

UNIVERSITY OF
WESTMINSTER[⌘]

REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 JULY 2019

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INTRODUCTION FROM OUR VICE CHANCELLOR AND PRESIDENT

We co-created our Being Westminster strategy, shaped through the collective vision and voice of our academic and Professional Services colleagues and our student community. We are transforming as a result.

We have embedded our new academic structure – founded on our values of being progressive, compassionate and responsible, with our students at the heart of our mission as we help those from different backgrounds fulfil their potential.

We worked with elected student representatives on making the student experience the best it can be, and we have seen a small increase in our National Student Survey (NSS) score as a result - a step forward in our teaching and learning first strategic priority, which is to provide an exceptional student experience. We will build on this through our commitment to improve our league table positions and move to exceed sector benchmarks for student satisfaction by 2023.

We refocused our research and knowledge exchange in those areas where we make a difference and where that difference is valued for the impact it makes. Our Research Network Team brought together some 150 of our researchers to celebrate endeavours across the University, our new Professors shared their ground-breaking findings and ideas through their inaugural lectures and we welcomed Associate Professors.

Our exceptional colleagues have made the news through their work of international standing. Social prescribing and yoga in healthcare have been recognised through government and by Clarence House. Our Knowledge Exchange Framework event brought together colleagues, each an exemplar in practice. Together we are collaborating and preparing for the Research Excellence Framework 2021 and the new Knowledge Excellence Framework.

We have made great strides in our third strategic priority - our commitment to provide employability-related learning, opportunities for engagement with employers and industry-informed courses that unlock our students' true potential. We held the first ever Vice-Chancellor's Employability Awards, a scheme that helps students boost their employability skills and prepare for the world of graduate work.

We have celebrated our creativity through our shows and events drawing audiences and interest from around the world. Among so many incredible showcases were Open 2019 where we partnered with the London Festival of Architecture - our architecture students showing their drawings, films, models and

full-scale fabrications. Our Fashion BA students showcased their designs at our Fashion Show, the only undergraduate course to form part of the official line up for London Fashion Week.

We strengthened our transnational partnerships - our students, excellent ambassadors, joining us on visits arranged through our unique Westminster Working Cultures initiative. We are working closely with our partners at the Westminster International University in Tashkent, Uzbekistan; the Informatics Institute of Technology in Colombo, Sri Lanka; the Instituto Europeo di Design in Barcelona and Milan; and the Hochschule Macromedia in Germany. Westminster is heralded as one of the most international universities in the world and we value our rich global mix of students from 169 countries.

We celebrated our diversity and our inclusiveness through all strands of our work and over the year we joined in Pride and National Student Pride, opening our doors to welcome those taking part in processions. We reached out to communities through our progressive Difference Festival exploring difference and depth, true to our value of compassion.

Following a period of significant change, it was important for us to deliver a strong financial performance this year to consolidate our financial position, from which to deliver our Being Westminster strategy. Our investments should set us fair over the next few years.

As we celebrated graduation in July 2019 for 2,700 of our exceptional and diverse students, awarded three Honorary Doctorates, welcoming Dame Cilla Snowball, Jan Gooding and Richard Boden, we embraced all that Being Westminster is with our colleagues, students, alumni, partners and friends. We will remain in touch through our alumni and will follow all that our Westminster graduates will bring to the world.

We are distinctive, we are inclusive and we are making a difference. We are Westminster – delivering pioneering and innovative education, founded on our history and heritage, yet forward-focused and prepared for our future.



Dr Peter Bonfield
Vice-Chancellor and President



STATEMENT FROM OUR INTERIM CHAIR TO THE COURT

I am very proud to introduce to you our Annual Report for 2018-19, which outlines a positive first year of delivery for our University Strategy: Being Westminster 2018-23. We, the Court of Governors, remain committed to the purpose, mission and values that are outlined in the Strategy and have ensured that they are embedded and influence all our governance activities.

Inspired by the Strategy, the Court took the opportunity in the Summer to reflect on the effectiveness of our governance arrangements. We commissioned an external evaluation to ensure that our governance structures and arrangements are fit for purpose for our changing environment. Equally important was the exploration through the review of how well we as governors live and act according to our values - being progressive, compassionate and responsible. We have developed through the review a new Code of Conduct, which each governor will sign on joining the Court. The outcomes of the review and the action we will take as a result are published on our website: westminster.ac.uk/governance. We recognise that there is more work to be done in some areas – for example, improving the diversity of our membership – so our self-evaluation and enrichment does not end with the completion of the review. We will continue to challenge ourselves and the executive as we proceed through the period of the Strategy, initiating and adopting best practice in governance through self-reflection, decisive action and continuous improvement.

Students and their experience at the University of Westminster, are at the forefront in our discussions and decisions and we welcome the focus that our Vice-Chancellor Peter Bonfield has given throughout the year to the needs and wellbeing of our students. This is complemented by his leadership of the London Higher Wellbeing, Health and Safety Task Group, which was launched at the University in October 2018. The Court continues to work in partnership with UWSU, the union for Westminster students, and I had the honour of signing a new Memorandum of Understanding and Code of Practice between our two organisations in June 2019. This document confirms our shared goal to achieve the best possible education and experience for students at the University. The Memorandum recognises that, whilst our two organisations may approach this goal in different ways and the priorities and metrics for success may be different, we accept that partnership and understanding are principles we share to effectively work towards our end goal. Having said thank you and a fond farewell to the former UWSU President Lareb Naseem in June 2019, we welcome the new UWSU President Ibrahim Alzaid as our student governor for the coming year. From the outset, Ibrahim continues the valued contribution

Lareb made to the Court with comments and views that are informed, insightful and valued.

I am really enjoying my time as Interim Chair to the Court and am very grateful for the support, commitment and hard work of all who have been governors over the past year, the executive team and colleagues across the University.



Ms Diane Yeo
Interim Chair of the Court of Governors

STRATEGIC REPORT

ABOUT THE UNIVERSITY OF WESTMINSTER

WHO WE ARE

We, the University of Westminster, are a diverse and dynamic international education institution situated in the heart of London with more than 18,250 students from 169 different nations.

We have our origins in Britain's first polytechnic, founded in 1838 to educate the working people of London. Since then we have developed into an institution that combines both metropolitan and cosmopolitan dimensions, and which is closely involved in business, professional and academic life within London, as well as overseas. We have become known for the many ways in which we help our students to realise their full potential, regardless of background. Many of our achievements are ground-breaking, yet we are also compassionate and caring.

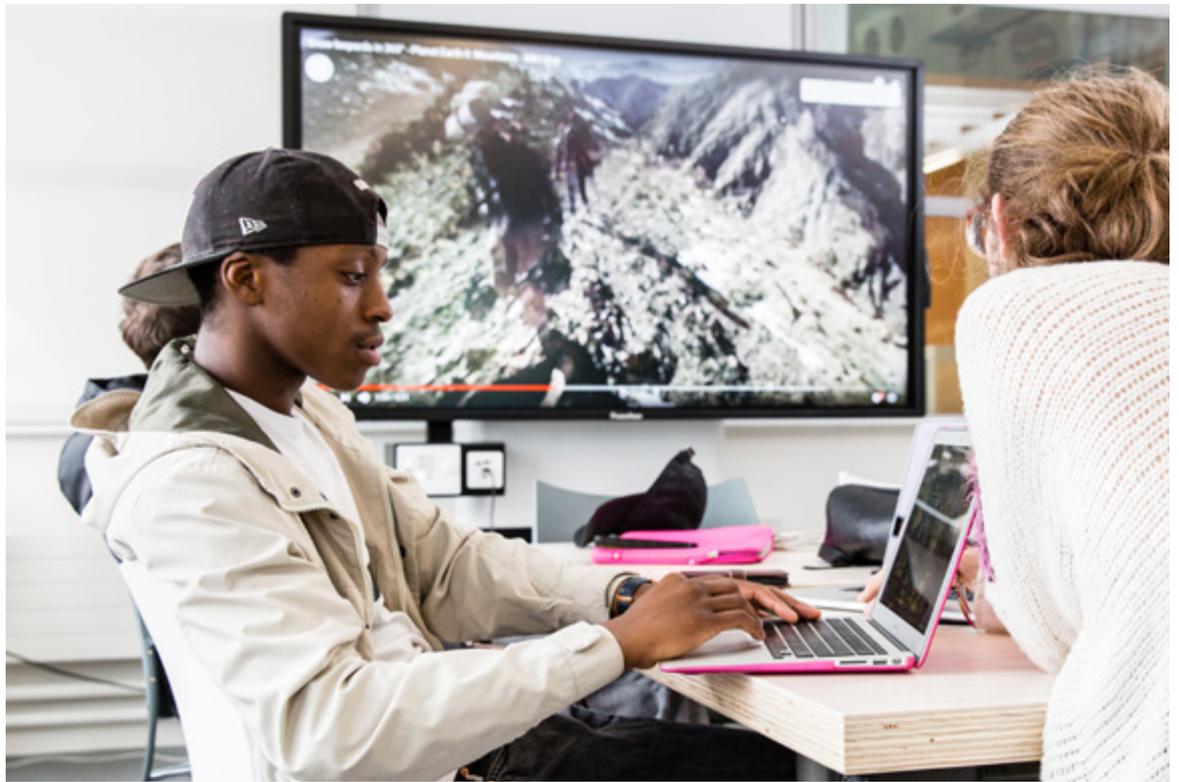
As a place to study or to work, we strive to strengthen our reputation as a welcoming and inclusive organisation. We promote a dynamic synergy between our Colleges: Design, Creative and Digital Industries; Liberal Arts and Sciences; and the Westminster Business School. Our teaching is practical, relevant and contemporary. Our research has impact in the world, is internationally recognised and informs our teaching.

The University of Westminster is incorporated under the Companies Act as a charity and company limited by guarantee and not having any share capital. The University is also an exempt charity in accordance with the Charities Act.

The objects for which the University is established are recorded in the Articles of Association and reproduced in the Statement of Corporate Governance and Internal Controls.

The Charity's beneficiaries, as reflected in the objects, are the students enrolled at the University and the public at large who stand to benefit through the impact of our teaching, research, and enterprise activity.





CELEBRATING SUCCESS

COLLEGE OF LIBERAL ARTS AND SCIENCES

The Difference Festival

The third Difference Festival took place in February 2019 with a focus on the *radical*. Highlights included film screenings, debates and performances across Westminster campuses in the West End, providing a flagship for the College's commitment to public engagement.

National Teaching Fellowship Awards

Dr Celia Jenkins (Social Sciences) and Tony Burke (Centre for Teaching Innovation) have been awarded a prestigious National Teaching Fellowship by the Higher Education Academy, following in the footsteps of Social Sciences colleague, Dr Frands Pedersen.

Three new female professors in Liberal Arts and Sciences

Three new female professors held their inaugural lectures within the College. Professor Catherine Loveday (Psychology), Professor Gerda Wielander (Chinese) and Professor Leigh Wilson (English Literature) are all international leaders in their respective fields as well as outstanding role models.

Prize-winning Dissertation

MSc Business Psychology student, Mashaael Alsowelim was named as an overall winner of the Association for Business Psychology Award for Best Dissertation 2018.

My Graduate Journey

Westminster Law School showcased final year student talent at the Graduate Journey Show in Ambika P3, allowing students to reflect creatively on their legal studies and future career ambitions. Overall student satisfaction in the Law School has risen by over 13% this year according to the 2019 National Student Survey.

National recognition for the Democratic Education Network

The Democratic Education Network (DEN) was awarded second place in the Student Experience Category of the Guardian University Awards which recognise projects and initiatives in higher education that have positively impacted the academic and personal experiences of students.

Major EU-funded Grant

Professor Ipsita Roy (Life Sciences) was awarded a major grant from the EU for her project on sustainable multifunctional

bio-based coatings in collaboration with the University of Pisa. The award is worth €4.6 million.

Plaudits for exhibition

Dr Federica Mazzara's (Humanities) Arts Council England funded *Sink without Trace* exhibition ran during June and July at the P21 Gallery in King's Cross and was reviewed in the 8 June issue of *The Guardian*.

WESTMINSTER BUSINESS SCHOOL

Professional accreditations and commendations secured

The Chartered Institute of Building has accredited all Westminster Business School's undergraduate and postgraduate courses in property and construction with seven commendations - engagement with industry, research synergies, student-led societies, employability skills, cohesive and enthusiastic teaching team, FabLab and marketing collateral.

Nuffield Award

Professor Richard Dorsett secured a £232,000 Nuffield bid for a project focused on exploring the causes and consequences of youth custody. The project is led by the University of Westminster and involves partners from the University of Bath, LSE, University of Surrey, RAND Europe and the FFT Education Datalab. This success marks the fourth major science funding award for Westminster's Centre for Employment Research.

Degrees ranked fourth in London for labour market return

In August 2018, the UK Institute for Fiscal Studies and the Department for Employment ranked Westminster Business School's degrees 20th in the UK (4th in London) in terms of their labour market return, as measured by earnings and employment five years after graduation.

Canadian Social Sciences and Humanities Research Council Impact Partnership Award

The Centre for the Study of the Production of the Built Environment (ProBE) has received the Canadian Social Sciences and Humanities Research Council Impact Partnership Award from the Governor General of Canada.

Centre for Employment Research bid win

The Centre for Employment Research succeeded with the Economic and Social Research Council, winning a joint bid with the University of Sheffield under the 'Transforming Productivity, Management Practices and Employee Engagement' call.

Gains in rankings

In April 2019, Westminster Business School gained in UK rankings in the Complete University Guide 2020 with the Property Management courses rising to seventh in the UK. In the recent Guardian League Tables, our School of Finance and Accounting continues to excel, with an improvement of eight places, taking the School to 31st ranked in the UK.

Researchers secure 'Best Paper' awards

In our PhD community, Anette Kairikko and Sirpa Lassila (Haaga-Helia/WBS Doctoral Researchers) were among the four Best Paper nominations at the New Developments in Entrepreneurial Process Research International Conference in Seville. Anette Kairikko ultimately won the Best Paper award. In a rare achievement, Dr Setenay Dilek Fidler was awarded a PhD without any corrections.

DESIGN, CREATIVE AND DIGITAL INDUSTRIES

Exhibiting at Tate Modern

Artist and University of Westminster Research Professor Clare Twomey presented 'Producing Production' in September at Tate Modern. Twomey was the Lead Artist for the second season of Tate Exchange and explored the theme of 'Production'.

Turner prize nomination for Fine Art alumnus

Fina Art BA alumnus, Oscar Murillo was one of four shortlisted artists for the Turner Prize 2019, one of the world's best known and most renowned prizes for visual arts. The jury praised the way Murillo pushes the boundaries of materials, particularly in his paintings.

Female Architectural Leader of the Year Award for Professor of Architecture

Professor Sadie Morgan won the inaugural Female Architectural Leader of the Year Award at the Building Design Awards, in recognition for her work as an advocate of raising awareness of the role architects play in creating a better

quality built environment for all. She has proactively raised awareness of the place of women within the profession, while making a dynamic difference to the public perception of architecture as a whole.

MA Menswear graduates showed at London Fashion Week Mens

A cohort of graduates from the world's only two-year MA Menswear courses showcased their work in a runway show, which featured a mix of fashionable and functional eye-striking designs, hitting the runway on the final day of London Fashion Week Mens.

Gold medal for Architectural Technology Student

Architectural Technology BSc student Jamie Ogilvie won a Greater London Region Gold Medal Award from the Chartered Institute of Architectural Technologists. The design Jamie submitted focused on live music and delivered an outstanding aesthetic concept, achieved in a highly professional portfolio of work.

Oscar nomination for Westminster Alumnus Al Shux for Best Original Song

Alexander Shuckburgh, known as Al Shux, a Commercial Music BA graduate, was nominated in the Best Original Song category for the song 'All the Stars' featuring Kendrick Lamar and SZA in the film Black Panther. Black Panther earned more than \$1bn at the global box office within a month of its release and was praised for being the first superhero film featuring a largely black cast and director.

New Year's Honours 2019

Dr Shirley Thompson, renowned composer and Reader in Composition and Performance was awarded an OBE for her services to music. From 2010 - 2019, she was named in the Evening Standard's 'Power List of Britain's Most Influential Black People'. She began to focus on full orchestral composition, becoming the first woman in Europe in over 40 years to have composed and conducted a symphony.

SMOKE Radio

Our student radio station, Smoke Radio, had an exceptional night at the annual Student Radio Association (SRA) Awards in November. Smoke Radio were crowned winners in six different categories, including Gold for Best Specialist Music Programming, awarded to third year Radio and Digital Production student Kay-Lee Goulding for her broadcast 'Gyal from Brum'. The station also won the Silver award for Best Student Radio Station of the Year.

STRATEGIC OBJECTIVES

Being Westminster: Our Strategy 2018-23 identifies four objectives that will be our focus for the period:

- 1 Learning and Teaching**
To be a leading, high performing and transformative learning organisation which excels in providing an exceptional student experience and exceeds sector benchmarks for student satisfaction; to continually review and improve our portfolio of courses, and to be a TEF Silver with over 70% of our students in subject areas at Silver or Gold.
- 2 Research and Knowledge Exchange**
To develop our research activity and its impact in our areas of excellence to double income from research grants and ensure that 70% of all REF publications are at 3*/4* level.
- 3 Employability**
To offer opportunities for employability-enhancing learning and engagement with employers and industry to all our undergraduate students.
- 4 International**
To raise the international reputation and reach of the University, such that the percentage of overseas fee paying undergraduates rises to 30% and postgraduates to 50% of the total number of students taught.

In order to achieve these objectives, we will focus on:

People, culture and diversity

To create a positive place and culture so all our people are supported and encouraged to realise their ambition.

Physical environment

To create a physical place that inspires learning, and that meets current and future needs.

Digital environment

To take full advantage of the opportunities the digital environment offers in driving the education and learning of all our students and the working experience of our colleagues.

To achieve the following outcomes:

Reputation

With focused work through our people, place and technology we will grow our already distinctive reputation so that we are widely respected as a strong university, recognised for what we do and our commitment to making a difference.

Financial sustainability

Our financial sustainability that meets current and future investment needs is achieved through the delivery of our objectives, creating an inclusive, inspiring and high-performing learning environment that attracts students to study here and colleagues to work here.

Visit our website for more details on our 2018-23 strategy:

[westminster.ac.uk/about-us/our-university/our-purpose-mission-and-values](https://www.westminster.ac.uk/about-us/our-university/our-purpose-mission-and-values)

BEING WESTMINSTER: PERFORMANCE AND IMPROVEMENTS 2018-19

PROGRESS TOWARDS ACHIEVING OUR OBJECTIVES

Learning and Teaching

Alongside our new Personal Tutoring Policy, we rolled out a new Student Engagement monitoring tool, which has been accessed 6,310 times by 495 unique users. This tool allows Personal Tutors to access live data on student engagement across several metrics including attendance, use of the Virtual Learning Environment and assessment performance to identify students who are at risk of disengagement. This is supplemented by information that helps Personal Tutors to put student engagement in context, for example by highlighting commuter students who face particular challenges. This helps us to provide all our students with an exceptional experience at our University and increase the levels of academic and professional support available to students.

We have improved our National Student Survey (NSS) results in all categories for Undergraduate students, including a 3 percentage points (pp) increase in Overall Satisfaction rates:

We will build on this improvement during the 2019-20 academic year and will make further progress towards our target of achieving NSS scores that are 2pp above benchmark.

We have also increased student satisfaction in all categories of the Postgraduate Taught Evaluation Survey (PTES), with increases of 3pp in Academic Quality, 3pp in Outcomes and 4pp in Overall Satisfaction.

Our first-year student continuation rates continue to outperform benchmark, and this is reflected in our strong performance for this metric in the Teaching Excellence Framework (TEF) for Level 4 entrants from 2017-18 who progressed in to Level 5 in 2018-19. We remain on track to achieve our 2023 target of performing 2 percentage points above benchmark for this measure. Whilst our percentage of students receiving a First Class or Upper Second Class degree (Good Honours) has decreased, we are still within 2pp of benchmark. Our Projected Outcomes rates continue to perform significantly below benchmark and we will focus on making improvements over the planning period.

Research and knowledge exchange

Our 2014 Research Excellence Framework (REF) Grade Point Average shows improved performance from the 2008 Research Assessment Exercise (RAE). We intend to maintain this REF performance in 2021, which will be a substantial achievement. In April 2019 Academic Council approved a new strategy for research development and support. Supplemented by local

operational plans, the Strategy will support progress towards our 2023 targets relating to research grants and contracts.

Employability

There has been a substantial increase in the number of students engaged with services offered by our Careers and Employability Services (CES) team, with 11,892 engagements in 2018-19, up from 10,223 in 2016-17. These services include 1:1 appointments between students and CES colleagues, attendance at Skills Academy Workshops, and students matched with career mentors. In addition, the number of online resource views, covering topics such as careers options, job seeking strategies, CV and interview advice, as well as job opportunities, has more than doubled in this period.

These increases in engagement have contributed to the significant progress we made in recent years in the proportion of graduates progressing in to Highly Skilled Employment or Further Study, and we are on track to achieve our key performance target of performing at 2pp above the benchmark of 69% for this measure. General Employment and Further Study rates are 93%, 1pp above the benchmark, and we are on track to achieve our target of being 2pp above benchmark by 2023.

International

Our international student population has grown significantly between 2016-17 and 2018-19, from 1,484 to 1,752 at postgraduate level and from 2,577 to 2,881 at undergraduate level. This trend looks set to continue into 2019-20 with applications from international students up 3% at postgraduate level and 19% at undergraduate level.

PROGRESS IN OUR AREAS OF FOCUS

People, culture and inclusion

In July 2019, the Court approved Being Me, Being Westminster: our People Strategy, which is fully aligned to the University Strategy. We are development key performance targets for this area of our Strategy and will report on progress against these targets as we monitor the implementation of the Strategy.

Physical environment

Throughout 2018-19 we have been developing and discussing an Estates road map that articulates the rationale for the proposed approach and ambition for our estate. This road map will form the basis of our new Estates Strategy, which will be accompanied by performance targets relating to our physical environment, including targets for premises costs. Investment in

the year has been focused on the development of existing space to support planned increases in student numbers on Fashion and Bio Science courses. More modest investment continues to focus on enhancing the student experience, e.g. the delivery of projects to improve audio visual services, investment in aged plant and equipment, the development of Students' Union facilities and the first year of a six-year upgrade of residential accommodation.

Digital environment

We are developing our new Digital Strategy, which is closely aligned to our approach to our physical estate. In preparation for the new Strategy, we continue to develop our core IT infrastructure, engage all colleagues in development of their digital capability whilst enhancing our working practices and teaching and learning approaches to be digital by default.

PROGRESS IN ACHIEVING OUR INTENDED OUTCOMES

Reputation

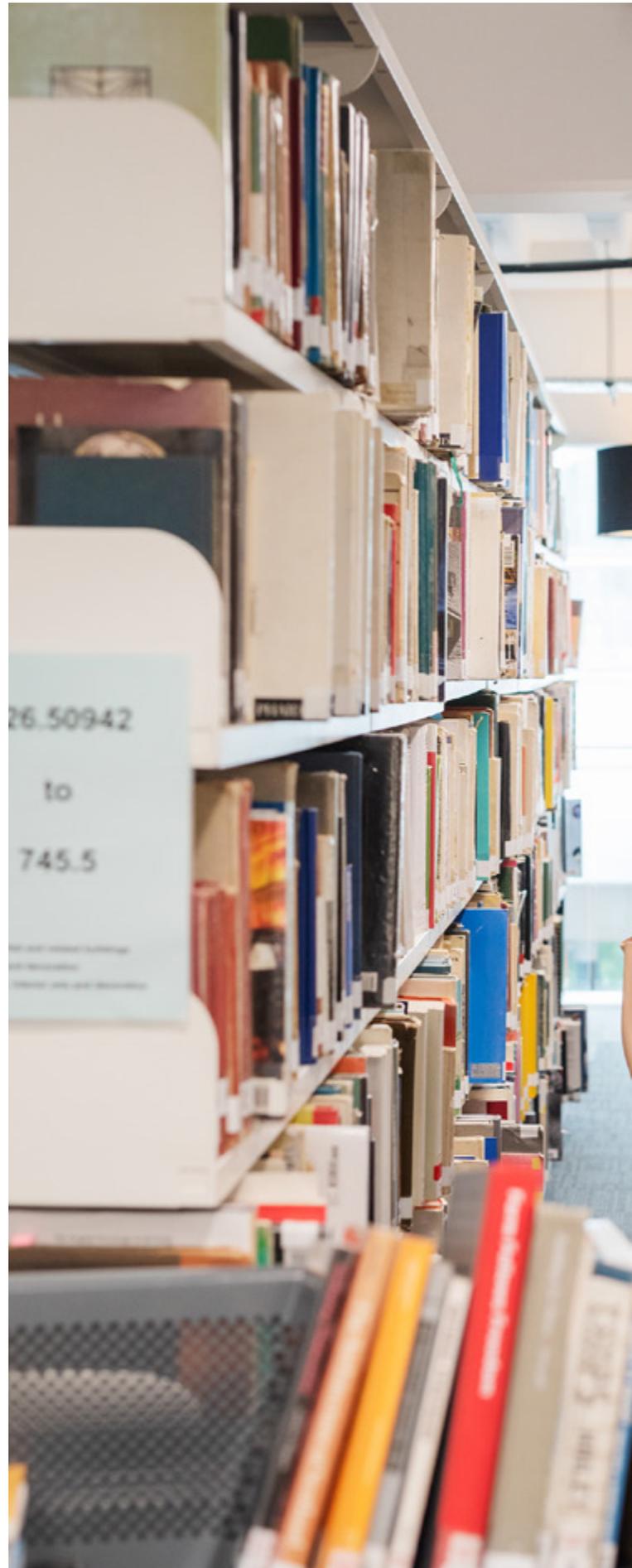
Performance in this year's Complete University Guide dropped, with the University falling 10 places from 82 to 92. This followed two years of improved performance and was largely caused by the poor NSS results from 2018. NSS performance has improved at a greater rate than the overall improvements in the sector, and this will be reflected in next year's publication.

Students offered a place at Westminster who subsequently decline their offer cite Westminster's league table position as their main reason for choosing another University. Our focus on improving the Student Experience, coupled with our improvements in graduate employability rates should see Westminster move up the league tables.

Financial sustainability

In 2017-18 we embarked on an ambitious transformation programme designed to bring the University back to financial and operational sustainability. A key measure of expenditure in the sector is salary spend as a percentage of income, the sector average being circa 52%. For 2017-18 our salary costs totalled 56% of total income. Following a restructuring exercise as part of our transformation programme, for 2018-19 we have reduced this to 51.3%.

Our annual budgets are based on the expected level of contribution (measured as a percentage surplus of income) achieved by each of our three colleges. The percentage level of contribution varies between colleges and reflects the different mix of courses offered and the resource requirements to deliver those courses. Our annual budget is set to achieve an overall level of contribution of 59%. For 2018-19 our colleges achieved this.





STRATEGIC FOCUS 2018-19

LEARNING AND TEACHING

Following a challenging year in 2017-18 due to significant restructuring, 2018-19 has seen significant improvements with the University returning to financial stability, the appointment of a new Vice-Chancellor and senior team, and the adoption of our new strategy Being Westminster, which sets out our key learning and teaching objective: *“To be a leading, high performing and transformative learning organisation which excels in providing an exceptional student experience and exceeds sector benchmarks for student satisfaction; to continually review and improve our portfolio of courses, and to be a TEF Silver with over 70% of our students in subject areas at Silver or Gold”.*

Signs of recovery were first evidenced with the Postgraduate Taught Experience Survey (PTES) which surveys student satisfaction amongst our taught postgraduate students, who represent about 20% of our student body. Our 2019 results showed an increase of 2.8% to 83% for overall satisfaction; this is the highest score that we had ever achieved and placed us for the first time above the sector average.

The NSS 2019 results also demonstrated improvements with our overall satisfaction score rising by 3% to 78% with improvements also in all the other key categories.

Although we remain 6% below the sector average and have still to make significant progress in further reducing this gap, 2018-19 saw particularly encouraging developments for some of our largest courses. Such courses have historically had significant challenges in improving student satisfaction. The most dramatic result was in the School of Law where overall satisfaction rose from 70% to 88%. Our two other largest courses - Business Administration and Computer Science - also improved, increasing their overall satisfaction scores by 6%.

A key body within the University that will lead on promoting a step-change in the quality of our learning and teaching will be the Centre for Education and Teaching Innovation (CETI) established from August 2019. One of the outcomes of the 2017-18 restructuring was the disbandment of the Westminster Education Exchange (WEX) and the temporary suspension of the PG Cert in Higher Education (PG Cert HE) course which is the main foundation of our academic professional development in learning and teaching. An extensive review during 2018-19 resulted in the decision to establish the CETI, to re-start a reinvigorated academic professional development programme, including the PgCert HE, and for colleagues in CETI to provide dynamic support for our Colleges and Professional Services to improve continuously their teaching and learning support practices.

RESEARCH

Work is now taking place across several work-streams in preparation for our submission to the national Research Excellence Framework (REF) at the end of 2020. We have established a REF2021 steering group, Unit of Assessment leads meet on a regular basis, and we have submitted our official Code of Practice to Research England. Current data indicates that 55% of academic staff hold significant responsibility for research and therefore will be submitted to REF2021. Research outputs are being reviewed both internally and externally this summer. We have drafted more than 50 impact case studies and have allocated additional support to help evidence the reach and significance of that impact.

We have taken forward our plan to establish a small number of cross-disciplinary, cross-university research communities with a launch reception on 17 September 2019. We have appointed academic leads for each community and the communities receive dedicated support from two new research community facilitators in our Research Office. Our communities will develop and support new and ongoing projects linking to the strategic priorities to funders in our four key areas of strength: Arts, Communication and Culture; Diversity and Inclusion; Health Innovation and Wellbeing; Sustainable Cities and the Urban Environment.

Our Research Office has begun to offer a range of workshops to support the development of funding proposals and we are reviewing overall training provision for doctoral and early-career researchers. To support communication between our Research Office and researchers, we have recently launched a Research Office blog. Raising the visibility of research and our research community is a key priority for the coming year.

This year we have funded 16 new projects from the 2018-19 Global Challenges Research Fund, all of which have an impact on Official Development Assistance countries. Six PhD studentships have been awarded here and are due to start in September 2019.

With role-holders in place, strategic research leadership is now provided by our Pro Vice-Chancellor (Research) in collaboration with our three College Research Directors working with the Head of the Research Office. Monthly meetings of this group ensure flow of information and identification of opportunities. The REF Director attends these meetings and works alongside our Deputy Vice-Chancellor (Education) to manage activities in the lead up to REF.

KNOWLEDGE EXCHANGE

We continue to deliver a growing range of knowledge exchange activities and services that bring social and economic

benefit to businesses, public services, charities and our communities. We also benefit financially from knowledge exchange activity through HEIF funding and received £1.1m in 2018-19. Our knowledge exchange activities include social, community and cultural initiatives - public lectures, performance arts, museum education, exhibitions and outreach. Our knowledge exchange services include research and innovation services (research and development, contract research, licensing, intellectual property and consultancy), workforce development services (open and bespoke courses for business, degree apprenticeships) and professional development services for the community.

Leadership of knowledge exchange activity has changed in 2018-19 with the appointment of our Pro Vice-Chancellor (Marketing and Enterprise) and a re-focused Knowledge Exchange Committee¹. This Committee provides relevant advice to the University and develops and monitors the Knowledge Exchange Strategy and associated policies. Knowledge exchange has taken on greater importance and prominence in 2018-19 as the Government announced the introduction of an annual Knowledge Exchange Framework (KEF) benchmarking exercise from 2020. This will bring new reporting requirements but also the prospect of increased funding from enhanced engagement with businesses, public services, charities and our communities.

Given the increasing importance of knowledge exchange activity, we are developing a refreshed Knowledge Exchange Strategy. We will raise the profile and importance of knowledge exchange activities, and awareness of the KEF and its requirements, across the University. We will focus energy and resources where the greatest return and impact can be achieved. We will introduce KEF Leads/Directors in each College to enhance the leadership for development and innovation in knowledge exchange activity. We will incentivise and reward academics to engage in knowledge exchange activity and promote the knowledge exchange pathway for career progression to Professor. We will deliver an integrated marketing communications plan that differentiates knowledge exchange at Westminster and raises awareness amongst target clients. We will improve coordination of University and College events to ensure better capture of data for Higher Education - Business and Community Interaction and KEF returns. We will build a clearer identity and growth strategy for Skills and Professional Development Programmes in the Colleges and identify new market-led courses that can be profitably developed and scaled. We will explore potential business opportunities from offering these courses through our growing range of international partners. Having now secured Main Provider status for Degree Apprenticeships, we will work with employers to significantly expand this activity. We will also support Student Enterprise as a major new platform for knowledge exchange activity and redevelop part of our estate as a catalyst for developing enterprise skills and incubation.

¹ Previously titled the Academic Enterprise Committee

GLOBAL ENGAGEMENT

Internationalisation remains a primary focus at Westminster, representing one of the four core pillars of Being Westminster. In 2018-19, a particular highlight has been the further growth of the Westminster Working Cultures (WWC) programme, our short-term outward mobility scheme that allows students to experience professional life in selected world cities.

WWC is a flagship programme within our outward mobility options. Joining up our global engagement, alumni relations, overseas partnership and employability strategies, WWC is focused on employability skills in an international context. Launched in 2017, and featuring in the first instance trips to Mumbai, Hong Kong and Washington DC, we have developed WWC this year to include visits to other world cities such as Shanghai and Berlin. Engagement with overseas partner institutions is a key facet of the programme. Most recently, in June 2019, our WWC students were welcomed by our partner institution in Berlin, Hochschule Macromedia, with which we have a range of Transnational Education (TNE) connections.

The development of our TNE portfolio has been another global engagement priority in 2018-19. Our TNE partnerships are with Westminster International University in Tashkent, Uzbekistan (our longest standing and most comprehensive TNE connection); with the Istituto Europeo di Design in Barcelona and Madrid; with the Informatics Institute of Technology in Colombo, Sri Lanka; and with Macromedia, whose centres are in seven German cities. In each case, University of Westminster degrees are offered and awarded to students at these partner institutions, either through validated or through franchise routes. We plan to enhance the breadth and depth of relationships with our TNE partners, and where appropriate to extend these beyond the franchise/validation model. That ambition is reflected for example in conference, research and outward student mobility engagements that have taken place in 2018-19 with Westminster International University in Tashkent.

EMPLOYABILITY

Employability remains a priority for us and is again one of the four core pillars of Being Westminster. In 2018-19 our focus has been on refreshing and embedding our Employability Strategy across our three Colleges, and on further enhancing our engagement with employers, the professions and industry.

Key features of our Employability Framework are the Westminster Employability Journey; the development of our Work Based and Placement Learning scheme; and the Westminster Employability Award. The Employability Journey brings together all those elements within and outside the academic curriculum in which our students can participate to enhance their employability-related skills. It has clear milestones and is clearly mapped out for our

students. Our Work Based and Placement Learning scheme seeks to embed a variety of short-term work-based learning experiences in all our undergraduate courses, typically at levels 4 and 5. Its development programme stretches across the duration of our current University Strategy and it is supported and championed by our Employability Task Force. Our **Employability Award scheme** helps our students to boost their employability skills and prepare for the world of graduate work. In June 2019 we celebrated the achievements of our student award winners and made awards to some of the mentors and employers who so generously give their time and energy to support our students.

WELLBEING

Through 2018-19 we have continued our successful and innovative implementation of the Green Dot active bystander training programme for colleagues and students. Over the past two years, around 400 colleagues and students have been trained through this programme, which aims to provide knowledge, skills and confidence to identify, intervene and report sexual harassment. This success has been achieved through very close collaboration with the Students' Union.

Building on this success, we have now embarked on new developments with colleagues and students to improve their understanding of issues relating to mental wellbeing and importantly empower them to engage in conversations and actions that will make a difference in addressing these and being careful to consider what enables each and every one of us to play our part.

The various activity strands will enable us to develop organisational competence in fostering psychological and emotional growth alongside the development of intellectual and technical capabilities, with an expected positive outcome on student continuation and achievement. These include:

- establishing peer instructors in accredited Mental Health First Aid training and cascade within colleague and student networks;
- embedding peer support awareness programmes to facilitate compassionate interventions for students in distress;
- partnering with the Student Minds charity to develop and implement a mental health literacy and capacity programme for UWSU senior leaders, staff, officers and volunteers.

Leading the London Higher Mental Health and Wellbeing Network

The London Mental Health and Wellbeing Network is run by London Higher² and chaired by the Network's founder - our Vice-Chancellor Dr Peter Bonfield. The Network aims to provide

² London Higher is an 'umbrella' body representing over 40 universities and higher education colleges in London

an opportunity for those interested in wellbeing and mental health in London's HE sector to come together and address some of the successes and challenges of this essential theme.

Given the particular challenges and opportunities within London's HE sector, the partnership focuses on London-specific themes and aims to assist all HE institutions in the region. The Network's aspirations are to provide all students studying within London universities the opportunity to achieve success and thrive throughout their higher education experience by fostering their mental wellbeing.

Current plans include collaboration with the NHS to provide more streamlined care for students experiencing mental health difficulties, with support from Thrive LDN and UK Active.

EDUCATION FOR ALL

In the spirit of our long history of providing education for all, we offer a range of scholarships to support students from a variety of backgrounds and circumstances. Our offer ranges from full fee waivers through to maintenance scholarships that are open to all students, regardless of their nationality or whether they are studying for an undergraduate or postgraduate degree. We are also one of the few universities to offer full scholarships to postgraduate students. As part of our refreshed scholarship programme, we awarded 335 scholarships to students in 2018-19.

We are committed to widening access to those from under-represented groups. We are working with several partners to provide increased bespoke support for care leavers and estranged students, including alleviating financial and personal barriers that may prevent their journey into or through higher education, and providing ongoing pastoral care through their studies.

We are also committed to ensuring that all students have the chance to thrive in their lives after graduation, and we are particularly focussed on fostering their innovation and ideas. This is why we created The 125 Fund in collaboration with the Quintin Hogg Trust. Through the Fund we award grants to students wishing to develop their own enterprises, or their professional development through other endeavours. In 2018-19 we awarded over £100,000 to 120 students.

We run an award-winning mentoring scheme that aims to help students and recent graduates by raising aspirations, improving confidence, developing social capital and enhancing attainment. As part of this we work in partnership with the National Mentoring Consortium to deliver a targeted mentoring programme for all the Black, Asian and Minority Ethnic (BAME) undergraduate students. In 2018-19 we had over 520 partnerships making our mentoring programme one of the largest in the UK Higher Education sector.

As an institution we remain committed to supporting the continuing professional development of the UK workforce. Through our portfolio of short courses, we supported the

"I was so worried about accommodation. I didn't know where I was going to live. Having my accommodation paid for has given me time to focus on my studies. Without it I would have had to work really hard to pay the rent as living in London is so expensive"

ANDRE ZOLANA,
(BSC COMPUTER NETWORK SECURITY)

development of 4,620 delegates in 2018-19 including 567 delegates completing the PRINCE2 course and 290 delegates on the Agile Project Management course.

Finally, we are proud to have launched our Westminster Connect platform; an online community that is exclusively for our graduates, allowing them to reconnect and engage with fellow alumni, expand professional networks, discover employment opportunities and sign up to our mentoring programme. This new platform reinforces our commitment to a lifelong relationship with our alumni, wherever they may be based and wherever they are in terms of their personal and professional lives.

ACCESS AND PARTICIPATION

Since our founding as the UK's first polytechnic in 1838, we have provided an environment, culture and education that has supported a hugely diverse and international community of students. Our diversity is a significant strength and something that we are incredibly proud of.

We are home to more than 19,000 students from over 169 countries and 58% of our students are from BAME backgrounds.

More than half of our students (52%) are mature entrants (aged 21 or over). We will grow our degree apprenticeship offer over the next few years and anticipate that this will help to reverse the sector-wide decline in mature students studying part-time. Encouragingly, the majority (63%) of our current degree apprentices are mature entrants.

58% of our students are recruited from areas of high deprivation. 50% of London's postcodes fall within the 40% of most deprived neighbourhoods by Indices of Multiple Deprivation (IMD) ranking and – because of concerted outreach activity in these areas – we recruit disproportionately from these disadvantaged groups.



We have seen year-on-year increases in the proportion of our entrants declaring a disability or specific learning difficulty from less than 7% of entrants in the three years to 2014-15 to almost 10% projected for the three years to 2018-19. This has been made possible through the provision of comprehensive services for students with disabilities alongside targeted learning and financial support packages.

The continuation gap between young and mature students on full-time courses has narrowed significantly at Westminster in recent years. We are committed to doing the same on part-time courses, which will be achieved in part through the expansion of our degree apprenticeship programme, enabling mature entrants to earn while they study.

We have had some demonstrable success in improving the continuation rate of our care leavers in both absolute terms and relative to our other students. We are undertaking further work to design co-created innovative approaches to support these students and nurture their sense of belonging.

Over the last three years the number of our young entrants going into highly skilled positions within six months of graduating from Westminster increased by more than 8%. Significantly closing the gap between young and mature

entrants. We anticipate further success against this measure as we continue to embed work-based learning opportunities within all our undergraduate courses.

At Westminster there is almost no difference in continuation rates between white and Asian students. However, the comparison is less favourable for black students who are much less likely to continue at Westminster than any other ethnic group.

Most current data indicated there was a national difference of 23.1 percentage points between the proportion of white and black students getting a 1st or 2:1. The BAME attainment gap at Westminster is smaller but no less significant.

The BAME continuation and attainment gap is a sector-wide concern that has deservedly received greater recognition through national media coverage this year. At Westminster we are committed to closing these continuation and attainment gaps and are already working towards this goal. Our approach includes the development of courses with inclusive content and delivery; providing effective targeted bursaries and scholarships and working with BAME students to better understand their needs and tailoring services and support accordingly. We are also introducing a University key performance indicator to effectively measure BAME attainment gain.



SUSTAINABILITY AND SOCIAL RESPONSIBILITY

We are committed to being a sustainable and socially responsible university on a local, national and global scale; ensuring that robust sustainability practices are embedded into our decision-making processes and that we are actively contributing to society.

We have further developed our Sustainability and Social Responsibility work programmes over the last 12 months to cover a broad range of topics: sustainability and carbon initiatives, sustainable procurement, fair trade and supply chain issues; responsible investment; embedding social responsibility and sustainability in learning, teaching and research; diversity and inclusion; and community and public engagement.

As part of our commitment to ensuring that sustainable development is fully embraced by our students and colleagues, we are increasingly focusing on our need to respond to the global sustainability challenges we face around issues such as climate change, supply chain impacts, education, wellbeing, poverty, inequality and food and energy security.

We will be applying the 17 UN Sustainable Development Goals (SDGs)³ to our sustainability and social responsibility work programmes to recognise our impact on these global

issues and understand how we can better contribute to a more sustainable future.

Throughout 2019 and 2020, we will use the SDG framework as a mechanism to effectively report on progress and achievements around sustainability and social responsibility, while embedding these goals in our activities to enhance strategy and benefit students, colleagues and other stakeholders.

We have started to embed the SDGs in our activities, by running awareness campaigns and making our colleagues, students and stakeholders aware of the work we are already doing to work towards these global goals. Our Change for Good blog, which highlights all the work we have been doing under sustainability and social responsibility, has been viewed over 21,000 times by colleagues and students in the past year.

Over the coming year, we will broaden the impact of this work and develop an understanding of which of the SDGs we are able to impact the most. These SDGs will become key areas where we will focus our efforts, resulting in a clear action plan, goals and governance structure for sustainability and social responsibility at Westminster.

To achieve these goals, we will focus on empowering colleagues and students to get involved in achieving our objectives by embedding sustainability and social responsibility across all our University sites and in all the work we do. We will develop, support and promote activities and events relating to the SDGs, engaging our student body, colleagues and wider community to become active citizens for sustainability through initiatives that create change for good.

³The 17 SDGs were developed by the UN as a response to the global challenges we all face. The goals provide a blueprint against which organisations, governments, communities and individuals can work towards peace and prosperity for people and the planet.



AN ESTATE FOR THE FUTURE

Our estate is clearly a critical component in delivering Being Westminster: Our Strategy 2018-23. The estate will continue to reflect our heritage through our historic buildings and provide safety, comfort and inspiration. In doing so our estate will support our pioneering reputation and will be more efficient.

Our estates road map has been developed to support and enable Being Westminster. It articulates the approach and ambition for the estate and the importance of sustainability and high-quality design in supporting this. It identifies the key themes for the estate aligned to our strategic objectives and derived from the emerging College requirements and how we intend to progress these.

Following a much stronger engagement with the student planning cycle we are developing new and exciting spaces to support the academic development of courses focused on Fashion in Harrow and Bio Sciences in New Cavendish Street for 2019-20.

We have started the coordinated investment in the mechanical and electrical infrastructure across the whole estate with around £4 million being focused on the condition, life cycle replacement and sustainability in 2019. Working closely with the IT teams we are delivering a more focused programme investing in audio visual equipment and updating technology to support the student experience and academic engagement.

We continue with the development at Harrow through the One Public Estate programme and our strategic engagement with Brent Council and the NHS on areas of shared opportunity.

We are developing a programme for investment in the creation of a central location for our postgraduate students, the re-opening of a more integrated and exciting Soho Theatre in Little Titchfield Street, as well as continued thinking about the development of an integrated student hub.

We established a cross-cutting Timetabling Working Group to lead on the development of timetabling services, which have been identified as a significant area of opportunity to improve our student experience and increase utilisation of space.

We are investing in residential space at Harrow and Marylebone in 2019 and will develop a fully funded refurbishment plan for all existing residential space. These plans will reflect the changing needs of students providing improved welfare services, more technological advanced spaces that improve our student experience and support marketing opportunities for new students and commercial users.

We will move our Professional Services colleagues out of 101 New Cavendish Street during 2020; this will lead to a £3.9

BEING ME, BEING WESTMINSTER: OUR PEOPLE STRATEGY

We have developed and designed our People Strategy - Being Me, Being Westminster - to support and mirror Being Westminster: Our Strategy 2018-23 and the Professional Services Strategy 2018-23. In developing the Strategy, we consulted with our network groups and the trade unions and sought feedback from members of the University Executive Board (UEB) and the HR Committee. UEB members are accountable for the Strategy and will leverage resources as necessary for its implementation (e.g. investment in new priorities such as wellbeing and defining a role with responsibility for inclusion). The Strategy is well supported with our HR team coming second in the Exceptional HR Team of the Year category at the 2019 national Universities Human Resources awards.

We will also shortly be launching the award-winning Juice Offer and platform. Juice brings our health and wellbeing offer together into one place making access simple and builds upon the great services that we have already in place. Through Juice we will be running activities and events open to all colleagues across our sites, all year round. Juice will make booking places on these activities and events seamless. In addition to activities and events, colleagues will have access to Juice's Health Hub, an online depository for information and advice that is updated on a weekly basis, if not more often. The Health Hub uses the Five Ways to Wellbeing framework as a basis and is a proven model to enable everyone to feel good and function well. The Safety, Health and Wellbeing Committee will consider a draft Wellbeing Strategy in September/October 2019. We will also be rolling out our new Professional Development Planning policy and procedure in 2019-20.



million saving in costs in 2021-2022. We have now let 120 New Cavendish Street and plans are advancing on the redevelopment of our property at 29 Marylebone Road as a centre for digital innovation and enterprise.

OUR DIGITAL FUTURE

National surveys of digital capability show that Higher Education has not, as many commercial sectors have, effected significant, sustainable digital transformation to provide students with the teaching, support and administrative services that a modern society expects.

At Westminster we recognise the significance of digital tools and systems to the delivery of our future through the Being Westminster Strategy. Accordingly, we are developing a Digital Strategy that will impact ultimately on all aspects of our operations and involve all colleagues and students. This evolving strategy currently has three strands – Infrastructure, Capability and Processes (covering both academic and Professional Services activities). By enhancing the reliability and robustness of the IT infrastructure at Westminster alongside a programme to develop the digital skills of all staff through using a National Digital Capability development framework, we are creating solid foundations for sustainable change. The transformation envisaged will result in the best of technology practice being used in conjunction with the best of

face to face contact to make our student experience, in or out of the classroom, second to none.

In support of our Digital Strategy, we have continued to develop our core IT infrastructure. Specific new initiatives have included new laptops for staff, software virtualisation ('anything from anywhere'), core network and wifi improvements and digital collaboration environments. A key element to our future infrastructure will be the 'merging' of physical and virtual spaces. In the current year we will complete our first four active learning classrooms designed to mimic the workplace. These innovative learning spaces enable colleagues to make use of established digital enhanced teaching approaches and students to experience commonly used digital communication and collaboration approaches as they will when in employment. In addition, through combining Quintin Hogg Trust funding with core operational budgets, we will upgrade a further 100 classrooms across the estate to facilitate collaborative digital teaching and learning approaches within them. To complement the development of physical spaces, we have this summer changed to a new virtual learning environment that has enhanced workflows for colleagues and students. Critically, this is fully inclusive and accessible across all hardware mobile devices.

With respect to Digital Capability development we are engaging all our colleagues in the Joint Information System Committee's nationally recognised Digital Capability Development Programme. With a new, dedicated Digital Capability Support Team in place, several hundred colleagues from the Colleges and Professional Services are actively engaged in developing their personal digital skills.

PUBLIC AND PRIVATE BENEFIT

PUBLIC BENEFIT

The University of Westminster is a public benefit entity. Our strategic objectives are covered in detail on page 9 and our 2018-19 academic achievements are summarised on pages 7 and 8.

The University's Court of Governors is the institution's governing body. It meets at least five times a year and is ultimately responsible for the effective conduct of the activities of the University, including its strategic development, its educational character and mission and its financial health. The members of the Court are the trustees of the charity and directors of the company. In setting and reviewing the University's objectives and activities, the trustees have due regard to the Charity Commission's Public Benefit Guides; Public benefit: the public benefit requirement (PB1), Public benefit: running a charity (PB2) and Public benefit: reporting (PB3), published 2013 and updated 2014. In October 2019 the trustees noted the updated guidance from the Charity Commission on exempt charities.

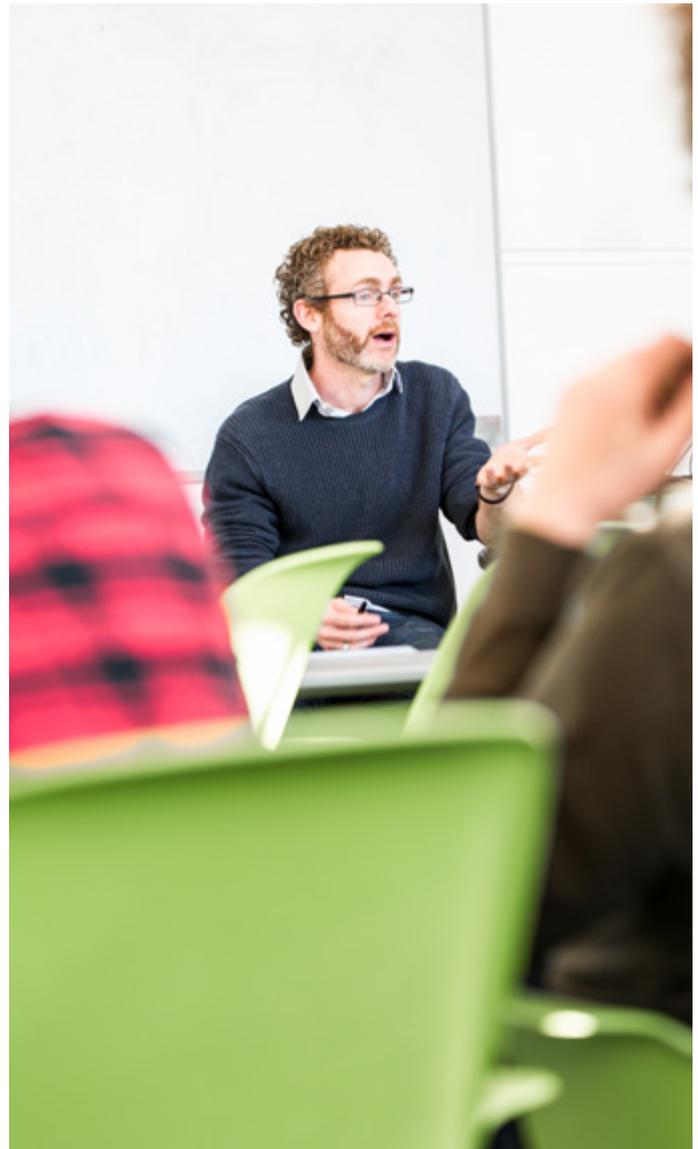
In accordance with the Charities Act 2011 the Office for Students (and previously HEFCE) is the responsible body for regulating universities as charities on behalf of the Charity Commission.

The objects for which the University is established are:

- To establish, carry on and conduct a university
- To advance learning and knowledge in all their aspects and to provide industrial, commercial, professional and scientific education and training
- To provide courses of education or technical study both full time and part time for students at all levels of and in all branches of education
- To provide opportunities and facilities for research of any kind, including the publication of results, papers, reports, treatises, theses or other material in connection with or arising out of such research
- To provide for the recreational, social and well-being needs of students of the University

The objects are recorded in the Articles of Association and reproduced in the Statement of Corporate Governance and Internal Controls.

The Charity's beneficiaries, as reflected in the objects, are the students enrolled at the University, undergraduate and



postgraduate, and the public at large who stand to benefit through our teaching and research.

PRIVATE BENEFIT

Commercially funded research and some types of knowledge exchange activity may generate the possibility of private benefit. Our trustees recognise that any private benefit must be incidental. The Research Committee is responsible through the University's management structure for the development and implementation of the University's Policy and Strategy on Research and Research degrees. In recognition of the need to integrate policy, strategy and monitoring of commercial and business activities an additional governance body was established in 2015 as a counterpart to the Research Committee. The Knowledge Exchange Committee reports to Academic Council and provides advice to the University on knowledge exchange matters and the progress of our Knowledge Exchange strategy. The Committee is also a forum for discussion, the development of policies and strategies, the setting and monitoring of activities and key performance indicators and upholds and disseminates successful and innovative practice in our knowledge exchange activities.

TRADE UNION ACTIVITY

The Trade Union (Facility Time Publication Requirements) Regulations 2017 require the University to publish information on trade union facility time annually.

The table of data for the reporting period 1 April 2018 to 31 March 2019 is as follows:

TABLE 1
Relevant Union Officials

Number of employees who were relevant union officials during the relevant period	30
Full-time equivalent employee number	28

TABLE 2
Percentage of time spent on facility time

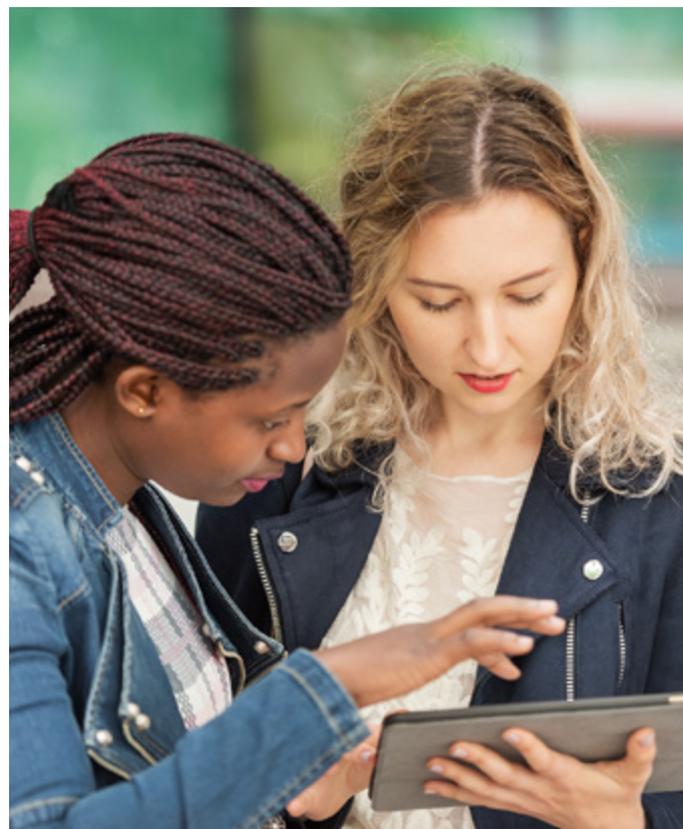
Percentage of time	Number of employees
0%	14
1 – 50%	16
51 – 99%	-
100%	-

TABLE 3
Percentage of pay bill spent on facility time

Percentage of pay bill spent on facility time	Figures £000's
Total Cost of Facility time	£63
Total pay bill	£82,011
Percentage of the total pay bill spent on facility time	0.08%

TABLE 4
Paid relevant trade union activities

Time spent on paid trade union activities* as a % of total paid facility time hours	2.8%
Time spent on paid trade union duties** as a % of total paid facility time hours	97.2%



FINANCIAL REVIEW

Our planned reorganisation completed in July 2018 and we started the financial year 2018-19 operating under the new College and Professional Services structures. We saw a positive start to the year with a strong performance in student recruitment while operating with a reduced cost base. This has returned us to a financially sustainable position and delivered an operating surplus of £17.3m before other gains and losses.

Generating a financial surplus remains essential if we are to maintain a continued focus on financial health and to facilitate the delivery of our 2023 strategy through ongoing investment in the quality of education and facilities that we provide. Strengthening our balance sheet and increasing cash reserves provides a solid financial platform to do this. We are pleased to report a net cash inflow from operating activities of £47.3m, 22% of income. Our cash position remains strong with a balance sheet total of cash deposits and short-term investments of £73.6m.

Capital investment has continued, £15.1m has been spent maintaining and enhancing our estate and IT infrastructure.

* Activities encompass such things as branch meetings, elections and conference attendance

** Duties encompass such things as casework, representation of employees

The key results for the five years ended 31 July 2019 are summarised as follows:

	FY14/15	FY15/16	FY16/17	FY17/18	FY18/19
	£m	£m	£m	£m	£m
Income	201.9	205.1	205.4	205.1	210.3
Expenditure	(179.3)	(193.0)	(204.9)	(196.8)	(193.0)
Operating surplus before exceptional items and other gains and losses	22.6	12.1	0.5	8.3	17.3
Capital expenditure	94.5	34.3	22.7	11.6	15.1
Borrowings	65.7	63.2	60.5	57.5	34.3
Net assets	201.0	173.4	190.1	224.1	260.3

INCOME

Total income of £210.3m was ahead of 2017-18 £205.1m.

Tuition Fees and Education contracts account for 77% of our total income. Full time Undergraduate students account for 73% of this income and in 2018-19 there was an increase in both home and EU and overseas students resulting in increased income of £3m to that received in the prior year. Postgraduate recruitment was mixed; a fall in home and EU full and part-time Postgraduate students was offset by an increase in full time overseas Postgraduates, resulting further income increase of £2m.

Returning stability to the University has allowed for an increased focus on research activity and income has increased from 2017-18 by £0.2m (5.1%). Our 2023 strategy has research as

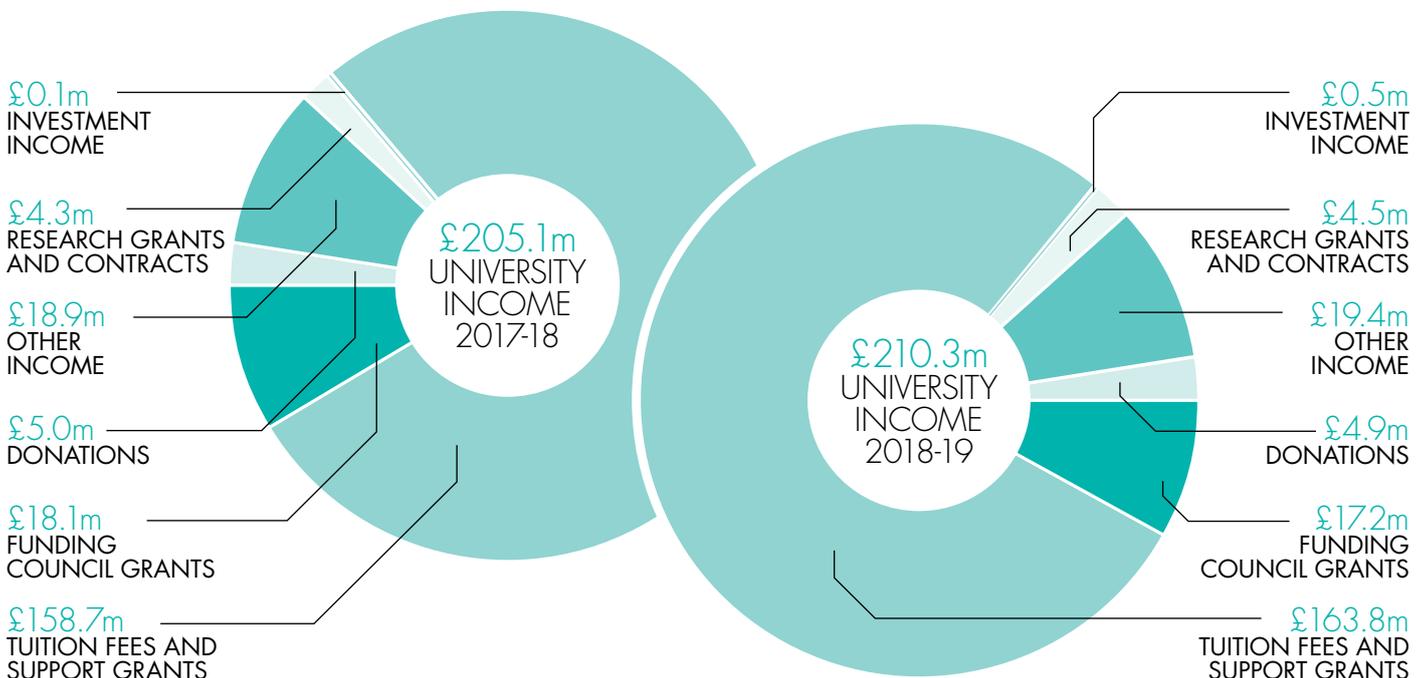
one of its four objectives with a goal to double research income by 2023.

Funding body grants contribute 8% of total income and as expected there was a further reduction in funding body grants in the year, down by £0.9m, a 5% reduction.

Other income from residences and other commercial activity has increased by 2.6%, an increase of £0.5m.

In the second half of the 2018-19 financial year there was surplus operating cash to invest. As a result, investment income increased by £0.4m to that achieved in 2017-18. Surplus cash continues to be invested in line with the Treasury Management Policy to maximise returns from investments that carry minimal risk.

A summary of where the University income is derived from is set out in the chart below:



OPERATING EXPENDITURE

Total expenditure reduced by £3.9m (2%) in 2018-19 to £193.0m. (2017-18 £196.9m) and a summary breakdown is provided in the chart below:



A key measure of salary spend in the sector is salary spend as a percentage of income. The university sector average is circa 52% and for 2018-19 the salary cost to income ratio is 51%.

Other operating costs have increased by £4.7m] (7.7%) from 2017-18. This increase has been mainly driven by additional spending across the estate improving College teaching spaces to enhance the student experience and unplanned in-year utility spend.

During the year £20m of surplus cash was used to repay the balance drawn down on the revolving credit facility and at the year-end borrowings had been reduced by £23.2m from £57.5m to £34.3m. The revolving credit facility of £40m remains in place but will cease in November 2020.

CAPITAL SPEND

No major capital projects were undertaken in the year however investment continues to maintain the estate with spend focused on enhancing the student experience. During the year £15.1m was spent on capital improvements to maintain our infrastructure. Funding was provided from internally generated cash flows. In September 2018 Wigram House student residence was sold for £30.3m realising a gain of £24.4m. The property had been

closed for several years and the sale was in line with the University residential strategy.

NET ASSETS

The balance sheet continues to show a strengthening position necessary to support the University strategic aims and to manage the University through a constantly changing political landscape.

After recognising other gains and losses arising from property sales, investment property market value movements and actuarial losses the total reported comprehensive income for the year is £36.2m. As a result, the University Group net asset position has increased to £260.3m (2017-18 £224.1m).

CASH FLOW AND LIQUIDITY

The net cash inflow from operating activities totalled £45.7m, compared to £28.0m the previous year. After accounting for net cash flows from investing activities and for finance and borrowing costs the year end cash deposits and short-term investments totalled £73.6m, an increase in cash deposits of £38.7m from the prior year.

The University continues to pursue a low-risk approach to managing investments and liquidity. In balancing risk against return, the University is more concerned to avoid risk than to maximise return. The Treasury Management Policy determines the limits in terms of the credit ratings of institutions used for investments and on the sums placed with any one provider. The Finance and Property Committee regularly review and approve the counter-party list.

The year finished with net current assets of £47.9m (2018 net current assets £13.0m). A key element of our finance strategy is to maintain a positive liquidity position - a key measure is to maintain a current liquidity ratio (a measure of current assets to current liabilities) above a minimum level of 2:1. At the financial year end this was 2.2:1 (2018 1.3:1)

No additional borrowings were required in the year and at the year-end the full £40m revolving credit facility remained available to be drawn down. This facility expires in November 2020.

RETIREMENT BENEFITS

The University Group recognises all pension liabilities in so much as they can be reliably quantified and attributed to the University and its subsidiaries. We participate in three multi-employer defined benefit pension schemes. The Teachers' Pension Scheme (TPS), to which most of our academic colleagues belong, is unfunded. The majority of Professional Services colleagues are members of the Local Government Pension Scheme (LGPS), which is administered by the London Pension Fund Authority (LPFA). There are also approximately 100 active members of staff in the Universities Superannuation Scheme (USS).

The University's share of the LGPS scheme assets and liabilities can be determined on a reasonable basis and, therefore, reported on the University's Balance Sheet. The actuarial estimate of the value of the net liability as at 31 July 2019 is a liability of £127.9m] (2018 £115.3m). Provision is also made in respect of the University's obligation to fund the USS deficit which at 31 July 2019 was £3.3m (2018 £1.3m).

The actuarial assumptions, which contributed to the increased deficit, was primarily in respect of the discount rate which has decreased from 2.7% to 2.1%. All other financial assumptions are largely in line with prior years.

The LGPS deficit is anticipated to fluctuate year on year given the deficit is estimated using the actuary's assumptions to value its liabilities, including the discount rate, inflation assumptions and future life expectancies. A further factor contributing to those changes is the schemes assets which are dependent on the performance of equity markets.

RISKS AND UNCERTAINTIES

We manage risk through the risk management process described in the Statement of Corporate Governance and Internal Controls.

As with any change environment we recognise the risks associated with the changing HE landscape and seek to control these risks through the University risk register.

Currently, we have identified 35 key risks that are being managed to deliver our strategic objectives and that are key to our long-term financial sustainability.

The principle risks and uncertainties that could directly impact on our financial sustainability are noted below:

Impact of Brexit

There remains ongoing uncertainty over the impact resulting from the UK leaving the European Union (EU) and the impact of this on our recruitment and retention of both colleagues and students from the EU as well as its wider impact on research and innovation.

For EU students the Government has committed to allowing access under the existing EU student fee and funding system for 2019-20 and 2020-21. Continuing funding in respect of a 'no deal' scenario for the Erasmus scheme is less certain, although the Government have committed to underwrite the programme until the end of 2020.

For EU colleagues the EU settlement scheme will continue to be implemented in the event of a no deal. We have established a support programme and engaged legal advisors to inform and support colleagues regarding their rights and options.

Post-18 Funding Review and Tuition fee level

On 30 May 2019 the Government published the report from the Augar Review of post-18 education and funding. The recommendations contained in the report, if implemented, would make a significant impact on our financial sustainability, in particular the proposals to reduce tuition fees to £7,500 and barring universities from offering foundation years of study as a pathway to higher education.

We aim to mitigate against both these risks through sound financial and strategic planning and through playing an influential role in engaging with policy makers to actively shape policy and agenda-setting.

Failure to achieve student recruitment targets

Tuition fees are a substantial proportion of our total income and are dependent on delivering annually successful recruitment and retention initiatives. We mitigate this risk through a continuous review and refresh of our course portfolio together with a strategic focus designed to improve the student experience.

Financing pension costs

We have members in the LGPS, TPS and USS pension schemes, all of which continue to put an increasing cost pressure on our finances as we respond to the continuing increases in employer contributions because of revised funding requirements.

While we operate effective cost control measures in the management of our operations, pension costs and

contributions are not within our direct control. The LGPS pension deficit is the significant pension liability balance reported in our balance sheet and, with the 2019 valuation about to commence, we will have the opportunity to engage with the Trustees and actuaries to influence the Fund's investment strategy.

OUTLOOK

The socio-political world within which we work is constantly changing bringing challenges and opportunities from the outcome of the Augar Post-18 Funding review and Brexit to the demographic uplift, where we will be seeing more university age students from 2020. Our 2023 strategy, Being Westminster, recognises the need to build a robust but agile university that can respond to the opportunities and challenges that face us now, and in the future, and one that will contribute to the future needs of society.

The political and funding environment for higher education is no longer static and stable and is increasingly linked to league table performance. To be successful in that environment we will become a financially stable institution, attractive to students and with a range of income streams.

We are well positioned to deliver on some of our most pressing societal and external needs: an older population; the needs of the young (a group that will start to grow again from 2020); a growing awareness that mental health matters and of the effects of stress; digital and virtual learning; and international recruitment and expansion.

The necessary investment in our physical and virtual infrastructure depends on the strength of our balance sheet and operating cash surpluses. We will be a forward-looking, digitally focused university that can adapt its delivery at pace with technological developments.

STRATEGIC REPORT

The strategic report included within this Operating and Financial Review has been approved by the Court of Governors.



Ms Diane Yeo
Interim Chair of the Court of Governors
27 November 2019





OUR PURPOSE, MISSION AND VALUES



OUR PURPOSE

We provide grounded, holistic education with wide horizons and opportunities so that people from every background can realise their true potential, contributing to a richer, happier society.

OUR MISSION

To help students from different backgrounds fulfil their potential.

OUR VALUES

Progressive: We look forward, anticipate what's changing and embrace the new with energy and imagination.

Compassionate: We are thoughtful and sensitive, supportive and encouraging, making time to talk, especially when the pressure is on. As a University community we are inclusive and united, careful to consider what enables each and every one of us to play our part.

Responsible: Individually and collectively, we take responsibility for our actions, work to the highest ethical standards and help each other always to do the right thing.

GENERAL INFORMATION

Chancellor

Lady Frances Sorrell

Chair of the Court of Governors and Pro-Chancellor

Ms Diane Yeo (Interim from 24 October 2018)

Vice-Chancellor and President

Dr Peter Bonfield

Company Secretary

Mr John Cappock

University Secretary and Chief Operating Officer

Mr John Cappock

Director of Finance

Mr Ian Wilmot

Auditors

KPMG LLP, 15 Canada Square, Canary Wharf, London E14 5GL

Bankers

National Westminster Bank plc
Lloyds TSB Bank plc
Santander UK plc
Bank of Scotland plc

Solicitors

Mills & Reeve LLP
Eversheds LLP
Farrer & Co LLP
Dehns LLP

Registered Office

309 Regent Street, London W1B 2HW

Registered Number

977818 England and Wales

Status and objects

The University of Westminster is incorporated under the Companies Act as a Company Limited by Guarantee and not having a share capital.

The University is also an exempt charity in accordance with the Charities Act 2011 as amended. In accordance with the Charities Act 2011 the Office for Students is the responsible body for regulating universities as charities on behalf of the Charity Commission.

The Privy Council approved the University's new Articles of Association in September 2017. The objects for which the University is established are set out in its Articles as:

- A. To establish, carry on and conduct a university.
- B. To advance learning and knowledge in all their aspects and to provide industrial, commercial, professional and scientific education and training.
- C. To provide opportunities for learning and courses of education or technical study both full time and part time for students at all levels of and in all branches of education.
- D. To provide opportunities and facilities for research of any kind including the publication of results, papers, reports, treatises, theses or other material in connection with or arising out of such research.
- E. To provide for the recreational, social and well-being needs of students of the University.

HE Code of Governance

The Court of Governors has formally adopted the HE Code of Governance (revised June 2018) and is committed to the values expressed in the Code. Governors apply the seven primary elements of governance written into the Code in the execution of their responsibilities as governors, directors and trustees. We introduce new governors and independent (non-governor) committee members to the primary elements of the Code during the induction process⁴. The Court considers the University's submissions under the Office for Students'⁵ Prevent duty monitoring framework and reviews annually our Code of Practice on Freedom of Speech^{6&7}.

Public benefit

The members of the Court of Governors are the trustees of the Charity. In setting and reviewing the University's objectives and activities, the trustees have due regard to the Charity Commission's Public Benefit Guides; Public benefit: the public benefit requirement (PB1), Public benefit: running a charity (PB2), and Public benefit: reporting (PB3), published 2013 and updated 2014⁴.

The Charity's beneficiaries, as reflected in the objects, are the students enrolled at the University and the public at large who stand to benefit through the teaching and research undertaken at the University of Westminster.

The University's charity gateway page is [westminster.ac.uk/about-us/our-university/corporate-information/charitable-status](https://www.westminster.ac.uk/about-us/our-university/corporate-information/charitable-status)⁶

⁴ HE Code Primary Element 7 – good practice in governance

⁵ Throughout this report references to documents from the OfS can be taken to include the preceding framework, guidance etc from the Higher Education Funding Council for England, where relevant.

⁶ HE Code Primary Element 2 - adherence to legislative and regulatory requirements

⁷ HE Code Primary Element 4 – academic governance

CORPORATE GOVERNANCE AND INTERNAL CONTROLS

The Court of Governors

The Governors are also directors of the University in its status as a company and trustees of the University in its status as a charity. In line with the HE Code of Governance, the Court is “unambiguously

and collectively accountable for institutional activities, taking all final decisions on matters of fundamental concern within its remit⁸. The Governors of the University during the year ended 31 July 2019 are listed below.

	Appointed (A) or reappointed (R)	Retired or resigned	Committee membership
Mr S Hart MBE Chair		8 October 2018	Nominations, Remuneration
Ms D Yeo Interim Chair (Deputy Chair)	24 October 2018 (A) ⁹		Nominations, (Remuneration as Interim Chair)
Mr D Cheeseman Deputy Chair			Finance and Property (F&P), Remuneration
Mr I Alzaid	1 July 2019 (A)		Academic Council
Mr J Bairamian	1 April 2019 (A)		
Mr R Barnes			F&P
Mr J Begg		31 July 2019	Academic Council, Nominations
Ms C Bernard			HR
Dr P Bonfield			Academic Council, F&P, Nominations, Professors and Readers Awarding
Mr N Catterall	4 October 2018 (A)		
Mr G Davies			
Dame K Dunnell	27 November 2018 (R)		Audit, Nominations, Remuneration
The Hon Dame M Hogg	31 March 2019 (R)		
Professor A Hughes	4 October 2018 (A)		
Ms V James			HR
Professor G Megson (Provost/Acting Vice-Chancellor)		14 August 2018	Academic Council, HR (F&P, Nominations, Professors and Readers Awarding as Acting VC)
Professor G Meikle	1 August 2019 (A)		Academic Council
Mr G Morley			F&P
Mr P Murphy			F&P, HR, Remuneration
Miss L Naseem		30 June 2019	Academic Council
Ms H Owen			F&P, HR
Ms L Phillips	1 September 2018 (A)		
Professor F Ross	1 April 2019 (A)		
Mr M Smith			Audit
The Ven Canon D Stanton			F&P
Ms C Valeur		30 September 2018	Audit, HR
Ms P Wales			F&P
Ms M X Wang	1 April 2019 (A)		
Mr J Wates		26 November 2018	F&P
Mr S Wylie	1 September 2018 (A)		
Ms N Zaremba		30 September 2018	Audit

⁸ HE Code Primary Element 1 – collective accountability

⁹ Appointed as Interim Chair 24 October 2018

The Court of Governors, which meets formally at least five times a year, comprises 19 independent (non-executive) governors (one current vacancy), three co-opted (staff) governors, one co-opted (student) governor, and two ex-officio governors (the Vice-Chancellor and the Provost)⁴. The co-opted (staff) governors are nominated through an election process by the Academic Council, academic colleagues, and Professional Services colleagues. There is a clear separation of the roles of the non-executive Chair and the Chief Executive (the Vice-Chancellor)⁴.

The Court approves the University's long-term objectives and strategies and provides overall financial and organisational control⁸. It delegates responsibility for operations to the Vice-Chancellor who, supported by the University Executive Board, implements the Court's policy and develops and manages the University's business to meet its financial objectives and standards of quality and services in education and research¹⁰.

Further information about the Court including meeting minutes, member biographies, the appointment process, terms of office for governors, committee responsibilities and membership, and outcomes of effectiveness reviews⁴ are published on our website: westminster.ac.uk/governance.

Statutory committees of the Court⁴

The Academic Council⁷ meets up to five times a year. During the period it comprised 18 members of University staff (including the Vice-Chancellor as Chair), the President of the University of Westminster Students' Union (UWSU) and two currently registered students¹¹. The Council is the supreme academic deliberative and decision-making body responsible for strategic oversight of all academic provision and considers a broad range of issues that relate directly to our academic direction and focus. The Council approves policies for the support of students, codes of behaviour, disciplinary and appeals procedures and has responsibility for oversight of our academic collaborations and partnerships¹².

The Audit Committee^{6 & 10} meets up to five times a year. During the period it comprised up to three independent governors¹³, including the Chair Mr M Smith¹⁴, plus one independent (non-governor) member (Ms A Foster¹⁵). The Committee reviews the work of our external and internal auditors and reviews our annual financial statements and accounting policies through a joint meeting with the Finance and Property Committee. The Committee considers detailed reports on risk management, control, governance and value for money. The Committee meets the external and internal auditors on their own for independent

discussion. There is no cross-representation between this Committee and the Finance and Property Committee.

The Nominations Committee⁴ meets three times a year and comprises four independent governors, including the Interim Chair Ms D Yeo¹⁶, plus the Vice-Chancellor and the Academic Council nominee on the Court (Mr J Begg). The Committee makes recommendations on the appointment of new governors in accordance with procedures devised by the Committee and approved by the Court and will lead the search for the new Chair to the Court. It is also responsible for the procedures for nominating individuals for honorary awards of the University and, when required, leads the process of search and appointment of the 'holders of senior posts' and the Chancellor. The Committee continues to be active, through its recommendations to the Court, in ensuring that there is engagement and a good spread of skills amongst the independent membership of the Court, in reviewing the membership of committees, and in considering equality and diversity in the membership and in those appointed as the 'holders of senior posts'¹⁷.

The Remuneration Committee¹⁰ meets twice a year. It comprises four independent governors, including the Chair Mr D Cheeseman, the (Interim) Chair of the Court and one independent (non-governor) committee member (Mr M Appleton¹⁸). The Committee reviews the salaries, terms and conditions of employment and schemes of remuneration for UEB members¹⁹. The Committee also devises and implements appropriate measures and procedures whereby the Vice-Chancellor's performance may be assessed and agrees with the Vice-Chancellor such measures and procedures for the other UEB members.

A Finance and Property Committee (Chair – Mr G Morley, up to six meetings per year), HR Committee (Chair – Mr P Murphy, three meetings per year) and Professors and Readers Awarding Committee (Chair – Professor R Dannreuther²⁰, four meetings per year) complete the governance structure reporting to the Court.

Management

The Vice-Chancellor is supported by the University Executive Board, which he chairs. UEB is our senior management committee and its primary focus is to consider, approve and monitor the effectiveness of our strategic objectives and operations. The Vice-Chancellor is joined on UEB by the Deputy Vice-Chancellor (Education), the Deputy Vice-Chancellor (Employability and Global Engagement), the University Secretary and Chief Operating Officer and the three Pro Vice-Chancellors and Heads of College.

¹⁰ HE Code Primary Element 3 – institutional sustainability

¹¹ The Court approved revised membership with effect from 1 August 2018 to reflect new structures

¹² HE Code Primary Element 5 – effective control and due diligence for significant external activities

¹³ The Committee has one vacant position for an independent member

¹⁴ Mr Smith was appointed Interim Chair from 1 October 2018 and Chair from 1 April 2019 (replacing Ms Valeur)

¹⁵ Appointed 1 April 2019

¹⁶ Ms Yeo became Interim Chair with effect from 24 October 2018 (replacing Mr Hart)

¹⁷ HE Code Primary Element 6 – equality and diversity

Colleague participation

Our committee structure ensures that colleagues participate in our decision-making processes. Senior leaders hold regular formal and informal meetings with both recognised Trade Unions. The Vice-Chancellor communicates to colleagues about University business and his activities through a regular email blog and through news items and on our intranet (including a weekly email digest of news items – ‘Westminster Weekly’). He also briefs and consults with colleagues on the University’s performance and plans through participation in events, meetings, discussions with colleague networks (e.g. our BME, LGBTIQ and Women’s Networks) and through his daily interactions.

Student participation

In the execution of their responsibilities, governors are mindful that the needs and interests of students are paramount. As such, governors ensure students’ needs and interests are adequately reflected in the strategic plan, when considering issues of institutional sustainability and in our committee structure.

Our Student Experience Committee (a sub-committee of Academic Council) is jointly chaired by the UWSU President and the Deputy Vice-Chancellor (Education) and 50% of the membership are students or UWSU officers. The Committee’s primary focus is to promote student engagement and sense of community and to review, monitor and enhance student satisfaction and all aspects of our student experience. Regular reports on student focussed activities and projects, such as the Green Dot programme to tackle sexual harassment and domestic violence, are presented to and discussed at the Committee.

In June 2019, Academic Council approved recommendations for further enhancements to the revised student representation arrangements implemented in September 2018. The recommendations responded to feedback from a survey of students, Course Representatives and Course Leaders. The arrangements continue to adhere to a set of principles that consider the expectation and the core and common practices in the UK Quality Code and the OfS Regulatory Framework where it deals with student engagement.

Our Student Charter, produced jointly by the University and UWSU, sets out expectations for a successful and effective partnership between students and staff, and a culture of respect and opportunity for all. In June 2019 the Court approved revised UWSU Articles of Association and the Interim Charter to the Court and the UWSU President signed a new Memorandum of Understanding and Code of Practice. The Court receives the UWSU annual report and financial statements and approves the annual UWSU budget. The Court meets with the new sabbatical team at the beginning of each year to discuss their priorities for the coming year.

Equality, diversity and inclusion¹⁷

We are committed to supporting diversity and equal opportunities in our dealings with job applicants, students, staff and the public. Our Diversity and Dignity at Work and Study Policy seeks to ensure that all members of our community and job applicants are treated solely based on their merits, abilities and potential without any unjustified discrimination. In accordance with diversity legislation and best practice, we have a supportive Gender Equality Scheme in place, as well as a strong commitment to equal pay for work of equal value, and family-friendly/work-life balance policies.

The Court routinely reflects on its own composition and, with consideration of the expectations of the HE Code of Governance, monitors equality and diversity of its own membership. The Court maintained the gender balance of its membership during the period; at 31 July 2019 46% of the Court membership, including 56% of independent governors, were women (45% of the membership and 53% of independents at 31 July 2018). The Court recognises there is further work to do to improve diversity across a broader range of characteristics. We are identifying ways in which we can achieve this, and equality and diversity was an area of focus for the 2018-19 effectiveness review.

All relevant HR policies are kept under review to ensure compliance with the single public sector equality duty as required by the Equality Act 2010. Our Staff Equality, Diversity and Inclusion Annual Report and Gender Pay Gap Report and supporting statement are **published on the University website**.

Risk management and systems of control^{10 & 12}

Being Westminster: Our Strategy 2019-23 is supported by a risk register that is updated throughout the year and reviewed in full every year by the University Executive Board, the Audit Committee and the Court of Governors. Operational risk registers covering the three Colleges and Professional Services are also in place.

Our risk management policy defines risk as the possibility that an action or event will adversely or beneficially affect our ability to achieve a planned objective and effective risk management is therefore regarded as a critically important part of our work. The risks identified cover business, financial, operational, reputational, and compliance issues.

The Audit Committee has responsibility for advising the Court on the adequacy and effectiveness of the University’s Risk Management Policy and procedures, and approves changes where necessary, on behalf of the Court. UEB has ultimate responsibility for risk management and identifies, evaluates and reports on University level risks associated with the achievement of corporate objectives. Individual members of UEB are assigned responsibility for areas of risk on the University Risk Register and

¹⁸ Appointed 1 April 2019

¹⁹ The Court expanded the remit of the Committee from the ‘holders of senior posts’ to all members of UEB with effect from 6 June 2019.

²⁰ Professor Dannreuther replaced Professor G Megson as Chair with effect from 1 August 2018

are responsible for identifying and holding to account individuals who are tasked with implementing mitigations relating to those areas of risk. The Risk Management Policy requires an annual report to be made to the Court of Governors on risk management. The Policy, which is approved and reviewed from time to time by the Audit Committee on behalf of the Court, clearly states the Court's responsibilities for determining the appropriate risk appetite or level of exposure for the institution and satisfying itself that appropriate mitigations are in place and working effectively.

This risk management process has been applied throughout the year under review and up to the date of approval of the annual report and accounts.

Our approach to internal control is risk based and in line with this and the OfS Audit Code of Practice, the programme of internal audit work during the year has focused on our most significant risk areas. The Court appointed TIAA to provide internal audit services to the University from 1 August 2018. The Audit Committee approves the strategic internal audit plan and receives internal audit reports from TIAA at its regular meetings during the year. Where appropriate, individual audit reports are considered by UEB and/or referred to committees for information. Governors have access to all internal audit reports via an online 'Reading Room'. The internal auditors provide an annual report, which includes an opinion on internal control and risk.

These arrangements provide an ongoing process for identifying, evaluating and managing the significant risks faced by the University. The system is designed to manage, rather than eliminate, the risk of failure to achieve business objectives and can only provide a reasonable and not absolute assurance against material misstatement or loss.

The overall assurance opinion provided by the internal auditors for the year confirmed that, for the areas reviewed during the year, the University has reasonable and effective risk management, control and governance processes in place. There were three limited assurance opinions provided during the year, relating to: GDPR Compliance Audit, Communication and Marketing and ICT Continuity Plans. The University received reasonable or substantial assurance for the reviews undertaken across core assurance areas, including core financial systems and risk management. The areas for which limited assurance was provided were areas identified by management as benefiting from additional support to help improve their effectiveness. The recommendations from the Risk Management review had been implemented by the end of the financial year and action plans have been developed to implement the recommendations of the remaining reviews in agreed timescales; the internal auditors will report on completion to the University Executive Board and the Audit Committee.

There were no significant internal control weaknesses identified by the internal or external auditors during their programme of work in 2018-19.

Governors' responsibilities

The Court of Governors are responsible for preparing the strategic report and the financial statements in accordance with the requirements of the OfS Terms and Conditions of Funding for Higher Education Institutions, Research England's Terms and Conditions of Research England Grant and applicable law and regulations.

Company law requires the directors to prepare financial statements for each financial year. Under that law they have elected to prepare the group and parent University financial statements in accordance with UK accounting standards and applicable law (UK Generally Accepted Accounting Practice), including FRS 102 *The Financial Reporting Standard applicable in the UK and Republic of Ireland*. The terms and conditions of funding further require the financial statements to be prepared in accordance with the 2015 Statement of Recommended Practice – Accounting for Further and Higher Education, in accordance with the requirements of the Accounts Direction issued by the OfS.

Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the group and parent University and of their income and expenditure, gains and losses and changes in reserves for that period. In preparing each of the group and parent University financial statements, the directors are required to:

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

The Court of Governors is responsible for keeping adequate accounting records that are sufficient to show and explain the parent University's transactions and disclose with reasonable accuracy at any time the financial position of the parent University and enable them to ensure that its financial statements comply with the Companies Act 2006. They are responsible for such internal control as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error, and have general responsibility for taking such steps as are reasonably open to them to safeguard the assets of the group and to prevent and detect fraud and other irregularities.

The Court of Governors are also responsible for ensuring that:

- funds from whatever source administered by the Group or the University for specific purposes have been properly applied to those purposes and managed in accordance with relevant legislation;
- funds provided by the Office for Students and Research

England have been applied in accordance with the terms and conditions attached to them;

- ensuring that there are appropriate financial and management controls in place to safeguard public funds and funds from other sources; and
- securing the economical, efficient and effective management of the University's resources and expenditure.

The Court of Governors are responsible for the maintenance and integrity of the corporate and financial information included on the University's website. Legislation in the UK governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

The governors who held office at the date of approval of the accounts confirm that, so far as they are each aware, there is no relevant audit information of which the Company's auditors are unaware; and each governor has taken all the steps that s/he ought to have taken as a governor to make him/herself aware of any relevant audit information and to establish that the Company's auditors are aware of that information.

None of the governors had an interest in any contract which subsisted during the period of this report, other than those who are full-time members of staff and those associated with the transactions disclosed in note 8 (staff costs) to the accounts. The Clerk to the Court maintains a register of interests and governors are required to declare any conflict of interests at the start of each Court and committee meeting they attend.

The Court of Governors, in compliance with the Health and Safety at Work etc Act 1974, recognises and accepts the responsibility as far as reasonably practicable as an employer to provide a safe and healthy workplace for all its employees. It also accepts the responsibility as far as reasonably practicable to conduct its undertaking in such a way as to ensure that persons not in the University's employ - that is, students, visitors and members of the public - are not exposed to risks to their health, safety or welfare.

The University holds Professional Indemnity and Officers' Liability insurance, which provide indemnity to governors and officers of the University, in their personal capacity, against damages and legal costs and expenses arising from claims made against them by reason of wrongful acts committed by them in the course of their official duties.

A resolution to reappoint KPMG LLP as auditors for the reporting cycle for the year ending 31 July 2020 was approved at the Annual General Meeting in November 2019.

Approved by the Court of Governors and signed on behalf of the Court



Ms Diane Yeo
Interim Chair of the Court of Governors
27 November 2019

INDEPENDENT AUDITOR'S REPORT TO THE COURT OF GOVERNORS OF THE UNIVERSITY OF WESTMINSTER

REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS

Opinion

We have audited the financial statements of the University of Westminster ("the University") for the year ended 31 July 2019 which comprise the Group and University Statement of Comprehensive Income and Expenditure, Group Statement of Changes in Reserves, Group and University Balance Sheet and Group cash flow statement and related notes, including the accounting policies in note 1.

In our opinion the financial statements:

- give a true and fair view of the state of the Group's and the University's affairs as at 31 July 2019, and of the Group's and the University's income and expenditure, gains and losses and changes in reserves, and of the Group's cash flows, for the year then ended;
- have been properly prepared in accordance with UK accounting standards, including FRS 102 *The Financial Reporting Standard applicable in the UK and Republic of Ireland*, and with the 2015 *Statement of Recommended Practice – Accounting for Further and Higher Education*;
- meet the requirements of the Accounts Direction dated 19 June 2018 issued by the Office for Students, other than where the University has applied the allowance to early adopt the requirements of paragraph 12(d) of the Accounts Direction for periods beginning on or after 1 August 2019 as published on 25 October 2019; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) ("ISAs (UK)") and applicable law. Our responsibilities are described below. We have fulfilled our ethical responsibilities under, and are independent of the group in accordance with, UK ethical requirements including the FRC Ethical Standard. We believe that the audit evidence we have obtained is a sufficient and appropriate basis for our opinion.

The impact of uncertainties due to the UK exiting the European Union on our audit

Uncertainties related to the effects of Brexit are relevant to understanding our audit of the financial statements. All audits assess and challenge the reasonableness of estimates made by the Court of Governors, and related disclosures and the

appropriateness of the going concern basis of preparation of the financial statements. All of these depend on assessments of the future economic environment and the Group's future prospects and performance.

Brexit is one of the most significant economic events for the UK, and at the date of this report its effects are subject to unprecedented levels of uncertainty of outcomes, with the full range of possible effects unknown. We applied a standardised firm-wide approach in response to that uncertainty when assessing the Group's future prospects and performance. However, no audit should be expected to predict the unknowable factors or all possible future implications for the Group and this is particularly the case in relation to Brexit.

Going concern

The Court of Governors have prepared the financial statements on the going concern basis as they do not intend to liquidate the University or to cease its operations, and as they have concluded that the University's financial position means that this is realistic. They have also concluded that there are no material uncertainties that could have cast significant doubt over its ability to continue as a going concern for at least a year from the date of approval of the financial statements ("the going concern period").

We are required to report to you if we have concluded that the use of the going concern basis of accounting is inappropriate or there is an undisclosed material uncertainty that may cast significant doubt over the use of that basis for a period of at least a year from the date of approval of the financial statements. In our evaluation of the Court of Governors' conclusions, we considered the inherent risks to the University's business model, including the impact of Brexit, and analysed how those risks might affect the University's financial resources or ability to continue operations over the going concern period. We have nothing to report in these respects.

However, as we cannot predict all future events or conditions and as subsequent events may result in outcomes that are inconsistent with judgements that were reasonable at the time they were made, the absence of reference to a material uncertainty in this auditor's report is not a guarantee that the University will continue in operation.

Other information

The Court of Governors is responsible for the other information, which comprises the Strategic Report and the Statement of Corporate Governance and Internal Controls. Our opinion on the financial statements does not cover the other information and,

accordingly, we do not express an audit opinion or, except as explicitly stated below, any form of assurance conclusion thereon.

Our responsibility is to read the other information and, in doing so, consider whether, based on our financial statements audit work, the information therein is materially misstated or inconsistent with the financial statements or our audit knowledge.

Based solely on that work:

- we have not identified material misstatements in the other information;
- in our opinion the information given in Strategic Report and the Statement of Corporate Governance and Internal Controls, which together constitute the strategic report and the directors' report for the financial year, is consistent with the financial statements; and
- in our opinion those reports have been prepared in accordance with the Companies Act 2006.

Matters on which we are required to report by exception Under the Companies Act 2006, we are required to report to you if, in our opinion:

- adequate accounting records have not been kept by the parent University, or returns adequate for our audit have not been received from branches not visited by us; or
- the parent University's financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

We have nothing to report in these respects.

Court of Governors responsibilities

As explained more fully in their statement set out on page 32, the Court of Governors (who are the Directors of the University company for the purposes of company law) is responsible for: the preparation of the financial statements and for being satisfied that they give a true and fair view; such internal control as it determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error; assessing the group and parent 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 it either intends to liquidate the group or the parent University or to cease operations, or has no realistic alternative but to do so.

Auditor's responsibilities

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 our opinion in an auditor's report. Reasonable assurance is a high level of assurance, but does not 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 aggregate, they could reasonably be

expected to influence the economic decisions of users taken on the basis of the financial statements.

A fuller description of our responsibilities is provided on the FRC's website at frc.org.uk/auditorsresponsibilities.

REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS

We are required to report on the following matters under the Office for Students and Research England Audit Codes of Practice issued under the Further and Higher Education Act 1992.

In our opinion, in all material respects:

- funds from whatever source administered by the Group or the University for specific purposes have been properly applied to those purposes and managed in accordance with relevant legislation;
- income has been applied in accordance with the University's articles of government;
- funds provided by the Office for Students and Research England have been applied in accordance with the terms and conditions attached to them.

THE PURPOSE OF OUR AUDIT WORK AND TO WHOM WE OWE OUR RESPONSIBILITIES

This report is made solely to the Court of Governors, in accordance with Chapter 3 of Part 16 of the Companies Act 2006 and paragraph 13(2) of the University's Articles of Government and section 124B of the Education Reform Act 1988. Our audit work has been undertaken so that we might state to the Court of 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 Court of Governors for our audit work, for this report, or for the opinions we have formed.



Fleur Nieboer (Senior Statutory Auditor)
for and on behalf of **KPMG LLP, Statutory Auditor**

Chartered Accountants

15 Canada Square, Canary Wharf, London, E14 5GL
28 November 2019

UNIVERSITY OF WESTMINSTER CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME AND EXPENDITURE

FOR THE YEAR ENDED 31 JULY 2019

	Notes	Year Ended 31 July 2019 Consolidated £'000	Year Ended 31 July 2019 University £'000	Year Ended 31 July 2018 Consolidated £'000	Year Ended 31 July 2018 University £'000
Income					
Tuition fees and education contracts	2	163,788	163,788	158,734	158,734
Funding body grants	3	17,215	17,215	18,093	18,093
Research grants and contracts	4	4,538	3,921	4,318	3,435
Other income	5	19,361	17,813	18,871	17,996
Investment income	6	516	631	108	233
Total income before endowments and donations		205,418	203,368	200,124	198,491
Donations and endowments	7	4,903	4,889	5,004	4,932
Total income		210,321	208,257	205,128	203,423
Expenditure					
Staff costs	8	107,702	106,936	114,132	113,474
Other operating expenses	10	65,188	66,726	60,504	60,516
Depreciation	13	14,831	14,564	16,066	15,799
Interest and other finance costs	9	5,266	5,266	6,148	6,148
Total expenditure		192,987	193,492	196,850	195,937
Surplus before other gains and losses		17,334	14,765	8,278	7,486
Profit on disposal of fixed assets		25,958	25,958	-	-
Exceptional items	11	-	-	(3,792)	(3,792)
(Loss) / gain on financial investments	14	(23)	(71)	250	222
Unrealised (loss) on revaluation of investment property	14	(2,912)	(2,912)	(1,116)	(1,116)
Surplus before tax		40,357	37,740	3,620	2,800
Taxation	12	-	-	-	-
Surplus for the year		40,357	37,740	3,620	2,800
Actuarial (loss)/gain in respect of pension schemes	26	(4,120)	(4,120)	30,366	30,366
Total comprehensive income for the year		36,237	33,620	33,986	33,166
Represented by:					
Endowment comprehensive income/(expenditure) for the year		62	3	33	(19)
Revaluation reserve comprehensive gain/(loss) for the year		2,574	2,574	(510)	(510)
Unrestricted comprehensive income for the year		33,601	31,043	34,463	33,695
		36,237	33,620	33,986	33,166

All items of income and expenditure relate to continuing activities.

UNIVERSITY OF WESTMINSTER CONSOLIDATED STATEMENT OF CHANGES IN RESERVES

YEAR ENDED 31 JULY 2019

Consolidated

	Income and Expenditure Account		Revaluation Reserve	Total Reserve
	Endowment	Unrestricted		
	£'000	£'000	£'000	£'000
Balance at 1 August 2017	1,132	74,130	114,807	190,069
Surplus from the income and expenditure statement	33	3,587	-	3,620
Other comprehensive income	-	30,366	-	30,366
Transfers between revaluation and income and expenditure reserve	-	510	(510)	-
Total comprehensive income for the year	33	34,463	(510)	33,986
Balance at 31 July 2018	1,165	108,593	114,297	224,055
Surplus from the income and expenditure statement	62	40,295	-	40,357
Other comprehensive expenditure (note 26)	-	(4,120)	-	(4,120)
Transfers between revaluation and income and expenditure reserves	-	(2,574)	2,574	-
Total comprehensive income for the year	62	33,601	2,574	36,237
Balance at 31 July 2019	1,227	142,194	116,871	260,292

University

	Income and Expenditure Account		Revaluation Reserve	Total Reserve
	Endowment	Unrestricted		
	£'000	£'000	£'000	£'000
Balance at 1 August 2017	366	74,151	114,807	189,324
Surplus/(deficit) from the income and expenditure statement	(19)	2,819	-	2,800
Other comprehensive income	-	30,366	-	30,366
Transfers between revaluation and income and expenditure reserve	-	510	(510)	-
Total comprehensive income for the year	(19)	33,695	(510)	33,166
Balance at 31 July 2018	347	107,846	114,297	222,490
Surplus from the income and expenditure statement	3	37,737	-	37,740
Other comprehensive expenditure (note 26)	-	(4,120)	-	(4,120)
Transfers between revaluation and income and expenditure reserves	-	(2,574)	2,574	-
Total comprehensive income for the year	3	31,043	2,574	33,620
Balance at 31 July 2019	350	138,889	116,871	256,110

The accompanying notes form an integral part of these financial statements.

UNIVERSITY OF WESTMINSTER CONSOLIDATED BALANCE SHEET

AS AT 31 JULY 2019

	Notes	Consolidated 2019 £'000	University 2019 £'000	Consolidated 2018 £'000	University 2018 £'000
Non-current assets					
Fixed assets	13	351,915	347,890	357,541	353,249
Investments	14	48,267	47,718	51,167	50,666
Trade and other receivables due after one year	15	-	3,717	-	4,077
		400,182	399,325	408,708	407,992
Current assets					
Trade and other receivables due within one year	15	15,305	16,217	15,336	18,643
Investments	16	65,036	65,036	-	-
Cash and cash equivalents	21	8,572	6,607	34,946	32,205
		88,913	87,860	50,282	50,848
Less: Creditors: Amounts falling due within one year	17	(41,021)	(43,293)	(37,220)	(38,635)
Net current assets/(liabilities)		47,892	44,567	13,062	12,213
Total assets less current liabilities		448,074	443,892	421,770	420,205
Creditors: Amounts falling due after more than one year	18	(54,717)	(54,717)	(78,581)	(78,581)
Provisions					
Pension provisions	19 & 26	(133,065)	(133,065)	(118,358)	(118,358)
Other provisions	19	-	-	(776)	(776)
Total net assets		260,292	256,110	224,055	222,490
Restricted reserves					
Endowment reserve	20	1,227	350	1,165	347
Unrestricted reserves					
Income, expenditure and pension reserve - unrestricted		142,194	138,889	108,593	107,846
Revaluation reserve		116,871	116,871	114,297	114,297
Total reserves		260,292	256,110	224,055	222,490

The financial statements were approved by the Governing Body on 27 November 2019 and were signed on its behalf on that date by:



Ms Diane Yeo
Interim Chair and Pro Chancellor



Dr Peter Bonfield
Vice-Chancellor and President

The accompanying notes form an integral part of these financial statements.

UNIVERSITY OF WESTMINSTER CONSOLIDATED CASH FLOW

FOR THE YEAR ENDED 31 JULY 2019

	Notes	Year ended 31 July 2019 £'000	Year ended 31 July 2018 £'000
Cash flow from operating activities			
Surplus for the year		40,357	3,620
Adjustment for non-cash items			
Depreciation	13	14,831	16,066
Profit on fixed asset disposal	13	(25,958)	-
Loss on investments	14	2,935	866
Decrease/(Increase) in debtors	15	31	(654)
Increase/(decrease) in creditors	17 & 18	2,695	(6,090)
Increase/(decrease) in pension provision	19	14,707	(18,054)
Actuarial (loss)/gain on pension scheme	26	(4,120)	30,366
(Decrease) in other provisions	18	(776)	-
Adjustment for investing or financing activities			
Investment income	6	(516)	(108)
Interest payable	9	2,261	2,604
Deferred capital grant released to income		(757)	(653)
Net cash inflow from operating activities		45,690	27,963
Cash flows from investing activities			
Proceeds from sales of fixed assets		31,879	-
Capital grants receipts		1,242	1,608
Investment income	6	516	108
Payments made to acquire fixed assets	13	(15,124)	(11,650)
New non-current asset investments	14	(35)	-
New Investments	16	(65,036)	-
		(46,558)	(9,934)
Cash flows from financing activities			
Interest paid	9	(2,261)	(2,604)
Repayments of amounts borrowed	18	(23,245)	(2,975)
		(25,506)	(5,579)
(Decrease)/increase in cash and cash equivalents in the year		(26,374)	12,450
Cash and cash equivalents at beginning of the year	21	34,946	22,496
Cash and cash equivalents at end of the year	21	8,572	34,946

UNIVERSITY OF WESTMINSTER NOTES TO THE ACCOUNTS

FOR THE YEAR ENDED 31 JULY 2019

1. ACCOUNTING POLICIES

a) Company information

The University of Westminster is incorporated under the Companies Act as a company limited by guarantee and not having share capital. The University is also an exempt charity.

b) 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 Standard 102 - 'The Financial Reporting Standard applicable in the United Kingdom and Republic of Ireland' ('FRS 102'), and with the Companies Act 2006. The financial statements have been prepared on the historical cost basis, modified by revaluation as disclosed in the relevant notes, and are presented in sterling.

c) Going concern

The University considers that it has sufficient financial resources and is confident that its future income streams will maintain these resources. The governors believe that the University is well placed to effectively manage its business risks, despite the current uncertain economic situation.

The governors have a reasonable expectation that the University has adequate resources to continue in operational existence for the foreseeable future. Thus, they continue to adopt the going concern basis in preparing the financial statements.

d) Basis of consolidation

The consolidated financial statements consolidate the financial statements of the University and its subsidiary undertakings for the financial year ended 31 July 2019. Intra-group transactions are eliminated on consolidation. The consolidated financial statements do not include the University of Westminster Students' Union because the University does not control its activities. The Quintin Hogg Trust and Quintin Hogg Memorial Fund are two separate charitable trusts that exist for the benefit of students. These connected charitable institutions are also excluded from the consolidation as the University does not have control over their activities.

e) 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

Comprehensive Income and 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 comprehensive 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 statement of comprehensive 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

Government revenue grants and research grants are recognised in income over the periods in which the University recognises the related costs for which the grant is intended to compensate. Where part of a government grant is deferred it is recognised as deferred income within creditors and allocated between creditors due within one year and due after more than one year as appropriate.

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

Donations and endowments

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

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

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

The main types of endowments identified within reserves are:

1. 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.

2. 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.

Leases

Leases in which the University assumes substantially all the risks and rewards of ownership of the leased asset are classified as finance leases. Leased assets acquired by way of finance lease and the corresponding lease liabilities are initially recognised at an amount equal to the lower of their fair value and the present value of the minimum lease payments at inception of the lease.

Minimum lease payments are apportioned between the finance charge and the reduction of the outstanding liability. The finance charge is allocated to each period during the lease term so as to produce a constant periodic rate of interest on the remaining balance of the liability.

Costs in respect of operating leases are charged to the Statement of Comprehensive Income on a straight-line basis over the lease term.

Exceptional items

University of Westminster defines exceptional items as "Material items which derive from events or transactions that fall within the ordinary activities of the reporting entity and which individually, or, if of a similar type, in aggregate, need to be disclosed by virtue of their size or incidence if the financial statements are to give a true and fair view."

The two types of transactions recognised by the University as exceptional items are:

- a. Profits or losses on the sale or termination of an operation
- b. Costs of a fundamental reorganisation or restructuring having a material effect on the nature and focus of the university's operations.

Exceptional items are reported after "Surplus before other gains and losses" but before "Surplus before tax".

Taxation

The University is an exempt charity within the meaning of schedule 3 of the Charities Act 2011 (formerly schedule 2 of the Charities Act 1993) and is considered to pass the tests set out in Paragraph 1 Schedule 6 Finance Act 2010 and therefore it meets the definition of a charitable company for UK corporation tax purposes.

Accordingly, the University is potentially exempt from taxation in respect of income or capital gains received within categories covered by section 287 CTA2009 and sections 471, and 478-488 CTA 2010 (formerly s505 of ICTA 1988) 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 Institution 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 tangible fixed assets is included in their cost. The University's subsidiary companies are subject to corporation tax and VAT on the same basis as any commercial organisation.

Deferred tax is provided in full on timing differences which result in an obligation at the balance sheet date to pay more tax, or a right to pay less tax, at a future date, at rates expected to apply when they crystallise based on current rates and law. Timing differences arise from the inclusion of items of income and expenditure in taxation computations in periods different from those in which they are included in financial statements. Deferred tax assets are recognised to the extent they are regarded as more likely than not that they will be recovered. Deferred tax assets and liabilities are not discounted.

Fixed assets

Fixed assets are stated at cost / deemed cost less accumulated depreciation and accumulated impairment losses.

Costs incurred in relation to a tangible fixed asset, after its initial purchase or production, are capitalised to the extent that they increase the expected future benefits to the University from the existing tangible fixed asset beyond its previously assessed standard of performance; the cost of any such enhancements are added to the gross carrying amount of the tangible fixed asset concerned.

On adoption of FRS102, the Group took advantage of FRS102 provision 35.10 (c) to revalue land assets to fair value as deemed cost, for which a market value report at 31 July 2014 was commissioned from Savills LLP. No subsequent revaluation has been carried out for any non-current fixed assets. This was the only class of assets revalued to fair value as deemed cost.

Computer and software costs

Significant investment is being made in introducing management information systems to support the effective management of the University. The Group capitalises software implementation costs where future benefits will accrue. Management judgement has been applied in quantifying the benefit expected to accrue to the Group over the useful life of the relevant assets. Where the software does not produce the expected benefits in terms of the Group achieving its objectives, then the carrying value would require adjustment.

Repairs and maintenance

Expenditure to ensure that a tangible fixed asset maintains its previously recognised standard of performance is recognised in the Consolidated Statement of Comprehensive Income in the period in which it is incurred.

Assets used by the University

The Group benefits from the occupation and facilities of certain land and buildings which are the property of separate charitable trusts. The rent payments and other running costs associated with these properties are included in the financial statements. With the

exception of the leasehold improvements made to the property at 309 Regent Street, these assets are not reflected in the accounts.

Borrowing costs

Borrowing costs are recognised as expenditure in the period in which they are incurred.

Equipment

Individual assets costing over £10,000 are capitalised.

Depreciation

Depreciation has been provided on all fixed assets on cost or revalued amounts in equal instalments over the estimated useful economic lives of the assets:

Freehold Buildings	Fifty years
Leasehold Buildings and Leasehold Improvements	Amortised over the remaining term of the lease
Motor Vehicles	Four years
Fixtures, Fittings and Equipment	Five years and twenty years
Audio Visual Equipment	Seven years
Plant and Machinery	Five years and twenty years
Computer Equipment	Four years
Computer Software	Three to five years

Non-current investments

Non-current investments are held on the balance sheet at fair value.

Investment properties

Investment property is land and buildings, or part of a building, held for rental income or capital appreciation rather than for use in delivering services, for administrative purposes or for the sale in ordinary course of business. Investment properties are measured initially at cost and subsequently at fair value at the end of each reporting date with movements recognised in the Statement of Comprehensive Income and Expenditure. Properties are not depreciated but are revalued or reviewed annually according to market conditions as at 31 July each year. Property that has mixed use is separated between investment property and tangible fixed assets, proportionately.

Current investments

Current asset investments are carried on the balance sheet at fair value.

Cash and cash equivalents

Cash flows comprise increases or decreases in cash. 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.

No other investments, however liquid, are included as cash.

Foreign currencies

Transactions denominated in foreign currencies are recorded at the rates of exchange at the dates of the transactions. Monetary assets and liabilities denominated in foreign currencies are translated into

sterling at year-end rates. Exchange differences are recorded in the Consolidated Statement of Comprehensive Income.

Deferred capital grants

Governmental capital grants for the purchase or construction of fixed assets are recognised as deferred capital grants within creditors. An annual release is made to the Consolidated Statement of Comprehensive Income over the useful economic life of the asset, at the same rate as the depreciation charge on the asset for which the grant was awarded.

Provisions, contingent liabilities and contingent assets

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

Contingent liabilities are disclosed by way of a note, when the definition of a provision is not met and includes three scenarios; a possible rather than a present obligation, a possible rather than a probable outflow of economic benefits, the amount of the obligation cannot be measured with sufficient reliability.

Contingent assets arise when an event has taken place that gives the university a possible asset whose existence will only be confirmed by the occurrence or otherwise uncertain future events not wholly within the control of the University. These are disclosed by way of a note, where there is a probable, rather than a present asset arising from a past event.

Accounting for retirement benefits

The Group operates three pension schemes: the Local Government Pension Scheme (LGPS), the Teachers' Pension Scheme (TPS), and the Universities Superannuation Scheme (USS). All schemes are defined benefit schemes.

The assets of TPS and USS are held in separate trustee-administered funds. Because of the nature of the schemes, the scheme's assets are not hypothecated to individual institutions and scheme-wide contribution rates are set. The University is therefore exposed to actuarial risks associated with other institutions' employees and is unable to identify its share of the underlying assets and liabilities of these schemes on a consistent and reasonable basis and therefore as required by FRS102 (28), accounts for these schemes as if they were defined contribution schemes.

A liability is recorded in provisions for the contractual commitment to fund past deficits within the USS Scheme. The discounted value of any new commitments is charged to staff costs in the year in which the contractual commitment is made.

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.

Termination benefits

Costs associated with specific schemes which a) terminate the employment of an employee or group of employees before the normal retirement date or b) provide termination benefits as a result of an offer made in order to encourage voluntary redundancy are recognised in the year in which the University is demonstrably committed to a termination scheme without a realistic possibility to withdraw. The costs recognised are the termination payments paid out during the financial year as well as any accrued benefits for the termination payments paid post balance sheet date.

Revaluation reserve

On adoption of FRS102, the Group took advantage of FRS102 provision 35.10 (c) to revalue land assets to fair value as deemed cost. This revaluation was credited to the revaluation reserve opening balance at 1 August 2014.

Accounting estimates and judgements

Accounting policies are supplemented by estimation techniques where judgement is required to establish the monetary amounts of assets, liabilities, income and expenditure and the disclosures made in the financial statements and the estimates and associated assumptions are believed to be reasonable and prudent. These judgements and estimates are continually evaluated and are based on past experience or are prepared by qualified advisors.

Key judgments and estimates are as follows:

a. Pension provision

The Group operates three pension schemes: the Local Government Pension Scheme (LGPS), the Teachers' Pension Scheme (TPS), and the Universities Superannuation Scheme (USS). All schemes are defined benefit schemes.

TPS- The critical underlying assumptions in relation to the estimate of the pension enhancement obligation such as life expectancy and the discount rate on corporate bonds. Variations in these assumptions have the ability to significantly influence the value of the provision for unfunded liabilities recorded and annual expense (note 26)

USS and LGPS- FRS 102 makes the distinction between a group plan and a multi-employer scheme. A group plan consists of a collection of entities under common control typically with a sponsoring employer. A multi-employer scheme is a scheme for entities not under common control and represents (typically) an industry-wide scheme such as Universities Superannuation Scheme. The accounting for a multi-employer scheme where the employer has entered into an agreement with the scheme that determines how the employer will fund a deficit results in the recognition of a liability for the contributions payable that arise from the agreement (to the extent that they relate to the deficit) and the resulting expense in profit or loss in accordance with section 28 of FRS 102. The directors are satisfied that the scheme provided by Universities Superannuation Scheme meets the definition of a multi-employer scheme and has therefore recognised the discounted fair value of the contractual

contributions under the funding plan in existence at the date of approving the financial statements.

A provision is recognised in the financial statements for future contributions payable to the USS pension scheme that relate to the deficit in the scheme and arise from the agreement with scheme employers as to how the deficit is funded. The carrying amount of this liability is £3.3 million (see Note 19) and a key factor used to calculate the provision is the element future contribution rate that relates to funding the existing deficit. This is finalised once the triennial valuation of the scheme has been completed. The last formal actuarial valuation of the scheme was at 31 March 2017 and adoption of the new deficit recovery plan. Since the year end, following the completion of the 2018 actuarial valuation, a new deficit recovery plan has been agreed of which more detail is given in note 26 (i).

The present value of the LGPS and defined benefit liability depends on a number of factors that are determined on an actuarial basis using a variety of assumptions. The assumptions used in determining the net cost for pensions include the discount rate, salary, pension and price increase and any changes in these assumptions, which are disclosed in note 26, will impact the carrying amount of the pension liability.

b) Investment property

The valuation of the University's investment property portfolio is inherently subjective due to, among other factors, the individual nature of each property, its location and the expected future rental revenues from that particular property. As a result, the valuations the University places on its investment property portfolio are subject to a degree of uncertainty and are made on the basis of assumptions which may not prove to be accurate, particularly in periods of volatility or low transaction flow in the property market. The investment property valuation contains a number of assumptions upon which the University's independent professional valuer has based its valuation of the portfolio. The assumptions on which the property valuation reports have been based include, but are not limited to, matters such as the tenure and tenancy details for the properties, ground conditions at the properties, the structural condition of the properties, prevailing market yields and comparable market transactions. These assumptions are market standard and accord with the Royal Institution of Chartered Surveyors (RICS) Valuation – Professional Standards ('the Red Book') issued by RICS in force.

c) Trade debtors (see note 15)

The estimate for receivables relates to the recoverability of the balances outstanding at the year end. A review is performed on an accounts receivable aging method to determine whether debt is recoverable and reflects any special circumstances on disputed debts.

2. TUITION FEES AND EDUCATION CONTRACTS

	Year Ended 31 July 2019 Consolidated £'000	Year Ended 31 July 2019 University £'000	Year Ended 31 July 2018 Consolidated £'000	Year Ended 31 July 2018 University £'000
Full-time home and EU students	102,808	102,808	101,390	101,390
Full-time international students	46,680	46,680	41,898	41,898
Part-time students	10,766	10,766	11,671	11,671
	160,254	160,254	154,959	154,959
Research Training Support Grant	33	33	56	56
Non credit-bearing courses	3,501	3,501	3,719	3,719
	163,788	163,788	158,734	158,734

3. FUNDING BODY GRANTS

	Year Ended 31 July 2019 Consolidated £'000	Year Ended 31 July 2019 University £'000	Year Ended 31 July 2018 Consolidated £'000	Year Ended 31 July 2018 University £'000
Recurrent OfS grant				
Office for Students				
Teaching grant	10,381	10,381	11,460	11,460
Research grant	4,649	4,649	4,362	4,362
Other grants	1,173	1,173	1,311	1,311
Pension liability grant	254	254	286	286
OfS capital grant	757	757	653	653
Teaching Agency grants	1	1	21	21
	17,215	17,215	18,093	18,093

4. RESEARCH GRANTS AND CONTRACTS

	Year Ended 31 July 2019 Consolidated £'000	Year Ended 31 July 2019 University £'000	Year Ended 31 July 2018 Consolidated £'000	Year Ended 31 July 2018 University £'000
Research councils	534	534	460	460
Charities	307	305	616	459
Government (UK and overseas)	1,947	1,811	1,738	1,450
Industry and commerce	982	426	446	108
Other bodies	768	845	1,058	958
	4,538	3,921	4,318	3,435

5. OTHER INCOME

	Year Ended 31 July 2019 Consolidated £'000	Year Ended 31 July 2019 University £'000	Year Ended 31 July 2018 Consolidated £'000	Year Ended 31 July 2018 University £'000
Residences, catering and conferences	9,871	8,956	9,376	8,382
Recreation	640	640	685	685
Rents and Lettings	3,967	2,384	4,154	2,482
Photocopier Income	115	115	3	-
Sundry sales	539	538	593	594
Other Income	4,229	5,180	4,060	5,853
	19,361	17,813	18,871	17,996

6. INVESTMENT INCOME

	Notes	Year Ended 31 July 2019 Consolidated £'000	Year Ended 31 July 2019 University £'000	Year Ended 31 July 2018 Consolidated £'000	Year Ended 31 July 2018 University £'000
Other investment income	20	21	3	23	1
Interest on fixed term deposits		495	628	85	232
		516	631	108	233

7. DONATIONS AND ENDOWMENTS

	Year Ended 31 July 2019 Consolidated £'000	Year Ended 31 July 2019 University £'000	Year Ended 31 July 2018 Consolidated £'000	Year Ended 31 July 2018 University £'000
Donations and endowments	4,903	4,889	5,004	4,932
	4,903	4,889	5,004	4,932

8. STAFF COSTS

	Year Ended 31 July 2019 Consolidated £'000	Year Ended 31 July 2019 University £'000	Year Ended 31 July 2018 Consolidated £'000	Year Ended 31 July 2018 University £'000
Salaries	78,331	77,661	81,100	80,486
Redundancy costs	404	404	1,115	1,115
Social security costs	8,286	8,229	8,992	8,959
Other pension costs	20,681	20,642	22,925	22,914
	107,702	106,936	114,132	113,474

Remuneration of higher paid staff,
excluding employer's pension contributions:

	Year Ended 31 July 2019	Year Ended 31 July 2018
£110,000 to £114,999	2	2
£115,000 to £119,999	1	2
£120,000 to £124,999	2	-
£125,000 to £129,999	2	1
£130,000 to £134,999	1	1
£135,000 to £139,999	1	-
£145,000 to £149,999	-	1
£150,000 to £154,999	1	-
£170,000 to £174,999	-	1
£235,000 to £239,999	-	1
£250,000 to £254,999	1	-
	11	9

Average staff numbers by major category,
expressed on a full time equivalent basis, during the year :

	Number	Number
Teaching and research	812	827
Visiting lecturers	92	102
Support staff	724	971
	1,628	1,900

Key management personnel

Key management personnel are those persons having authority and responsibility for planning, directing and controlling the activities of the University. Staff costs includes compensation paid to key management personnel. Members of the University's Executive Board are considered to be key personnel of the University. Key management personnel compensation is made up as follows:

	Year Ended 31 July 2019 £'000	Year Ended 31 July 2018 £'000
Salary	1,043	1,522
Termination payments	-	179
	1,043	1,701
Employer's pension contributions	123	157
Total emoluments	1,166	1,858

8. STAFF COSTS (CONTINUED)

The above compensation includes emoluments of the Vice-Chancellor as follows:

	Year Ended 31 July 2019	Year Ended 31 July 2018*
	£'000	£'000
Vice Chancellor		
Basic salary	250	211
Performance related pay and bonus	-	40
Employer's pension contributions	-	3
	250	254

* The 2018 comparatives include total remuneration of Prof G Petts as University President until retirement 31 January 2018 and Prof G Megson as Acting Vice-Chancellor in the period from 1 August 2017 to 30 April 2018. From 1 May 2018 Dr P Bonfield was appointed Vice-Chancellor and President.

The Vice-Chancellor's basic salary is 5.6 times (2018 restated: 5.8 times) the median pay of staff, where the median pay is calculated on a full-time equivalent basis for the salaries paid by the Group and the University to its staff.

The Vice-Chancellor's total remuneration including pension is 5.0 times (2018 restated: 5.1 times) the median total remuneration of staff including pension costs, where the median total remuneration is calculated on a full-time equivalent basis for the total remuneration paid by the Group and the University to its staff.

The University has early adopted the definitions for preparing the median pay ratio set out within the 2019-20 Accounts Direction. The median pay ratios have therefore been prepared on the basis of all staff recorded on the payroll. All staff include academic and non-academic staff including visiting lecturers that are required to be included in real time reporting to HMRC. Agency staff are excluded. 2018 multiples have been restated to bring in line with this change.

The pay multiple has remained in line with that of the prior year.

The total remuneration package for the Vice-Chancellor comprises a salary of £250,000. There are no additional pension payments and no benefits in kind.

In deciding on the starting salary for the Vice-Chancellor the Remuneration Committee considered data from the agreed UCEA reference group: London and the South East. The Committee considered also information on the market position for salaries for Vice-Chancellors and comparative leadership roles in other sectors based on job evaluated size (using the Hay Methodology), and the UCEA publication 'Senior Staff Remuneration, including Heads of Institution increases 2016-17'.

During the period the Remuneration Committee considered a confidential pro forma report from the Interim Chair to the Court on the performance of the Vice-Chancellor during 2018-19. The report assessed performance against a set of pre-approved objectives and measures and led to a recommendation from the Interim Chair of the salary zone in which the Vice-Chancellor should be positioned.

Compensation paid for loss of office

Redundancy and severance costs were incurred during the financial year as follows:

Compensation paid for loss of office to employees earning in excess of £100k

Compensation paid for loss of office to all employees

Number of employees

	Year Ended 31 July 2019	Year Ended 31 July 2018
	£'000	£'000
	-	154
	332	3,875
	No.	No.
	32	220

8. STAFF COSTS (CONTINUED)

Court of Governors

The University's governors are the trustees for charitable law purposes. Due to the nature of the University's operations and the composition of the Court, being drawn from public and private sector organisations, it is inevitable that transactions will take place with organisations in which a member of the Court may have an interest. All transactions involving organisations in which a member of Court may have an interest, including those identified below, are conducted at arms-length and in accordance with the University's Financial Regulations and usual procurement procedures.

The members of the Court of Governors have confirmed that they are not aware of any related party transactions between themselves and the University other than those disclosed above. The remuneration of the governors of the University is as follows:

	Year Ended 31 July 2019 £'000	Year Ended 31 July 2018 £'000
Total remuneration including employer's pension contributions	525	572

During the year £711 (2018: £583) was paid in respect of trustees' expenses (i.e. expenses that were incurred in respect of their services as trustees). The expenses related to travel, subsistence and other expenses for 3 trustees (2018: 2 trustees).

Total governors' remuneration includes the remuneration of all staff members who are also trustees. The independent members of the University's Court of Governors are not remunerated for their services as trustees.

9. INTEREST AND OTHER FINANCE COSTS

	Notes	Year Ended 31 July 2019 Consolidated £'000	Year Ended 31 July 2019 University £'000	Year Ended 31 July 2018 Consolidated £'000	Year Ended 31 July 2018 University £'000
Promissory note		612	612	778	778
Bank loans		1,649	1,649	1,826	1,826
Net charge on pension scheme	26	3,005	3,005	3,544	3,544
		5,266	5,266	6,148	6,148

10. ANALYSIS OF TOTAL EXPENDITURE BY ACTIVITY

	Year Ended 31 July 2019			Year Ended 31 July 2018		
	Staff £'000	Other £'000	Total £'000	Staff £'000	Other £'000	Total £'000
Academic Departments	64,394	13,445	77,839	65,635	13,715	79,350
Academic Support Services	13,209	7,574	20,783	12,333	5,506	17,839
Research	2,356	2,495	4,851	2,075	1,603	3,678
Administration and Central Services	16,146	16,104	32,250	18,931	14,857	33,788
Premises	2,667	24,272	26,939	3,928	23,372	27,300
Residences and Catering	935	1,286	2,221	890	1,306	2,196
Other expenses	7,995	12	8,007	10,340	145	10,485
	107,702	65,188	172,890	114,132	60,504	174,636

10. ANALYSIS OF TOTAL EXPENDITURE BY ACTIVITY (CONTINUED)

	Year Ended 31 July 2019 Total £'000	Year Ended 31 July 2018 Total £'000
Other operating expenses include:		
External auditors' remuneration in respect of audit services	50	50
External auditors' remuneration in respect of non-audit services	24	23
Operating lease rentals:		
Land and buildings	8,651	8,424

11. EXCEPTIONAL ITEMS

	Year Ended 31 July 2019 Consolidated £'000	Year Ended 31 July 2019 University £'000	Year Ended 31 July 2018 Consolidated £'000	Year Ended 31 July 2018 University £'000
Interest and other finance costs				
Employee Release Scheme costs	-	-	(182)	(182)
Restructuring costs	-	-	3,974	3,974
	-	-	3,792	3,792

The prior year numbers reflect the costs incurred following a period of restructuring that commenced at the end of financial year 2016-17 and completed on 31 July 2018.

12. TAXATION NOTE

	Year Ended 31 July 2019 Total £'000	Year Ended 31 July 2018 Total £'000
Reconciliation of current tax charge:		
Recognised in the statement of comprehensive income		
Consolidated surplus on ordinary activities	40,357	3,620
Tax on surplus on ordinary activities at standard corporation tax rate in the UK of 19.00% (2018: 19.00%):	7,668	688
Effect of:		
Non-taxable profit	(7,668)	(688)
Current tax expense	-	-

12. TAXATION NOTE (CONTINUED)

Factors that may affect the future tax charge

There is a deferred tax asset which has not been recognised as it is not expected to crystallise in the future. The amount of the asset in terms of the taxation not recognised, calculated at 17% (2018: 17%) of the amount of the timing differences, is £81k asset (2018: £78k asset), and it is analysed below. Removal of three dormant companies has had a major contribution to the value decrease.

	Year Ended 31 July 2019 Total £'000	Year Ended 31 July 2018 Total £'000
Capital allowances not utilised	1	4
Tax losses not utilised	80	74
	81	78

13. FIXED ASSETS

Consolidated	Freehold Land and Buildings £'000	Leasehold Land and Buildings £'000	Assets in the Course of Construction £'000	Plant and Machinery £'000	Fixtures, Fittings and Equipment £'000	Computers and software £'000	AV Equipment £'000	Motor vehicles £'000	Total £'000
Cost or valuation									
At 1 August 2018	386,001	27,204	4,803	15,642	7,441	24,068	4,988	49	470,196
Additions	3,005	242	11,558	19	28	272	-	-	15,124
Transfers	6,378	839	(8,844)	122	-	1,505	-	-	-
Disposal	(7,301)	-	-	-	-	-	-	-	(7,301)
At 31 July 2019	388,083	28,285	7,517	15,783	7,469	25,845	4,988	49	478,019
Consisting of:									
Land at valuation at 31 July 2014	120,570	-	-	-	-	-	-	-	120,570
Assets at cost	267,513	28,285	7,517	15,783	7,469	25,845	4,988	49	357,449
At 31 July 2019	388,083	28,285	7,517	15,783	7,469	25,845	4,988	49	478,019
Depreciation									
At 1 August 2018	67,321	10,263	-	12,590	4,750	15,595	2,087	49	112,655
Charge for the year	6,336	1,143	-	1,378	1,083	4,177	714	-	14,831
Disposal	(1,382)	-	-	-	-	-	-	-	(1,382)
At 31 July 2019	72,275	11,406	-	13,968	5,833	19,772	2,801	49	126,104
Net book value									
At 31 July 2019	315,808	16,879	7,517	1,815	1,636	6,073	2,187	-	351,915
At 31 July 2018	318,680	16,941	4,803	3,052	2,691	8,473	2,901	-	357,541

13. FIXED ASSETS (CONTINUED)

University	Freehold	Leasehold	Assets in the	Plant and	Fixtures,	Computers	AV	Motor	Total
	Land and Buildings	Land and Buildings	Course of Construction	Machinery	Fittings and Equipment	and software	Equipment	vehicles	
	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000
Cost or valuation									
At 1 August 2018	386,001	22,119	4,803	15,628	7,441	24,019	4,988	49	465,048
Additions	3,005	242	11,558	19	28	272	-	-	15,124
Transfers	6,378	839	(8,844)	122	-	1,505	-	-	-
Disposal	(7,301)	-	-	-	-	-	-	-	(7,301)
At 31 July 2019	388,083	23,200	7,517	15,769	7,469	25,796	4,988	49	472,871
Consisting of:									
Land at valuation at 31 July 2014	120,570	-	-	-	-	-	-	-	120,570
Assets at cost	267,513	23,200	7,517	15,769	7,469	25,796	4,988	49	352,301
	388,083	23,200	7,517	15,769	7,469	25,796	4,988	49	472,871
Depreciation									
At 1 August 2018	67,321	9,455	-	12,581	4,750	15,555	2,088	49	111,799
Charge for the year	6,336	886	-	1,375	1,083	4,170	714	-	14,564
Disposal	(1,382)	-	-	-	-	-	-	-	(1,382)
At 31 July 2019	72,275	10,341	-	13,956	5,833	19,725	2,802	49	124,981
Net book value									
At 31 July 2019	315,808	12,859	7,517	1,813	1,636	6,071	2,186	-	347,890
At 31 July 2018	318,680	12,664	4,803	3,047	2,691	8,464	2,900	-	353,249

14. NON-CURRENT INVESTMENTS

	Subsidiary companies	Investment property	Other fixed assets investments	Total
	£'000	£'000	£'000	£'000
Consolidated				
At 1 August 2018	-	50,272	895	51,167
Transfer from current fixed assets	-	35	-	35
Revaluation	-	(2,912)	(23)	(2,935)
At 31 July 2019	-	47,395	872	48,267
University				
At 1 August 2018	1	50,272	393	50,666
Transfer from current fixed assets	-	35	-	35
Revaluation	-	(2,912)	(71)	(2,983)
At 31 July 2019	1	47,395	322	47,718

Investment property includes two properties held at fair value as at 31 July 2019. The valuation was performed by G L Hearn at 31 July 2019 in accordance with applicable professional standards.

14. NON-CURRENT INVESTMENTS (CONTINUED)

Other non-current investments consist of:	Consolidated £'000	University £'000
Hypha Discovery Ltd	125	125
CVCP Properties plc	197	197
COIF Charity Investment Fund	550	-
	872	322

The University and Group has a holding in CVCP Properties plc which represents an investment of 37,111 fully paid Ordinary £1 shares. It is an unquoted company.

At 31 July 2019, the University and Group own 2,235,803 Ordinary 0.0001 pence Shares in Hypha Discovery Ltd, an unquoted company. This holding amounts to 21.4% of the issued share capital and represents a participating interest with no significant influence exercised over the company.

An investment of £550k is held in the COIF Charity Investment Fund, which is managed by CCLA Ltd, a fund manager authorised and regulated by the Financial Conduct Authority. The total return for the fund for the 12 months ending 31st July 2019 was 13.19%.

15. TRADE AND OTHER RECEIVABLES

	Year Ended 31 July 2019 Consolidated £'000	Year Ended 31 July 2019 University £'000	Year Ended 31 July 2018 Consolidated £'000	Year Ended 31 July 2018 University £'000
Amounts falling due within one year:				
Trade and sundry debtors	1,659	1,309	3,923	3,237
Finance lease receivable from subsidiary	-	337	-	337
Other amounts due from subsidiary companies	-	-	-	2,821
Other debtors	1,141	1,141	639	639
Prepayments and accrued income	12,505	13,430	10,774	11,609
	15,305	16,217	15,336	18,643
Amounts falling due after more than one year:				
Finance lease receivable from subsidiary	-	3,717	-	4,077
	-	3,717	-	4,077
	15,305	19,934	15,336	22,720

16. INVESTMENTS

	Year Ended 31 July 2019 Consolidated £'000	Year Ended 31 July 2019 University £'000	Year Ended 31 July 2018 Consolidated £'000	Year Ended 31 July 2018 University £'000
Short term deposits	65,036	65,036	-	-
	65,036	65,036	-	-

Deposits are held with banks and building societies operating in the London market and licensed by the Financial Services Authority. These short term deposits do not meet the definition of cash equivalent. The interest rate of these deposits are fixed for the duration of the deposit and placement.

At 31 July 2019 the weighted average interest rate of these fixed rate deposits was 1.09% per annum and the remaining weighted average period for which the interest rate is fixed on these deposits was 281 days. The fair value of these deposits was not materially different from the book value.

17. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	Year Ended 31 July 2019 Consolidated £'000	Year Ended 31 July 2019 University £'000	Year Ended 31 July 2018 Consolidated £'000	Year Ended 31 July 2018 University £'000
Secured loans (promissory note)	2,163	-	1,887	-
Unsecured loans	1,372	1,372	1,358	1,358
Amounts owed to subsidiary undertakings	-	5,608	-	4,304
Trade payables	16,399	16,355	13,177	13,170
Social security and other taxation payable	288	226	564	507
Accruals and deferred income	14,304	13,552	13,361	13,146
Other creditors	6,495	6,180	6,873	6,150
	41,021	43,293	37,220	38,635

Deferred income

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

	Year Ended 31 July 2019 Consolidated £'000	Year Ended 31 July 2019 University £'000	Year Ended 31 July 2018 Consolidated £'000	Year Ended 31 July 2018 University £'000
Grants - academic, research & other	400	404	155	135
Commercial rent	968	968	388	388
Accommodation charges	-	-	-	-
Academic fees	3,133	3,085	3,730	3,730
Other income	137	178	889	889
	4,638	4,635	5,162	5,142

17. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR (CONTINUED)

Other creditors

Included with other creditors are the following short term components of the Office for Students capital grant which have been deferred under the accruals method of accounting.

	Year Ended 31 July 2019 Consolidated £'000	Year Ended 31 July 2019 University £'000	Year Ended 31 July 2018 Consolidated £'000	Year Ended 31 July 2018 University £'000
OfS capital grant	720	720	653	653
	720	720	653	653

18. CREDITORS: AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR

	Year Ended 31 July 2019 Consolidated £'000	Year Ended 31 July 2019 University £'000	Year Ended 31 July 2018 Consolidated £'000	Year Ended 31 July 2018 University £'000
Accruals and deferred income	182	182	995	995
Secured loans	3,133	-	5,297	-
Unsecured loans	27,624	27,624	48,996	48,996
Amounts owed to subsidiary undertakings	-	3,133	-	5,297
Deferred OfS capital grant	23,778	23,778	23,293	23,293
	54,717	54,717	78,581	78,581
Analysis of secured and unsecured loans:				
Due within one year or on demand (Note 17)	3,535	1,372	3,245	1,358
Due between one and two years	3,872	1,400	3,535	1,358
Due between two and five years	5,387	4,726	7,539	4,197
Due in five years or more	21,498	21,498	43,219	44,799
Total due after more than one year	30,757	27,624	54,293	50,354
Total secured and unsecured loans	34,292	28,996	57,538	51,712
Analysis of total debt				
Secured loans, repayable by 2021	5,296	-	7,184	-
Unsecured loans, repayable by 2038	28,996	28,996	50,354	51,712
	34,292	28,996	57,538	51,712
Included in loans are the following:	Amount	Termination	Interest rate	Borrower
Lender:	£'000		%	
Scottish Widows	12,889	2038	5.28	University
Lloyds Bank	16,107	2034	4.74	University
	28,996			
Deutsche Bank	5,296	2021	9.54	Subsidiary
Total	34,292			

18. CREDITORS: AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR (CONTINUED)

The interest rate on the promissory note (issued on 31 October 1996) is 9.54%. The loan is secured on University land and buildings, and is due to be repaid by 2021. There are two other unsecured bank loans. The first bank loan has a term of thirty years that commenced during the year ended 31 July 2008 with a fixed interest rate of 5.28% over the remaining life of the loan. The second is a £20m loan facility carried over a twenty year term with a fixed interest rate of 4.74%. The University has in place a £40m revolving credit facility that matures in November 2020, of which £nil was drawn down at the year end date.

19. PROVISIONS FOR LIABILITIES

	Obligation to fund deficit on USS pension £'000	Pension enhancements on termination £'000	Defined benefit obligations (Note 26) £'000	Total pension provisions £'000	Total other provisions £'000
Consolidated and University					
At 1 August 2018	1,271	1,805	115,282	118,358	776
Utilised in year	-	(129)	-	(129)	(776)
Additions in 2018/19	2,061	208	12,571	14,840	-
Unused amounts reversed in 2018/19	(4)	-	-	(4)	-
As at 31 July 2019	3,328	1,884	127,853	133,065	-

USS deficit

The obligation to fund the past deficit on the Universities Superannuation Scheme (USS) arises from the contractual obligation with the pension scheme for total payments relating to benefits arising from past performance. Management have assessed future employees within the USS scheme and salary payment over the period of the contracted obligation in assessing the value of this provision.

The adoption of the new deficit recovery plan following the 2017 actuarial valuation has given rise to a significant increase in the deficit provision which has increased from £1.2 million to £3.3 million.

Since the year end, following the completion of the 2018 actuarial valuation, a new deficit recovery plan has been agreed of which more detail is given in note 26 (i). As at 31 July 2019 and with all other assumptions used to calculate the provision unchanged, this would have resulted in a revised provision of £2.2 million, a decrease of £1.1 million from the current year end provision.

Pension enhancement

The assumptions for calculating the provision for pension enhancements on termination under FRS 102, are as follows:

Discount rate	2.3%
Inflation	1.3%

Defined benefit obligation

Note 26 includes detailed commentary on the defined benefit obligation.

Other provisions

Other provisions include provisions for liabilities associated with items such as senior staff bonuses, redundancy payments, rates re-evaluations and other miscellaneous costs.

20. ENDOWMENT RESERVES

	Restricted permanent endowments	Expendable endowments	2019 Total	2018 Total
	£'000	£'000	£'000	£'000
(a) Consolidated				
Balances at 1 August 2018				
Capital	728	351	1,079	1,102
Accumulated income	3	83	86	30
	731	434	1,165	1,132
Investment income	1	20	21	23
Expenditure	-	(6)	(6)	(20)
Increase in market value of investments	47	-	47	30
Total endowment comprehensive income for the year	48	14	62	33
At 31 July 2019	779	448	1,227	1,165
Represented by:				
Capital	775	296	1,071	1,079
Accumulated income	4	152	156	86
	779	448	1,227	1,165
Analysis by asset				
Current and non-current asset investments			553	507
Cash & cash equivalents			674	658
			1,227	1,165
(b) University				
Balances at 1 August 2018				
Capital	85	204	289	343
Accumulated income	3	55	58	23
	88	259	347	366
Investment income	1	2	3	1
Expenditure	-	-	-	(20)
Total endowment comprehensive income for the year	1	2	3	(19)
At 31 July 2019	89	261	350	347
Represented by:				
Capital	85	150	235	289
Accumulated income	4	111	115	58
	89	261	350	347
Analysis by asset				
Cash & cash equivalents			350	347
			350	347

21. CASH AND CASH EQUIVALENTS

	Consolidated		
	At 1 August 2018	Cash Flows	At 31 July 2019
	£'000	£'000	£'000
Cash and cash equivalents	34,946	(26,374)	8,572
	34,946	(26,374)	8,572
Cash and cash equivalents at 31 July 2019 comprised:			£'000
Endowment cash			674
Unrestricted cash			7,898
			8,572

22. CAPITAL COMMITMENTS

Provision has been made for the following capital commitments at 31 July 2019:

	31 July 2019 Consolidated £'000	31 July 2019 University £'000	31 July 2018 Consolidated £'000	31 July 2018 University £'000
Commitments contracted for	3,267	3,267	1,157	1,157
	3,267	3,267	1,157	1,157

23. LEASES

	Land and Buildings £'000	Plant and Machinery £'000	31 July 2019 Total £'000	31 July 2018 Total £'000
Total rentals payable under operating leases: Consolidated and University				
Payable during the year	8,651	122	8,773	8,638
Future minimum lease payments due:				
Not later than 1 year	9,241	-	9,241	9,414
Later than 1 year and not later than 5 years	28,821	-	28,821	31,820
Later than 5 years	114,570	-	114,570	120,813
Total lease payments due	152,632	-	152,632	162,047

Subsequent to the year end the University signed a contract to terminate a property lease in March 2020. A surrender premium of £1.55 million will be paid to exit the lease before the original lease expiry date of 8 December 2021. The early exit will result in a reduction in future minimum lease payments. These are not reflected in the above figures.

23. LEASES (CONTINUED)

Total rentals receivable under operating leases:	31 July 2019	July 2018
Consolidated and University	Total £'000	Total £'000
Receivable during the period	2,130	1,962
Future minimum lease receipts due:		
Not later than 1 year	2,174	2,418
Later than 1 year and not later than 5 years	7,129	9,670
Total lease receipts due	9,303	12,088

Total rentals receivable under finance leases:

The University has a finance lease arranged with UoW Regent Street Cinema Limited for cinema equipment and leasehold fixtures in which the University is the lessor. As of 31 July 2019, the total cost of cinema equipment and leasehold fixtures was £5,148k and present value of minimum lease payments receivable was £4,076k.

University	31 July 2019	31 July 2018
	£'000	£'000
Receivable during the period	337	337
Future minimum lease receipts due:		
Not later than 1 year	337	337
Later than 1 year and not later than 5 years	1,347	1,347
Later than 5 years	3,303	3,640
Total lease receipts due	4,987	5,324

24. SUBSIDIARY UNDERTAKINGS

The subsidiary companies (all of which are registered in England & Wales), wholly-owned or effectively controlled by the University are as follows:

Company	Principal Activity	Status
Uniwest (Finance) Ltd	Issue of Promissory Loan note	100% owned
Uniwest (Investments) Ltd	Dormant	100% owned
Uniwest (Property) Ltd	Dormant	100% owned
University of Westminster (Trading) Ltd	Research & vacation letting of halls of residence	100% owned
Westminnovation Ltd	Dormant	100% owned
UoW Regent Street Cinema Ltd	Cinema	100% owned

25. CONNECTED CHARITABLE INSTITUTIONS

A number of charitable institutions are administered by or on behalf of the University and have been established for its general or specific purposes. One of the connected institutions is included as a subsidiary undertaking in these consolidated financial statements; the others are not included in the consolidation since the University does not have control over their activities.

The Quintin Hogg Trust and Quintin Hogg Memorial Fund are two separate charitable trusts that exist for the benefit of students. One of the trustees of these trusts was also a governor and trustee of the University during the 2019 financial year (2018: One trustee was also a governor and trustee of the University).

The Students' Union is a separate entity existing for the benefit of the students of the University of Westminster. It is not controlled by the University and has not been consolidated into the University Group financial statements. The sabbatical President of the Students' Union was also a governor and trustee of the University during the 2019 financial year. The Students' Union is treated as a related party of the University.

	31 July 2019 £'000	31 July 2018 £'000
The Quintin Hogg Trust		
Rent payable to the Trust in respect of academic buildings	(5,339)	(5,484)
Donations received from the Trust and recognised in the statement of comprehensive income	4,329	4,659
Amounts owed to the University, disclosed within debtors	4,329	4,659
Quintin Hogg Memorial Fund		
Rent payable to the Trust	(93)	(106)
Amounts owed to the University, disclosed within debtors	26	4
The Students' Union		
Subvention payable to Students' Union	(1,363)	(1,459)
Salaries reimbursed and invoiced by the University	963	1,070
Other income receivable and invoiced by the University	15	-
Amounts owed to the University, disclosed within debtors	353	329

26. PENSION SCHEMES

Different categories of staff were eligible to join one of three different schemes:

- Universities' Superannuation Scheme (USS)
- Local Government Pension Scheme (LGPS)
- Teachers' Pension Scheme

The two main schemes, being USS and LGPS, are both defined-benefit schemes, the assets of which are held in separate trustee administered funds.

Costs charged to Statement of Comprehensive Income and Expenditure

	Year Ended 31 July 2019 £m	Year Ended 31 July 2018 £m
USS	2.90	0.67
LGPS	12.46	15.32
	15.36	15.99

26. PENSION SCHEMES (CONTINUED)

(i) The Universities Superannuation Scheme

The University participates in Universities Superannuation Scheme. With effect from 1 October 2016, the scheme changed from a defined benefit only pension scheme to a hybrid pension scheme, providing defined benefits (for all members), as well as defined contribution benefits. The assets of the scheme are held in a separate trustee-administered fund. Because of the mutual nature of the scheme, the assets are not attributed to individual institutions and a scheme-wide contribution rate is set. The University is therefore exposed to actuarial risks associated with other institutions' employees and is unable to identify its share of the underlying assets and liabilities of the scheme on a consistent and reasonable basis. As required by Section 28 of FRS 102 "Employee benefits", the University therefore accounts for the scheme as if it were a wholly defined contribution scheme. As a result, the amount charged to the profit and loss account represents the contributions payable to the scheme. Since the University has entered into an agreement (the Recovery Plan) that determines how each employer within the scheme will fund the overall deficit, the institution recognises a liability for the contributions payable that arise from the agreement (to the extent that they relate to the deficit) and therefore an expense is recognised.

Employer's contributions paid and charged to the Statement of Comprehensive Income and Expenditure is £946k (2018: £917k) and included in the table above.

The latest available full actuarial valuation of the Retirement Income Builder is as at 31 March 2017 (the valuation date), which was carried out using the projected unit method. At the year end date the valuation as at 31 March 2018 was underway but not yet complete.

Since the University cannot identify its share of USS Retirement Income Builder assets and liabilities, the following disclosures reflect those relevant for those assets and liabilities as a whole.

The 2017 valuation was the fourth valuation for the scheme under the scheme-specific funding regime introduced by the Pensions Act 2004, which requires schemes to adopt a statutory funding objective, which is to have sufficient and appropriate assets to cover their technical provisions. At the valuation date, the value of the assets of the scheme was £60.0 billion and the value of the scheme's technical provisions was £67.5 billion indicating a shortfall of £7.5 billion and a funding ratio of 89%.

The key financial assumptions used in the 2017 valuation are described below. More details are set out in the Statement of Funding Principles:

Pension increases (CPI)	Term dependent rates in line with the difference between the Fixed interest and Index Linked yield curves, less 1.3% p.a.
Discount rate (forward rates)	Years 1-10: CPI -0.53% reducing linearly to CPI -1.32% Years 11-20: CPI +2.56% reducing linearly to CPI +1.7% Years 21+: CPI +1.7%

The main demographic assumption used relates to the mortality assumptions. These assumptions are based on analysis of the scheme's experience carried out as part of the 2017 actuarial valuation. The mortality assumptions used in these figures are as follows:

Mortality base table	2017 valuation
Pre-retirement:	71% of AMC00 (duration 0) for males and 112% of AFC00 (duration 0) for females.
Post retirement:	96.5% of SAPS S1NMA "light" for males and 101.3% of RFV00 for females.
Future improvements to mortality	CMI_2016 with a smoothing parameter of 8.5 and a long term improvement rate of 1.8% pa for males and 1.6%pa for females.

26. PENSION SCHEMES (CONTINUED)

The current life expectancies on retirement at age 65 are:	2019	2018
Males currently aged 65 (years)	24.6	24.5
Females currently aged 65 (years)	26.1	26.0
Females currently aged 45 (years)	27.9	27.8

A new deficit recovery plan was put in place as part of the 2017 valuation, which requires payment of 5% of salaries over the period 1 April 2020 to 30 June 2034. The 2019 pension liability provision reflects this plan. The provision figures have been produced using the following assumptions as at 31 March 2018 and 2019.

	2019	2018
Discount rate	2.44%	2.64%
Pensionable salary growth	n/a	n/a
Pension increases (CPI)	2.11%	2.02%

(ii) Local Government Pension Scheme

The LGPS is a defined benefit statutory scheme administered in accordance with the Local Government Pension Scheme Regulations 2013 and currently provides benefits based on career average revalued earnings. The administering authority for the Fund is the London Pensions Fund Authority (LPFA).

LGPS is subject to a triennial valuation by independent actuaries. This scheme is for Professional Support Staff.

The last formal triennial actuarial valuation of the scheme was performed as at 31 March 2016 by a professionally qualified actuary. The next actuarial valuation of the Fund will be carried out as at 31 March 2019 and will set contributions for the period from 1 April 2020 to 31 March 2023.

During the accounting period, the University paid contributions to the pension scheme at the rate of 12.5% of pensionable salaries. The rate of employee contributions varies depending on salary bands.

Assumptions

The financial assumptions used to calculate scheme liabilities under FRS102 are:

	At 31 July 2019	At 31 July 2018
	%pa	%pa
Price inflation (RPI)	3.35%	3.35%
Price inflation (CPI)	2.35%	2.35%
Rate of increase in salaries	3.85%	3.85%
Rate of increase of pensions in payment for LGPS members	2.35%	2.35%
Increases to deferred pensions before retirement	2.35%	2.35%
Discount rate	2.10%	2.65%

26. PENSION SCHEMES (CONTINUED)

The most significant non-financial assumption is the assumed level of longevity. The table below shows the life expectancy assumptions used in the accounting assessments based on the life expectancy of male and female members.

	Male		Female	
	Pensioner	Non-pensioner (currently aged 45)	Pensioner	Non-pensioner (currently aged 45)
At 31 July 2018	21.4	23.8	24.5	26.8
At 31 July 2019	20.4	22.2	23.5	25.4

Scheme assets and expected rate of return for LGPS

The expected return on assets has been derived as the weighted average of the expected returns from each of the main asset classes (i.e. equities and bonds). The expected return for each asset class reflects a combination of historical performance analysis, the forward looking views of the financial markets (as suggested by the yields available) and the views of investment organisations.

The assets in the scheme were:

	Fair value as at		
	31 July 2019 £m	31 July 2018 £m	31 July 2017 £m
Equities	100.04	96.51	92.64
Target return portfolio	46.63	43.12	31.35
Infrastructure	10.52	8.46	6.81
Property	16.72	14.66	9.84
Cash	9.68	2.31	10.48
Total	183.59	165.06	151.12

Analysis of the amount shown in the balance sheet for LGPS

	Year Ended 31 July 2019 £m	Year Ended 31 July 2018 £m
Scheme assets	183.59	165.06
Scheme liabilities	(308.16)	(276.45)
Present value of unfunded obligation	(3.28)	(3.89)
Deficit in the scheme – net pension liability recorded within pension provisions (Note 19)	(127.85)	(115.28)

26. PENSION SCHEMES (CONTINUED)

	Year Ended 31 July 2019	Year Ended 31 July 2018
	£m	£m
Current service cost	12.25	15.12
Past service costs	1.98	1.84
Administration expenses	0.21	0.19
Total operating charge:	14.44	17.15
Analysis of the amount charged to interest payable/credited to other finance income for LGPS		
Interest cost	4.39	4.12
Expected return on assets	(7.36)	(7.64)
Net charge to other finance income	(2.97)	(3.52)
Total profit and loss charge	11.47	13.63
Analysis of other comprehensive income for LGPS		
Gain on assets	13.07	6.72
Experience gain/(loss) on liabilities	0.21	5.80
Other actuarial gains/(losses) on assets	-	-
Change in demographic assumptions	15.51	-
Change in financial assumptions for defined benefit obligation	(32.91)	17.84
Total other comprehensive income	(4.12)	30.36

	Year to 31 July				
	2019	2018	2017	2016	2015
Difference between actual and expected return on scheme assets:					
Amount (£m)	13.07	6.72	16.06	1.80	0.23
% of assets at end of year	7.12%	4.07%	10.63%	1.42%	0.20%
Experience (gains)/losses on scheme liabilities:					
Amount (£m)	0.21	5.80	11.64	(0.06)	0.01
% of liabilities at end of year	0.07%	2.07%	4.10%	(0.02%)	0.01%

26. PENSION SCHEMES (CONTINUED)

	At 31 July 2019 £m	At 31 July 2018 £m
Cumulative actuarial (gain) / loss recognised as other comprehensive income for LGPS		
Cumulative actuarial (gain) / loss recognised at the start of the year	(30.36)	(15.10)
Cumulative actuarial (gain) / loss recognised at the end of the year	4.12	(30.36)
Analysis of movement in surplus/(deficit) for LGPS		
Deficit at beginning of year	115.28	133.03
Contributions or benefits paid by the University	(6.97)	(6.21)
Return fund on assets	(17.46)	(10.84)
Current service cost	10.27	13.27
Past service costs including curtailment	1.98	1.84
Interest cost	7.36	7.64
Other administration expenses	0.21	0.19
Experience loss / (gain) on defined benefit obligation	(0.21)	(5.80)
Loss/(gain) recognised in other comprehensive income	32.91	(17.84)
Change in demographic assumptions recognised in other comprehensive income	(15.51)	-
Deficit at end of year	127.86	115.28
	Year to 31 July 2019 £m	Year to 31 July 2018 £m
Analysis of movement in the present value of LGPS liabilities		
Present value of LGPS liabilities at the start of the year	280.34	284.14
Current service cost (net of member contributions)	10.27	13.27
Past service cost including curtailment	1.98	1.84
Interest cost	7.36	7.64
Change in financial assumptions	32.91	(17.84)
Change in demographic assumptions	(15.51)	-
Actual member contributions and other employer contributions	1.98	2.55
Actuarial loss/(gain)	(0.21)	(5.80)
Estimated benefits paid net of transfer in	(7.28)	(5.05)
Unfunded pension payments	(0.39)	(0.41)
Present value of LGPS liabilities at the end of the year	311.45	280.34

26. PENSION SCHEMES (CONTINUED)

	Year to 31 July 2019 £m	Year to 31 July 2018 £m
Analysis of movement in the fair value of scheme assets		
Fair value of Scheme assets at the start of the year	165.06	151.12
Expected return on assets	4.39	4.12
Actuarial gain on assets	13.07	6.72
Administration expenses	(0.21)	(0.19)
Actual contributions paid by University	6.97	6.20
Actual member contributions (including notional contributions)	1.98	2.55
Estimated benefits paid plus unfunded net of transfers in	(7.67)	(5.46)
Fair value of Scheme assets at the end of the year	183.59	165.06

LGPS assets do not include any of the University's own financial instruments, or any property occupied by the University.

	Year to 31 July 2019 £m	Year to 31 July 2018 £m
Actual return on Scheme assets		
Expected return on Scheme assets	4.39	4.12
Asset gain	13.07	6.72

Estimated contributions for LGPS in the Financial Year 2019–2020 is £5.48m.

(iii) Teachers' Pension Scheme (England and Wales) (TPS)

The latest actuarial valuation of the TPS was carried out as at 31 March 2016 and in accordance with the Public Service Pensions (Valuations and Employer Cost Cap) Directions 2014 (as amended) ('the directions'). The valuation report was published by the Department for Education in March 2019. The key elements of the valuation and subsequent consultation are:

- employer contribution rates set at 23.8% of pensionable pay from 1 September 2019
- total scheme liabilities for service to the effective date of £218.1 billion, and notional assets of £196.1 billion, giving a notional past service deficit of £22.0 billion; and
- in line with a ministerial pronouncement in January 2019, the employer cost cap of 10.9% of pensionable pay applied to future valuations remains.

It is not possible to identify the University's share of the underlying assets and liabilities of the TPS. Therefore contributions are accounted for as if the TPS were a defined contribution scheme and pension costs are based on the amounts actually paid (i.e. cash amounts). In the year ending 31 July 2019, contributions by the Group to the scheme were £6.976 million (2018: £6.329 million).

27. CONTINGENT LIABILITY

In September 1994 the University entered into a guarantee and indemnity, in perpetuity, that provided additional security for a £5m loan arrangement entered into by the Quintin Hogg Trust. The lender also had a charge over the property at 309 Regent Street however this was not released when the loan was repaid. The Quintin Hogg Trust owns 309 Regent Street and leases, on a long lease, the building back to the University. In 2018/19 the Quintin Hogg Trust required the charge over the building to be released to be in a position to complete on a related property transaction. In order to do this the University was required to re-confirm the original guarantee and indemnity that was provided in 1994 and in doing so agreed a stop date to the guarantee of 31 March 2024.

The risk of any financial impact as a result of this guarantee and indemnity is unquantifiable and considered to be remote.

28. EVENTS AFTER THE REPORTING PERIOD

As set out in Note 19 in respect of the USS pension scheme, a new Schedule of Contributions based on the 2018 actuarial valuation has been agreed. This results in a decrease of £1.1 million in the provision for the obligation to fund the deficit on the USS pension which would instead be £2.2 million. This adjustment will be reflected in the University's Financial Statements for the year ended 31 July 2020.

There have been no other material events after the reporting date which would require disclosure or adjustment to the financial statements for the year ended 31 July 2019.

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