

Annual Report and Financial Statements

Year ended 31 July 2018



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● Message from the Chair of the Board of Governors

In this, my ninth and last year as Chair of the Board of Governors, it gives me great pleasure to present this report demonstrating further consolidation of the improvements in quality and reputation of the University.

The review highlights some of the achievements of the fifth and final year of University of West London's 2013-2018 Strategic Plan: Ambition 2018. Progress with the plan has been excellent with nearly all key performance indicators met, many well ahead of time. The result of these achievements and many other successes mean that we are attracting more and better student applications every year, despite greater competition. With a graduate employment (or further study) rate of 98% providing students with the basis for successful careers, we believe that we are truly achieving our mission to 'raise aspiration through the pursuit of excellence.'

To contribute to this success, the University has been undertaking a long term programme of investing in the estate to improve facilities for students. Over the past five years, the University has invested over £100M including a complete refurbishment of the St Mary's Road Campus in Ealing, the purchase of Paragon House in Brentford and investments in the Berkshire Institute of Health, Reading. This year, the University increased its social spaces for students with a new café and study space, The Haven, and improved its networks to enable the provision for future IT requirements. Future investment is also planned to provide enhanced sporting facilities on campus to ensure that the University is able to improve student well-being at a time when they face challenges to their mental health.

All of the above investment has been made from the surpluses the University has achieved over the last few years, emphasising the importance of financial sustainability. This year the University again achieved a top quartile financial performance which will enable it to invest for future generations.

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 year of progress and success. Special mention must be made of the vision and leadership of our Vice Chancellor, Professor Peter John. With this vision, he has taken the University to new heights and I wish him and the University success as it enters its next chapter, driven by a new and equally ambitious strategic plan, Achievement 2023.



Chris Humphries CBE
Chair of the Board of Governors

● Message from the Vice Chancellor and Chief Executive

At the heart of University's Strategic Plan Ambition 2018 was our visionary aim to become the Career University. This review sets out the achievements of 2017-18 in relation to Ambition 2018 as well as our financial statements for the year.

By the end of the 2017-18 academic year, we had achieved or exceeded 20 of the 22 KPIs we used to measure progress with Ambition 2018. In 2017-18, we had a 5 % increase in new student entrants as compared to 2016-17 and applications received in the year for entry in 2018-19 increased by 11 % during the main application cycle. Academic staff:student ratios sit at 1:15.6, and we are highest in London for student financial support. Academically, 74.8 % of our students leave with a good degree (first or 2:1). We were also ranked as the best modern university in London by the Guardian University League Table as well as being ranked 50th nationally.

Ambition 2018 focused on raising the innovative capacity of every student so they can enjoy the fruits of their education while being highly employable regardless of gender, socio-economic background or ethnic origin. Success indicators have been strong and achieved with students from some of most disadvantaged backgrounds. 53 % of our students are the first in their families to attend higher education, 51 % are from households in areas with an index of multiple deprivation in the lower two quintiles nationally. We have maintained a highly diverse student community whilst maintaining and improving entry requirements with 57 % mature students and 58.4 % BAME.

In 2017-18 we fully enacted our bold strategy to offer all students a guaranteed work placement and as a result employability hit 98 % with 74 % in highly skilled jobs 70 % on a starting salary of £20,000 or above. Our success is underlined by the fact that 75 % of female, 81 % of mature and 77.5 % of black undergraduate full-time UK domiciled students were in professional employment six months after graduation. As a result we are in the top 10 in England for employability and the top modern university in London.

We have also embedded six new mission aligned research centres following their launch in 2017, some as a result of generous gifts and pledges from external donors. These centres are in areas of importance to society including an externally funded dementia care centre, cybersecurity, labour migration and modern slavery. The centres focus on areas of current strength but are also supported by a raft of new research professors who have been recruited to provide depth of research capacity and mentoring for less experienced researchers. Alongside these developments, we have now opened the Food Innovation Lab supported by the European Regional Development Fund and invested external funding into the launch of the Westmont Enterprise Hub to support local business growth.

Throughout this year we have been well served by the 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 with outcomes that do justice to our historic mission.

Professor Peter John
Vice Chancellor and Chief Executive



Highlights of 2017–18

Excellent reputation:

50th

in the Guardian League Table¹

56th

the Good University Guide 2018²

**Top Modern
University in
London¹**

Improved recruitment:

5% increase in TNE⁵
students

3.5% increase in total
HE student FTE³ numbers

¹The Guardian University Guide 2018

²The Times/The Sunday Times Good University
Guide 2018

³Full-time equivalent

⁴HESA Destination of Leavers in Higher
Education Survey of Graduates 2016/17
(published July 2018)

⁵Transnational Education

Excellent financial results:

Operating surplus of

£8m

Income

£106m

Increase of £10m from 2016-17

8%

return on income

Full Assurance

Internal Audit opinion

Excellent leadership:

Nominated for

**Times Higher
Education University
of the Year 2017**

**HE Institution of
the Year award**

in the National Education
Opportunities Network

Excellent student outcomes:

74.8%

good degrees

98%

of full-time first degree graduates
in employment or further study
within six months of graduating⁴

74%

graduate employability⁴

Top 10

in England for employment⁴

**Top Modern
University in
London**

for employment of graduates⁴

Student success:

Students' Union NUS

**Students' Union
of the Year**

Oscar winning

film 'The Silent Child', produced
by Rebecca Harris (2014 Film
Production graduate)

Who we are

Since its inception in 1860 as the Lady Byron School, the University of West London has grown impressively in size, stature and influence. We are now a standard bearer for the benefits of widening participation and social inclusion.

We promote excellence in student learning, outcomes and employability and believe that all students should have access to three transformative and fundamental rights: the right to enhancement, the right of inclusion and the right of participation.

Throughout the life of our strategic plan Ambition 2018, our mission has been to 'raise aspiration through the pursuit of excellence' alongside a vision that sees the University aiming to become a sector leader specialising in the education and development of what Richard Florida (2001) terms 'creative professionals'.

The mission and vision is underpinned by five core principles:

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

A spirit of innovation sits at the heart of the University and we continue to embrace new ideas while remaining true to our founding principles. We also aim to produce research and enterprise that serves our regional, national and international communities. As a result we have a growing research profile, with a host of new research centres and an emerging global reach offering opportunities for students overseas to undertake UWL degrees wherever they reside. Our mission and aims have, therefore, been carried forward into our new plan, Achievement 2023 as we continue to offer opportunity to all who engage with us.

Ambition 2018 was also driven by a bold value proposition: to provide a high quality career-focused student experience connected to the world of work and underpinned by a guaranteed work placement. We therefore placed ourselves as the **career university** inspiring students to fully engage in highly skilled work while connecting them to exciting and rewarding careers.

A low-angle, upward-looking photograph of a modern building with a large glass facade. The building's structure is composed of a grid of dark metal frames holding large glass panels. The sky is visible through the glass, appearing as a light blue. In the foreground, a dark, metallic ledge or sign is visible, featuring the text "UNIVERSITY OF WEST LONDON" in a bold, sans-serif font. The text is split across two lines: "UNIVERSITY OF" on the top line and "WEST LONDON" on the bottom line. The "UNIVERSITY OF" is in a smaller font size than "WEST LONDON".

UNIVERSITY OF
WEST LONDON

• The sector

The Higher Education sector has always faced challenges, however, in recent years issues of funding, quality and access have been at the top of the agenda for most institutions. In the academic year 2017-18, the fees and funding of universities became an issue of national concern which continues to dominate the headlines, despite recent adjustments to the student loan system by the current government and a fee review is ongoing. 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 from students and the public
- 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 the successful execution of our strategic plan, Ambition 2018, we are now well placed to face the challenges outlined above.





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 major redevelopment of the St Mary's Road site was completed in the same year. We also offer Nursing and Midwifery education from our Berkshire Institute of Health in Reading which was subject to significant investment in 2017.

This investment has allowed the University to grow its full-time undergraduate cohorts, even in the face of increased competition and demographic changes, and we have demonstrated continual growth since 2015-16. Our postgraduate taught cohorts have increased year on year with a 15 % increase in 2017-18. Our international student numbers have also grown to over 580 students. Although our FE provision has declined as more schools are retaining students, degree apprenticeship enrolments have grown to 392. The University

also continues to extend its global reach through transnational education and partnerships and we now have close to 2000 students studying UWL degrees at other institutions in the UK and overseas.

Our student headcount numbers as returned to HESA and the Student Funding Agency are set out in the table below. In addition there are also a further 2,758 students who are studying for UWL validated awards at partner institutions across the UK.

	2015-16	2016-17	2017-18
Undergraduate (inc. higher and degree apprenticeships)	9,050	8,820	8,984
Taught Postgraduate	1,251	1,454	1,684
Postgraduate Research	107	118	113
Further Education	646	608	311
Transactional Education/Franchise/External Delivery	975	1,344	1,932
TOTAL	12,029	12,344	13,024

Of the students on campus, 5 % were international and 7.9 % were living in the EU before studying. 80 % of students were full-time and 20 % were part-time⁶.

⁶ HESA Student Return 2017-18

• Widening participation and social inclusion

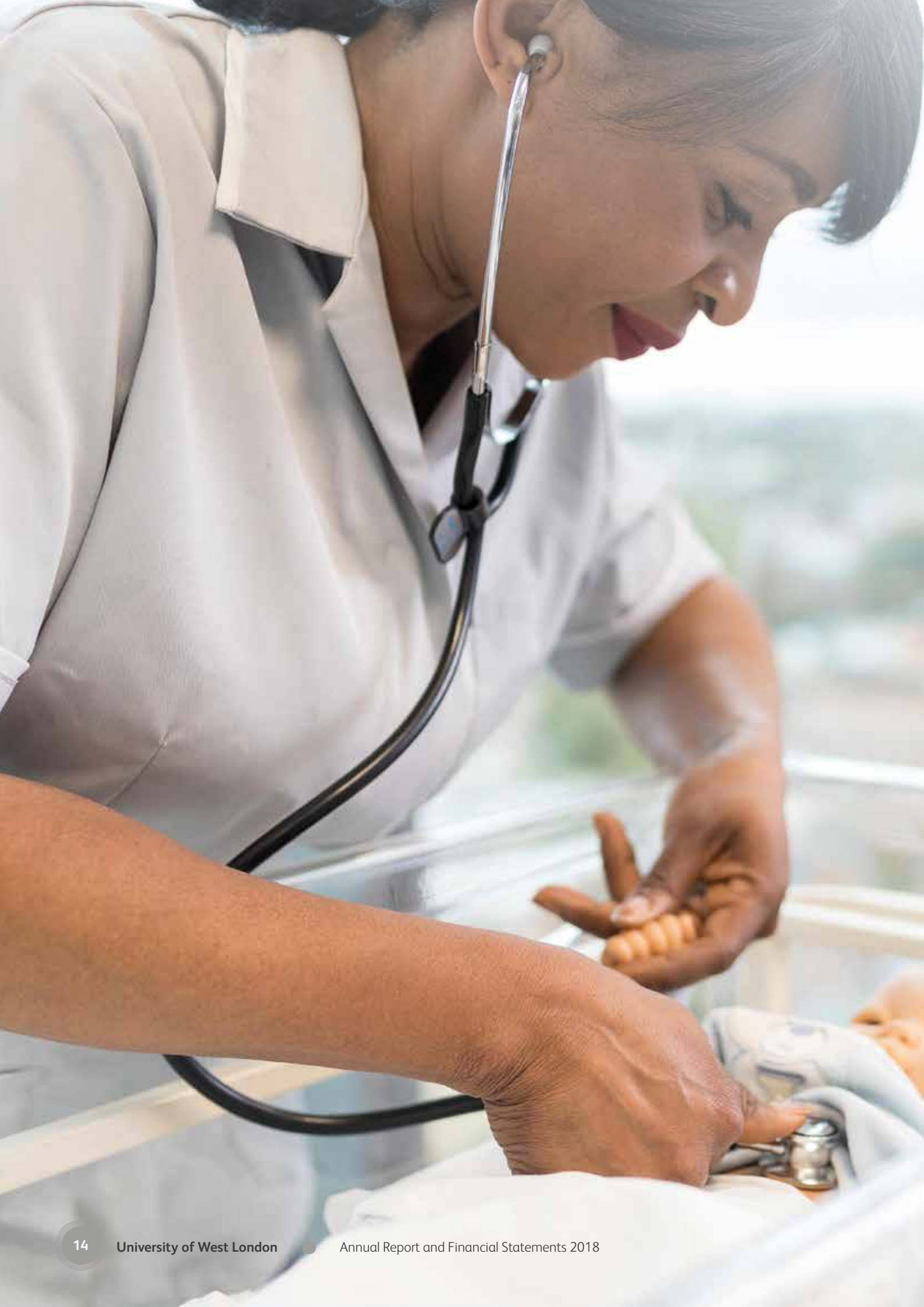
The University of West London has an exemplary record in widening participation and social inclusion, extending the reach of higher education to people who have traditionally been excluded from it. This is reflected in our inclusive culture which supports one of the most diverse student populations in the UK as we actively reach out to under-represented groups at a local and national level.

In terms of diversity of our student body, in 2017-18, 58.4 % of the University's students were from ethnic minority groups, half of whom were black, 17 % from Asian ethnic groups, and 11 % from other/mixed ethnic groups. 62 % of students were female, 31 % were aged 30 or over, and 12 % had a disability⁷.



⁷ HESA Student Return 2017-18





Our Widening Participation Strategy, as outlined in our Access and Participation Agreement, is evidenced by the following:

- 97% of full-time first degree entrants are from State schools or colleges (7% above the national average)
- 58.4% of the University's students are from Black and ethnic minority backgrounds, compared to 22% in the sector
- 57% of UWL's students are mature (aged over 21 on entry), compared to 41% in the sector
- 8.3% of entrants are from low participation neighbourhoods (LPN), which is amongst the highest LPN participation rate in London
- 50% of full-time undergraduate entrants are from households with an income of £25,000 or less
- 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
- 27% 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
- 11.6% of UWL students have a disability.

• Developing a demand-led portfolio

Based in the heart of one of the UK's most successful business regions (west London), the University has a wealth of experience in a number of mainly vocational disciplines and powerful connections with key industries. Our course design and assessment practices are rigorous and strongly informed by industry partners; they also receive strong endorsements from our external examiners. Our courses stretch and challenge students, with above average contact time delivered in

small classes and taught by experienced and qualified professionals who embed research and professional practise into their teaching.

To ensure that our students are meeting the needs of the economy, the University mapped its portfolio against the needs of the London economy in order to deliver up to date and relevant courses.







To deliver this demand-led curriculum, the University is structured into eight academic Schools and Colleges:

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

The Schools continue to review and renew the curriculum with support from the Strategic Planning Department which identifies opportunities and areas where the University might succeed. Starting in 2015-16, our 'Today's Problems: Tomorrow's Solutions' strategy supported the successful launch of a number of new degree programmes such as Education Studies, Early Years Education, Cybersecurity, Information Technology, Business Economics, Human Resources Management and an MSc in Dementia Care. This offer contributed 20 % of the applications received in 2017. In the current year, we also offered a new suite of programmes including: Politics and International Relations, Strategic Transport Management, Social Media Marketing and Digital Marketing, and a Commercial Pilot degree with a pilot's licence.

Apprenticeships

Building on the capability developed through long-standing catering and hospitality apprenticeships, 2017-18 saw a significant increase in degree and higher apprenticeship students with 392 registered and a total income of £1.04m, up 56 % from 2016-17. Responding to employer demand, new contracts have been secured with major employers such as Virgin Media, Thames Valley NHS Consortia, Segal, Pladis (United Biscuits), and McDonald's. Significant relationship management activity by a newly established Apprenticeships Office is feeding into strong levels of repeat business and new opportunities for 2018-19 starts. Further contracts worth £1.5m have already been secured so far with BP, Ashford & St Peters NHS Trust (a new NHS partner) and Camden Council Consortia. Degree Apprenticeships in Policing and Express Logistic Management have been developed and there are plans to expand the portfolio over the coming years.

Operating and Financial Review

The operating and financial review of the performance of the University in 2017-18 is set out in relation to the nine catalysing themes of Ambition 2018 as outlined below and against the sector context. Our performance is measured against a number of high level key performance indicators (KPIs). Since its inception in 2013, the University has met or exceeded 19 of the 22 key performance indicators.

The plan will now be succeeded by the aptly named Achievement 2023 which will enable the University to consolidate success and continue to improve the education we offer to our students and the many communities we serve.





Operating and Financial Review

1. Provide a high quality student experience

How we measure it

	KPI	Performance
Academic staff : Student Ratio	1:16	1:15.6
Percentage of Good Degrees ⁸	72 %	74.8 %
NSS results – overall satisfaction	86 %	79.4 %
Aggregate League table position	≤80	61

In order to offer a transformative educational experience to all our students we are committed to embedding a personalised learning environment across the curriculum which offers students the opportunity to make informed choices about what, when and how they learn, and how

they manage their career aspirations. This is underpinned by an excellent teaching staff:student ratio and delivery in small classes. As a result, degree outcomes have improved as evidenced by the percentage of good degrees awarded which has now reached 75 %.

Teaching and Learning

The enhancement of teaching and learning was a key component of Ambition 2018 and the silver Teaching Excellence Framework (TEF) award in 2016-17 was an excellent result for the University. The TEF panel offered the following in support of the University's submission:

- 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.

We are continually working on improvements in teaching and learning as we move to subject level TEF. The performance in relation to the nine subject areas is being monitored across the University and is focus for all schools.



⁸ Defined as 1st or 2:1

Library Services

Library Services are a key student facing service with a focus on improving the academic support provided to students through the framework of the Customer Service Excellence award. In the validation of the award, we were given 'Full Compliance' and we have developed a further three areas to 'Compliance Plus' where we exceeded the standard, making six in total (out of 57); all reflecting on our commitment to continuous improvement.

To support students in their studies, the University was able to invest in almost 6,000 new books and e-books for the Library, which complemented its growing physical print and online resources collection including a fully licenced JSTOR facility. New industry-specific databases and software that students will continue to use in their careers have been a key focus of these acquisitions.

To supplement library resources, through the Aspire scheme with John Smiths, all new undergraduate students received a book bundle worth over £100 which was very warmly welcomed. All students receive a further £200 to spend on books and other John Smiths products over two more years of study. Following feedback from students, we have also decided to provide free black and white printing with significantly reduced rates for colour printing. Financial support is also going to be provided going forward for those students in creative subjects to support their final year projects.

Student Services and Welfare Support

Student Services are an essential resource to help those experiencing difficulties or needing advice. In 2017-18, the department was expanded to meet the growing demand, particularly for counselling and mental health services. We now have a fully staffed welfare team who aim to provide general welfare support to students to supplement the specialist services of disability support, counselling, careers and, funding and immigration advice. There have also been investments in infrastructure to make the service more visible. As well as drop-in centres, Student Services lead in University wide campaigns to support students at critical times which have included: 'Need Help, Just Ask', 'New Year, New Start', 'The Final Push' and 'Exam Prep and Stress Busting'.

Student Services are also responsive to emerging issues in the sector and the needs of our particular students. Student mental health is a growing issue for HE and one which has been championed by the Minister for Higher Education. The team has developed a new policy framework with a raft of new interlinked policies designed to help students with mental health difficulties to complete their courses. This has been underpinned by training for staff in mental health first aid as well as workshops for students on how to 'look after your mate'. These initiatives are part of an emerging Mental Health Strategy which the University is developing in conjunction with the Students' Union.

The University continues to tackle issues of bullying and harassment on campus, particularly any sexual or racial abuse with new guidance and a zero tolerance approach. These issues were highlighted in the UUK report on tackling sexual violence on campus and the University has been working in partnership with the Students' Union to implement the recommendations of this report to ensure the safety and security of our students which is always of paramount importance.

Financial support

The University offers a generous package of bursaries and scholarships for those students in financial need and it is the highest in London for student spend in this area. In 2017-18, 565 students received UWL Scholarship funding worth £3,000 over three academic years, available to students with a household income of £25,000 or less. In addition, 850 students on a four year degree with foundation year received⁹ the 'Path to Success' scholarships worth £4,000 over two years. Alumni discounts of £2,000 to help widen access to postgraduate and doctoral study were also available, with a quarter of postgraduate students benefiting from this discount in 2017-18. Additional subject-specific bursaries and scholarships were also available to students in all eight academic Schools and Colleges supported by sponsors and donors.

⁹ 2017-18 OFFA Statistics

Operating and Financial Review

2. Linking learning to the world of work

How we measure it

	KPI	Performance
Employability	96 %	98 %
Graduate employability	72 %	74 %

The University has an outstanding record of getting students into employment and highly skilled employment. Our employment indicator for 2016-17 graduates¹⁰ was 98 %. This is the eighth consecutive year that we have improved employability, with an overall increase of 11.2 % since 2008-09 as outlined in Table A.

The University exceeded its 2016-17 benchmark of 93.6 % by 4.2 % and we are one of only nine universities in the UK to do so by a significant margin. This is the 13th year in succession we have exceeded our benchmark and the sixth year that we have surpassed it by at least 3 %. This consistently strong performance allows the University to deliver high levels of employability to some of the most disadvantaged groups in the capital and beyond. Support is principally provided by the Careers Service which supports students as they engage in career management, providing them with the best information, advice, and guidance, and which works closely with academic Schools and Colleges to ensure the embedding of employability within curriculum.

% of Graduates in Employment or Further Study 2012-13 to 2016-17

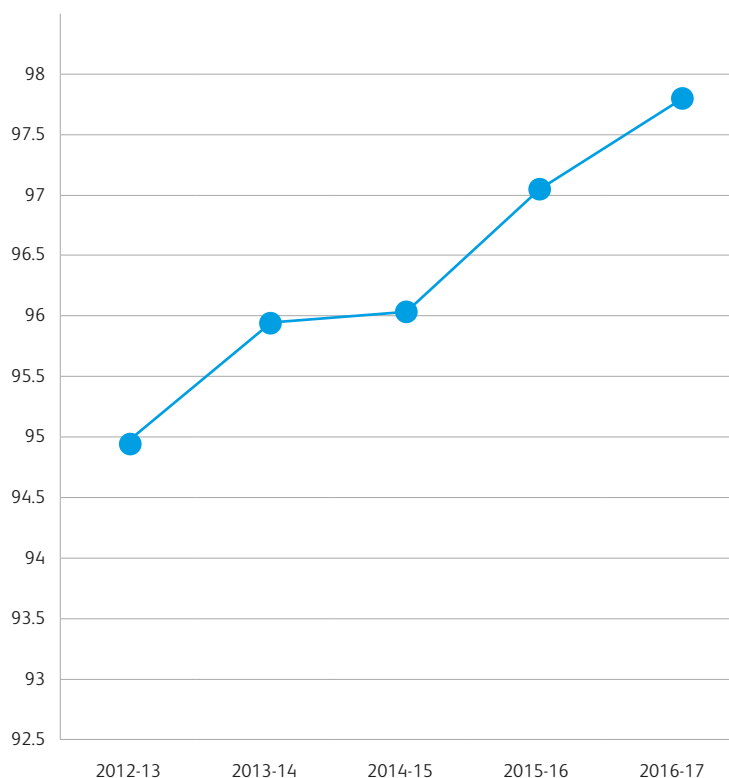


Table A

¹⁰ HESA EPIs 2016-17

We also excel at helping students obtain highly skilled and high value jobs with 75 % of our students entering professional level employment. This is further enhanced by the fact that 75 % of female students, 78 % of Black students, and 81 % of mature students (25+) are also in professional jobs or further study within six months of leaving the University.

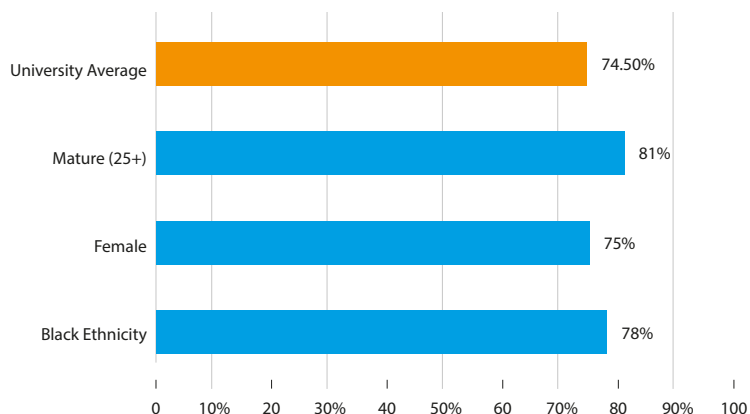
As well as high levels of employment and further study, students are also able to demand excellent starting salaries with the median being £24,900 (£22,603 for full-time and £35,321 for part-time)¹¹. The University was therefore the top modern University in London for average starting salaries one year after graduation in the subject areas in the table on the right.¹² In addition Nursing was in the top 10 in the UK for median earnings one year after graduation (£27,700).

During 2015-16, the University launched a highly successful graduate internship scheme aimed at boosting the employment prospects of the small number of recent graduates who were not in employment six months after graduation. The scheme offered an opportunity to acquire valuable skills through short-term paid positions at the University. Following the scheme, 60 % indicated they had since found employment. To date 111 of our graduates have been supported through the scheme.

Placements

The University strongly encourages student engagement in professional practice and with 44 courses offering an integrated placement/internship. The Placement and Employment

Professional Level Employment



Social studies (excluding Economics)	£23,500
Engineering and Technology	£29,900
Computer Science	£22,700

Service which operates under the rubric 'World of Work' or WOW assists students in finding an integrated placement/internship, and monitors arrangements to ensure that placements adhere to the highest quality standards. As part of the placement guarantee the service ensures employment opportunities are readily available to all students, across all disciplines. In 2017-18 a total of 257 employers came on campus to engage with our current students and recent graduates. In addition, there was a 60 % increase on jobs offered via our 'Talent Bank'.

As a result, **all students** get access to work experience and/or a work placement; an offer which is at the core of our value proposition.

Student entrepreneurship

A key element in supporting our students' career aspirations is our commitment to entrepreneurship. The University has maintained its membership of the National Association for College and University Enterprise, which is providing support to the University's Student Enterprise Society. The new Westmont Enterprise Hub (see p28) also aims to be the focal point for support to every student's entrepreneurial aspirations by providing expert business support for start-ups as well as already functioning small businesses.

¹¹ Destination of Leavers of Higher Education data, published summer 2018

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

Operating and Financial Review

3. Create and disseminate useful knowledge

How we measure it

	KPI	Performance
REF 1* publications	200	c550
Research bids value (£m)	£10m	£19.9m
Research income (£m)	£2.0m	£4.6m
Number of registered MPhil/PhD students	130	133

Research and Scholarship

Research and scholarship are key elements of academic life for the University, informing and enhancing the curriculum, teaching and learning, and creating opportunities for staff and students. In seeking innovative ways of addressing contemporary local and global issues, we have significantly developed our research infrastructure and our interface with business.

The 2018-20 Research and Scholarship strategy emphasises capacity-building in research, open access compliance, and enhancement and growth of our doctoral provision. It is focused 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.

The University has invested almost £2m to enhance the research infrastructure. This has funded the appointment of 12 new Research Professors, all engaged with a specific applied research centre.

The University now boasts 8 active research centres, all with an enhanced capacity to support the submission of research and consultancy bids; growth in doctoral students; increase in publications; and specific work to improve the research environment across the institution.

Through this investment our research strengths have also significantly grown in the areas of street crime; cybersecurity; fraud; policing; ageing and social care; crowdworking; human trafficking; and international migration. The areas of research covered by the centres are:

- Music and screen – PRISM
- Cybersecurity and criminology
- Learning in the platform economy – LeaP
- Person-centred health and social care
- The Richard Wells Centre
- The Faringdon Centre for non-invasive testing
- International migration
- International Centre for Hospitality and Aviation Resilience Management – ICHARM.

The University's improvements to its research quality, impact and research environment will be measured by the Research Excellence Framework (REF) to which the University is due to make a submission in December 2020. A mock audit to review its potential submission has resulted in over 140 FTE staff having their entries assessed by external REF reviewers. Early results show that just over 60 % of entries were at 3* and 4* which is internationally excellent or world leading while a further 30 % were at 2* (international standard) and the remaining 10% were at the accepted national standard or 1* for quality. This is a big improvement and we hope this will transfer into a stronger REF outcome in 2021.



Research and development funding

The University has been successful in increasing the volume and value of externally funded research and development it delivers. Key to this success is the central support for bid development and management which helps academic staff to secure funding. The University has earned £4.6m in research grant funding during the five year life of ambition 18 against a target of £2m. These monies have not only enabled the increase in the volume and quality of research undertaken but have also fed into knowledge transfer activity which is now directly supporting over £8m per annum of translational and development contracts.

In 2017-18, 31 submissions were made to research funding bodies and charitable organisations requesting a total of £3.78m of which £1.7m was awarded: a significant increase on the £0.64m received in 2016-17. There were three Arts and Humanities Research Council (AHRC) grants: a new music technology (with significant contribution in kind from Warner Music Group); a study on innovation in British music videos; and work to develop art and dementia activity. The National Institute of Health Research funded two studies in partnership with NHS trusts on health technology assessment and physiological interventions with bariatric surgery patients; and we also received a European funded study on crowd-working. One member of staff received a prestigious AHRC Leadership Fellowship in photography.

The University also receives around £330k of quality related research funding from HEFCE each year. This funding has been used to: provide a core infrastructure to facilitate research and in particular to support submissions to research funding bodies; to provide opportunities for staff to develop publication skills through the creation of the New Vistas journal; and to underpin the investment in research centres.

The University has a pedigree of developing and translating its research and knowledge into practice in pursuit of its aim of creating and disseminating “useful knowledge” and in 2017-18 the University delivered over £8m of development and dissemination contracts. These included the work with small and medium-sized enterprises in the West London Food Innovation Laboratory to reformulate a range of food products, the evaluation of the usability of a range of apps together with a raft of consultancy projects across all areas of the University. In recognition of the innovation delivered in these applied projects, the University received £308k from HEFCE/Research UK to support further work underpinning the UK’s Industrial Strategy.

Open Access

The University is committed to open access publication of its research to ensure its dissemination and use. There has been a steady increase in the use of the UWL Repository which stores outputs, with 941 new records created in 2017-18, a 37 % year-

on-year increase. To better support the needs of our research-active community, Library Services have increased training and guidance, scholarly communications, policy and research data management. This increased visibility and contact with academic staff has facilitated stronger links and more conversation with researchers throughout their research lifecycles, thus enhancing the impact of the research conducted at the University in terms of the potential for open scholarship.

The Graduate School

As well as focusing on the quality of its research, the University has improved the provision for its PhD and Professional Doctorate programmes as a result of the enhancement of the quality and streamlining all doctoral programmes across the institution through revalidation of a common framework. There is now a fully redesigned research training programme for research students, a programme of institution-wide seminars and a Graduate School conference to strengthen the scope and impact of its operations. This has resulted in a significant improvement in ‘on time’ completion rates.

Operating and Financial Review

4. Be enterprising and entrepreneurial

How we measure it

	KPI	Performance
Enterprise income against budget	£22m	£25m
NHS income/contracts value (£m)	£10m	£16.9m

In the 2017-18 academic year, the University saw a further 30 % increase in the income generated from enterprise to £25m, up from £18.9m in 2016-17. Five core business areas continue to drive this growth: global partnerships (including Transnational Education – see p29); apprenticeships; NHS partnerships; summer schools and facilities hire; and London College of Music Examinations (LCME).

Enterprise activity

The University has been able to maximise usage of the estate through increased external hire and has scaled-up the pilot residential and non-residential summer schools considerably during the summer 2018 period. Following the model of building long-term relationships, for example with The Challenge Network, new partnerships have been established to support Italian, Russian and South Korean summer schools. It is anticipated that summer 2019 will allow a further increase in activity with greater access to the newly refurbished classrooms in St Mary's Road coupled with the increased control the University now has over its Paragon student accommodation.

The purchase in August 2016 of the Register of Guitar Tutors' business and their integration into the London College of Music Examinations

(LCME) has proved very successful and is showing significant growth and a strong return on investment. The integration has achieved a further 1.4 % growth following a 5 % growth of RGT during the initial transitional phase in 2016-17. A new partnership also using LCME's core capability around examinations is a collaboration with the on-line assessment company *GoCreate*. This partnership, which is set to grow significantly over the next few years, allows expansion into a wider creative sector, as well as facilitating new capability for online examinations.

Support for entrepreneurship and innovation

The *Westmont Enterprise Hub* is a business incubator for west London, bringing students, staff, and local companies together to drive business innovation and share knowledge and ideas. Funded by a generous donation from Westmont Holdings and our Chancellor, Laurence Geller, it aims to support enterprise creation and the entrepreneurial aspirations of both students and local community. This facility will provide a focus for facilitating knowledge exchange leading to commercialisation outcomes (such as spin-out, venture capital investment and intellectual property licensing). Participating businesses and students will enjoy 24/7 access and free Wi-Fi in a

multi-function state-of-the-art space that includes shared work space areas, private meeting rooms, work pods, a video-conferencing suite and a simulated board room. The Westmont Enterprise Hub will draw on expertise from across the University but is particularly driven to identify entrepreneurs in the Claude Littner Business School and the School of Computing and Engineering. The hub will also support the West London Creative Cluster which includes media, broadcast, production and technology. Early work has been completed in identifying supporting relationships with the regional innovation ecosystem, and potential specialist support contractors.

2018 also saw the completion of the *West London Food Innovation Lab*. This €1.5m project is co-funded by the European Union through the European Regional Development Fund. The project is designed to create a research facility that can engage with small and medium sized businesses in the London area, to assist with their growth through creating innovative new food and beverage products. With a team of staff in place, this new facility has already started to engage with the business community. During the 2017-18 academic year 19 SMEs received support, leading to 14 new products.

Working with our NHS Partners

The University's considerable presence in the London and Berkshire healthcare education arena continues to be a strategically important element of our portfolio and accounted for 15.9% of the University's total income in 2017-18 at £16.9m. Anticipating the changes from bursaries to fees, the

University put in place a strategy in 2016-17 to ensure that this would not result in fewer places for students wishing to train. The University has worked collaboratively with its NHS partners to acquire an increased portfolio of relevant contemporary practice placement opportunities for nursing and midwifery which are still attractive to students.

We have also improved facilities in the Berkshire Institute of Health in Reading, particularly through a new simulation centre. In addition, the University has also grown nursing apprenticeships and professional development programmes to meet the demands of trusts to recruit and retain a wide range of staff.

Fundraising

How we measure it

	KPI	Performance
Alumni/development amount pledged (£m)	£10m	£10m

The University has met its target to raise £10m in gifts and pledges during the life of Ambition 18. During the academic year 2017-18, the University received £1.8m in new pledges and £1m in cash gifts. Our success in fundraising is underlined by the fact that the median new funds secured in academic year 2016-17 amounted to £1,305,241 across the HE sector and for our comparator group it was £706,741¹³. This fundraising is important to the University as it enables us to support its students through bursaries and scholarships. It also supports new infrastructure initiatives and research.

In 2017-18 the University significantly increased the number of scholarships, bursaries and prizes available to our students from philanthropic sources and approximately 40 donors donated or pledged over £145k towards student awards. This will help

to support 120 students pursuing various programmes, participating in courses in Junior Academies in Culinary Arts and Music through to postgraduate level. In terms of infrastructure projects, we received a £200,000 pledge towards the construction of a new dedicated Postgraduate and International Centre. Work begins in the autumn of 2018.

The University also received funding in support of important research initiatives. The Ground Penetrating Radar (GPR) project in the School of Computing and Engineering continued its fundraising drive from the previous year and secured a further £200,000 in pledges to advance the development of a radar that will detect and diagnose tree disease accurately using non-invasive techniques. Much of this has been done in conjunction with researchers

in Kew Gardens. The University also received a £1M pledge to accelerate research in the area of dementia care with the aim of delivering both person-centred and carer-centred solutions that will deliver life-improving outcomes.

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.

¹³ Ross Case Survey 2016-17

Operating and Financial Review

5. Be financially and environmentally sustainable

Financial Performance 2017-18

How we measure it

	KPI	Performance
Operating surplus as a % of income	10 %	8 %
Staff costs as a % of income	53 %	46 %

The University delivered another year of strong financial results in 2017-18. Income achieved was £106m which was £10m higher than 2016-17 and higher than the budget target of £98M. During the implementation period of Ambition 2018 (5 years) income has grown by 38 %, with a 10 % increase in 2017-18 (Table A). This compares favourably to the sector average forecast growth of 4.3 %¹⁶. Staff costs were £49m and 46 % of income for 2017-18. This is within the target KPI of <53 % set in Ambition 2018 and is consistent with the percentage achieved in 2016-17.

The operating surplus achieved in 2017-18 was £8m (Table B) which was 8 % of income which is in contrast to the sector mean forecast surplus of 1.3 % for 2017-18¹⁴.

In addition to a strong income and surplus position, the University also has an improved cash position with an operating cash surplus achieved in 2017-18 of £16m which was £6m higher than for 2016-17.

The total cash position was £31m which exceeded the prior year by £14m. The year on year increase is shown on tables C and D on the next page.

5 Year Income Growth

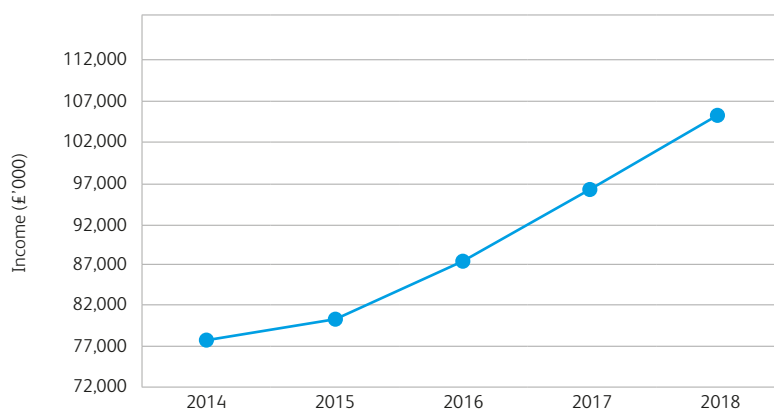


Table A

Financial Year

Group Surplus for the Year

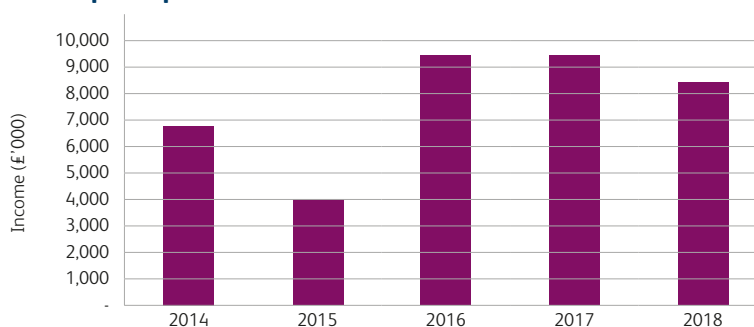


Table B

Financial Year

¹⁴ HEFCE/OFS submissions

This sustained financial performance has enabled significant investment in all of the University's three sites. This has included the implementation of a range of technological solutions including a new SIM Centre in our Berkshire hub, new state-of-the-art facilities at St Mary's Road and Paragon, and of course in new academic staff across all of our academic schools and colleges. It also enabled the provision of the generous bursary package which supported the University's mission to widen participation and improve access.

A key objective within the University's five year strategic plan was to deliver value for money (VFM) to our students and other stakeholders. Promoted via a bottom up approach, a VFM culture is embedded within our operations with the 2017-18 VFM report showing total savings of over £3m for the year. This was achieved through various initiatives ranging from cost avoidance, productivity, cost removal and value added. VFM is central to the way we deliver all of our services to the diverse student population and enables us to ensure that we spend wisely to allow further investment in the student experience.

Operating Cash Surplus

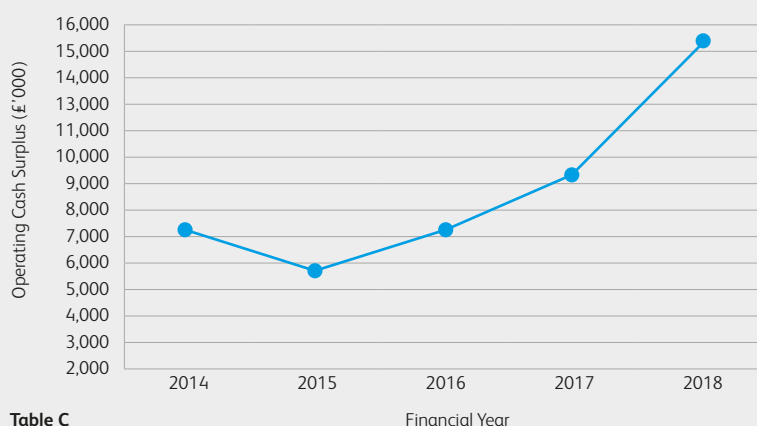


Table C

Financial Year

Cash Position

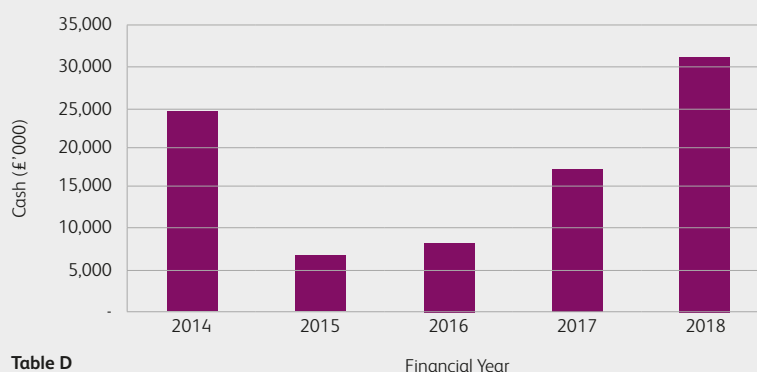


Table D

Financial Year

Operating and Financial Review

5. Be financially and environmentally sustainable

Continued

Environmental Sustainability

How we measure it

	KPI	Performance
Eco Campus	Gold	Silver

Over the past year, the University has made significant progress in the development of our new Environmental Management System. We have identified all relevant environmental aspects and built a comprehensive legal register. There has also been strong management and governance efforts through the Environmental Review Board to enhance engagement with staff, students and wider stakeholders. As a result, we will be audited for the Eco Campus gold award in November 2018 (it is currently at silver).

We are constantly seeking ways to improve our environmental performance through the efficient management of resources, the identification of new opportunities and the integration of sustainability into our procurement activity. Examples include:

- The replacement of the Building Management System at Paragon House
- The improvement of lighting and heating controls at St Mary's Road, Ealing
- The commissioning of solar panels on the St Mary's Road site

- The introduction of a cardboard bailer to capitalise on a generous waste rebate
- Reducing the volume of landfill and single use catering items including coffee cups by improved recycling and providing students with travel mugs.

The University's Carbon Management Plan has been updated this year in conjunction with RE:FIT, an award winning programme to help make London's public buildings more energy efficient. The updated Carbon Management Plan will provide the roadmap to achieving our ambitious carbon management targets while significantly reducing operating costs.



Operating and Financial Review

6. Improve the infrastructure

How we measure it

	KPI	Performance
Estate Grade A&B condition	95 %	94 %
IT maturity ranking	4.0	4
St Mary's Road campus	Complete	Complete

During the course of the last academic year, the University continued to invest in improving the estate including the new Westmont Enterprise Hub and the Food Innovation Lab.

Extensive work commenced in May to further upgrade the heating system and cabling in the Lady Byron building at St Mary's Road. Outdated heating has been replaced by a new system which will provide a better working environment for students and staff. Over 64 km of new cable was installed and the new IT cabling throughout this building provides the University with much greater flexibility to introduce new courses and facilities in the future to respond quickly to the ever changing student and employer demands.

Work was also undertaken to remodel the entrance to the University from St Mary's Road to provide a new social space 'The Haven' and to improve the circulation for staff and students on entering the building. The new space provides much improved access to the Student Services desk, a new innovative teaching space, and a BOEING 737 flight simulator, to support the new commercial pilot degree.

Planning consent has also been granted for a new sports and leisure centre on the St Mary's Road site and building work will commence later this year together with a new International and Postgraduate Centre. The new facilities will be ready for use at the start of the 2019-20 academic year and will boost our ability to improve the student experience and student and staff well-being.

The long term strategic agreements in place with our facilities and catering contractors, *Bouygues* and *Elior*, continue to grow and mature. Elior have adapted their food and drinks offer to meet the needs of students and worked closely with the University to build the new summer school business at Paragon. Bouygues has introduced a new shuttle bus timetable to address the lower demand between the beginning of May and the end of August and is working closely with the Property Services Department to develop new plans to improve service levels across the estate at no extra cost to the University.

IT infrastructure

In 2017-18, IT Services achieved a maturity assessment rating of 4 out of 5, as determined by the leading research and advice organisation Gartner/CEB, thereby reaching the strategic goal set out in *Ambition 2018*. This demonstrated an industry best-practice approach to service delivery, business alignment, value for money, and project management. IT Services continued to upgrade and enhance the student Computing facilities on campus. This included a refurbished Student Study Space on the second floor of Paragon House at our Brentford Campus and a major upgrade to the print facilities, including the introduction of wireless printing from students' own devices – one of the most sought-after requests. In addition, IT Services have also been working to replace a significant amount of the University's data network and telephony systems.

Operating and Financial Review

7. Developing staff expertise

How we measure it

	KPI	Performance
% of academic staff with a doctorate	50 %	50 %
% of staff with Higher Education Academy (HEA) membership	100 %	95 % ¹⁵
Ratio of academic to support staff	53:47	53:47

The University's reputation and success depends upon creating a culture and environment which positions UWL as an employer of choice, both for current staff and to attract talented people in a very competitive London market.

Equality and diversity

The University is very proud of its diverse staff community and 31 % of staff are from black and minority ethnic backgrounds, compared to 28 % in 2016-17. Also of note was the new statutory Gender Pay Gap reporting requirements. The mean gender pay gap was 8.43 % (reducing to 4.09 %, if hourly paid temporary student roles were discounted) and the median was 2.66 %. The Vice Chancellor's Executive is balanced with 45 % being women and the overall gender split of the work force is 58 % female, 42 % male.

Organisational development and improvement

Over the course of 2017-18, the range of staff development was improved. We have invested in internal training and external development, conferences and courses for staff across the organisation. There has been a specific focus on

supporting our line managers, namely internal workshops on:

- Staff Appraisals
- Effective People Management
- Feedback Skills for Managers

These sessions provided practical support and guidance to managers on how to get the best from their teams, giving constructive feedback and improving communication and addressing more difficult topics with staff.

There has been a focus on changes and improvements that can make a marked difference to quality and the staff experience. Some continuous improvement activities have included:

- Improvements to the Staff Induction for new starters
- Review of the Graduate Internship Scheme
- Improved professorial recruitment process
- A review exercise relating to our Hourly Paid Lecturers

Additionally, much work has been carried out during the year to refine some key policies and procedures. This has resulted in shorter, easier to follow policies, clarity on roles and added emphasis on the 'how' we work and not just 'what' we do. This theme

will continue to be developed during 2018-19.

Academic staff development

The development of our Academic staff has been a primary focus and our new ExPERT Academy has been set up for this specific purpose. 37 members of staff completed successfully and achieved Fellowship of Advance HE, and one member of staff achieved an Associate Fellowship. The institutional scheme saw six successful Fellowship applications and two Senior Fellowship applications. 56 members of staff are currently registered. The scheme has attracted interest from PhD students who teach and, at the moment, 14 are being supported with their application. In addition, 4 staff from a partner institution (Met Film School) achieved Associate Fellowship of Advance HE.

¹⁵ When new staff undertaking HEA accredited qualifications are taken into account, this target is achieved

Operating and Financial Review

7. Developing staff expertise

Continued

Trades Union Facility and Activity Time

The University of West London seeks to promote constructive relations with its staff through effective joint consultation and negotiation with its trade union partners, UCU and Unison. As part of this, we allow facility time for staff to participate in trade union activities. We publish information in relation to the time that internal trade union representatives spend on trade union duties as specified in the Trade Union (Facility Time Publication Requirements) Regulations 2017.

Facility time is time off from the individual's job to enable them to carry out their trade union role. This includes

attendance at internal union meetings such as the Joint Negotiating and Consultation Committee (JNCC) and accompanying staff at individual meetings. Activity time is time off from the individual's job to meet with full time officers, attend branch or regional meetings or to attend union conferences.

The figures below are based on information supplied by the Chairs of our recognised trade unions and are accurate as of 31 July 2018.

Percentage of working time spent on union facility work	Number of employees	Fulltime equivalent of employees
0	0	0
1-50 %	11	11
51-99 %	0	0
100 %	0	0

Total annual payroll cost of facility time	£27,500
Total annual UWL payroll bill	£49,014,000
Percentage of total pay bill spent on union facility time	0.056 %

Hours spent on paid facility time	792
Hours spent on paid union activities	276
Percentage of union activities time against facilities time	34.85 %

Operating and Financial Review

8. Connect with our community

The University has a commitment to engage with our local community and provides opportunities for use of facilities, volunteering support and sponsorship for community organisations.

The University runs a series of professorial and public lectures throughout the year and in 2017-18 the lecture programme included topics as diverse as 'Power to the People: the birth of the music video industry in Britain 1966 to 1999' to 'Born in Shame but became a Dame.' The latter was a fascinating insight into the life of Professor Dame Elizabeth Nneka Anionwu, Emeritus Professor of Nursing at UWL, author and successful healthcare campaigner.

The University plays a key role in supporting sporting and cultural events in the local community including sponsorship of Brentford Football Club and Ealing Trailfinders Rugby Club. For the third year running we were pleased to sponsor the Chiswick Book Festival which is a not-for-profit community festival promoting literature of all genres to all age groups. We have a long standing partnership with Ealing Music and Film Festival and welcomed many guests of the festival to various events across campus including the flagship concert in Weston Hall.

We also support local business and have developed positive relationships with the local business community, in part through active membership of local business networking groups such as: West London Business, Hounslow Chamber of Commerce, the Logistics Skills Alliance, and Brentford Chamber of Commerce. Developments such as the West London Food Innovation Lab, the Westmont Enterprise Hub, alongside a growing apprenticeship portfolio, and business support through the Claude Littner Business School, has helped local business to grow and thrive.

This year saw the opening of the Heathrow archive and exhibition: 'Heathrow: the Journey' which is based at the University, and is open to the public and researchers. The exhibition showcases archival objects that explore the history of the airport and aviation. The permanent exhibition was made possible through

the generous support of Heathrow Airport and the Heritage Lottery Fund. Heathrow is a close business partner for UWL and offers amazing development opportunities for our tourism and aviation students, many of whom will go on to enjoy successful careers connected to the airport.

The University's Volunteering service also 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 planting bulbs in local parks to supporting young adults with learning disabilities with life skills. The Volunteering Team was established in 2010 and has since created 800 volunteering opportunities, and during 2017-18 over 6,000 hours of volunteering were accredited to our students on their Higher Education Achievements Records (HEAR).



Operating and Financial Review

9. Engagement with the wider world

How we measure it

	KPI	Performance
International student recruitment/TNE students	500/1400	400/1932

Our partnership and Transnational Education (TNE) provision continues to be a key strategic priority for the University. Our partnerships offer the advantage of providing students access to the University's expertise and the chance to gain a UWL degree irrespective of physical location or country of domicile. Over the past year, the University has continued to focus its strategic partnership activity on growing existing TNE hubs and identifying new overseas opportunities. 2017 saw the establishment of a dedicated TNE Office to enable the centralised coordination of our partnerships, with a focus on multi-disciplinary and multi-level delivery. This centralised support has proven to be very successful, as confirmed by overseas partners and internal stakeholders.

The University now has 29 UK and overseas academic partnerships. The latter support close to 2,000 students studying for UWL awards. Key additions to the portfolio include:

- Offering more courses at our UWL branch campus in Ras Al Khaimah (RAK) in the United Arab Emirates (where UWL is the first UK university granted a license to offer higher education)
- Growing course provision and opening a second site in Sri Lanka

- The addition of four new sites with our hospitality partner in India
- The development of two key partners in mainland China

The University is currently working alongside the Hong Kong Education Bureau and Hong Kong Council for Accreditation of Academic and Vocational Qualifications to launch a new partnership with the Hong Kong Institute of Technology covering a breadth of globally relevant courses which offer excellent employment prospects, including Criminology, Policing and Forensics, and Cyber Security. In addition, the TNE Office has been actively pursuing additional partnership opportunities in Singapore and Thailand.



Operating and Financial Review

9. Engagement with the wider world

Continued

The growing international footprint of UWL is outlined in the map below.



Public benefit statement

The University is an exempt charity (as defined by the Charities Act 2006) and was regulated by the Higher Education Funding Council for England (HEFCE) until it successfully gained registration with the Office for Students in September 2018. The University's charitable purpose is the advancement of education and it makes a contribution for public

benefit via teaching, research and community 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 and much of the work outlined above reflects this.

Widening participation and social inclusion

The University's commitment to social inclusion and the importance of widening participation is enshrined in our strategies and policies. Specifically, inclusion is defined as enabling and empowering all students to access education that meets their needs

Public benefit statement

Continued

and providing increased access, student success and progression to employment and further study for students from under-represented groups (see p16). As part of this mission, UWL has a dynamic outreach team dedicated to widening participation that engages in outreach work with local schools which is aimed at raising aspirations of local children to benefit from a University degree. Our team run events including a Festival of Learning for mature learners (21+) featuring workshops; a Study Skills Summer School; a Saturday Art and Design Club for secondary school age children and Have a go! days for primary school children. We work with our local borough councils – Ealing and Hounslow – in promoting and encouraging participation in education. We also offer a Junior Music College providing music education every Saturday morning to children in the local community. The London Geller College of Hospitality and Tourism's Junior Chefs' Academy for school children in years 9-11 is now in its 11th year.

In 2018, our outreach work won the HE Institution of the Year award in the NEON (National Education Opportunities Network) award for demonstrating significant commitment to widening access to higher education through innovative outreach activities, senior management commitment, excellent careers provision and effective support for students.

Enhancing the employability of our graduates

The University is badged as the 'career university', playing a key role in taking forward the education and 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 (see p16).

Community and business engagement

The University provides facilities to the community and local business as outlined in p28. The University provides a volunteering service which is of benefit to both the student and the charity. The Westmont Enterprise Hub and the West London Food Innovation Lab (see p20) enable us to support the development of small to medium enterprises and thereby we contribute to the local business economy.

As well as supporting business networks and local chambers of commerce, the University hosted the regional West London final of Young Enterprise, a national initiative to encourage entrepreneurial skills in young people and link schools with local businesses.

Innovation and disseminating knowledge

The University also aims to disseminate its research to the benefit of society. As an example, over the past year the University has established a group developing innovative support programmes and educational courses in Dementia Care. Utilising the diverse expertise across the University, holistic approaches to Dementia Care are being evaluated and a developing relationship with the Alzheimer's Society will enhance this further. Other initiatives include using our expertise in ground penetrating radar in an innovative project with Kew Gardens to examine the health and thereby save ancient trees. The University is also supporting the development of centres across the country to deliver interventions to support children's wellbeing through the Pyramid Centre which provides empirical evidence to support the work of a range of stakeholders including practitioners, policy makers, and researchers.

The University is also engaged in curating activities to preserve local heritage. The new permanent exhibition documenting the history of Heathrow Airport, entitled: 'Heathrow: The Journey', opened to the public at UWL's Ealing campus in 2018, as a result of the University's longstanding relationship with Heathrow Airport Ltd and generous funding from the Heritage Lottery Fund. Admission is free and open to students, staff and the general public.

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.



Key risks

Part of the performance is maintained through very careful monitoring of 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 are set out below.

Key risks
Failure to deliver high standard educational experience to students
Failure to respond/deliver to government and professional body standards
Failure to achieve enterprise contracts
Failure to engage with research scholarship
Failure to maintain infrastructure and IT to deliver core business
Failure to maintain legal compliance and financial health

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}	(to 30 September 2017 and Deputy Chair of the Board)
Ms Jennifer Bernard ^{1, 3, 5}	(Deputy Chair of the Board from 1 October 2017)
Mr Dermot Blastland ^{4, 6}	(appointed)
Ms Sandra Botterell ⁵	(to Independent Governor from 1 July 2018)
Ms Shirley Cameron ¹	
Mr Mark Cammies ²	
Mr Allan Dodd ²	(to 14 February 2018)
Mr Steve Fowler ¹	(appointed to Independent Governor from 1 November 2017)
Mr Kris Murali ²	
Ms Kerry O'Callaghan ⁶	(appointed from 1 November 2017)
Ms Helena Peacock ²	(appointed from 1 November 2017)
Dr Kirpal Tahim ^{2, 3}	
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 ²	
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Academic Board member

Ms Sara Raybould	
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Professoriate member

Professor Michelle Henning	(until June 2018)
Vacancy	

Staff member

Mr Matt Lingard	(to 30 September 2018)
Vacancy	

Student member

Mr David Titley	(to 31 May 2018)
Ms Kat Hackshaw	(from 1 July 2018)

Co-opted members of sub-committees

Mr Bob Atkins ²	(appointed from 1 November 2017)
Mr Mustafa Faruqi ⁵	
Mr Steve Fowler ¹	(to 30 October 2017)
Mr Paul Sahota ¹	(from 1 January 2018)
Mr James Southgate ¹	
Mr Kiran Virdee ²	(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 Office for Students. It is governed by the University's Instrument and Articles of Government which were 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:

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

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



The Board conducts its business in accordance with the Standards in Public Life and the Committee of University Chairs (CUC) Code of Governance (2014). It also takes account of other codes or good practice as appropriate, including those from the Charity Commission. In 2018, it also reviewed its practice against the new OfS Regulatory Framework for Higher Education in England and the guidance notes issued by the OfS. In July 2018 it formally adopted the CUC Higher Education Remuneration Code.

Committees of the Board

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

Audit and Risk Committee

The Audit and Risk Committee considers detailed reports on risk management and control together with recommendations from the internal audit service for the improvement of the University's systems of internal control, management responses and implementation plans. It is also responsible for oversight of the quality of data and for considering reports relating to quality assurance, academic standards and compliance as part of the Board's approach to overseeing its registration with the Office for Students. 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; Transparent Approach to Costings returns, and the Higher Education Statistical Agency returns and maintains an overview of pension liabilities. 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 considers the University's strategic approach to the improvement of the student experience including the consideration of the annual report on complaints and appeals and the Prevent Duty as part of the Board's approach to reviewing its registration with the Office for Students. It reviews the work of the Students' Union (SU) and considers the University's funding to the SU before its approval by the Finance Committee and the Board. It reviews the performance of the SU against its objectives including financial performance and the audited accounts

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. In 2018, it oversaw the process for the recruitment of the new chair of the Board (to take up the role in January 2019).

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 and its employment framework. It also considers the University's approach to equality and diversity, including the Gender Pay Gap Report.

● The University's structure of corporate governance

Continued

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 £2,951.32 was paid in expenses to eight Governors during 2017-18 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 members 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 of Governors

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, the Office for Students accounts direction and other relevant accounting standards. In accordance with the Office for Students accounts direction, the Board, through its Accountable Officer, is also required to prepare Financial Statements for each financial year which give a true and fair view of the state of affairs of the University and of the surplus or deficit and cash flows for that year.

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

- Suitable accounting policies are selected and applied consistently
- Judgments and estimates are made that are reasonable and prudent
- Applicable accounting standards have been followed, subject to any material departures being disclosed and explained in the Financial Statements

- 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
- 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:

- Ensure that funds from HEFCE (and in future Office for Students and UKRI) are used only for the purposes for which they have been given and in accordance with the terms and conditions for these funds
- 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
- Safeguard assets and prevent and detect fraud and other irregularities
- 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.

● The University's structure of corporate governance

Continued

Statement of Internal control

The Board is responsible for maintaining a sound system of internal financial control 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 registration requirements of the Office for Students (and previously the HEFCE Financial Memorandum). The system supports the achievements of policies, aims and objectives, while safeguarding the public and other funds and assets while providing for the prevention and detection of corruption, fraud, bribery and other irregularities.

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:

- Matters related to the Mission, Strategy and sustainability of the University are discussed on a regular basis.
- The Chair of the Audit and Risk Committee reports to each meeting of the Board on matters discussed at the Committee.
- 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 and value for money together with recommendations for improvement.
- The Internal Auditors also provide benchmarking and good practice from across the sector.

The Audit and Risk Committee approves the annual Internal Audit Plan. The Plan was approved by the Committee at its meeting on 27 September 2017. The Plan is linked to the Strategic Plan and the Strategic Risk Register.



The University's structure of corporate governance

Continued

Risk Management

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

- Each year the Audit and Risk Committee approves an internal audit programme for the year, which is based on a balanced portfolio of risk exposure while focussing on key risks
- 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
- The Audit and Risk Committee annually reviews the effectiveness of the risk management arrangements to ensure that they are embedded in ongoing operations.

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 Plan covers business, operational and compliance risks as well as financial risks.

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 responsibility for the Risk Management Policy and the maintenance of the Risk Register lies with the University Secretary with the support of the Vice Chancellor's Executive and in particular the Director of Strategic Planning. 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 professional services.



The University's structure of corporate governance

Continued

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 2017-18, are set out in the Audit and Risk Committee's Annual Report to the Board. This report, which was considered by the Board on 20 November 2018 and will be submitted to Office for Students, included the Audit and Risk Committee's conclusions on:

- Risk management, control and governance
- Economy, efficiency and effectiveness (value for money)
- Management and quality assurance of data submitted to the Higher Education Statistics Agency, the Student Loans Company, HEFCE, Office for Students 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 and going forward the OfS. 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 up to the point of this report, thus enabling the 2017-18 Financial Statements to be signed and submitted to Office for Students. It is confirmed that there were no significant internal control weaknesses or failures that have arisen during the financial year or before these reports were signed.

Signed on behalf of
the Board of Governors
Date: 26 November 2018



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 subsidiaries ("the Group") for the year ended 31 July 2018 which comprise the consolidated and university statement of comprehensive income, the consolidated and university balance sheets, the consolidated and university statement of changes in reserves, the consolidated cash flow statement and 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 2018 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 Annual Report and 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.

Independent auditor's report to the board of the University of West London

Continued

Opinion on other matters required by the Office for Students ("OfS") and Research England Audit Code of Practice

In our opinion, in all material respects:

- Funds from whatever source administered by the higher education institution for specific purposes have been properly applied to those purposes and managed in accordance with relevant legislation.
- Funds provided by the OfS have been applied in accordance with the terms and conditions of funding for higher education institutions and any other terms and conditions attached to them.
- The requirements of the OfS'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 page 45), 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

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 Terms and Conditions of Funding from the Office for Students.

Use of our report

This report is made solely to the University's governors, as a body, in accordance with paragraph 124B of the Education Reform Act 1988. Our audit work has been undertaken so that we might state to the University's governors those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the University and the University's governors as a body, for our audit work, for this report, or for the opinions we have formed.

BDO LLP

Paula Willock
(Senior Statutory Auditor)
For and on behalf of BDO LLP,
Statutory Auditor,
Gatwick
Date: 26 November 2018

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/OFS. 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 2018. 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 key 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.

Other key sources of estimation uncertainty

- Pension arrangements (See note 26)
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 (for example, a 0.5 % decrease in the discount rate would increase the pension liability by £1.4million).
- 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.

During the year, management have reassessed the useful economic life of computer equipment from three years to between six and 10 years to better reflect the use the University makes of these assets. The impact of this reassessment is quantified and disclosed in note 14 to the financial statements.

- 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.

During the year management have reassessed the basis of providing against older debts to reflect their best estimates of recovery going forwards. Previously, all debts greater than 12 months old were fully provided against. The new estimate results in all debts greater than 2 years old being fully provided against and debts which are between 1 and 2 years old having a 57 % provision made against them. This change in estimate has reduced the bad debt provision to £104m.

Statement of principal accounting policies

Income recognition

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

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

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

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

Grant funding

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

Donations and endowments

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

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

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

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

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.

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.

Statement of principal accounting policies

Continued

Defined Benefit Plan

Defined benefit plans are post-employment benefit plans other than defined contribution plans. Under defined benefit plans, the University's obligation is to provide the agreed benefits to current and former employees, and actuarial risk and investment risk are borne, in substance, by the University. The Group should recognise a liability for its obligations under defined benefit plans net of plan assets. This net defined benefit liability is measured as the estimated amount of benefit that employees have earned in return for their service in the current and prior periods, discounted to determine its present value, less the fair value (at bid price) of plan assets. The calculation is performed by a qualified actuary using the projected unit credit method. Where the calculation results in a net asset, recognition of the asset is limited to the extent to which the University is able to recover the surplus either through reduced contributions in the future or through refunds from the plan. Contributions are charged to the income and expenditure account as they become payable in accordance with the rules of the defined benefit schemes. The contribution charges are recognised in the accounting periods in which they arise. Variations in pension costs as a result of actuarial valuations or premature retirement schemes are amortised over the average expected remaining working lives of employees in proportion to their expected payroll costs. Differences between the amounts funded and amounts charged in the income and expenditure account are treated as provisions in the balance sheet.

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

Employment benefits

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

Leases

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

Foreign currencies

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

Fixed assets

Fixed assets are stated at cost / deemed cost less accumulated depreciation and accumulated impairment losses. Certain items of fixed assets that had been revalued to fair value on or prior to the date of transition to the 2015 FE HE SORP, are measured on the basis of deemed cost, being the revalued amount at the date of that revaluation.

Where parts of a fixed asset have different useful lives, they are accounted for as separate items of fixed assets. All tangible assets are not depreciated in the year of acquisition.

Land and buildings

Freehold land is not depreciated as it is considered to have an indefinite useful life. Freehold buildings are depreciated on a straight line basis over their expected useful lives as follows:
Freehold buildings 1.72 % - 2 %
Leasehold premises Life of lease
No depreciation is charged on assets in the course of construction.

Equipment

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

Capitalised equipment is stated at cost and depreciated over its expected useful life as follows:
Computer equipment 10 % - 16.66 %
Equipment 20 %
Depreciation methods, useful lives and residual values are reviewed at the date of preparation of each Balance Sheet.

Statement of principal accounting policies

Continued

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 known amounts of cash with insignificant risk of change in value. They include term deposits up to 3 months held as part of the university's treasury management activities. Investments with a maturity date in excess of 3 months at acquisition are classified as non-liquid resources and are treated as capital investments.

Intangible assets

Goodwill

Goodwill on acquisitions of the Registry of Guitar Tutors and the Registry Publications Ltd 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 being amortised nine years.

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 and University Statement of Comprehensive Income

for the year ended 31 July 2018

	Note	2017/18 Consolidated £000	2016/17 Consolidated £000
Income			
Funding Council grants	1	10,637	9,343
Tuition fees and education contracts	2	74,929	69,823
Research grants and contracts	3	936	665
Other income	4	18,412	15,122
Endowment and investment income	5/6	1,137	912
		106,051	95,865
Expenditure			
Staff costs	7	(49,014)	(43,700)
Severance costs	7	(216)	(177)
Other operating expenses	8	(38,975)	(33,064)
Interest payable	9	(3,847)	(3,891)
Depreciation	13/14	(5,748)	(5,813)
		(97,800)	(86,645)
Group surplus on continuing operations after depreciation but before tax and other gains	12	8,251	9,220
Loss on disposal of property	11	(2,184)	8,790
Group surplus for the year		6,067	18,010
Actual gain in respect of pension schemes	26	14,573	5,404
Total comprehensive income for the year		20,640	23,414
Represented by:			
Endowment comprehensive income for the year	22	757	765
Unrestricted comprehensive income for the year		19,883	22,649
		20,640	23,414

The notes on pages 60 to 75 form part of these financial statements.

Consolidated Balance Sheet

for the year ended 31 July 2018

		Consolidated		University	
	Note	2017/18 £000	2016/17 £000	2017/18 £000	2016/17 £000
Fixed assets					
Intangible assets	13	1,260	1,400	1,260	1,400
Tangible assets	14	158,285	158,941	158,285	158,941
Investments	16	131	31	131	31
Total fixed assets		159,676	160,372	159,676	160,372
Current assets					
Stocks	17	380	167	380	167
Debtors	18	19,014	17,013	20,407	17,436
Cash at bank and in hand		31,325	17,573	29,536	16,568
Total current assets		50,719	34,753	50,323	34,171
Creditors					
Amounts falling due after more than one year	19	(17,185)	(15,744)	(17,138)	(15,737)
Net current assets		33,534	19,009	33,185	18,434
Non-current assets					
Debtors	20	–	8,069	–	8,069
Total non-current assets		–	8,069	–	8,069
Total assets less current liabilities		193,210	187,450	192,861	186,875
Non-current liabilities					
Amounts falling due after more than one year	21	(65,614)	(68,341)	(65,614)	(68,341)
Provisions					
Pensions liability	26	(53,863)	(66,016)	(53,863)	(66,016)
Net assets		73,733	53,093	73,384	52,518
Restricted Reserves					
Endowments	22	3,178	2,421	3,178	2,421
Unrestricted reserves					
Income and expenditure reserve - unrestricted		105,757	98,027	105,408	97,452
Income and expenditure reserve - pension reserve		(53,863)	(66,016)	(53,863)	(66,016)
Revaluation reserve	23	18,661	18,661	18,661	18,661
Total reserves		73,733	53,093	73,384	52,518

The notes on pages 60 to 75 form part of these financial statements.

The financial statements were approved by the governing body on 26 November 2018 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 2018

	Income and expenditure account		Revaluation Reserve	Total
	Endowment £000	Unrestricted £000	£000	£000
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
Surplus from the income and expenditure statement	757	5,310	–	6,067
Other comprehensive income	–	14,573	–	14,573
Transfers between revaluation and income and expenditure reserve	–	–	–	–
Release of restricted funds spent in year	–	–	–	–
Total comprehensive income for the year	757	19,883	–	20,640
Balance at 1 August 2018	3,178	51,894	18,661	73,733

The notes on pages 60 to 75 form part of these financial statements.

Consolidated Cash Flow Statement

for the year ended 31 July 2018

	Note	2017/18 Consolidated £000	2016/17 Consolidated £000
Cash flow from operating activities			
Surplus for the year		6,067	18,010
Adjustment for non-cash items			
Depreciation	13/14	5,748	5,813
Decrease/(increase) in stock	17	(214)	(55)
Decrease/(increase) in debtors	18	(3,986)	(3,377)
Increase/(decrease) in creditors	19	4,923	(3,593)
Increase/(decrease) in pension provision	26	2,420	2,153
Deferred capital grant release		(2,727)	(2,209)
Adjustment for investing or financing activities			
Investment income	5	(152)	(8)
Interest payable	9	2,145	2,201
Endowment income	6	(757)	(765)
Profit on the sale of fixed assets	11	2,184	(8,790)
Net cash inflow from operating activities		15,651	9,380
Cash flows from investing activities			
Proceeds from sales of fixed assets		8,069	12,991
Investment income		152	8
Payments made to acquire fixed assets		(7,232)	(7,722)
Net cash inflow from investing activities		989	5,277
Cash flows from financing activities			
Interest paid		(2,145)	(2,201)
Endowment cash received		757	765
New unsecured loans	19	–	1,500
Repayments of amounts borrowed	19	(1,500)	(6,000)
Amounts held on deposit		(3,000)	–
Net cash outflow from financing activities		(5,888)	(5,936)
Increase in cash and cash equivalents in the year		10,752	8,721
Cash and cash equivalents at beginning of the year		17,573	8,852
Cash and cash equivalents at end of the year		28,325	17,573

The year end balance of cash is the total year end bank balances less deposits held for 3+ months from 31 July 2018.
The notes on pages 60 to 75 form part of these financial statements.

Notes to the Financial Statements

for the year ended 31 July 2018

1. Funding council grants

	2017/18 £000	2016/17 £000
Recurrent grants:		
HEFCE/OfS	6,457	5,871
SFA	1,187	878
EFA	295	412
Releases of deferred capital grants		
Equipment	67	69
Buildings	2,631	2,113
	10,637	9,343

2. Tuition fees and education contracts

	2017/18 £000	2016/17 £000
UK Higher Education students		
Full-time students	53,335	43,380
Part-time students	2,980	3,129
UK Further Education students		
Full-time students	–	5
Part-time students	114	113
EU Students (excl UK students)	2,747	4,803
Non-EU students	4,791	5,026
Short courses and examination fees	1,793	1,179
Nursing and midwifery education contracts	9,169	12,188
	74,929	69,823

3. Research grants and contracts

	2017/18 £000	2016/17 £000
Other grants and contracts	936	665

Notes to the Financial Statements Continued

for the year ended 31 July 2018

4. Other operating income

	2017/18 £000	2016/17 £000
Residences, catering and conferences	7,072	4,461
Other income-generating activities	10,245	9,403
Deferred capital grants release	29	30
Other income	1,066	1,228
	18,412	15,122

5. Investment income

	2017/18 £000	2016/17 £000
Other interest receivable	152	8
	152	8

6. Donations and endowments

	2017/18 £000	2016/17 £000
New endowments	985	904
	985	904

Notes to the Financial Statements Continued

for the year ended 31 July 2018

7. Staff costs	2017/18 £000	2016/17 £000
Salaries and wages	37,988	33,857
Social security costs	3,974	3,563
Pension costs	7,052	6,280
Staff costs	49,014	43,700
Severance costs	216	177
Total severance costs	216	177
Teaching departments	31,202	27,902
Teaching support services	3,473	3,376
Administration and central services	14,339	12,422
	49,014	43,700
Staff on permanent contracts	43,563	38,208
Staff on short-term and temporary contracts	5,451	5,492
	49,014	43,700
Vice-Chancellor's emoluments		
Base salary	270	250
Performance related pay and other bonuses	5	5
Benefits in kind	4	4
Additional salary paid instead of pension contributions	36	16
	315	275
Pension contributions**	–	22
	315	297

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

7. Staff costs continued

	2017/18 £000	2016/17 £000
The remuneration of higher paid staff (excluding pension contributions) was:		
£100,000 - £104,999	2	
£105,000 - £109,999		2
£110,000 - £114,999		
£115,000 - £119,999	1	
£130,000 - £134,999	1	1
£135,000 - £139,999		1
£145,000 - £149,999	1	
£265,000 - £269,999		1
£270,000 - £274,999	1	
	2017/18 Number	2016/17 Number
The average number of persons (including senior post holders) employed by the University during the period, expressed as full time equivalents, was:		
Teaching departments	623	528
Teaching support services	70	66
Administration and central services	251	258
	944	852
	2017/18 £000	2016/17 £000
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 £2,951 (£3,248 in 2016-17) was paid in expenses to eight Governors during 2017 - 18 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.

Vice-Chancellor's remuneration

The head of the provider's basic salary is 7.93 times the median pay of staff for 2017-18 (2016-17: 8.22), where the median pay is calculated on a full-time equivalent basis for the salaries paid by the provider to its staff.

The head of the provider's total remuneration is 8.02 times the median total remuneration of staff for 2017-18 (2016-17: 8.63), where the median total remuneration is calculated on a full-time equivalent basis for the total remuneration paid by the provider to its staff.

The Vice Chancellor's pay is determined by the Remuneration Committee. In making this determination, consideration is given to a detailed appraisal of his performance against the objectives set by the Committee on an annual basis. These objectives were met. Performance is benchmarked against similar post 1992 London institutions. In determining the level of remuneration of the Vice Chancellor, the Remuneration Committee considers pay benchmarking data in respect of Heads of Institution provided annually by UCEA (Universities and Colleges Employers Association). The UCEA data provides median and mean comparisons as well as quartile pay and total pay data for all institutions and the Remuneration Committee considers the pay of higher education institutions in London and the South East within a similar income bracket.

The Vice Chancellor voluntarily withdrew from the TPS and has received, from the date of withdrawal, a monthly salary adjustment (shown within remuneration as 'payments in lieu of pension contributions'). This is in accordance with the University's agreed policy on pensions and ratified by the Remuneration Committee.

Notes to the Financial Statements Continued

for the year ended 31 July 2018

8. Other operating expenses

	2017/18 £000	2016/17 £000
Other premises costs	7,177	6,723
Agency and consultancy	3,968	4,437
Equipment rent and maintenance	2,075	1,897
Consumables	608	471
Books and periodicals	1,058	1,189
Franchise payments	674	25
Advertising	2,897	2,583
Grants to Students' Union	2,387	2,085
Travelling and subsistence	954	956
Accommodation	219	200
Equipment not capitalised	572	593
Irrecoverable VAT	342	(7)
Rents	427	486
Auditors' remuneration	116	137
Other expenses*	15,499	11,289
	38,975	33,064
Included in the above operating expenses:		
External audit fee – University	71	72
External audit fee – Subsidiaries	6	8
Internal audit fee	38	58
Operating lease rentals – land & buildings	427	486
Operating lease rentals – equipment	331	334

*Other expenses includes bursaries and student related expenses of £4,793,956 (2016-17: 3,380,565)

9. Interest payable

	2017/18 £000	2016/17 £000
On bank loans, overdrafts and other loans:		
Repayable within five years, by installments	2,145	2,201
On pension scheme assets and liabilities:		
Expected return on pension scheme assets	(2,646)	(2,223)
Interest cost on pension scheme liabilities	4,348	3,913
	3,847	3,891

Notes to the Financial Statements Continued

for the year ended 31 July 2018

10. Taxation

	2017/18 £000	2016/17 £000
Current year tax charge	–	–
Surplus on operations before tax	6,067	18,010
Expected tax charge*	1,153	3,421
Effects of:		
Surplus not subject to UK corporation tax	(1,153)	(3,421)

*Calculated at 19% for August 2017 to July 2018. Assumes profits accrue evenly over the year.

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

	2017/18 £000	2016/17 £000
Sale proceeds	–	29,658
Book value of assets (tangible fixed assets and investment properties)	(2,184)	(20,303)
Disposal costs	–	(565)
Realised gain on disposal	(2,184)	8,790

12. Surplus for the period

	2017/18 £000	2016/17 £000
University's surplus for the period	8,251	9,220
Surplus generated by subsidiary undertakings	–	–

13. Intangible Assets

	2017/18 £000	2016/17 £000
Cost at 1 August 2017	1,400	1,400
Additions	–	–
Amortisations	(140)	–
At 31 July 2018	1,260	1,400

On 5 August 2016, for the cost of £1.4m, the University acquired the Registry of Guitar Tutors Ltd and Registry Publications Ltd companies. The cost of the acquisition in its entirety has been accounted for as Goodwill.

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 2017	7,576	142,808	13,028	–	8,483	171,895
Additions	–	1,688	2,356	3,091	–	7,135
Completions	–	–	–	–	–	–
Disposals	–	(2,975)	–	–	–	(2,975)
Revaluation - Disposals	–	–	–	–	–	–
Revaluation - Existing Assets	–	–	–	–	–	–
At 31 July 2018	7,576	141,521	15,384	3,091	8,483	176,055
Depreciation / impairment						
At 1 August 2017	–	5,751	5,676	–	1,527	12,954
Disposals	–	(791)	–	–	–	(791)
Charge for year	–	3,328	1,799	–	480	5,607
At 31 July 2018	–	8,288	7,475	–	2,007	17,770
Net book value as at 31 July 2018	7,576	133,233	7,909	3,091	6,476	158,285
Net book value as at 31 July 2017	7,576	137,057	7,352	–	6,956	158,941

The fixed asset opening balance has been restated as at 1 August 2017 due to a mistatement in the 2016-17 financial statements between categories. This had no impact on total cost or net book value.

The property at St Mary's Road was revalued to £75m on 1 August 2018. It is secured against SMR with a carrying value at £73m. This is not reflected in the tangible fixed asset note.

	2017/18 £000	2016/17 £000
Depreciation was funded by:		
Deferred capital grants released	546	1,425
Revaluation reserve release	–	–
General income	5,061	4,388
	5,607	5,813

	2017/18 £000	2018/19 £000	2019/20 £000	2020/21 £000
Change in net book value of cumulative IT assets:				
Existing useful economic life profile	1,014	218	2	1
Corrected profile (3 years)	1,084	360	–	–
Revised economic life profile (5-10 years)	1,858	1,505	1,152	798
Change in net book value against existing profile	844	1,287	1,150	797

During 2017-18 the economic life profile of IT assets was adjusted to accurately reflect useful life. In 2017-18 UWL has reported IT assets with a net book value of £1,858,568, an increase of £844,982 on existing profile. The impact of this was a reduction in depreciation for the year by £844,982.

15. Investment properties (Consolidated and University)

	2017/18 £000	2016/17 £000
The historical cost of investment properties is:		
Market value	–	–
Market value movement for the year:		
Market value as at 1 August 2017	–	20,100
Additions	–	–
Disposals	–	(20,100)
Revaluation	–	–
Market value as at 31 July 2018	–	–

16. Investments (Consolidated and University)

	2017/18 £000	2016/17 £000
At 1 August 2017	31	31
Additions	100	–
Disposals	–	–
Revaluation	–	–
At 31 July 2018	131	31

17. Stock (Consolidated and University)

	2017/18 £000	2016/17 £000
Finished goods	380	167
Balance at 31 July 2018	380	167

18. Trade and other receivables due within one year

	Consolidated		University	
	2017/18 £000	2016/17 £000	2017/18 £000	2016/17 £000
Trade receivables	7,824	6,887	7,674	6,779
Amounts owed by consolidated undertakings	–	–	1,543	531
Other receivables	1,210	839	1,210	839
Slough balance (due within one year)	8,069	8,069	8,069	8,069
Prepayments	1,911	1,218	1,911	1,218
	19,014	17,013	20,407	17,436

The 2016-17 Consolidated and University Trade Debtors were restated to account for a change in recognising Deferred Income separately.

Notes to the Financial Statements Continued

for the year ended 31 July 2018

19. Creditors: amounts falling due within one year

	Consolidated		University	
	2017/18 £000	2016/17 £000	2017/18 £000	2016/17 £000
Unsecured loans	–	1,500	–	1,500
Trade creditors	5,556	3,321	5,556	3,321
Social security and other taxation payable	2,257	1,627	2,247	1,627
Deferred capital grant income	542	542	542	542
Accruals and deferred income	8,830	8,754	8,793	8,747
	17,185	15,744	17,138	15,737

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	
	2017/18 £000	2016/17 £000	2017/18 £000	2016/17 £000
Grant income	345	400	345	400
Other income	2,191	3,672	2,191	3,672
	2,536	4,072	2,536	4,072

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

	Consolidated		University	
	2017/18 £000	2016/17 £000	2017/18 £000	2016/17 £000
Slough balance (due after more than one year)	–	8,069	–	8,069
	–	8,069	–	8,069

Notes to the Financial Statements Continued

for the year ended 31 July 2018

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

	Consolidated		University	
	2017/18 £000	2016/17 £000	2017/18 £000	2016/17 £000
Secured loans*	55,000	55,000	55,000	55,000
Deferred capital grant income	10,614	13,341	10,614	13,341
	65,614	68,341	65,614	68,341
Repayments fall due within the following bands				
Within 1 year (note 19)	–	1,500	–	1,500
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	55,000	56,500	55,000	56,500

*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

UWL has access to an overdraft facility of which at year end was not drawn down.

22. Endowment reserve (Consolidated and University)

	Restricted expendable £000	Restricted permanent £000	Total £000
At 1 August 2017	2,251	170	2,421
New Endowments	986	–	986
Investment Income (note 5)	–	–	–
Expenditure	(229)	–	(229)
At 31 July 2018	3,008	170	3,178
Represented by:			
Capital value	3,008	170	3,178
Accumulated income	–	–	–
At 31 July 2018	3,008	170	3,178
Analysis by type of purpose			
Scholarships and bursaries	578	170	748
Research support	70	–	70
Prize funds	42	–	42
General	2,318	–	2,318
	3,008	170	3,178

All endowments funds are represented by cash.

Notes to the Financial Statements Continued

for the year ended 31 July 2018

23. Revaluation reserve (Consolidated and University)

	2017/18 £000	2016/17 £000
At 1 August 2017	18,661	18,661
Contributions to depreciation released in the year (note 13)	–	–
Shares disposal	–	–
Share market revaluation	–	–
Investment Properties – disposal	–	–
Investment Properties – revaluation	–	–
At 31 July 2018	18,661	18,661

24. Movement on general reserves

	Consolidated		University	
	2017/18 £000	2016/17 £000	2017/18 £000	2016/17 £000
Surplus after depreciation of assets and after tax	6,067	18,010	6,293	17,435
Release from revaluation reserve	–	–	–	–
Increase to endowment reserve	(757)	(765)	(757)	(765)
Historical cost surplus after tax	5,310	17,245	5,536	16,670
Pension recognised (loss)/gain	14,573	5,404	14,573	5,404
Transfer from/(to) pension reserve	(12,153)	(3,251)	(12,153)	(3,251)
Balance brought forward	98,027	78,629	97,452	78,629
Balance carried forward	105,757	98,027	105,408	97,452

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 £8,703,331 (2016-2017: £7,880,000).

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 £2,753,000 (2016-2017: £2,535,000).

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

Universities' Superannuation Scheme (USS)

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

The employer contributions for the year were £181,000 (2016-2017: £193,000).

More information on the Universities' Superannuation Scheme can be obtained from <http://www.ushq.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 2018 by a qualified independent actuary. The results of this valuation are included in the figures in this note.

Local Government Pension Schemes (LGPS) (including Unfunded Enhanced Pensions)

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

These are funded defined benefit pension schemes where contributions payable are held in a trust separately from the University. Full actuarial valuations were carried out at 31 March 2016 and updated to 31 July 2018 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 2018

	2017/18 £000	2016/17 £000
Amounts recognised in the Balance Sheet:		
Present value of funded obligations	152,875	157,604
Fair value of plan assets	(106,725)	(99,667)
	46,150	57,937
Present value of unfunded obligations	7,713	8,079
Net liability in balance sheet	53,863	66,016

	2017/18 £000	2016/17 £000
Amounts recognised in the Income and Expenditure Account are as follows:		
Current service costs	4,021	3,383
Past service cost (credit)	–	–
Impact of Paragraph 28.13A	(30)	(42)
Scheme administration expenses	76	73
Losses (gains) on curtailments and settlements	–	46
	4,067	3,460
Net interest on the defined benefit (asset) liability	1,702	1,692
Actual return on plan assets	5,769	5,152

	2017/18 £000	2016/17 £000
Amounts recognised in Other Comprehensive Income		
Actuarial gains/(losses) due to change in assumptions	10,620	(6,478)
Experience gains/(losses) on scheme liabilities	(219)	2,950
Experience gains on scheme assets	4,172	8,932
Actuarial gain recognised in other comprehensive income	14,573	5,404

Notes to the Financial Statements Continued

for the year ended 31 July 2018

	2017/18 £000	2016/17 £000
Changes in the present value of the defined benefit obligation:		
Defined benefit obligation at start of year	165,683	158,468
Service cost	4,021	3,383
Past service cost	–	–
Impact of Paragraph 28.13A	(30)	(42)
Interest cost	4,348	3,915
Actuarial losses (gains)	(10,401)	3,528
Losses on curtailments	–	46
Employee contributions	984	907
Benefits paid	(4,017)	(4,522)
Closing defined benefit obligation	160,588	165,683

	2017/18 £000	2016/17 £000
Changes in the fair value of plan assets:		
Fair value of scheme assets at start of year	99,667	89,201
Interest Income	2,646	2,223
Scheme administration expenses	(76)	(73)
Return on Scheme assets excluding interest income	4,172	8,932
Contributions by employer	3,349	2,999
Losses on curtailment	–	46
Employee contributions	984	907
Benefits paid	(4,017)	(4,522)
Closing fair value of plan assets	106,725	99,667

Actual return on assets

2017–18	£8,504,000
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Projected employer contributions for the next accounting period (excluding TPS and USS)

2018–19	£3,866,000
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Notes to the Financial Statements Continued

for the year ended 31 July 2018

	2017/18 £000	2016/17 £000
Movement in deficit during the year:		
Deficit at beginning of the year	(66,016)	(69,267)
Current service cost	(4,021)	(3,383)
Past service cost	30	–
Employer contributions	3,349	2,999
Impact of settlements and curtailments	(76)	(77)
Net return on assets	(1,702)	(1,692)
Actuarial (losses)/gains	14,573	5,404
Deficit at end of year	(53,863)	(66,016)

	2017/18 %	2016/17 %
The major categories of plan assets as a percentage of total plan assets:		
Equities	57	61
Gilts	18	16
Other bonds	3	4
Property	10	10
Cash	10	7
Alternative assets*	2	2

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

	2017/18 %	2016/17 %
The principal assumptions at the balance sheet date (expressed as weighted averages):		
Discount rate at 31 July	2.90	2.65
Expected return on plan assets at 31 July	2.90	2.65
RPI inflation	3.10	3.10
CPI inflation	2.10	2.10
Future salary increases*	2.10	3.10
Future pension increases	2.10	2.10
Future life expectancy for a male member aged 65	22.4	22.5
Future life expectancy for a male member aged 65 in 20 years time	23.8	23.9
Future life expectancy for a female member aged 65	24.8	24.9
Future life expectancy for a female member aged 65 in 20 years time	26.4	26.4

*Salary increases are assumed to be 2 % per annum until July 2019, and in line with CPI inflation thereafter. Last year, salary increases were assumed to be 1.7 % per annum until 2020, and in line with RPI inflation thereafter.

Notes to the Financial Statements Continued

for the year ended 31 July 2018

Amounts for the current and previous four periods:	2017/18 £000	2016/17 £000	2015/16 £000	2014/15 £000	2013/14 £000
Defined benefit obligation	(160,588)	(165,683)	(158,468)	(132,740)	(121,611)
Plan assets	106,725	99,667	89,201	82,298	76,164
Deficit	(53,863)	(66,016)	(69,267)	(50,442)	(45,448)
Experience (loss)/gain on plan liabilities	(219)	2,950	(108)	(249)	(6,384)
Experience gain/(loss) on plan assets	4,172	8,932	4,940	3,531	1,431
Cumulative actuarial gains/(losses) recognised in the STRGL (since 1 August 2010)	(24,224)	(38,797)	(44,201)	27,074	(23,789)

27. Capital Commitments (Consolidated and University)

	2017/18 £000	2016/17 £000
Commitments contracted	1,850	1,308

28. Related Party Transactions

Governors of the University

Ms Katherine Hackshaw 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.

Students' Union

During the year the University paid grants to the University of West London Students' Union of £2,387,057.

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)

	2017/18		2016/17	
	Land and Buildings £000	Plant and Machinery £000	Total £000	£000
Total rentals payable under operating leases:				
Payable during the year	486	310	796	777
Future minimum lease payments due:				
Not later than 1 year	211	89	300	298
Later than 1 year and not later than 5 years	399	37	436	645
Later than 5 years	—	—	—	—
Total lease payments due	610	126	736	943

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