles and maintenance programmes are taken into account. Residual value assessments consider issues such as future market conditions, the remaining life of the asset and projected disposal values.

Statement of Principal Accounting Policies Continued

• Investments (see notes 14)

The most critical estimates, assumptions and judgements relate to the determination of carrying value of investment properties. In determining this amount, the Group applies the overriding concept that fair value is the amount for which an asset can be exchanged between knowledgeable willing parties in an arm's length transaction. The nature, facts and circumstance of the investment drives the valuation methodology.

The investment property at Slough has been valued by Vail Williams Chartered Surveyors at open market value, on 31st July 2016.

• Trade debtors (see note 17)

The estimate for receivables relates to the recoverability of the balances outstanding at year end. A review is performed on an individual debtor basis to consider whether each debt is recoverable.

Income recognition

Income from the sale of goods or services is credited to the Consolidated Statement of Comprehensive Income and Expenditure when the goods or services are supplied to the external customers or the terms of the contract have been satisfied.

Fee income is stated gross of any expenditure which is not a discount and credited to the Consolidated Statement of Income and Comprehensive Expenditure over the period in which students are studying. Where the amount of the tuition fee is reduced, by a discount for prompt payment, income receivable is shown net of the discount. Bursaries and scholarships are accounted for gross as expenditure and not deducted from income.

Investment income is credited to the statement of income and expenditure on a receivable basis.

Funds the University receives and disburses as paying agent on behalf of a funding body are excluded from the income and expenditure of the University where the University is exposed to minimal risk or enjoys minimal economic benefit related to the transaction

Grant funding

Grant funding including funding council block grant, research grants from government sources, grants (including research grants) from non-government sources are recognised as income when the University is entitled to the income and performance related conditions have been met. Income received in advance of performance related conditions being met is recognised as deferred income within creditors on the balance sheet and released to income as the conditions are met.

Donations and endowments

Non exchange transactions without performance related conditions are donations and endowments. Donations and endowments with donor imposed restrictions are recognised in income when the University is entitled to the funds. Income is retained within the restricted reserve until such time that it is utilised in line with such restrictions at which point the income is released to general reserves through a reserve transfer.

Donations with no restrictions are recognised in income when the University is entitled to the funds.

Investment income and appreciation of endowments is recorded in income in the year in which it arises and as either restricted or unrestricted income according to the terms other restriction applied to the individual endowment fund.

There are two main types of donations and endowments identified within reserves:

- i) Restricted expendable endowments – the donor has specified a particular objective other than the purchase or construction of tangible fixed assets, and the University has the power to use the capital.
- ii) Restricted permanent endowments – the donor has specified that the fund is to be permanently invested to generate an income stream to be applied to a particular objective.

Statement of Principal Accounting Policies Continued

Capital grants

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

Accounting for retirement benefits

The three principal pension schemes for the University's staff are the Local Government Pension Scheme (LGPS), Teachers' Pension Scheme (TPS) and Universities Superannuation Scheme (USS). The schemes are defined benefit schemes, which are externally funded and were contracted out of the State Second Pension (S2P) until 5 April 2016. Each fund is valued every three years by professionally qualified independent actuaries.

The USS is a multi-employer scheme for which it is not possible to identify the assets and liabilities associated with each member due to the mutual nature of the scheme and therefore this scheme is accounted for as a defined contribution retirement benefit scheme.

A liability is recorded within provisions for any contractual commitment to fund past deficits within the USS scheme.

Defined Contribution Plan

A defined contribution plan is a post-employment benefit plan under which the company pays fixed contributions into a separate entity and will have no legal or constructive obligation to pay further amounts. Obligations for contributions to defined contribution pension plans are recognised as an expense in the income statement in the periods during which services are rendered by employees.

Defined Benefit Plan

Defined benefit plans are post-employment benefit plans other than defined contribution plans. Under defined benefit plans, the University's obligation is to provide the agreed benefits to current and former employees, and actuarial risk and investment risk are borne, in substance, by the University. The Group should recognise a liability for its obligations under defined benefit plans net of plan assets. This net defined benefit liability is measured as the estimated amount of benefit that employees have earned in return for their service in the current and prior periods, discounted to determine its present value, less the fair value (at bid price) of plan assets. The calculation is performed by a qualified actuary using the projected unit credit method. Where the calculation results in a net asset, recognition of the asset is limited to the extent to which the University is able to recover the surplus either through reduced contributions in the future or through refunds from the plan.

Contributions are charged to the income and expenditure account as they become payable in accordance with the rules of the defined benefit schemes. The contribution charges are recognised in the accounting periods in which they arise. Variations in pension costs as a result of actuarial valuations or premature retirement schemes are amortised over the average expected remaining working lives of employees in proportion to their expected payroll costs. Differences between the amounts funded and amounts charged in the income and expenditure account are treated as provisions in the balance sheet.

The University has recognised the full deficit for the UK defined benefit plan in its individual financial statements as there is no contractual agreement or stated policy for charging the net defined benefit cost and relevant net defined benefit liability of the plan as a whole to the individual group entities and it is legally responsible for the plan.

Employment benefits

Short term employment benefits such as salaries and compensated absences are recognised as an expense in the year in which the employees render service to the University. Any unused benefits are accrued and measured as the additional amount the University expects to pay as a result of the unused entitlement.

Leases

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

Foreign currencies

Transactions in foreign currencies are translated into Sterling at the foreign exchange rate ruling at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies at the balance sheet date are translated into Sterling at the foreign exchange rate ruling at that date. Foreign exchange differences arising on translation are recognised in Surplus or Deficit.

Fixed assets

Fixed assets are stated at cost / deemed cost less accumulated depreciation and accumulated impairment losses. Certain items of fixed assets that had been revalued to fair value on or prior to the date of transition to the 2015 FE HE SORP, are measured on the basis of deemed cost, being the revalued amount at the date of that revaluation. Where parts of a fixed asset have different useful lives, they are accounted for as separate items of fixed assets. All tangible assets are not depreciated in the year of acquisition.

Land and buildings

Freehold land is not depreciated as it is considered to have an indefinite useful life. Freehold buildings are depreciated on a straight line basis over their expected useful lives as follows:

Freehold buildings	1.72 %–2 %
Leasehold premises	Life of lease

No depreciation is charged on assets in the course of construction.

Equipment

Equipment, excluding computers and software, costing less than £10,000 per individual item is recognised as expenditure. All other equipment is capitalised.

Capitalised equipment is stated at cost and depreciated over its expected useful life as follows:

Computer equipment	33.33 %
Equipment	20 %

Depreciation methods, useful lives and residual values are reviewed at the date of preparation of each Balance Sheet.

Investment properties

Investment property is land and buildings held for rental income or capital appreciation rather than for use in delivering services.

Investment properties are measured initially at cost and subsequently at fair value with movements recognised in the Surplus or Deficit. Properties are not depreciated but are revalued or reviewed annually according to market conditions as at 31 July each year.

Property disposals are recognised on completion of contracts of sale

Investments

Investment in the subsidiary is carried at cost in the University’s accounts.

Stock

Stock is held at the lower of cost and net realisable value.

Cash and cash equivalents

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.

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

Taxation

The University is an exempt charity within the meaning of Part 3 of the Charities Act 2011, as such, is a charity within the meaning of Section 506 (1) of the Income and Corporation Taxes Act 1988. It is therefore a charity within the meaning of Para 1 of schedule 6 to the Finance Act 2010 and accordingly, the University is potentially exempt from taxation in respect of income or capital gains received within categories covered by section 478–488 of the Corporation Tax Act 2010 (CTA 2010) or section 256 of the Taxation of 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. Irrecoverable VAT on inputs is included in the costs of such inputs. Any irrecoverable VAT allocated to fixed assets is included in their cost. The University’s subsidiary is liable for Corporation Tax in the same way as any other commercial organisation. The profits of this company are covenanted to the University.

Reserves

Reserves are classified as restricted or unrestricted. Restricted endowment reserves include balances which, through endowment to the University, are held as a permanently restricted fund which the University must hold in perpetuity.

Transition to 2015 SORP

The University is preparing its financial statements in accordance with FRS 102 for the first time and consequently has applied the first time adoption requirements. An explanation of how the transition to 2015 SORP has affected the reported financial position, financial performance and cash flows of the consolidated results of the University is provided in note 36.

Application of first time adoption grants certain exemption from the full requirements of 2015 SORP in the transition period. The following exemption has been taken into these financial statements:

Fair value or revaluation as deemed cost – at 1 August 2014, fair value has been used for deemed cost for properties measured at fair value.

Consolidated Statement of Comprehensive Income and Expenditure

for the year ended 31 July 2016

	Note	2015/16 Consolidated £000	2014/15 Consolidated £000
Income			
Tuition fees and education contracts	1	65,390	58,214
Funding Council grants	2	8,376	10,071
Research grants and contracts	3	1,008	1,119
Other income	4	11,598	10,907
Investment income	5	70	35
Donations and endowments	6	742	104
		87,184	80,450
Expenditure			
Staff costs	7	(40,232)	(39,088)
Severance costs	7	524	(856)
Other operating expenses	9	(29,757)	(30,980)
Interest payable	8	(3,871)	(2,470)
Depreciation	13	(4,413)	(3,092)
		(77,749)	(76,486)
Group surplus on continuing operations after depreciation but before tax and other gains		9,435	3,964
Surplus on disposal of property	11	63	21
Unrealised surplus on revaluation of investment properties	14	5,100	6,000
Group surplus for the year		14,598	9,985
Actual (loss) / gain in respect to pension schemes	25	(17,127)	(3,285)
Total comprehensive income for the year		(2,529)	6,700
Represented by:			
Endowment comprehensive income for the year		31	112
Unrestricted comprehensive income for the year		(2,560)	6,588
		(2,529)	6,700

	2015/16 £000	2014/15 £000
Surplus for the year attributable to:		
University	14,598	9,985
Non controlling interest	–	–
Total Comprehensive income for the year attributable to:		
University	(2,529)	6,700
Non controlling interest	–	–

There is no material difference between the University only figures and the consolidated figures presented above.

Consolidated and University Statement of Changes in Reserves

for the year ended 31 July 2016

Consolidated	Income and expenditure account		Revaluation reserve	Total
	Endowment £000	Unrestricted £000	£000	£000
Balance at 1 August 2014	1,513	4,936	19,059	25,508
Surplus/(deficit) from the income and expenditure statement	112	9,873	–	9,985
Other comprehensive income	–	(3,285)	–	(3,285)
Transfers between revaluation and income and expenditure reserve	–	198	(198)	–
Release of restricted funds spent in year	–	–	–	–
	112	6,786	(198)	6,700
Balance at 1 August 2015	1,625	11,722	18,861	32,208
Surplus/(deficit) from the income and expenditure statement	31	14,567	–	14,598
Other comprehensive income	–	(17,127)	–	(17,127)
Transfers between revaluation and income and expenditure reserve	–	200	(200)	–
Release of restricted funds spent in year	–	–	–	–
Total comprehensive income for the year	31	(2,360)	(200)	(2,529)
Balance at 31 July 2016	1,656	9,362	18,661	29,679

There is no material difference between the University only figures and the consolidated figures presented above.



Consolidated Balance Sheet

as at 31 July 2016

	Note	Consolidated		University	
		2015/16 £000	2014/15 £000	2015/16 £000	2014/15 £000
Fixed assets					
Tangible assets	13	158,669	101,728	158,669	101,728
Investment properties	14	20,100	15,000	20,100	15,000
Investments	15	31	30	31	30
Total fixed assets		178,800	116,758	178,800	116,758
Current assets					
Stocks	16	112	125	112	124
Debtors	17	3,572	4,195	4,102	4,282
Cash and cash equivalents		8,852	7,937	8,309	7,836
Total current assets		12,536	12,257	12,523	12,242
Creditors					
Amounts falling due within one year	18	(21,826)	(29,664)	(21,813)	(29,649)
Net current assets		(9,290)	(17,407)	(9,290)	(17,407)
Total assets less current liabilities		169,510	99,351	169,510	99,351
Creditors					
Amounts falling due after more than one year	19	(70,564)	(16,701)	(70,564)	(16,701)
Provisions					
Pensions liability	25	(69,267)	(50,442)	(69,267)	(50,442)
Net assets		29,679	32,208	29,679	32,208
Restricted Reserves					
Income and expenditure reserve - Endowment reserve	20	1,656	1,625	1,656	1,625
Unrestricted reserves					
Income and expenditure reserve - unrestricted		78,629	62,164	78,629	62,164
Income and expenditure reserve - Pension reserve		(69,267)	(50,442)	(69,267)	(50,442)
Revaluation reserve	21	18,661	18,861	18,661	18,861
Total reserves		29,679	32,208	29,679	32,208

The financial statements were approved by the Governing Body on 28 November 2016 and were signed on its behalf on that date by:

Peter John, Vice-Chancellor
Chris Humphries, Chair of the Board of Governors
Patrick Fuller, Acting Director Finance



Consolidated Cash Flow

as at 31 July 2016

	Note	2015/16 Consolidated £000	2014/15 Consolidated £000
Cash flow from operating activities			
Surplus for the year		14,598	9,985
Adjustment for non-cash items			
Depreciation	13	4,413	3,092
Loss / (Gain) on investments	14	(5,100)	(6,000)
Decrease/(increase) in stock	16	13	14
Decrease/(increase) in debtors	17	623	136
Increase/(decrease) in creditors	18	(8,814)	(3,177)
Increase/(decrease) in pension provision	25	1,698	1,709
Deferred capital grant release		(1,206)	(755)
Adjustment for investing or financing activities			
Investment income	5	(70)	(35)
Interest payable	8	2,013	563
Endowment income	6	(742)	(112)
Profit on the sale of fixed assets	11	(63)	(21)
Net cash inflow from operating activities		7,363	5,399
Cash flows from investing activities			
Proceeds from sales of fixed assets		1,298	587
Investment income		70	35
Payments made to acquire fixed assets		(61,305)	(27,627)
Deferred capital grants received		–	960
		(59,937)	(26,045)
Cash flows from financing activities			
Interest paid		(1,123)	(563)
Endowment cash received		742	112
New secured loans		55,000	–
New unsecured loans		6,000	7,130
Repayments of amounts borrowed		(7,130)	(4,343)
Capital element of finance lease and service cocession payments			
		53,489	2,336
(Decrease)/increase in cash and cash equivalents in the year		915	(18,310)
Cash and cash equivalents at beginning of the year		7,937	26,247
Cash and cash equivalents at end of the year		8,852	7,937

1. Tuition fees and education contracts

	2015/16 £000	2014/15 £000
UK Higher Education students		
Full-time students	41,521	33,977
Part-time students	2,523	2,285
UK Further Education students		
Full-time students	3	1
Part-time students	127	194
EU Students (excl UK students)	3,177	1,977
Non EU students	5,128	7,518
Short courses and examination fees	846	632
Nursing and midwifery education contracts	12,065	11,630
	65,390	58,214

2. Funding council grants

	2015/16 £000	2014/15 £000
Recurrent grants:		
HEFCE	5,753	7,592
SFA	909	990
EFA	513	649
Releases of deferred capital grants		
Equipment	754	393
Buildings	447	447
	8,376	10,071

3. Research grants and contracts

	2015/16 £000	2014/15 £000
Other grants and contracts	1,008	1,119

4. Other operating income

	2015/16 £000	2014/15 £000
Residences, catering and conferences	3,242	2,691
Other income-generating activities	7,485	7,079
Deferred capital grants release	5	69
Other income	866	1,068
	11,598	10,907

5. Investment income

	Note	2015/16 £000	2014/15 £000
Income from endowment asset investments	20	46	10
Other interest receivable		24	25
		70	35

6. Donations and endowments

	2015/16 £000	2014/15 £000
New endowments	742	104

7. Staff costs

	2015/16 £000	2014/15 £000
Salaries and wages	32,119	32,111
Social security costs	2,896	2,647
Pension costs	5,217	4,330
Staff costs	40,232	39,088
Severance costs*	(524)	856
Total severance costs	(524)	856
Teaching departments	25,324	24,026
Teaching support services	3,330	3,408
Administration and central services	11,578	11,654
	40,232	39,088
Staff on permanent contracts	35,789	34,230
Staff on short-term and temporary contracts	4,443	4,858
	40,232	39,088
Vice-Chancellor's emoluments		
Salary	238	236
Benefits in kind	4	4
	242	240
Pension contributions**	39	33
	281	273

*Severance cost provisions made in 2014/15 for planned re-structures were not implemented in 2015/16 after a comprehensive review of resource allocations

**Pension contributions are for payments to the Teachers' Pension Scheme

7. Staff costs (continued)

	2015/16 £000	2014/15 £000
The remuneration of higher paid staff (excluding pension contributions) was:		
£100,000-£110,000	1	1
£110,000-£120,000	1	1
£120,000-£130,000	1	–
£130,000-£140,000	–	1
£240,000-£250,000	1	1
The average number of persons (including senior post-holders) employed by the University during the period, expressed as full-time equivalents, was:	2015/16 Number	2014/15 Number
Teaching departments	535	526
Teaching support services	79	78
Administration and central services	211	230
	825	834
Compensation for loss of office paid to former members of staff earning in excess of £100,000 per annum was:	–	–
Key management personnel		
Key management personnel are those persons having authority and responsibility for planning, directing and controlling the activities of the University. Staff costs includes compensation paid to key management personnel.		
Key management personnel compensation	1,085	915

Governors' remuneration

A total of £3,940 (£1,784 in 2014–15) was paid in expenses to seven Governors during 2015–16 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.

8. Interest payable

	2015/16 £000	2014/15 £000
On bank loans, overdrafts and other loans:		
Repayable within five years, by installments	2,013	563
On pension scheme assets and liabilities:		
Expected return on pension scheme assets	(3,110)	(3,257)
Interest cost on pension scheme liabilities	4,968	5,164
	3,871	2,470

9. Other operating expenses

	2015/16 £000	2014/15 £000
Other premises costs	7,409	7,349
Agency and consultancy	3,739	3,380
Equipment rent and maintenance	2,788	2,302
Consumables	715	649
Books and periodicals	1,045	1,030
Franchise payments	270	1
Advertising	1,901	1,660
Grants to Students' Union	1,516	1,349
Travelling and subsistence	1,103	833
Accommodation	241	207
Equipment not capitalised	512	676
Irrecoverable VAT	(3)	108
Rents	1,820	4,287
Auditors' remuneration	148	147
External auditors – other remuneration	82	17
Other expenses	6,471	6,985
	29,757	30,980
Included in the above operating expenses:		
External audit fee – University	72	66
External audit fee – Subsidiaries	7	7
Internal audit fee	68	73
Operating lease rentals – land & buildings	1,820	4,287
Operating lease rentals – equipment	157	224

10. Taxation

	2015/16 £000	2014/15 £000
Current year tax charge	–	–
Surplus on operations before tax	9,435	3,964
Expected tax charge*	1,893	824
Effects of:		
Surplus not subject to UK corporation tax	(1,893)	(824)

*Calculated at 20 % for August 2015 to July 2016. Assumes profits accrue evenly over the year.

11. Surplus/(deficit) on disposal of fixed assets

	2015/16 £000	2014/15 £000
Sale proceeds	1,298	587
Book value of assets (tangible fixed assets and investment properties)	(1,226)	(556)
Disposal costs	(9)	(10)
Realised gain on disposal	63	21

12. Surplus for the period

	2015/16 £000	2014/15 £000
University's surplus/(deficit) for the period	9,435	3,964
Surplus generated by subsidiary undertakings	–	–

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 2015	7,779	78,105	7,457	3,455	8,006	104,802
Additions	–	–	–	62,580	–	62,580
Completions	–	61,954	2,942	(64,896)	–	–
Disposals	–	(1,290)	–	–	–	(1,290)
At 31 July 2016	7,779	138,769	10,399	1,139	8,006	166,092
Depreciation / impairment						
At 1 August 2015	–	967	1,577	–	530	3,074
Disposals	–	(64)	–	–	–	(64)
Charge for year	–	1,848	2,039	–	526	4,413
At 31 July 2016	–	2,751	3,616	–	1,056	7,423
Net book value as at 31 July 2016	7,779	136,018	6,783	1,139	6,950	158,669
Net book value as at 31 July 2015	7,779	77,138	5,880	3,455	7,476	101,728

	2015/16 £000	2014/15 £000
Depreciation was funded by:		
Deferred capital grants released	1,206	902
Revaluation reserve release	199	199
General income	3,008	1,991
	4,413	3,092

14. Investment properties (Consolidated and University)

	2015/16 £000	2014/15 £000
Market value	20,100	15,000

The investment property at Slough has been valued by Vail Williams Chartered Surveyors at open market value, on 31st July 2016. The valuations were undertaken in accordance with the Royal Institute of Chartered Surveyors' Appraisal and Valuation Manual.

Market value movement for the year:

Market value as at 1 August 2015	15,000,000
Additions	–
Disposals	–
Revaluation	5,100,000
Market value as at 1 August 2016	20,100,000

15. Investments (Consolidated and University)

	2015/16 £000	2014/15 £000
At 1 August 2015	31	30
Disposals	–	–
Revaluation	–	–
At 31 July 2016	31	30

16. Stock (Consolidated and University)

	2015/16 £000	2014/15 £000
Finished goods	112	125
Work in progress	–	–
General consumables	–	–
	112	125

17. Trade and other receivables due within one year

	Consolidated		University	
	2015/16 £000	2014/15 £000	2015/16 £000	2014/15 £000
Trade receivables	2,091	1,352	2,009	1,303
Amounts owed by consolidated undertakings	–	–	626	135
Other receivables	401	937	387	938
Prepayments	1,080	1,906	1,080	1,906
	3,572	4,195	4,102	4,282

18. Creditors: amounts falling due within one year

	Consolidated		University	
	2015/16 £000	2014/15 £000	2015/16 £000	2014/15 £000
Unsecured loans	6,000	7,130	6,000	7,130
Trade creditors	4,673	6,430	4,673	6,430
Social security and other taxation payable	2,125	1,257	2,125	1,257
Deferred capital grant income	528	600	528	600
Accruals and deferred income	8,502	14,247	8,484	14,232
	21,828	29,664	21,810	29,649

Deferred income

Included within accruals and deferred income are the following items of income which have been deferred until specific performance related conditions have been met.

	Consolidated		University	
	2015/16 £000	2014/15 £000	2015/16 £000	2014/15 £000
Research grants received on account	267	300	267	300
Grant income	585	928	585	928
Other income	2,091	1,573	2,091	1,573
	2,943	2,801	2,943	2,801

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

	Consolidated		University	
	2015/16 £000	2014/15 £000	2015/16 £000	2014/15 £000
Secured loans*	55,000	–	55,000	–
Deferred capital grant income	15,564	16,701	15,564	16,701
	70,564	16,701	70,564	16,701
Analysis of secured and unsecured loans:				
Within 1 year (note 18)	6,000	7,130	6,000	7,130
Within 1-2 years	–	–	–	–
Within 2-5 years	–	–	–	–
After more than 5 years	55,000	–	55,000	–
Total secured and unsecured loans	61,000	7,130	61,000	7,130

*The University provided St Mary's Road Campus as security for the long term facility.

Lender	Amount £000	Term	Interest rate %	Borrower
Babson Capital Management LLC	17,000	Aug-25	3.66	University
Babson Capital Management LLC	18,000	Aug-27	3.89	University
Babson Capital Management LLC	20,000	Aug-30	4.07	University

20. Endowment reserve (Consolidated and University)

	Restricted expendable £000	Restricted permanent £000	Total £000
At 1 August 2015	1,455	170	1,625
Additions	742	–	742
Income for the year (note 5)	46	–	46
Expenditure for the year	(757)	–	(757)
At 31 July 2016	1,486	170	1,656
Represented by:			
Capital value	1,486	170	1,656
Accumulated income	–	–	–
At 31 July 2016	1,486	170	1,656
Analysis by type of purpose			
Scholarships and bursaries	687	170	857
Research support	81	–	81
Prize funds	46	–	46
General	672	–	672
	1,486	170	1,656

All endowments funds are represented by cash

21. Revaluation reserve (Consolidated and University)

	Note	2015/16 £000	2014/15 £000
At 1 August 2015		18,861	13,059
Contributions to depreciation released in the year	13	(200)	(198)
Shares disposal		–	–
Share market revaluation		–	–
Investment Properties – disposal		–	–
Investment Properties – revaluation		–	–
At 31 July 2016		18,661	18,861

22. Movement on general reserves

	Consolidated		University	
	2015/16 £000	2014/15 £000	2015/16 £000	2014/15 £000
Surplus after depreciation of assets and after tax	14,598	9,985	14,598	9,985
Release from revaluation reserve	200	198	200	198
Increase to endowment reserve	(31)	(8)	(31)	(8)
Historical cost surplus after tax	14,767	10,175	14,767	10,175
Pension recognised (loss)/gain	(17,127)	(3,285)	(17,127)	(3,285)
Transfer from/(to) pension reserve	18,825	4,775	18,825	4,775
Balance brought forward	62,164	56,499	62,164	56,499
Balance carried forward	78,629	62,164	78,629	62,164

23. Post Balance Sheet Note

On 5 August 2016, for the cost of £1.4m, the University acquired the intellectual property rights and a selection of tangible fixed assets of the Registry of Guitar Tutors Ltd and Registry Publications Ltd companies.

24. 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 TM is a registered trademark used by the University in connection with the awarding of qualifications.

25. 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 (LGPS). The total pension cost for the period was £7,154,000 (2014/2015: £6,466,000).

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 employer contributions for the year were £2,376,000 (2014/2015: £2,034,000).

More information on the Teachers’ Pension Scheme can be obtained from 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 employer contributions for the year were £189,000 (2014/2015: £163,000). More information on the Universities’ Superannuation Scheme can be obtained from www.usshq.co.uk

Under the definitions set out in Financial Reporting Standard 102 (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 FRS 102 and has accounted for its contributions to these schemes as if they were defined contribution schemes. As is required under FRS102, due to the multi-employer exemption being used, the present value of the agreed schedule of future deficit reduction contributions to the USS that are attributable to the University has been added to the balance sheet figures below.

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 2016 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 2013 and updated to 31 July 2016 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:

	2015/16 £000	2014/15 £000
Amounts recognised in the Balance Sheet:		
Present value of funded obligations	150,078	124,717
Fair value of plan assets	(89,201)	(82,298)
	60,877	42,419
Present value of unfunded obligations	8,390	8,023
Net liability in balance sheet	69,267	50,442

	2015/16 £000	2014/15 £000
Amounts recognised in the Income and Expenditure Account are as follows:		
Current service costs	2,563	2,268
Past service cost (credit)	21	–
Impact of Paragraph 28.13A	45	(38)
Scheme administration expenses	102	93
Losses (gains) on settlements of curtailments	–	39
Net interest on the defined benefit (asset) liability	1,858	1,907
Total	4,589	4,269

	2015/16 £000	2014/15 £000
Amounts recognised in Other Comprehensive Income		
Actuarial gains (losses) due to change in assumptions	(21,959)	(6,567)
Experience gains (losses) on scheme liabilities	(108)	(249)
Experience gains (losses) on scheme assets	4,940	3,531
Actuarial (loss)/gain recognised in STRGL	(17,127)	(3,285)

	2015/16 £000	2014/15 £000
Changes in the present value of the defined benefit obligation:		
Defined benefit obligation at start of year	132,740	121,863
Service cost	2,563	2,268
Past service cost	21	–
Impact of Paragraph 28.13A	45	(38)
Interest cost	4,968	5,164
Actuarial losses (gains)	22,067	6,816
Losses on curtailments	–	39
Employee contributions	847	819
Benefits paid	(4,783)	(4,191)
Closing defined benefit obligation	158,468	132,740

	2015/16 £000	2014/15 £000
Changes in the fair value of plan assets:		
Fair value of scheme assets at start of year	82,298	76,164
Interest Income	3,110	3,257
Scheme administration expenses	(102)	(93)
Return on Scheme assets excluding interest income	4,940	3,531
Contributions by employer	2,891	2,811
Employee contributions	847	819
Benefits paid	(4,783)	(4,191)
Closing fair value of plan assets	89,201	82,298

Actual return on assets	
2015–16	£8,050,000

Projected employer contributions for the next accounting period (excluding TPS and USS)	
2015–16	£2,906,000

	2015/16 £000	2014/15 £000
Movement in deficit during the year:		
Deficit at beginning of the year	(50,442)	(45,699)
Current service cost	(2,563)	(2,268)
Employer contributions	2,891	2,811
Impact of settlements and curtailments	(148)	(94)
Net return on assets	(1,858)	(1,907)
Actuarial (losses)/gains	(17,127)	(3,285)
Deficit at end of year	(69,247)	(50,442)

The major categories of plan assets as a percentage of total plan assets:	2015/16 %	2014/15 %
Equities	62	61
Other bonds	21	21
Property	10	10
Cash	2	1
Alternative assets*	5	7

*The alternative assets include Target Return Portfolio, longevity insurance, commodities and infrastructure.

The principal assumptions at the balance sheet date (expressed as weighted averages):	2015/16 %	2014/15 %
Discount rate at 31 July	2.50	3.80
Expected return on plan assets at 31 July	2.50	3.80
RPI inflation	2.70	3.15
CPI inflation	1.70	2.15
Future salary increases*	2.70	3.15
Future pension increases	1.70	2.15
Future life expectancy for a male member aged 65	22.20	22.40
Future life expectancy for a male member aged 65 in 20 years time	23.90	24.10
Future life expectancy for a female member aged 65	25.00	25.50
Future life expectancy for a female member aged 65 in 20 years time	26.90	27.40

*Salary increases are assumed to be 2 % per annum until 2018, and in line with RPI inflation thereafter

Amounts for the current and previous four periods:	2015/16 £000	2014/15 £000	2013/14 £000	2012/13 £000	2011/12 £000
Defined benefit obligation	(158,468)	(132,740)	(121,611)	(105,389)	(98,620)
Plan assets	89,201	82,298	76,164	71,527	62,399
Deficit	(69,267)	(50,442)	(45,448)	(33,862)	(36,221)
Experience (loss)/gain on plan liabilities	(108)	(249)	(6,384)	(456)	(117)
Experience gain/(loss) on plan assets	4,940	3,531	1,431	6,647	(2,064)
Cumulative actuarial gains/(losses) recognised in the STRGL (since 1 August 2010)	(44,201)	(27,074)	(23,789)	(11,966)	(14,079)

26. Capital Commitments (Consolidated and University)	2015/16 £000	2014/15 £000
Commitments contracted	7,908	8,220

27. Lease obligations (Consolidated and University)	2015/16		2014/15	
	Land and Buildings £000	Plant and Machinery £000	Total £000	£000
Total rentals payable under operating leases:				
Payable during the year	1,820	157	1,977	4,511
Future minimum lease payments due:				
Not later than 1 year	330	85	415	4,308
Later than 1 year and not later than 5 years	820	35	855	15,456
Later than 5 years	–	–	–	48,287
Total lease payments due	1,150	120	1,270	68,051

28. Related Party Transactions

Governors of the University

Mr Josh Goddard 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, this is disclosed in note 9.

No other related party transactions have been identified.

The University has taken advantage of the exemption available in FRS 8: Related Party Transactions, not to disclose transactions with its wholly owned subsidiaries



Notes to the Financial Statements Continued

for the year ended 31 July 2016

Transition to FRS 102

The University prepares its first financial statements that comply with FRS 102 and the SORP for the year ended 31 July 2016. The University's date of transition to FRS 102 is 1 August 2014. For the University the transition to FRS 102 has resulted in a number of changes in accounting policies compared to those used previously.

The following notes to the financial statements for the University describe the differences between equity and profit or loss presented previously, and the amounts as restated to comply with the accounting policies selected in accordance with FRS 102 for the reporting period ended at 31 July 2015, as well as equity presented in the opening statement of financial position (1 August 2014). It also describes all the required changes in accounting policies made on first-time adoption of FRS 102.

29. Reconciliation of Profit and Loss

	Consolidated		
	As previously Stated £000	Effect of Transition £000	FRS 102 (as restated) £000
Consolidated Income and Expenditure Account for the year ended 31 July 2015			
Income			
Tuition fees and education contracts	58,214	–	58,214
Funding Council grants	9,916	155	10,071
Research grants and contracts	1,119	–	1,119
Other income	10,907	–	10,907
Investment income	35	–	35
Donations and endowments	–	104	104
	80,191	259	80,450
Expenditure			
Staff costs	(39,168)	80	(39,088)
Severance costs	(856)	–	(856)
Other operating expenses	(30,980)	–	(30,980)
Interest payable	(964)	(1,506)	(2,470)
Depreciation	(2,946)	(146)	(3,092)
	(74,914)	(1,572)	(76,486)
Group surplus on continuing operations after depreciation but before tax and other gains	5,277	(1,313)	3,964
Surplus/(loss) on disposal of property	21	–	21
Group surplus for the year	5,298	(1,313)	3,985
Revaluation of investment property	–	6,000	6,000
Actual (loss) / gain in respect to pension schemes	(4,791)	1,506	(3,285)
Group surplus, after depreciation of assets, disposal of assets and tax	507	6,193	6,700
Endowments	104	(104)	–
Gain on revaluation of investment property	6,000	(6,000)	–
Total comprehensive income for the year	6,611	89	6,700



Notes to the Financial Statements Continued

for the year ended 31 July 2016

30. Reconciliation of Balance Sheet

	Consolidated			University		
	As previously Stated £000	Effect of Transition £000	FRS 102 (as restated) £000	As previously stated £000	Effect of transition £000	FRS 102 (as restated) £000
Consolidated Balance Sheet for the year ended 31 July 2015						
Fixed assets						
Intangible assets	–	–	–	–	–	–
Tangible assets	94,564	7,164	101,728	94,564	7,164	101,728
Investment properties	15,000	–	15,000	15,000	–	15,000
Investments	30	–	30	30	–	30
Total fixed assets	109,594	7,164	116,758	109,594	7,164	116,758
Endowment assets	1,625	(1,625)	–	1,625	(1,625)	–
Current assets						
Stocks	125	–	125	124	–	124
Debtors	4,195	–	4,195	4,282	–	4,282
Cash at bank and in hand	6,312	1,625	7,937	6,211	1,625	7,836
Total current assets	10,632	1,625	12,257	10,617	1,625	12,242
Creditors						
Amounts falling due within one year	(28,567)	(1,097)	(29,664)	(28,553)	(1,097)	(29,650)
Net current assets	(17,935)	528	(17,407)	(17,936)	528	(17,408)
Total assets less current liabilities	93,284	6,067	99,351	93,283	6,067	99,350
Creditors						
Amounts falling due after more than one year	–	(16,701)	(16,701)	–	(16,701)	(16,701)
Pensions liability	(50,223)	–	(50,440)	(50,223)	–	(50,440)
Net assets	43,061	(10,634)	32,210	43,060	(10,634)	32,208
Deferred capital grants	18,698	(18,698)	–	18,698	(18,698)	–
Restricted Reserves						
Income and expenditure reserve – endowment reserve	1,625	–	1,625	1,625	–	1,625
Income and expenditure reserve – pension reserve	–	–	–	–	–	–
Unrestricted Reserves	51,043	11,121	62,164	51,043	11,121	62,164
Income and expenditure reserve – unrestricted	(50,223)	(219)	(50,442)	(50,223)	(219)	(50,442)
Revaluation reserve	21,918	(3,057)	18,861	21,918	(3,057)	18,861
Total reserves	43,061	(10,853)	32,208	43,061	(10,853)	32,208

31. Reconciliation of Reserves

Consolidated and University as at 1 August 2014	Consolidated			University		
	2007 SORP £000	Effect of transition to 2015 SORP £000	2015 SORP £000	2007 SORP £000	Effect of transition to 2015 SORP £000	2015 SORP £000
Deferred capital grants	18,493	(18,493)	–	18,493	(18,493)	–
Restricted Reserves						
Income and expenditure reserve – Endowment reserve	1,513	–	1,513	1,513	–	1,513
Unrestricted reserves						
Income and expenditure reserve – unrestricted	45,570	4,977	50,547	45,570	4,977	50,547
Income and expenditure reserve – Pension reserve	(45,448)	(163)	(45,611)	(45,448)	(163)	(45,611)
Revaluation reserve	16,116	2,943	19,059	16,116	2,943	19,059
Total reserves	36,244	(10,736)	25,508	36,244	(10,736)	25,508

32. Notes to Reconciliations

(a). Tangible fixed assets

FRS 102 allows a first time adopter to measure tangible fixed assets at its fair value on the date of transition, and use that fair value as its deemed cost.

The properties held within the accounts were revalued, to be brought across at ‘deemed cost’ as at 1 August 2014. Notably, St Mary’s Road, Ealing was revalued upwards from a net book value (NBV) of £39,774,000 to £47,182,000. In addition, Vestry Hall, Ealing was revalued to £400,000, from a NBV of £376,000. Argyle Road Pavilion has remained at the same value, with the market value not expected to be significantly different from that already stated in the accounts. The Warwick Road properties have remained at the NBV of £1,845,000 due to the properties being acquired only a year previously.

A review was undertaken of all other equipment. It was deemed that no other assets had been over/under-depreciated in the past, and no adjustment to the useful economic life or NBV were required. The NBV per the July 2014 financial statements was used as the ‘deemed cost’.

In the year ended 31 July 2015, an adjustment to depreciation has been added to reflect the depreciation charge on the difference between the original NBV as at transition date and the revaluation value used as deemed cost.

(b). Investment property

Under FRS 102, all investment property revaluations must be recognised in the income and expenditure account and not in other comprehensive income.

In 2015, the revaluation on the property of £6,000,000 has been reclassified to be recognised directly in the income and expenditure account and not as an other comprehensive income item. In addition, prior valuation balances of £4,221,464 in Unrestricted reserves have been recorded in the Income and expenditure reserve from the Revaluation reserve.

(c). Endowment assets

As per the appropriate treatment of FRS 102, the endowment assets of £1,624,811 have been removed from the face of the balance sheet and reclassified to ‘cash at bank and in hand’. The corresponding note to the accounts has also been removed.

(d). Pensions

In accordance with FRS 102, where an institution participates in a defined benefit multi-employer plan and sufficient information is not available to use defined benefit accounting and the institution has an obligation to fund past deficits within the scheme, the institution must recognise a liability on the Balance Sheet for this obligation. Such an obligation is anticipated to exist with funded multi-employer schemes such as USS.

A calculator for the pension deficit was downloaded from the institutions area on the USS website. Using the total employer contributions paid for the year, the final year provision was calculated. The pension liability at transition on 1 August 2014 was £217,369.

At the year ended 31 July 2015, an additional expense has been recognised to increase the liability to £323,001, as per the calculated provision.

(e). Holiday pay accrual

Prior to the adoption of FRS 102, the University did not make provision for holiday pay earned but not taken before the year end. FRS 102 requires the cost of short-term compensated absences to be recognised when employees render the service that increases their entitlement.

Consequently an additional accrual of £576,071 was recognised under liabilities due within one year at 1 August 2014 to reflect this transition. The provision at 31 July 2015 had decreased to £496,168 and the decrease in provision of £79,904 has been charged to profit and loss in the year ended 31 July 2015.

(f). Grants

All of the grants in the University’s accounts relate to external funding received to fund (or part fund) capital projects. All of the funds have been spent as all projects have been completed. The prior treatment was to release the grants to income in line with the project’s depreciation.

Under FRS 102, government grants shall be recognised in income on a systematic basis over the expected useful life of the asset to which the grant relates. The income has been recorded within the Statement of Comprehensive Income under the relevant heading of funding body grants, research grants or other income as appropriate to the nature of the grant.

In accordance with FRS 102, where part of a government grant is deferred it will be accounted for using the accrual method, and shall be recognised as deferred income within creditors and not deducted from the carrying amount of the asset. The deferred income has been allocated between creditors due within one year and due after more than one year.

All government grants are capital in nature and none are for land. Therefore it is appropriate to continue to account for these grants under the accruals model. None of the grants have been deducted from the carrying value of the asset, and all are deferred and released to the income statement over the useful economic life of that asset. The government grants have been split between those due within one year and those due after more than one year. The note to the accounts also splits these amounts by funding bodies, as per FRS 102 disclosure requirements.

For the University, FRS 102 specifies that all non-government grants must be accounted for under the performance model, and thus all previously deferred balances have been released to income. Income must be recorded within the Statement of Comprehensive Income as research, donations or other income in line with the intentions of the donor.

The effect of the transition has seen the reclassification of deferred capital grants (£18,492,320) from equity and accordingly recognised £637,849 in Creditors due within a year and, £16,613,407 Creditors falling due after one year. Subsequently, £154,861 was recognised in funding body grants income and £1,241,064 was released to Unrestricted Reserves.

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