

Annual Report and Financial Statements

Year ended 31 July 2017



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Highlights of 2016–17

The Times/ The Sunday Times Good University Guide 2018

No.56

Ranked 8th in London (out of 23 institutions), top modern in London and 8th modern in the UK. Combined rise of 65 places in two years which is almost unprecedented

1st

1st in London for teaching quality and for student experience. 7th in the UK¹

Top modern* university in London

- Top modern university in London for Accounting and Finance, Business Studies, Computer Science and Nursing¹
- No1. modern university in London
8th best university in London¹

Silver



Silver rating in the Teaching Excellence Framework

97%

Graduate employability²: 97% of full-time first degree graduates in employment or further study within six months of graduating:

Top 10

- Top 10 in England for employability
- Top modern university in London for employment of graduates²

85% satisfaction NSS 2017³

- The University's best ever result
- Number one modern university in London for overall satisfaction
- Number 2 in the UK for Student Voice
- Students' Union was the best in England

Excellent financial results:

Operating surplus of

£9m

Income

£96m

(an increase of £9m from 2015-16)

10%

surplus on income



Guardian Uni Guide

Increase of 38 places in the Guardian University Guide to 58th, the biggest rise in the UK⁴

Complete University Guide

Increase of 27 places to 79th, the biggest rise of any UK HEI

¹The Times/Sunday Times Good University Guide

²Destination of Leavers in Higher Education Survey of Graduates 2016 (published July 2017)

UK Domiciled leavers obtaining a degree from a full-time course in 2015-16

³NSS 2017 Q27 Overall Satisfaction, compared to other modern universities in London

⁴The Guardian University Guide 2018

*A modern university is a university created after 1992.

Message from the Chair of the Board of Governors

I have now been the Chair of the Board of Governors for eight years and it gives me great pleasure to present this report which demonstrates a step change in the achievement and reputation of the University.

The review highlights some of the achievements of the fourth year of University of West London's 2013-2018 Strategic Plan: 'Ambition 2018'. Progress with the plan continues ahead of schedule, in spite of all the challenges facing the sector. All the University's financial targets were met or exceeded and student satisfaction climbed again 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. With a graduate employment rate of 97%, we are also providing students with the basis for successful careers. Our employment rate places us among the top 10 in the UK and our graduates have higher than average starting salaries than graduates of any other modern university in London.



The University has been undertaking a long-term programme of investing in the estate to improve the facilities for students. Following on from investments of over £100m in the estate to refurbish the Ealing site in 2015 and the purchase of Paragon House in 2016, the University also refurbished the Berkshire Institute of Health, Reading to include among other improvements a simulation centre to support health education. 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.

All these improvements and the increase in student satisfaction and employment have led to an extraordinary improvement in reputation for the University. We leapt a further 28 places to 56th overall in The Times/The Sunday Times Good University Guide 2018, following a rise of 38 places in 2016. We also gained a Silver ranking in the Teaching Excellence Framework.

None of these achievements would have been possible without the hard work, dedication and talent of our whole staff team, all of whom together have delivered another outstanding year of progress and success. Special mention must be made of the vision and leadership of our Vice-Chancellor, Professor Peter John who celebrated his tenth year as Vice-Chancellor in 2017. I want to put on record the Board of Governors' gratitude and admiration for Professor John and his senior management team who were rightly recognised for their work by receiving the Times Higher Education 2017 award for the Outstanding Leadership and Management Team of the year.

Chris Humphries CBE

Chair of the Board of Governors

Message from the Vice-Chancellor and Chief Executive



We have just completed the penultimate year of our strategic plan: *'Ambition 2018'* and have produced once again an exceptional performance in all areas.

Our student recruitment has seen a dramatic increase in two years. Our staff:student ratio continues to be very competitive and we are in the top 20 for spend on the student experience. Just under 70 % of our students leave with a good degree, whilst our NSS scores show overall satisfaction is at 85 %; this was the second best in London. Our NSS overall average is top 10 in the UK. Our financial performance was also in the top quintile with a 10 % surplus whilst getting 97 % of our students in employment within six months of graduation.

These achievements are all the more enviable given the diversity of our student body. We have the 10th highest proportion of working class students (49.9 %) and one of the highest proportions of mature students (50 %), while 60 % are from London areas with above average deprivation. This is built on our belief that all students should have access to three transformative and fundamental rights: the right to participation, the right to inclusion, and the right to enhancement.

Throughout this exceptional year we have been well served by a combination of a committed and highly skilled workforce (academic and service), an exemplary senior team, a fantastic Students' Union, and a pro-active and dedicated Board of Governors led by an outstanding chair. As a result we have created a transformative student experience unrivalled in the sector with outcomes that do justice to our historic mission.

Professor Peter John

Vice-Chancellor and Chief Executive

Since its inception in 1860 as the Lady Byron School, the University of West London has grown impressively in size, stature and influence. Now a standard bearer for the benefits of widening participation and social mobility, our reach is broad and deep.

From the outset we have not been content to merely coast, but have instead fashioned a different pathway that has embraced new ideas and remained adaptable to the ever changing landscape of higher education. A spirit of innovation, therefore, sits at the heart of the institution

and we aim to produce the sorts of graduates, research, and enterprise that will serve our local, regional, national and international communities. Our continuing mission is to 'raise aspiration through the pursuit of excellence' and be a 'cradle of professional talent'.

This review will take up many of the above themes and describes our current size and shape, reports on progress against our strategic plan as well as detailing our financial statement for the academic year ending in July 2017.

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 it is a thriving University with a **mission** to 'raise aspiration through the pursuit of excellence'.

Its **vision** is to be a sector leading institution specialising in the education and development of 'creative professionals'. In terms of its **values**, it aims to be:

- Student-centred
- Useful
- Challenging
- Inclusive
- Open and accountable.

The University's vision and mission is underpinned by its 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 aim is to inspire students to become fully able to engage in highly skilled employment 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 mainly vocational disciplines and powerful connections with key industries. The University has gained a strong reputation for high quality, career-focused education closely linked to employment. Our course design and assessment practices are rigorous and strongly informed by industry; they also receive endorsements from our students and from our external examiners. Our courses stretch and challenge students, with above average contact time delivered in small

classes, taught by experienced and qualified professionals who embed research and professional practice into their teaching.

We enjoy some of the best student engagement in the sector, with students belonging to a learning community that values and acts upon their views. We have invested heavily to provide the best physical and digital resources which are used effectively to support outstanding student outcomes.

The current success of the University has been driven by the vibrant transformational strategic plan for the period

2013-18 '*Ambition 2018*' which is now nearing completion.

It aims to promote excellence in student learning, experience and outcomes and their employability. As well as diversity and the advancement of the University's reputation, the plan also concentrates on impactful research which can benefit people, society and the economy. The plan is built on our belief that all students, and in particular 'opportunity students', should have access to three transformative and fundamental rights: the right to enhancement, the right of inclusion and the right of participation.



The Higher Education sector has always faced challenges; however, in recent years issues of funding, quality and access have been top of the agenda for most institutions. The process of massification begun during the early years of this century has led to a string of foreseen and unforeseen consequences.

In the academic year 2016-17 the fees and funding of universities became an issue of national concern and continues to dominate the headlines, despite recent adjustments to the student loan system by the current Government. Furthermore, the Brexit negotiations and the other many challenges that lie ahead have created much uncertainty.

These challenges include *inter alia*:

- Intense competition for students and staff, particularly in London
- The known and unknown effects of our departure from the European Union
- Constrained public funding and probable reform of the current fee structure
- Increasing costs, unit of resource, and revenue problems
- An ever demanding and changing labour market requiring new knowledge and skills, and flexible working
- Increasing demands for greater accountability, transparency and value for money
- Growing institutional scrutiny driven by the new regulator, the *Office for Students* and the extension of the Teaching Excellence Framework (TEF)
- Scarce and competitive research funding measured by the new Research Excellence Framework
- The rise of new technologies and the increasing power of social media
- Balancing infrastructure spend with student need.

Through careful execution of our strategic plan, we are well placed to face the challenges outlined above. Of crucial importance is the size and shape of the University which continues to underpin our success.



Size and shape

The University continues to operate out of two main sites: St Mary's Road in Ealing and Paragon House in Brentford. The latter was purchased in 2015 and the former was substantially redeveloped in the same year. We also have our Berkshire Institute of Health in Reading.

The University has managed to grow its full-time undergraduate numbers even in the face of increased competition and also demographic changes.

At postgraduate level, full-time Home/EU taught recruitment more than doubled at UWL in 2016-17. This was largely driven by the availability of postgraduate loans for the first

time in 2016-17, and increases in postgraduate recruitment were experienced across the sector. It was also the result of a review of the University's postgraduate portfolio in 2013-14 to make our postgraduate programmes fit-for-purpose.

Attracting international applicants remains a challenge with significant barriers, particularly UKVI compliance which restricts access to UKVI Tier 4 visas. To mitigate this, the University is expanding its global reach through transnational education and partnerships. In addition to students studying on campus, the University also has 1,344 students who are studying UWL degrees at other institutions abroad through

our transnational education initiatives. There are a further 2,758 students who are studying for UWL awards at partner institutions across the UK.

The table below sets out student numbers as returned to HESA and the Student Funding Agency. This includes UWL students taught at franchised partner institutions.

	2014	2015	2016
Undergraduate	8,982	9,050	8,820
Taught Postgraduate	1,403	1,251	1,454
Postgraduate Research	107	107	118
Offshore	854	975	1,344
Further Education	531	646	608
TOTAL	11,877	12,029	12,344

The above figures exclude:

- HE students in non-credit bearing courses and those in designated courses through partner arrangement and who are reported by the taught institution
- Partner institution FE students.

Size and shape

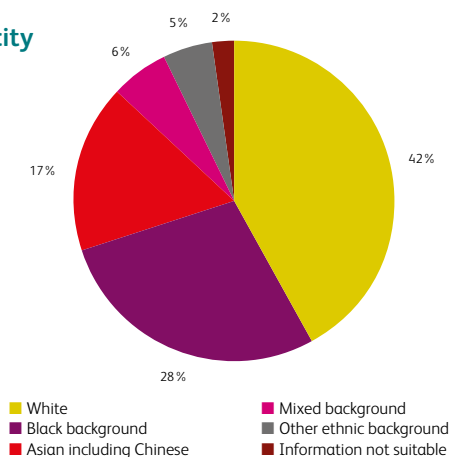
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Of the students on campus, 471 (5%) were international and 7.9% were living in the EU before studying. 8,195 (79%) students were full-time and 2,197 (21%) were part-time⁶. 22% of Higher Education students were NHS fundable.

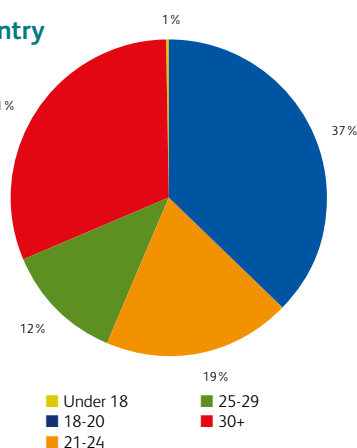
In terms of equality and diversity in 2016-17, 56% of the University's students were from ethnic minority groups with 28% from Black ethnic groups, 17% from Asian ethnic groups and 11% from other/mixed ethnic groups. 62% of

students were female, 31% were aged 30 or over and 11% had a disability⁶.

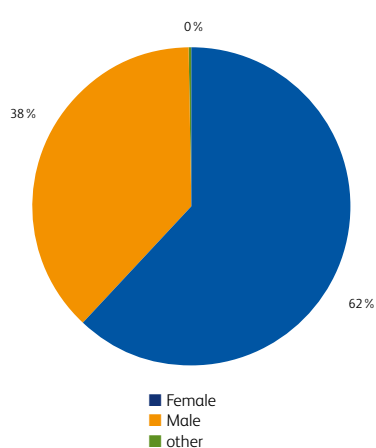
Ethnicity



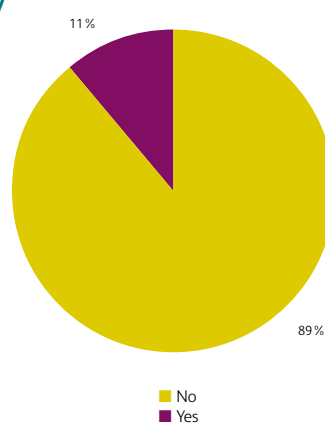
Age on Entry



Gender



Disability



⁶ HESA Student Return 2016-17

Widening participation

The University of West London (UWL) has an exemplary record in widening participation and extending the reach of higher education to people who have traditionally been excluded from it, those we term 'opportunity-students'. This is 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: to ensure access to the best possible learning and teaching facilities, student attainment and success; and progression to professional employment and further study. The success of the University is underlined by the outcomes set out opposite which have improved year-on-year:

- **97% of full-time first degree entrants are from State schools or colleges (7% above the national average)**
- **56% of the University's students are from Black and ethnic minority backgrounds, compared to 23% in the sector**
- **62% of UWL's students are mature (aged over 21 on entry), compared to 41% in the sector**
- **9.3% of entrants are from low participation neighbourhoods (LPN), which is the highest LPN participation rate in London for the second year running**
- **50% of full-time undergraduate entrants are from households with an income of £25,000 or less**
- **10th in UK for highest proportion of working class students in the Good University Guide 2018**
- **60% of our students are from London areas with above average levels of multiple deprivation**
- **55% of UWL students are from the first generation in their family to participate in HE**
- **23% of UWL students have dependants, compared to 7% in the sector**
- **More than two-thirds of our students live in their parental/guardian home or own residence, in comparison to one-third nationally**
- **11% of UWL students have a disability.**

⁸ Higher Education Statistics 2015-16

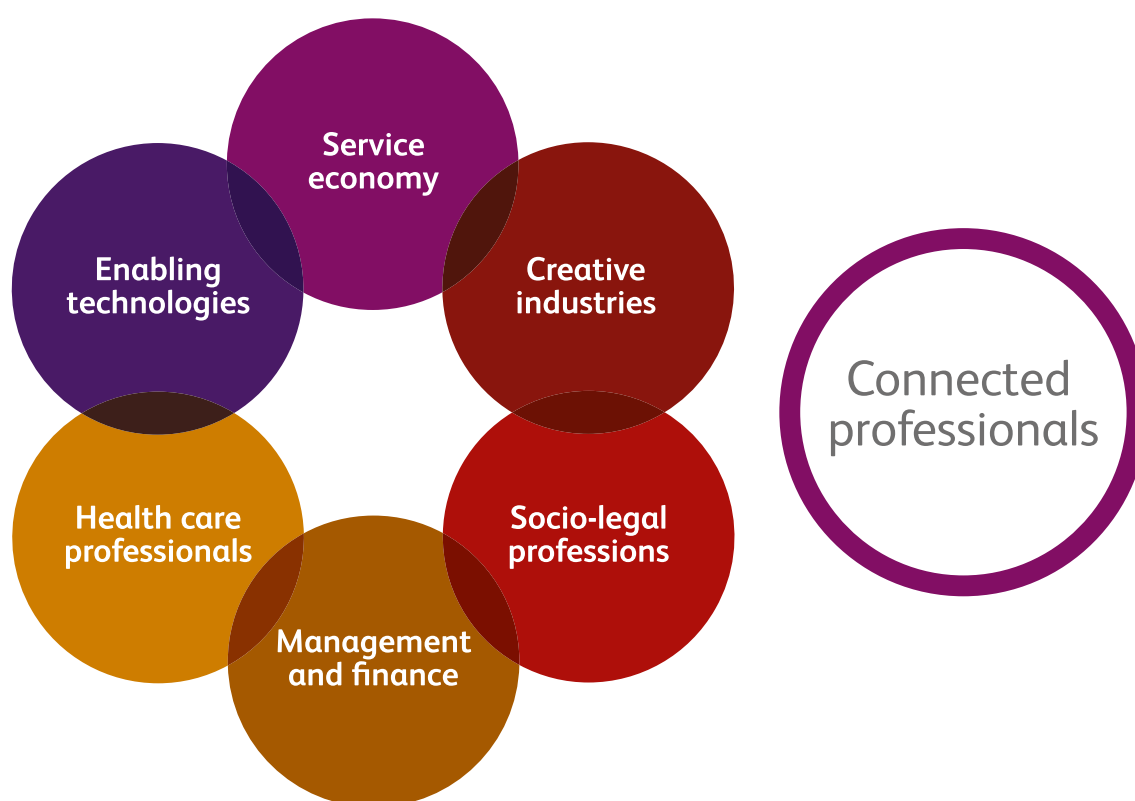


Developing a demand-led portfolio

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 such areas as the media industries, hospitality and tourism, IT and management will be pivotal to the success of London and the recovery of the UK as a whole.

UWL's positioning and portfolio



The University has mapped its portfolio against the needs of the London economy in order to deliver programmes to meet them. In 2015-16, UWL created New Inspire to develop courses where market demand had been identified and where an interdisciplinary approach might be required to deliver innovation

both in delivery and subject area. A 'Today's Problems: Tomorrow's Solutions' approach has supported the successful launch of degrees in Education Studies, Early Years Education, Cyber Security, Information Technology, Business Economics, Human Resources Management and an MSc in Dementia Care.

This new offer contributed 20% of the applications received for the 2017-18 cycle.

In 2016-17, New Inspire continued to develop new programmes in new areas including Politics and International Relations, Community Development

Developing a demand-led portfolio

Continued

Studies, Leisure Management, Strategic Transport Management, Social Media Marketing and Digital Marketing in order to respond to sector needs. These degrees will be offered in the 2017-18 academic year and there are plans to deliver more new courses over the coming years. For example, New Inspire is working with strategic partners to develop a BSc Aviation Management with Commercial Pilots licence, and with the Enterprise Unit on two Degree Apprenticeships in Policing and Express Logistic Management.

In order to deliver this demand-led curriculum, the University has structured itself into eight academic Schools and Colleges:

- 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 its undergraduate and postgraduate degrees, the University offers a suite

of further education courses in hospitality and the culinary arts. Its experience in offering apprenticeships at FE level has provided expertise in this area which the University is now using to develop higher level and degree apprenticeships. These new courses take advantage of the new apprenticeships' levy and the funding it provides to ensure that the local economy has the skills it needs to grow.

2016-17 saw UWL take on 66 Higher and Degree Apprentices, working with five employers on the Digital & Technical Solutions Degree Apprenticeship and the Assistant Practitioner Higher Apprenticeships. The expectation is that 2017-18 will see provision expanding to seven apprenticeship programmes with the validation of the Chartered Manager Degree Apprenticeship, Data Analyst and Cyber Security Technologist Higher Apprenticeships, both of which launched in September 2017.

The University has also been at the forefront of developing new routes to support the NHS workforce of the future and the Healthcare Practitioner and Nursing Associate Apprenticeships were developed and launched by UWL in collaboration with Berkshire Healthcare Foundation Trust. In the first nine months of operation, the University has

supported the education of 60 healthcare professionals. It is also planning to offer Nursing Associate, Registered Nurse Apprenticeships.

The University continues to work collaboratively with its NHS partners as we work in the new context of tuition fees for nursing and midwifery students. The University's considerable presence in the London and Berkshire healthcare education arena continues to be a strategically important element of its portfolio which accounted for 12.6 % of the University's income in 2016-17 at £12.2m.

The University was concerned that the change from bursaries to fees for nursing and midwifery students would result in fewer numbers coming forward to train and that the market would be constrained by insufficient practice opportunities. However, UWL has worked very closely with its local trusts to acquire an increased portfolio of relevant contemporary practice placement opportunities and, combined with increased simulated learning capacity in Reading, has increased the number of nursing and midwifery places to 619 for the 2017-18 academic year (a rise of 19 %).

Operating and Financial Review



The following pages set out a review of the operations and financial health of the University. This review is set both within the context of the sector and against the performance of the University against its strategic aims set out in the Strategic Plan. The plan is organised in relation to nine catalysing themes as set out below.



Strategic themes

1. Provide a high quality student experience

The enhancement of teaching and learning is a key component of delivering ‘*Ambition 2018*’ and ensuring the improvement of the student academic experience.

This is undertaken through the implementation of the University’s Learning, Teaching, and Assessment Strategy. From this foundation we have been able to create an excellent student experience with 75 % + of contact taking place in small classes with strongly weighted contact hours. This has resulted in highly engaged learners with a powerful student voice marked by excellent outcomes in degree classifications (70 % first and upper second).

Work started in 2015-16 focused on continuing to improve threshold standards in learning, teaching and assessment. The standards were revised in 2016-17 to make them more challenging with targets increased accordingly. Revised standards included:

- Outcomes reporting in relation to peer-review of teaching, plus development of a model of peer review involving student reviewers
- New Educational Review process, led by the Pro Vice-Chancellor (Education) and the Head of Strategic Planning, to inform School and College action plans
- New predictive learning analytics solution provided by the University’s partnership with Civitas Learning
- Revision to the University’s module evaluation survey to reflect new areas of the National Student Survey with new targets for the twice-yearly module evaluation survey, including overall satisfaction as well as response rates
- Further specification of the minimum number of individual and group meetings with personal tutors
- Improved opportunities for international exchange and collaboration, particularly through Erasmus+
- Ongoing development and roll-out of UWL Replay (lecture capture)
- Further work to improve student attendance, using the University’s existing Student Attendance Monitoring system as well as learning analytics provided through Civitas
- Partnership working with the UWL Students’ Union to ensure the appropriateness of course-level action plans.

The University has made good progress against all of these objectives as measured by the internal module evaluation survey and the National Student Survey. The University’s module survey showed an increase in satisfaction of 6 % with all indicators of learning and teaching averaged across all questions of the survey in 2016-17 when compared to the 2014-15 baseline.

This improvement in satisfaction with learning, teaching and assessment has been confirmed by the National Student Survey results for 2017. Overall satisfaction was 85 % and for the first time, student satisfaction has exceeded the sector average for every

Strategic themes

1. Provide a high quality student experience

Continued

single question of the survey. These results demonstrate the significant improvements made to learning and teaching in this period and have positioned the University as one of the leading Universities in the country for student satisfaction.

The University is now in the top 10 in the UK and the best in London for student satisfaction for the second year running⁹. Satisfaction with Student Voice (82.5%) places UWL as the 2nd best university in the UK¹⁰.

The University entered the Teaching Excellence Framework (TEF) which was introduced by the Department for Education in 2016. Under the framework, universities are judged to be gold, silver or bronze. The Panel judging the University's submission considered that the University merited a silver rating as it demonstrated evidence of:

- A strategic approach to course design and assessment practices that is highly valued by employers, providing high levels of stretch and significant challenge

evidenced by the consistent use of internal surveys

- The consistent embedding of high quality peer mentoring and targeted financial support programmes to improve the engagement of those most at risk of not continuing with their studies
- The strategic investment in high quality physical and digital resources used by students to enhance learning, with students fully involved in the strategic design of facilities in partnership with the University
- The embedding of developments from the forefront of research, scholarship or practice within academic programmes, resulting in high levels of student engagement and commitment to their studies
- The implementation of an institutional culture that facilitates, recognises and rewards excellent teaching across the University.

The silver TEF award was an excellent result for the University. Through year-on-year improvements in teaching

and learning, the University aims to obtain a gold award in future although this is becoming more difficult as the Government changes the benchmarks.

One area where the University is seeking to improve its non-continuation rates and in 2016-17 the University invested in a learning analytics system (Civitas Learning) which uses information on students' study behaviours and characteristics to develop positive programmes to support students throughout their studies. In conjunction with this system, it established a Student Engagement Team to support student success for diverse student body. Retention has improved by 2% and the HESA non-continuation rate now stands at 10.8 which outperforms the HESA benchmark of 11.1. However, the University recognises it has further to go to improve retention. As a result a new Retention and Engagement Group has also been established to monitor student engagement as this is one of the highest indicators of future success.

⁹ NSS Survey 2017 – average of all questions

¹⁰ NSS Survey 2017

Strategic themes

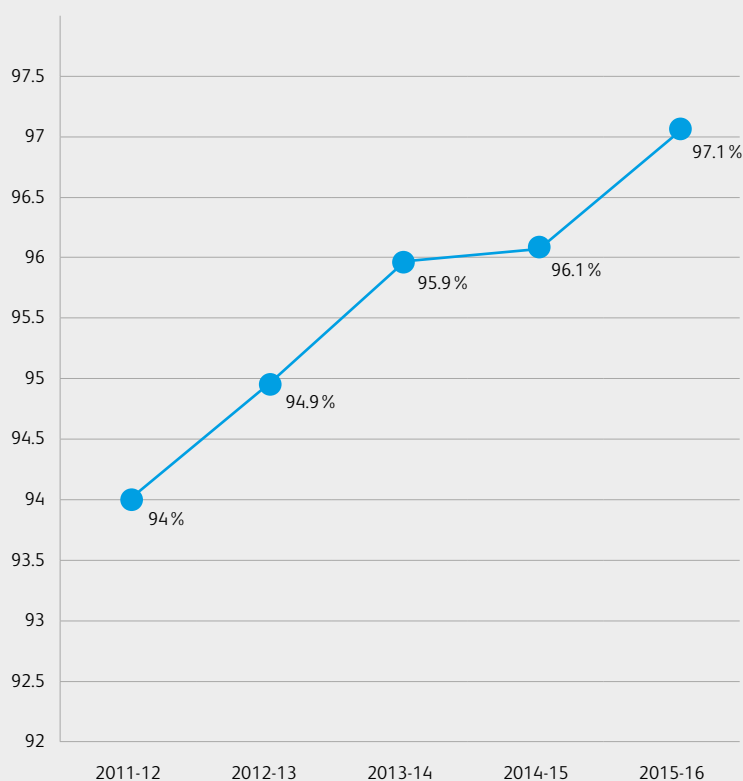
2. Linking learning to the world of work

The University strongly encourages student engagement in professional practice and now offers over 50 courses with an integrated placement. The Placements Office assists students in finding placements, and monitors arrangements to ensure that placements adhere to the highest quality standards. From 2013 to

2016, the number of students registered with the service grew by 32 %, to 1,384. The number of employers registered grew by a similar percentage to 719, including a core of 109 companies with whom the University has developed more intensive relationships as evidenced by significant levels of repeat engagement. The service holds fairs

throughout the year to promote placement opportunities, and the numbers of fairs and events they have supported has grown in this period by 38 % to 33 events per year. As a result, all students get access to work experience and/or a work placement, an offer which has been fundamental in improving our employability outcomes.

**% of Graduates in Employment or Further Study
2011-12 to 2015-16**



The University has an outstanding record of getting its students into employment and highly skilled employment. UWL's employment indicator for 2015-16 graduates was 97.1 % (96.1 % in 2014-15). This is the seventh consecutive year that UWL has improved employability, with an overall increase of 10.3 % since 2008-09.

The University exceeded its benchmark for 2015-16 of 92.8 % and we are one of only seven universities in the UK to do so by a significant margin. This is the twelfth year in succession that UWL has exceeded its benchmark and the sixth year that we have surpassed it by at least 3 %. This shows that UWL's performance is consistently stronger than expected given the profile of our student body.

¹¹ HESA EPIs 2015-16

Strategic themes

2. Linking learning to the world of work

Continued

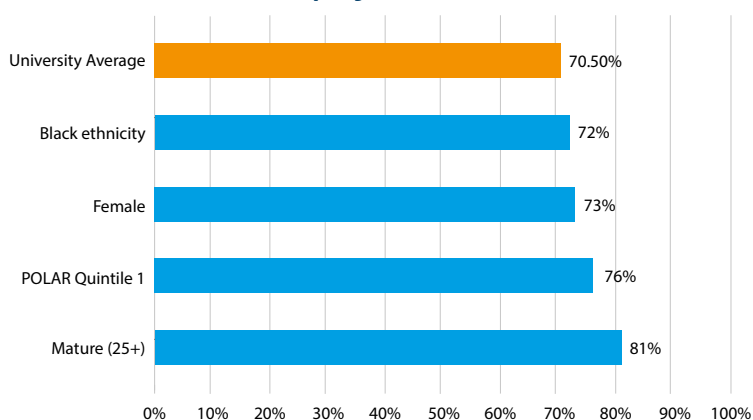
UWL is successful in delivering the best employment outcomes to some of the most disadvantaged groups. Support is principally provided by the Careers Centre which supports

students as they engage in career management, providing them with the best information, advice, and guidance, and works closely with academic Schools and Colleges to ensure the

embedding of employability within curricula.

We are particularly good at helping students to obtain professional level jobs: for example, 73 % of female students, 72 % of Black students, and 81 % of mature students (25+) are in professional jobs or further study, all above the University average of 70.5 % (DLHE, 2015-16). In fact, those from POLAR quintile 1 (the most disadvantaged by postcode) had the highest proportion of professional level jobs (76 %), more than any of the other quintiles.

Professional Level Employment



Students are also able to demand excellent starting salaries and the median salary for students both full and part-time is £21,986 (£19,606 for full-time and £32,876 for part-time). The University is the top modern University* in London for median starting salaries one year after graduation for the following subjects which includes both full and part-time students¹².

Architecture, Building and Planning	£28,700
Engineering and Technology	£28,900
Computer Science	£20,700
Business Studies	£19,500

In addition, Nursing was in the top 10 in the UK for median earnings one year after graduation (£28,600) and Law was in the top 25 in the UK for this measure (£18,400).

During 2015-16, the University launched a highly successful graduate internship scheme. Aimed at boosting the employment prospects of the few recent graduates who are not in employment six months after graduation, the scheme offers an opportunity to acquire valuable skills through a short-term paid position at the University. Following the scheme, 60 % indicated they had since found employment. Given that all had been unsuccessfully seeking work at the start of the scheme, we believe this is a great success and we therefore continued the scheme in 2016-17.

*A modern university is a university created in, or after, 1992.

¹² Longitudinal Education Outcomes (LEO) data, published June 2017



Strategic themes

3. Create and disseminate useful knowledge



Research remains 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 continues 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'.

We continue to aim to transform our research intensity so that by 2021 we will see a significant enhancement in the quality and volume of our impactful research.

This will be achieved by focusing on three key objectives:

- To achieve university-wide engagement in research and scholarship
- To connect research, scholarship and innovation to students and the curriculum
- To create a robust infrastructure for research and scholarship.

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 of

and care issues associated with infectious diseases and infections; learning disabilities and mental health. The International Centre for Hotel and Resort Management produces knowledge on risk management and funded research on human trafficking in the hospitality sector. The School of Computing and Engineering is a forerunner in terms of research and practice in cyber security, working closely with the Amazon Lab. With specialists in Ground Penetrating Radar and non-invasive testing, we work across the world on a range of projects including bridge stress testing, archaeological investigations and, in partnership with Royal Kew Botanic Gardens, work on rhizome and root viability.

Strategic themes

3. Create and disseminate useful knowledge

Continued

Our airline and airport team work on, and administer, the complete Heathrow Archive in conjunction with Library Services. UWL won funding from the Heritage Lottery Fund, which coupled with a generous donation from Heathrow Airport Limited, will allow the University to manage the archive and exhibit the collection for the public to enjoy. From the collection of plans, photographs and early flight ephemera, an exhibition of the archive will open to the public in January 2018.

To provide a focus for the development of some of its key research areas, the University has created four new research centres:

- The Research Centre for Music and Screen – with a focus on film, video and music production and archiving
- The Cybercrime and Security Research Centre – with a focus on data protection, risk behaviours, social policy as well as the ‘hard’ aspects of cyber security – cryptography and network security
- The New Aging Interdisciplinary Centre – with a focus on dementia care.

- The Research Centre for Non-Invasive Testing – specialising in bridge stress testing, archaeological investigation testing, and GPR technology in tree preservation.

In addition to the above research centres, staff across the University, enhanced by the appointment of ten new research Professors, are actively involved in research and scholarship in the following broad areas:

- Criminology and criminal justice
- Forensic psychology
- Policing and social policy
- Higher Education and the market
- Community and civic engagement
- Ageing and social care
- Food testing and production
- Hospitality management and luxury brands
- Sustainable engineering
- Enterprise and entrepreneurship
- Gender and critical discourse
- Music and composition.

The current Research & Scholarship Strategy (2014-18) is in the process of being evaluated. This review and the subsequent consultation exercise have guided the development of the 2018-20 Research Strategy. In this new

plan, the emphasis is strongly on capacity-building in research; developing scholarship across the institution; open access; and enhancement of our doctoral provision.

Specific focus in 2016-17 has been on providing opportunities for academic staff to engage with research and scholarship at school level, and through institutional events. The University appointed a Head of the Research Excellence Framework (REF) to support this work and monitor outputs. Institutional events included an Education Media Centre Research Panel, two Research and Scholarship Forums, and the first Research Conference in July 2017.

The University has also held successful research conferences: the Infection Prevention and Control conference brought 980 delegates to Paragon; a conference in Cyber Security was also hosted by the School of Law and Criminology bringing some high-profile speakers to the University. Other local events supporting research and scholarship have included School-based research seminars, forums and surgeries for authors, reading groups, writing retreats, and mentoring.

Strategic themes

4. Be enterprising and entrepreneurial

In the 2016-17 academic year, the University saw a further substantive increase in the income generated from enterprise to £18.9m. Three core business areas continue to drive this growth in enterprise income: partnerships and Transnational Education (TNE); summer schools and facilities hire; and the London College of Music Examinations (LCME).

Following the recent investments at both St Mary's Road and Paragon House, the University has been able to maximise usage of the estate through regular external hire and, for the first time in 2016-17, a range of residential and non-residential summer schools. Building upon our long-term relationship with The Challenge Network, the University supported two residential summer schools for cohorts of Italian students. The increased control the University now has over Paragon Lets contributed to the success of these summer schools and will ensure repeat and extended bookings for summer 2018.

The purchase in August 2016 and the integration of the Registry of Guitar Tutors (RGT) into the London College of Music Examinations (LCME) has proved extremely successful achieving 5 % growth of RGT during this transitional phase. The continued expansion of LCME activities particularly in SE Asia and the growth in TNE partners also becoming centres for LCME, has moved this to a business worth in excess of £5m per annum. Further growth will be achieved through diversification of the examination portfolio the combined LCME/RGT operation offers.

The London College of Music continued with its successful partnership with BIMM whilst extensions to partnership agreements were completed by the School of Computing and Engineering and the Claude Littner Business School (with London School of Science and Technology) and London School of Film, Media and Design (with MetFilm) completed their start-up enterprise and entered local and national competitions. One of our students went on to win the *Young Enterprise* Women in Business Award.



Strategic themes

5. Be financially and environmentally sustainable

Financial Performance 2016-17

The University has delivered another year of excellent financial results. It has maintained a strong trajectory of income growth as demonstrated in **Table A** below. In 2016-17 aggregate income was £95.9m. This represents an increase of £8.7m on 2015-16 results and a favourable variance of £7.8m in comparison with the 2016-17

budget of £88.1m. Income growth has been driven by increased fee income from UK full-time and part-time students and EU students. Enterprise income has recorded strong growth due to RGT/RPL (acquired in the year), LCM examinations and income from student accommodation (Paragon House).

The net operating surplus is £9.2m, representing 10% return on income. This rate of return achieved budgeted expectation. It was delivered through both improved income and well managed costs. **Table B** records growth in operating surplus over the years.

This sustained strong 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. The purchase of Paragon House for £55m, the remodernisation of St Mary's Road campus, the acquisition of RGT/RPL and a variety of capital projects aimed at improving and renewing infrastructure has consolidated the University's asset base, after disposal of assets that were surplus to requirement, to £160m as at 31 July 2017. The net current assets position improved substantially due to higher cash surpluses generated from the sale of Mandela and Slough sites.

From a negative position of £9.2m in 2015-16, it improved to a positive balance of £19m at the end of 2016-17.

5 Year Income Growth

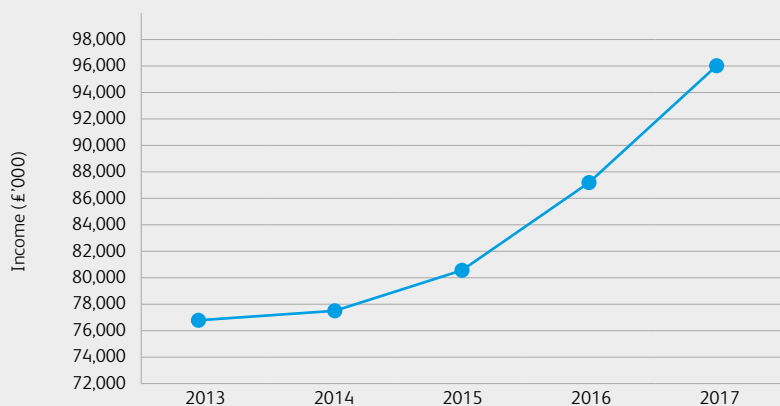


Table A

Group Surplus for the Year

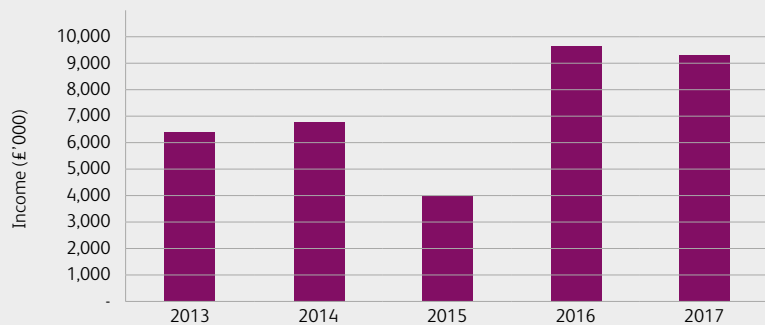


Table B

Strategic themes

5. Be financially and environmentally sustainable

Continued

Environmental Sustainability

A commitment to 'improve significantly the University's environmental credentials' is one of the objectives of 'Ambition 2018' and the University continues to develop strategy and operations to meet this. By embedding sustainability in all aspects of University life, we will enable UWL to have beneficial impacts for our students, society and the environment.

Over the past year, the University has made great progress in the development of the Eco Campus Environmental Management System. As the system matures, the University will continue to develop operational procedures and begin an internal audit programme with the aim of understanding environmental risks and opportunities and managing them accordingly. This year UWL will undertake an in-depth audit process and aims to achieve gold status (it is currently at silver).

The University's Carbon Management Plan requires further review and development this year. We will analyse progress to-date and set out deliverable energy targets and objectives for the future. Available technologies and funding options will be explored and energy procurement strategies reviewed. The updated Carbon Management Plan will drive strategic investment in a series of carbon reduction projects to be progressed annually in order to reduce our carbon footprint.

To achieve these environmental objectives and targets, UWL is reviewing operational activities to improve the sustainability of the estate. A comprehensive waste audit has revealed scope to improve waste management throughout the campus and improve recycling rates. One initiative was the implementation of compostable food containers which was a collaboration between Elmor, the Students' Union and the London Geller College of Hospitality and Tourism.

The UWL travel plan provides a framework to increase use of sustainable modes of travel such as walking, cycling and public transport amongst staff, students and visitors. Sustainable construction targets will ensure new buildings and refurbishments take into account sustainable principles and address the range of environmental issues and opportunities pertinent to them.

To support the aim of producing sustainability-focused graduates with the skills and knowledge to contribute to a sustainable world, the academic Schools and Colleges increasingly incorporate sustainability topics in relevant curricula. Examples of this are the inclusion of food sustainability training in the London Geller College of Hospitality and Tourism.



Strategic themes

6. Improve the infrastructure

Following the major £52m project to redevelop the St Mary's Road Campus which was completed in 2015, and the purchase of Paragon House for £55m in 2016, the University has continued to invest in upgrading the infrastructure, services and facilities across the estate to enhance the student experience. This work is part of the University's Estates Strategy which was approved by the Board of Governors in May 2016. In 2016-17 the following works were undertaken:

- A substantial refurbishment has been completed to provide a modern training kitchen at St Mary's Road to support the London Geller College of Hospitality and Tourism students
- The refectory at Paragon House has gone through a complete modernisation to provide a catering service to students and staff to match that on offer at St Mary's Road and provide additional choice

- Work commenced on the provision of an enterprise hub at the St Mary's Road site to allow students and local start-up businesses to work in collaboration with the University to develop exciting new business ventures. This work has been generously funded by donors to the University
- External funding has also been agreed to create and operate a Food Innovation Lab at St Mary's Road to support new product delivery for the Food Industry in West London. Design work has commenced on the project with completion due in the Autumn of this year
- The long-term strategic facility management and catering partnerships entered into three years ago with Bouygues and Elinor, respectively, continue to flourish and develop to meet the changing needs of the students and identify efficiencies to control costs.

In 2016-17 the following projects were undertaken

- Bouygues has worked closely with the University's Environmental Sustainability team to drive down waste collection and identify options to reduce our carbon footprint

- Elinor has introduced a new app to advertise special offers to students and continue to adapt the menu to respond to student and staff feedback.

The University has also improved its links with the community through forming closer ties and collaborations with local institutions with the benefit of a wider range of facilities for students. Agreement has been reached to extend our collaboration with Questors Theatre in Ealing to permit the London College of Music to utilise their rehearsal rooms through the working week, in addition to using the Theatre's facilities for productions throughout the academic year. Discussions have opened with the YMCA, situated next to the St Mary's Road site, to identify opportunities to share facilities that will be of benefit to students and staff. The Students' Union continue to make good use of the excellent sporting facilities at Trailfinders sports ground in West Ealing to train and hold competitive sports (rugby, hockey, football and cricket).

Strategic themes

6. Improve the infrastructure

Continued

Plans are in place to further enhance the offer to students with the development of a new sports centre on the St Mary's Road site in 2018. The University is also in discussions with the London Boroughs of Ealing and Hounslow about participation in the Gunnersbury Community Sport Centre which would open up further opportunities for participation in community sport for our students. These facilities will be part of the University's strategy to improve the physical and mental well-being of staff and students. The University will also start building a new postgraduate and international centre to cater for the growing number of postgraduate and international students.

Library Services

Library Services is a key service for our students and continued to evolve in 2016-17, supporting the strategic goal to improve the student experience. A major achievement in 2016-17 was gaining the Customer Service Excellence award. Not only did the Library Services team reach the standard for the award, six categories were judged to be 'Compliant Plus', making it an outstanding first assessment result.

The University was able to invest in over 10,000 new books for the Library, which complemented its growing physical print and electronic resources collection. New assistive technology and loan

laptops came on stream in the new Paul Hamlyn Library to support those students requiring additional support.

Following the redevelopment of the library as part of the Future Campus Project, Student satisfaction with the Library increased an impressive 13 percentage points in the 2016 student satisfaction survey, testament to the investment made in the new Library facilities and resources. Satisfaction was up a further 1.4% in 2017 to 88%.



Strategic themes

6. Improve the infrastructure

Continued

IT Services

IT Services has also supported improving the student experience and student satisfaction, as measured in the 2017 National Student Survey, stood at 87.2%, four points ahead of the sector benchmark. In October 2016, an independent assessment of the level of maturity of IT services (carried out by CEB/Gartner) showed an encouraging improvement: 3.6 out of five, where most other universities score between two and three. It is the University's aim to achieve a score of four which would demonstrate a fully-optimised, customer-focused and efficient IT services.

IT Services continued to support the roll-out of the University's learning analytics system – Civitas, which was adopted by four academic Schools in 2016-17. The system shows encouraging signs of improving engagement: more students attended more drop-in support sessions as a result of being contacted by the engagement team, for example. IT Services was invited to present its Civitas project as a sector-leading case study at the 2017 UCISA conference in March.

IT Services also continued to refresh teaching classrooms, with the two big lecture theatres in Paragon House receiving new audio-visual equipment. In conjunction with Library Services, loan laptops with assistive technology were introduced to help students requiring additional support. Working with Property Services, the University's main computer data centre was refurbished, including the installation of a fire suppression system in order to improve the University's resilience. Much has also been done to improve information security with, for example, new threat-detection systems being installed and significant work has been done to raise staff and student awareness of information security risk.



Strategic themes

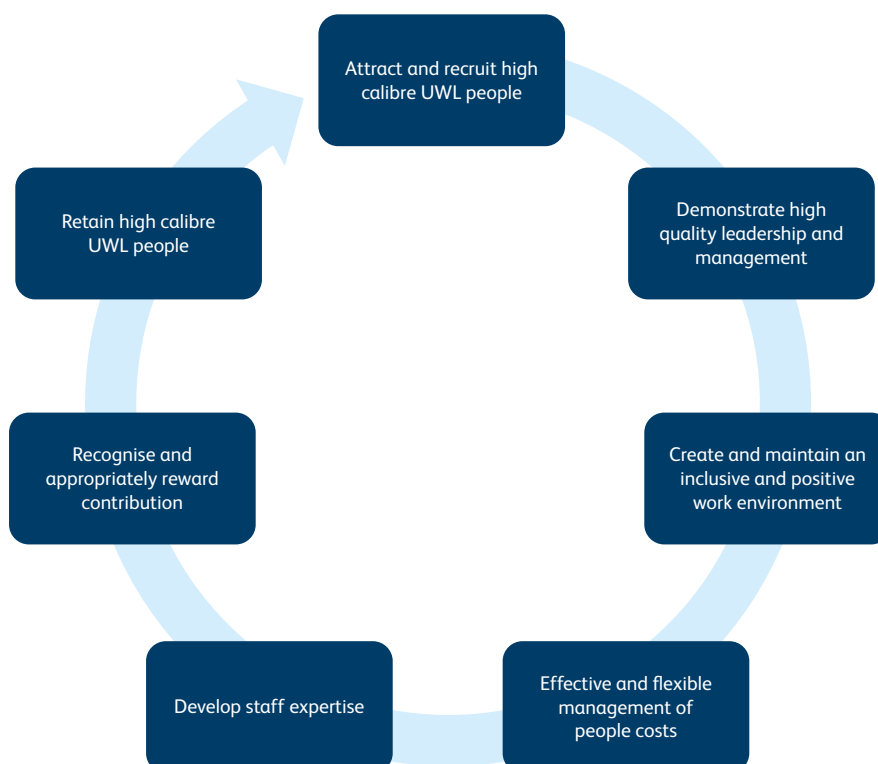
7. Developing staff expertise

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.

A high quality student experience and improved levels of student satisfaction are most effectively delivered if the University engenders high levels of employee engagement and performance. Staff should be able take pride in how they are contributing to the continued development and success of the University and to know that their contribution is recognised.

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 '*Ambition 2018*' targets by

providing competitive, flexible and enabling management frameworks for engaging, managing, developing and retaining high calibre staff. The People Strategy has seven overarching people themes, as set out below, which will facilitate the delivery of the University's people vision and these are being put into operation through key objectives.



Strategic themes

7. Developing staff expertise

Continued

This Strategy is beginning to deliver results with, for example, work on sickness management delivering a reduction of the absence rate to 2.9 days per head (down from 4.4) which in turn is significantly below the sector average of 6.0.

Training and development is a key objective and in 2016-17 this focused on the Senior Management Group with delivery of workshops on unconscious bias to develop knowledge of equality and diversity issues. Essential Employment Law and Health and Safety Management training is also being rolled out as is Health and Safety for managers.

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 ethnic minority 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'. 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.

To facilitate continuous improvement in teaching quality, the University runs an annual institution-wide scheme of peer review, designed to stimulate discussion and debate as well as encourage change and innovation leading to improved teaching practice. In 2015-16, 100 % of all permanent academic staff participated and 94.4 % of respondents asserted that their peer reviews led to improvements in classroom practice. This evidence suggests the scheme is instrumental in bringing about continuous improvement.

The University attaches great importance to teaching qualifications and 82 % of teaching staff held a recognised teaching qualification.

Strategic themes

8. Connect with our community

The University has a commitment to engage with our local community and provides opportunities for both the community use of facilities and also services to the community through volunteering and sponsoring community organisations.

The completion of the St Mary's Road Future Campus Project is enabling further community engagement as many of the new and enhanced facilities are made accessible to the local community. The University supports a wide range of local community organisations through access to the facilities we have at both the Ealing and Brentford sites. During 2016-17 this has included: Bless Church, West London Mental Health NHS Trust, London Borough of Ealing, Central Ealing Neighbourhood Forum, London Borough of Hounslow, Central and North West London NHS Foundation Trust, La Chouette School, Make it Ealing, Ealing Equality Council, YMCA, and Ealing Film Festival. The University also supports and sponsors local sport and is a sponsor of Brentford Football Club and the Ealing Trailfinders Rugby Club.

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 school 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. Thirty-seven students volunteered to run ten clubs in eight schools during the academic year.

The Junior Music College provides music education every Saturday morning to children in the local communities. The London Geller School of Hospitality and Tourism's Junior Chefs' Academy for school children in years 9-11 is now in its eleventh year. This

year a Saturday Art and Design club was also established for children from disadvantaged backgrounds.

The University runs a series of professorial and public lectures throughout the year. In 2016-17, events included an interview with Claude Littner where he spoke about his career in business. The University also hosted Ambassador Carolyn Curiel, currently clinical professor of Communication at Purdue University and the founder and Executive Director of the Purdue Institute for Civic Communication, who spoke about the upcoming 2016 US election.

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.

Strategic themes

9. Engagement with the wider world



Providing opportunity to students and access to the University's expertise irrespective to physical location or country of domicile remains the driver for our partnership and international transnational education (TNE) provision. With ever increasing regulation and challenges surrounding international students gaining visas to study in the UK, TNE for some students will be the only way to achieve a UWL degree.

The University has 27 academic partnerships supporting 4,272 students studying for UWL awards, ranging from FE colleges in the UK to domestic and international private providers of higher education. Over the last 12 months, the University has developed a strategy to capitalise on the opportunities afforded by TNE in particular through central co-ordination of the

development of partnerships where the activity supports broad multi-disciplinary and multi-level delivery in niche markets. The aim is that through a combination of globally relevant courses and a focus on employability, Transnational Education offers UWL an opportunity to diversify; gain an enhanced reputation and to deliver significant income potential as well as reach new students.

Strategic themes

9. Engagement with the wider world

Continued

To implement this strategy, we have launched strategic hubs with existing partners in South and South East Asia and the Western and Eastern Mediterranean, together with a new UWL branch campus in Ras Al Khaimah (RAK) in the United Arab Emirates (the first UK university granted a license to operate in RAK).

In 2015-16 the University established a centre in Hong Kong to service the region through two new subsidiary companies, UWL (Hong Kong) and LCM (Hong Kong). The centre has supported a collaboration with the prestigious Xinghai Conservatoire in Guangzhou which will see in 2017-18 the launch of the first DMus in China. The increased reach of UWL is set out in the map below.

Attention to the nature of partnership selection, ongoing organisation to organisation management and a desire to drive efficiency require a co-ordinated TNE strategy. Consequently, a Head of TNE has been appointed and a dedicated TNE office will strengthen the management of partnerships at a University level, ensuring that effective mechanisms are in place, both in Schools and within the Academic Quality Office, to audit, approve, monitor and review partnership activity.



Measuring Success: Key Performance Indicators

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 has made excellent progress against these indicators over the past four years, meeting many before the end of the strategic plan in 2018.

	KPI	Performance 2016-17
% of staff with Higher Education Academy (HEA) membership	100 %	82 %
Students Employment Indicator (HESA Table E1a)	96 %	97 %
NSS results – overall satisfaction	86 %	85 %
League table position	80	56
REF 1* publications	200	233
Research bids value (£m)	£10m	£5.72m
Research bids won (£m)	£2.0m	£2.5m
Number of registered MPhil/PhD students	130	162
% of academic staff with a doctorate	50 %	47 %
Operating surplus as a % of income	10 %	10 %
Staff costs as a % of income	53 %	46 %
Estate Grade A & B condition	95 %	94 %
IT maturity ranking	4.0	3.8
NHS income/contracts value (£m)	£10m	£12.2m
SMR campus	Complete	Complete
Overseas recruitment/TNE	500/1,400	400/1,500

■ Met

■ On course to meet

Measuring Success: Key Performance Indicators

Continued

The Staff Student Ratio has improved to ensure that staff are able to deliver quality teaching and learning opportunities. In terms of staff expertise, the percentage of staff with HEA membership stands at 82 % at August 2017 with 227 staff holding a HEA fellowship. The percentage of academic staff with a doctorate has increased to 47 %, with a further 21 members of staff registered and conducting research towards their qualification.

The student-related indicators have also improved with the student employability indicator increasing from 96.1 % to 97.1 %. Student Satisfaction has risen sharply to a historical

high, with overall satisfaction standing at 85 %; the highest of all London modern universities.

A key achievement this year was the substantial gain in the University's reputation as measured by their league table position. As a result of the above achievements, the University rose by 28 places to 56th in The Times/The Sunday Times Good University Guide 2017, following a leap in the 2016 Guide of 37 places. The University also rose by 26 places in the Complete University Guide to 79th, and by 38 places in the Guardian University Guide to 58th, both the largest rises in the UK, making an aggregate league table score in 2016-17 of 74th.

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. 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 94 % of the estate will be classed as Grade A and B condition.



Operating and Financial Review

Key risks

In response to the challenges it faces, the University monitors a wide range of risks with a focus on seven overarching risks linked to ‘*Ambition 2018*’ and 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 Controls
Failure to recruit student numbers to targets	<ul style="list-style-type: none"> • Review of programme portfolio • New programmes launched • Development of new social media content and revamp of website • Strategic planning increased • Engagement with School and College planning activities
Failure to deliver high standard educational experience to students	<ul style="list-style-type: none"> • Personal tutoring system in place • Engagement team in place in student support services • Introduction of new module feedback system • New People Strategy implemented • Fit-for-purpose quality assurance procedures
Failure to respond/deliver to Government and professional body standards	<ul style="list-style-type: none"> • Data monitoring and preparation for TEF • Targets for PhD & HEA membership • Changes in regulations to improve retention • Continuous data monitoring
Failure to achieve enterprise contracts	<ul style="list-style-type: none"> • DVC actively pursuing new partnership and transnational education opportunities • Development of degree apprenticeships • Central management of TNE activities
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 – Mid-REF review and mock REF
Failure to maintain infrastructure and IT to deliver core business	<ul style="list-style-type: none"> • Discussions and links with developers and local authorities • 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

Over the past 12 months (2016-17), the University has received £904,631 in cash gifts and another £655,889 in new pledges. Philanthropic income helps us to advance research ideas, support our students with bursaries and scholarships and contribute towards the enhancement of the University's facilities and learning spaces.

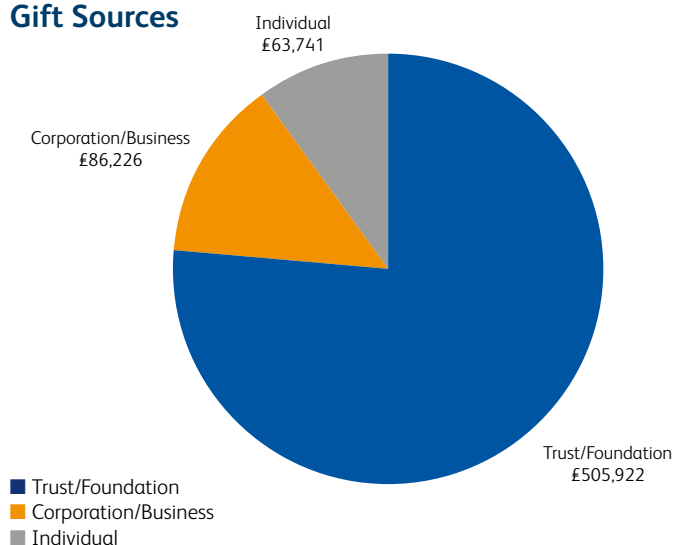
Scholarships, bursaries and prizes provide financial assistance and support to some of our most deserving and promising students; students who otherwise might not have had the chance to receive a university education. In 2016-17, 84 donors donated or pledged over £100,000 towards scholarships, helping over 100 students from Junior Academy level, right through to postgraduate students.

The University also receives funding to support important research initiatives. This year, the School of Computing and Engineering reached a major fundraising milestone by raising over £300,000 to develop Ground Penetrating Radar (GPR) technology in order to detect and diagnose tree disease earlier and more accurately and therefore prevent irreversible damage to vital tree populations.

Thanks to the support and generosity of over 15 donors, including trusts and foundations like The Lord Faringdon Charitable Trust and The Schroder Foundation, the University will be able to purchase essential equipment and appoint a Research Fellow and PhD Scholar to support Executive Head of School, Professor Amir Alani and Research Fellow, Dr Fabio Tosti to embark on the research. Other innovative research projects to secure gifts include enhancing hydration amongst elderly residents in care homes, particularly those suffering with dementia and improving the service provision of mental health support for those struggling with alcohol abuse and drug addiction.

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 practice and ethical guidelines for fundraising as described by the Council for the Advancement and Support of Education and the Code of Fundraising Practice as set out by the Fundraising Regulator. The University's philanthropic activity is overseen by the Finance and Audit and Risk Committees of the Board of Governors.

Gift Sources



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 'the career 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. 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 local economy are identified and met, thereby providing useful and relevant education to its students.

Widening participation, bursaries and scholarships

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, student success and progression to employment and further study for students from under-represented groups.

In order to support its aims, the University offers a generous package of bursaries and scholarships for its students. In 2016-17, 550 students received UWL Scholarship funding worth £3,000 over three academic years, available to students with a household income of £25,000 or less. Forty-seven part-time students with household incomes below £42,620 also received fee waivers of £1,500. All Foundation year students who met the attendance and submission criteria received

£2,000 Path to Success scholarships in 2016-17. Alumni discounts of £2,000 to help widen access to further study were also available to UWL alumni when joining a postgraduate taught course, with a quarter of postgraduate students benefiting from this discount in 2016-17. Additional subject-specific bursaries and scholarships were also available to students in all eight academic Schools and Colleges.

According to an Office for Fair Access (OFFA) report published in August 2017, the University's percentage investment of higher fee income in bursaries and other activities to widen participation was greater than the sector average. At 26.2%, it was the highest proportional expenditure amongst all modern universities in London, and substantially higher than the national average spend of 20.5% for institutions with a high proportion of under-represented students.

Public Benefit Statement

Continued

Innovation

The University also has a growing reputation in the area of children's well-being with the Pyramid Centre which provides empirical evidence to support the work of a range of stakeholders including practitioners, policy makers, and researchers. This work is being introduced in an increasing number of local authorities as its effectiveness as an intervention to help children and young people is recognised.

The University invested £1m in a new simulation centre in the

Berkshire Institute for Health, Reading in 2016. This facility has not only improved the teaching and learning of our students, but offers research and practice for a number of allied health practitioners in the region.

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.

Community engagement

As outlined above, 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 the community through volunteering and sponsoring community organisations.

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.

Corporate Governance Statement

The Board of Governors

The following served as members of the Board throughout the year except where stated.

Independent governors

Mr Chris Humphries CBE ^{3,4}	(and Chair of the Board)
Mr Mike Bellamy ^{2,4,5}	(Deputy Chair until retirement from 30 September 2017)
Ms Jennifer Bernard ^{1,3,5}	(Deputy Chair from 1 October 2017)
Mr Dermot Blastland ^{4,6}	
Mr Gareth Cadwallader ³	(retired 31 January 2017)
Ms Shirley Cameron ¹	
Mr Mark Cammies ²	(appointed to Independent Governor from 1 February 2017)
Mr Allan Dodd ²	
Mr Steve Fowler ¹	(appointed as an Independent Governor 1 November 2017)
Mr Kris Murali ²	
Ms Kerry O'Callaghan	(appointed from 1 November 2017)
Ms Helena Peacock	(appointed from 1 November 2017)
Ms Justine Stephenson ^{3,6}	(retired 30 September 2017)
Dr Kirpal Tahim ^{2,3}	
Ms Valerie Todd ⁴	(retired 28 February 2017)
Mr Patrick Younge ^{5,6}	

Ex-officio member

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

Mr Jonathan Lawrence ⁵	
Mr Christopher McLaverty ¹	

Co-opted member with experience of the provision of education

Mr Derek Hicks	(appointed to the Board 1 February 2017)
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Academic Board member

Ms Sara Raybould	
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Professoriate member

Professor Michelle Henning	(appointed to the Board on 1 July 2017)
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Staff member

Ms Zabin Visram	(retired 31 June 2017)
Mr Matt Lingard	(appointed to the Board 1 July 2017)

Student member

Mr David Titley	
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Co-opted members of sub-committees

Mr Bob Atkins ²	(appointed from 1 November 2017)
Mr Mustafa Faruqi ⁵	
Mr Steve Fowler ¹	
Mr John Morley ²	(retired 30 June 2017)
Mr James Southgate ¹	
Mr Kiran Virdee ²	(appointed from 1 November 2017)

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's Structure of Corporate Governance

The University is a higher education corporation established by the Education Reform Act 1988, and given University status by the 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 is responsible for the strategic direction of the University, including:

Determining the educational character and mission of the University and oversight of its activities:

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

The Board comprises 13 independent members, one co-opted member with experience of education, two other co-opted members and the Vice-Chancellor.

The membership also includes elected representatives of staff, the Academic 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.

Committees of the Board

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



The University's Structure of Corporate Governance

Continued

Audit and Risk Committee

The Audit and Risk Committee considers detailed reports on risk management and control together with recommendations for the improvement of the University's systems of internal control and management responses and implementation plans. It is also responsible for oversight of the quality of data and for considering reports relating to quality assurance and compliance as part of the Board's approach to implementing the HEFCE's *Operating Model for Quality Assessment*. 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 receives 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 Finance Committee and the Board. It also considers the University's strategic approach to the improvement of the student experience including the consideration of the annual report on complaints and appeals as part of the Board's approach to implementing the HEFCE's *Operating Model for Quality Assessment*.

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 and co-opted members of committees.

Remuneration Committee

The Remuneration Committee determines the remuneration of the Vice-Chancellor, other senior post-holders and the University Secretary 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. It also considers the University's approach to the improvement of teaching quality as part of the Board's approach to HEFCE's *Operating Model for Quality Assessment*.

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 of Governors.

Payments to Governors

A total of £3,248 was paid in expenses to seven Governors during 2016-17 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. No member of the Board

receive remuneration for the work they do for the Board, except for the Vice-Chancellor who is a member of the Board by virtue of the office he holds.

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.

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.

The University's Structure of Corporate Governance

Continued

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

1. Suitable accounting policies are selected and applied consistently
2. Judgements 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.

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, including Student Loans Company payments, 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, or 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

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 the Committee
3. The Audit and Risk 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.

Throughout the year, the Audit and Risk Committee receives reports at each of its meetings from the internal auditors, which include their independent opinion on the adequacy and effectiveness of the University's system of internal control and value for money together with recommendations for improvement. The Audit and Risk Committee approves the annual Internal Audit Plan. The Plan was approved by the Committee at its meeting on 7 June 2017. The Plan is linked to the Strategic Plan and the Strategic Risk Register.

Risk Management

The Board is responsible for reviewing the effectiveness of the risk management within the University and this is informed by:

The University's Structure of Corporate Governance

Continued

1. Each year the Audit and Risk Committee approves a programme for the year, which is based on a balanced portfolio of risk exposure while focusing on key risks
2. 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
3. The Audit and Risk Committee annually reviews the effectiveness of the risk management arrangements.

The Strategic 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.

Report of the Audit and Risk Committee

The full particulars of the work of the Audit and Risk Committee, including details of the advancements made during the course of 2016-17, are set out in the Audit and Risk Committee's Annual Report to the Board. This report, which was considered by the Board on 21 November 2017 and will be submitted to HEFCE, included the Audit and Risk Committee's conclusions on:

1. Risk management, control and governance
2. Economy, efficiency and effectiveness (value for money)
3. Management and quality assurance of data submitted to the Higher Education Statistics Agency, the Student Loans Company, HEFCE and other 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 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 2016-17 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 Board of the University of West London

Opinion

We have audited the financial statements of The University of West London ("the University") and its subsidiary ("the Group") for the year ended 31 July 2017 which comprise the consolidated statement of comprehensive income and expenditure, the consolidated and university statement of changes in reserves, the consolidated and university balance sheets, the consolidated cash flow statement and the notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 *The Financial Reporting Standard applicable in the UK and Republic of Ireland* (United Kingdom Generally Accepted Accounting Practice). In our opinion, the financial statements:

- give a true and fair view of the state of the Group's and of the University's affairs as at 31 July 2017 and of the Group's and the University's income and expenditure, gains and losses, changes in reserves and of the group's cash flows for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been properly prepared in accordance with the Statement of Recommended Practice: Accounting for Further and Higher Education and relevant legislation.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) ("ISAs (UK)") and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the Group and University in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

We have nothing to report in respect of the following matters in relation to which the ISAs (UK) require us to report to you where:

- the board members use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the board members have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the Group's or the University's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

Other information

The board are responsible for the other information. Other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

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

We have nothing to report in this regard.

Opinion on other matters required by the Higher Education Funding Council for England ("HEFCE") 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;

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

Continued

- 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 HEFCE's Accounts Direction have been met.

Responsibilities of the board

As explained more fully in the financial responsibilities of the board statement (set out on pages 34 and 35), the board is responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the board members determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the board are responsible for assessing the Group and the University's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the board either intend to liquidate the Group or the University or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

This report is made solely to the University board, 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 board 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 board members as a body, for our audit work, for this report, or for the opinions we have formed. Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists.

Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

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

This description forms part of our auditor's report.

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.

BDO LLP

James Aston
(Senior Statutory Auditor)
For and on behalf of BDO LLP,
Statutory Auditor Gatwick
Date: 27 November 2017.

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 2017. 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 14)
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.

- Investments (see note 15)
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.
- Trade debtors (see notes 18 and 20)
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.

Statement of principal accounting policies Basis of preparation

Continued

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 reservetransfer. 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 three 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.

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

Statement of principal accounting policies Basis of preparation

Continued

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, cash at bank, and deposits repayable on demand. Deposits are repayable on demand if they are available within 24 hours without penalty. Cash equivalents are short-term, highly liquid investments that are readily convertible to know amounts of cash with insignificant risk of change in value. They include term deposits up to three months held as part of the University's treasury management activities. Investments with a

Statement of principal accounting policies Basis of preparation

Continued

maturity date in excess of three months at acquisition are classified as non-liquid resources and are treated as capital investments.

Intangible assets

Goodwill

Goodwill on acquisitions of RGT and RPL is included in 'intangible assets'. Goodwill is carried at cost less accumulated amortisation and accumulated impairment losses. Goodwill amortisation is calculated by applying the straight-line method to its estimated useful life. Goodwill is amortised over 10 years. No amortisation was applied in the year of acquisition.

Estimates of the useful economic life of goodwill are based on a variety of factors such as the expected use of the acquired businesses, the expected useful life of the cash generating units to which the goodwill is attributed, any legal, regulatory or contractual provisions that can limit useful life and assumptions that market participants would consider in respect of similar businesses.

Impairment of fixed assets and goodwill

Assets that are subject to depreciation or amortisation are assessed at each reporting date to determine whether there is any indication that the assets are impaired. Where there is any indication that an asset may be impaired, the carrying value of the asset (or cash-generating unit to which the asset has been allocated) is tested for impairment. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs to sell and value in use. For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash flows.

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.

Consolidated Income and Expenditure Account

for the year ended 31 July 2017

	Note	2016/17 Consolidated £000	2015/16 Consolidated £000
Income			
Funding Council grants	1	9,343	8,376
Tuition fees and education contracts	2	69,823	65,390
Research grants and contracts	3	665	1,008
Other income	4	15,122	11,598
Endowment and investment income	5/6	912	812
		95,865	87,184
Expenditure			
Staff costs	7	(43,700)	(40,232)
Severance costs	7	(177)	524
Other operating expenses	8	(33,064)	(29,757)
Interest payable	9	(3,891)	(3,871)
Depreciation	14	(5,813)	(4,413)
		(86,645)	(77,749)
Group surplus on continuing operations after depreciation but before tax and other gains		9,220	9,435
Surplus on disposal of property	11	8,790	63
Unrealised surplus on revaluation of investment properties	15	–	5,100
Group surplus for the year		18,010	14,598
Actual (loss) / gain in respect of pension schemes	25	5,404	(17,127)
Total comprehensive income for the year		23,414	(2,529)
Represented by:			
Endowment comprehensive income for the year		765	31
Unrestricted comprehensive income for the year		22,649	(2,560)
		23,414	(2,529)

Consolidated Balance Sheet

for the year ended 31 July 2017

		Consolidated		University	
	Note	2016/17 £000	2015/16 £000	2016/17 £000	2015/16 £000
Fixed assets					
Intangible assets	13	1,400	–	1,400	–
Tangible assets	14	158,941	158,669	158,941	158,669
Investment properties	15	–	20,100	–	20,100
Investments	16	31	31	31	31
Total fixed assets		160,372	178,800	160,372	178,800
Current assets					
Stocks	17	167	112	167	112
Debtors	18	15,028	3,572	15,451	4,102
Cash and cash equivalents		17,573	8,852	16,568	8,309
Total current assets		32,768	12,536	32,186	12,523
Creditors					
Amounts falling due after more than one year	19	(13,759)	(21,826)	(13,752)	(21,813)
Net current assets		19,009	(9,290)	18,434	(9,290)
Non-current assets					
Debtors	20	8,069	–	8,069	–
Total non-current assets		8,069	–	8,069	–
Total assets less current liabilities		187,450	169,510	186,875	169,510
Non-current liabilities					
Amounts falling due after more than one year	21	(68,341)	(70,564)	(68,341)	(70,564)
Provisions					
Pensions liability	26	(66,016)	(69,267)	(66,016)	(69,267)
Net assets		53,093	29,679	52,518	29,679
Restricted Reserves					
Endowments	22	2,421	1,656	2,421	1,656
Unrestricted reserves					
Income and expenditure reserve - unrestricted		98,027	78,629	97,452	78,629
Income and expenditure reserve - Pension reserve		(66,016)	(69,267)	(66,016)	(69,267)
Revaluation reserve	23	18,661	18,661	18,661	18,661
Total reserves		53,093	29,679	52,518	29,679

The financial statements were approved by the Governing Body on 23 November 2017 and were signed on its behalf on that date by:

Peter John, Vice-Chancellor



Chris Humphries, Chair of the Board of Governors



Patrick Fuller, Chief Financial Officer



Consolidated and University Statement of Changes in Reserves

for the year ended 31 July 2017

	Income and expenditure account		Revaluation Reserve	Total
	Endowment £000	Unrestricted £000	£000	£000
Balance at 1 August 2015	1,625	11,722	18,861	32,208
Surplus 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 1 August 2016	1,656	9,362	18,661	29,679
Surplus from the income and expenditure statement	765	17,245	–	18,010
Other comprehensive income	–	5,404	–	5,404
Transfers between revaluation and income and expenditure reserve	–	–	–	–
Release of restricted funds spent in year	–	–	–	–
Total comprehensive income for the year	765	22,649	–	23,414
Balance at 1 August 2017	2,421	32,011	18,661	53,093

Consolidated Cash Flow

for the year ended 31 July 2017

	Note	2016/17 Consolidated £000	2015/16 Consolidated £000
Cash flow from operating activities			
Surplus for the year		18,010	14,598
Adjustment for non-cash items			
Depreciation	14	5,813	4,413
Loss/(Gain) on Investments	15	–	5,100
Decrease/(increase) in stock	17	(55)	13
Decrease/(increase) in debtors	18	(3,377)	623
Increase/(decrease) in creditors	19	(3,593)	(8,814)
Increase/(decrease) in pension provision	26	2,153	1,698
Deferred capital grant release		(2,209)	(1,206)
Adjustment for investing or financing activities			
Investment income	5	(8)	(70)
Interest payable	9	2,201	2,013
Endowment income	6	(765)	(742)
Profit on the sale of fixed assets	11	(8,790)	(63)
Net cash inflow from operating activities		9,380	7,363
Cash flows from investing activities			
Proceeds from sales of fixed assets		12,991	1,298
Investment income		8	70
Payments made to acquire fixed assets		(7,722)	(61,305)
Deferred capital grants received		–	–
		(5,277)	59,937
Cash flows from financing activities			
Interest paid		(2,201)	(1,123)
Endowment cash received		765	742
New secured loans		–	55,000
New unsecured loans		1,500	6,000
Repayments of amounts borrowed		(6,000)	(7,130)
Capital element of finance lease and service concession payments		–	–
		(5,936)	53,489
(Decrease)/increase in cash and cash equivalents in the year		8,721	915
Cash and cash equivalents at beginning of the year		8,852	7,937
Cash and cash equivalents at end of the year		17,573	8,852

Notes to the Financial Statements

for the year ended 31 July 2017

1. Funding council grants

	2016/17 £000	2015/16 £000
Recurrent grants:		
HEFCE	5,871	5,753
SFA	878	909
EFA	412	513
Releases of deferred capital grants		
Equipment	69	754
Buildings	2,113	447
	9,343	8,376

2. Tuition fees and education contracts

	2016/17 £000	2015/16 £000
UK Higher Education students		
Full-time students	43,380	41,521
Part-time students	3,129	2,523
UK Further Education students		
Full-time students	5	3
Part-time students	113	127
EU Students (excl UK students)	4,803	3,177
Non-EU students	5,026	5,128
Short courses and examination fees	1,179	846
Nursing and midwifery education contracts	12,188	12,065
	69,823	65,390

3. Research grants and contracts

	2016/17 £000	2015/16 £000
Other grants and contracts	665	1,008

4. Other operating income

	2016/17 £000	2015/16 £000
Residences, catering and conferences	4,461	3,242
Other income-generating activities	9,403	7,485
Deferred capital grants release	30	5
Other income	1,228	866
	15,122	11,598

Notes to the Financial Statements Continued

for the year ended 31 July 2017

5. Investment income

	2016/17 £000	2015/16 £000
Income from endowment asset investments	–	46
Other interest receivable	8	24
	8	70

6. Donations and endowments

	2016/17 £000	2015/16 £000
New endowments	904	742

7. Staff costs

	2016/17 £000	2015/16 £000
Salaries and wages	33,857	32,119
Social security costs	3,563	2,896
Pension costs	6,280	5,217
Staff costs	43,700	40,232
Severance costs*	177	(524)
Total severance costs	177	(524)
Teaching departments	27,902	25,324
Teaching support services	3,376	3,330
Administration and central services	12,422	11,578
	43,700	40,232
Staff on permanent contracts	38,208	35,789
Staff on short-term and temporary contracts	5,492	4,443
	43,700	40,232
Vice-Chancellor's emoluments		
Salary	271	238
Benefits in kind	4	4
	275	242
Pension contributions**	22	39
	297	281

*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.

Notes to the Financial Statements Continued

for the year ended 31 July 2017

7. Staff costs (continued)

	2016/17 £000	2015/16 £000
The remuneration of higher paid staff (excluding pension contributions) was:		
£100,000-£110,000	2	1
£110,000-£120,000	–	1
£120,000-£130,000	–	1
£130,000-£140,000	2	–
£240,000-£250,000	–	1
£270,000-£280,000	1	–
The average number of persons (including senior post-holders) employed by the University during the period, expressed as full-time equivalents, was:	2016/17 Number	2015/16 Number
Teaching departments	528	535
Teaching support services	66	79
Administration and central services	258	211
	852	825
Compensation for loss of office paid to former members of staff earning in excess of £100,000 per annum was:	–	–

Governors' remuneration

A total of £3,248 (£3,940 in 2015/16) was paid in expenses to seven Governors during 2016-17 in relation to travel costs. The Academic Board and Staff Governor representatives are employees of the University and are paid accordingly. The student representative is an employee of the University's Students' Union which is predominantly funded by the University. None of the Governors received payment in relation to their Trusteeship.

Notes to the Financial Statements Continued

for the year ended 31 July 2017

8. Other operating expenses

	2016/17 £000	2015/16 £000
Other premises costs	6,723	7,409
Agency and consultancy	4,437	3,739
Equipment rent and maintenance	1,897	2,788
Consumables	471	715
Books and periodicals	1,189	1,045
Franchise payments	25	270
Advertising	2,583	1,901
Grants to Students' Union	2,085	1,516
Travelling and subsistence	956	1,103
Accommodation	200	241
Equipment not capitalised	593	512
Irrecoverable VAT	(7)	(3)
Rents	486	1,820
Auditors' remuneration	137	148
External auditors – other remuneration	–	82
Other expenses	11,289	6,471
	33,064	29,757
Included in the above operating expenses:		
External audit fee – University	72	72
External audit fee – Subsidiaries	8	7
Internal audit fee	58	68
Operating lease rentals – land & buildings	486	1,820
Operating lease rentals – equipment	334	157

Notes to the Financial Statements Continued

for the year ended 31 July 2017

9. Interest payable

	2016/17 £000	2015/16 £000
On bank loans, overdrafts and other loans:		
Repayable within five years, by installments	2,201	2,013
On pension scheme assets and liabilities:		
Expected return on pension scheme assets	(2,223)	(3,110)
Interest cost on pension scheme liabilities	3,913	4,968
	3,891	3,871

10. Taxation

	2016/17 £000	2015/16 £000
Current year tax charge	—	—
Surplus on operations before tax	18,010	9,435
Expected tax charge*	3,421	1,893
Effects of:		
Surplus not subject to UK corporation tax	(3,421)	(1,893)

*Calculated at 19% for August 2016 to July 2017 (20% in 2016). Assumes profits accrue evenly over the year.

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

	2016/17 £000	2015/16 £000
Sale proceeds *	29,658	1,298
Book value of assets (tangible fixed assets and investment properties)	(20,303)	(1,226)
Disposal costs	(565)	(9)
Realised gain on disposal	8,790	63

*Two properties were sold in the financial year, Slough and Mandela, for amounts of £24,208,000 and £5,450,000 respectively

12. Surplus for the period

	2016/17 £000	2015/16 £000
University's surplus/(deficit) for the period	9,220	9,435
Surplus generated by subsidiary undertakings	—	—

13. Intangible Assets

	2016/17 £000	2015/16 £000
Goodwill	1,400	—

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. The tangible fixed assets have an immaterial value to the Financial Statements. As such the cost of the acquisition in its entirety has been accounted for as Goodwill.

Notes to the Financial Statements Continued

for the year ended 31 July 2017

14. 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 2016	7,779	132,843	16,324	1,139	8,006	166,091
Additions	–	2,900	2,924	–	499	6,323
Completions	–	1,139	–	(1,139)	–	–
Disposals	(203)	–	(294)	–	(22)	(519)
At 31 July 2017	7,576	136,882	18,954	–	8,483	171,895
Depreciation / impairment						
At 1 August 2016	–	2,751	3,615	–	1,056	7,422
Disposals	–	–	(273)	–	(8)	(281)
Charge for year	–	2,859	2,475	–	479	5,813
At 31 July 2017	–	5,610	5,817	–	1,527	12,954
Net book value as at 31 July 2017	7,576	131,272	13,137	–	6,956	158,941
Net book value as at 31 July 2016	7,779	130,092	12,709	1,139	6,950	158,669

	2016/17 £000	2015/16 £000
Depreciation was funded by:		
Deferred capital grants released	1,425	1,206
Revaluation reserve release	–	199
General income	4,388	3,008
	5,813	4,413

15. Investment properties (Consolidated and University)

	2016/17 £000	2015/16 £000
Market value	–	20,100
Market value movement for the year:		
Market value as at 1 August 2016	20,100	15,000
Additions	–	–
Disposals	(20,100)	–
Revaluation	–	5,100
Market value as at 1 August 2017	–	20,100

16. Investments (Consolidated and University)

	2016/17 £000	2015/16 £000
At 1 August 2016	31	31
Disposals	–	–
Revaluation	–	–
At 31 July 2017	31	31

Notes to the Financial Statements Continued

for the year ended 31 July 2017

17. Stock (Consolidated and University)

	2016/17 £000	2015/16 £000
Finished goods	167	112
Balance at 31 July 2017	167	112

18. Trade and other receivables due within one year

	Consolidated		University	
	2016/17 £000	2015/16 £000	2016/17 £000	2015/16 £000
Trade receivables	4,902	2,091	4,794	2,009
Amounts owed by consolidated undertakings	–	–	531	626
Other receivables	839	401	839	387
Slough balance (due within one year)	8,069	–	8,069	–
Prepayments	1,218	1,080	1,218	1,080
	15,028	3,572	15,451	4,102

19. Creditors: amounts falling due within one year

	Consolidated		University	
	2016/17 £000	2015/16 £000	2016/17 £000	2015/16 £000
Unsecured loans	1,500	6,000	1,500	6,000
Trade creditors	3,321	4,673	3,321	4,673
Social security and other taxation payable	1,627	2,125	1,627	2,125
Deferred capital grant income	542	528	542	528
Accruals and deferred income	6,769	8,500	6,762	8,487
Deferred income	13,759	21,826	13,752	21,813

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	
	2016/17 £000	2015/16 £000	2016/17 £000	2015/16 £000
Research grants received on account	–	267	–	267
Grant income	400	585	400	585
Other income	3,672	2,091	3,672	2,091
	4,072	2,943	4,072	2,943

20. Trade and other receivables due after more than one year

	Consolidated		University	
	2016/17 £000	2015/16 £000	2016/17 £000	2015/16 £000
Slough balance (due after more than one year)	8,069	–	8,069	–
Total	8,069	–	8,069	–

Notes to the Financial Statements Continued

for the year ended 31 July 2017

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

	Consolidated		University	
	2016/17 £000	2015/16 £000	2016/17 £000	2015/16 £000
Secured loans*	55,000	55,000	55,000	55,000
Deferred capital grant income	13,341	15,564	13,341	15,564
	68,341	70,564	68,341	70,564
Repayments fall due within the following bands				
Within 1 year (note 18)	1,500	6,000	1,500	6,000
Within 1-2 years	–	–	–	–
Within 2-5 years	–	–	–	–
After more than 5 years	55,000	55,000	55,000	55,000
Total secured and unsecured loans	56,500	61,000	56,500	61,000

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

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

22. Endowment reserve (Consolidated and University)

	Restricted expendable £000	Restricted permanent £000	Total £000
At 1 August 2016	1,486	170	1,656
New Endowments	905	–	905
Investment Income (note 5)	–	–	–
Expenditure	(140)	–	(140)
At 31 July 2017	2,251	170	2,421
Represented by:			
Capital value	2,251	170	2,421
Accumulated income	–	–	–
At 31 July 2017	2,251	170	2,421
Analysis by type of purpose			
Scholarships and bursaries	610	170	780
Research support	81	–	81
Prize funds	46	–	46
General	1,514	–	1,514
	2,251	170	2,421

All endowments funds are represented by cash

Notes to the Financial Statements Continued

for the year ended 31 July 2017

23. Revaluation reserve (Consolidated and University)

	Note	2016/17 £000	2015/16 £000
At 1 August 2016		18,661	18,861
Contributions to depreciation released in the year	13	–	(200)
Shares disposal		–	–
Share market revaluation		–	–
Investment Properties – disposal		–	–
Investment Properties – revaluation		–	–
At 31 July 2017		18,861	18,661

24. Movement on general reserves

	Consolidated		University	
	2016/17 £000	2015/16 £000	2016/17 £000	2015/16 £000
Surplus after depreciation of assets and after tax	18,010	14,598	17,435	14,598
Release from revaluation reserve	–	200	–	200
Increase to endowment reserve	(765)	(31)	(765)	(31)
Historical cost surplus after tax	17,245	14,767	16,670	14,767
Pension recognised (loss)/gain	5,404	(17,127)	5,404	(17,127)
Transfer from/(to) pension reserve	(3,251)	18,825	(3,251)	18,825
Balance brought forward	78,629	62,164	78,629	62,164
Balance carried forward	98,027	78,629	97,452	78,629

25. Subsidiary companies

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

UWL Commercial Limited

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

The University also owns the following dormant company:

London College of Music Limited

This company is incorporated in England and Wales. It has not traded in the year. London College of Music™ is a registered trademark used by the University in connection with the awarding of qualifications.

26. Pension arrangements

The University's employees belong to the following principal pension schemes: the Teachers' Pension Scheme (TPS), the Universities' Superannuation Scheme (USS), and two Local Government Pension Schemes (LGPSs). The total pension cost for the period was £7,880,000 (2015/2016: £7,154,000).

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 £2,535,000 (2015/2016: £2,376,000).

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 £193,000 (2015/2016: £189,000).

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 2017 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. 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:

Notes to the Financial Statements Continued

for the year ended 31 July 2017

	2016/17 £000	2015/16 £000
Amounts recognised in the Balance Sheet:		
Present value of funded obligations	157,604	150,078
Fair value of plan assets	(99,667)	(89,201)
	57,937	60,877
Present value of unfunded obligations	8,079	8,390
Net liability in balance sheet	66,016	69,267

	2016/17 £000	2015/16 £000
Amounts recognised in the Income and Expenditure Account are as follows:		
Current service costs	3,383	2,563
Past service cost (credit)	–	21
Impact of Paragraph 28.13A	(42)	45
Scheme administration expenses	73	102
Losses (gains) on settlements of curtailments	46	–
	3,460	2,731
Net interest on the defined benefit (asset) liability	1,692	1,858
Total	5,152	4,589

	2016/17 £000	2015/16 £000
Amounts recognised in Other Comprehensive Income		
Actuarial gains (losses) due to change in assumptions	(6,478)	(21,959)
Experience gains (losses) on scheme liabilities	2,950	(108)
Experience gains (losses) on scheme assets	8,932	4,940
Actuarial (loss)/gain recognised in STRGL	5,404	(17,127)

Notes to the Financial Statements Continued

for the year ended 31 July 2017

	2016/17 £000	2015/16 £000
Changes in the present value of the defined benefit obligation:		
Defined benefit obligation at start of year	158,468	132,740
Service cost	3,383	2,563
Past service cost	–	21
Impact of Paragraph 28.13A	(42)	45
Interest cost	3,915	4,968
Actuarial losses (gains)	3,528	22,067
Losses on curtailments	46	–
Employee contributions	907	847
Benefits paid	(4,522)	(4,783)
Closing defined benefit obligation	165,683	158,468

	2016/17 £000	2015/16 £000
Changes in the fair value of plan assets:		
Fair value of scheme assets at start of year	89,201	82,298
Interest Income	2,223	3,110
Scheme administration expenses	(73)	(102)
Return on Scheme assets excluding interest income	8,932	4,940
Contributions by employer	2,999	2,891
Employee contributions	907	847
Benefits paid	(4,522)	(4,783)
Closing fair value of plan assets	99,667	89,201

Actual return on assets

2016–17	£10,038
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Projected employer contributions for the next accounting period (excluding TPS and USS)

2017–18	£3,163
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Notes to the Financial Statements Continued

for the year ended 31 July 2017

	2016/17 £000	2015/16 £000
Movement in deficit during the year:		
Deficit at beginning of the year	(69,267)	(50,442)
Current service cost	(3,383)	(2,563)
Past service cost	–	–
Employer contributions	2,999	2,891
Impact of settlements and curtailments	(77)	(148)
Net return on assets	(1,692)	(1,858)
Actuarial (losses)/gains	5,404	(17,127)
Deficit at end of year	(66,016)	(69,247)

The major categories of plan assets as a percentage of total plan assets:	2016/17 %	2015/16 %
Equities	61	62
Gilts	16	–
Other bonds	4	21
Property	10	10
Cash	7	2
Alternative assets*	2	5

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

The principal assumptions at the balance sheet date (expressed as weighted averages):	2016/17 %	2015/16 %
Discount rate at 31 July	2.65	2.50
Expected return on plan assets at 31 July	2.65	2.50
RPI inflation	3.10	2.70
CPI inflation	2.10	1.70
Future salary increases*	3.10	2.70
Future pension increases	2.10	1.70
Future life expectancy for a male member aged 65	22.50	22.20
Future life expectancy for a male member aged 65 in 20 years time	23.90	23.90
Future life expectancy for a female member aged 65	24.90	25.00
Future life expectancy for a female member aged 65 in 20 years time	26.4	26.9

*Salary increases are assumed to be 1.7% per annum until July 2020, and in line with RPI inflation thereafter.

Notes to the Financial Statements Continued

for the year ended 31 July 2017

Amounts for the current and previous four periods:	2016/17 £000	2015/16 £000	2014/15 £000	2013/14 £000	2012/13 £000
Defined benefit obligation	(165,683)	(158,468)	(132,740)	(121,611)	(105,389)
Plan assets	99,667	89,201	82,298	76,164	71,257
Deficit	(66,016)	(69,267)	(50,442)	(45,448)	(33,862)
Experience (loss)/gain on plan liabilities	2,950	(108)	(249)	(6,384)	(456)
Experience gain/(loss) on plan assets	8,932	4,940	3,531	1,431	6,647
Cumulative actuarial gains/(losses) recognised in the STRGL (since 1 August 2010)	(38,797)	(44,201)	(27,074)	(23,789)	(11,966)

27. Capital Commitments (Consolidated and University)

	2016/17 £000	2015/16 £000
Commitments contracted	1,308	7,908

28. Related Party Transactions

Governors of the University

Mr Dave Titley 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.

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.

29. Lease obligations (Consolidated and University)

	2016/17			2015/16
	Land and Buildings £000	Plant and Machinery £000	Total £000	£000
Total rentals payable under operating leases:				
Payable during the year	486	291	777	1,977
Future minimum lease payments due:				
Not later than 1 year	211	87	298	415
Later than 1 year and not later than 5 years	609	36	645	855
Later than 5 years	–	–	–	–
Total lease payments due	820	123	943	1,270

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Ealing
London W5 5RF

The University
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