

**Company Number: 977818**

**UNIVERSITY OF WESTMINSTER  
REPORT AND FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 JULY 2020**



# UNIVERSITY OF WESTMINSTER

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## UNIVERSITY OF WESTMINSTER

### Introduction from our Vice Chancellor and President

We have travelled together through a year of unprecedented challenge for us all, resulting from the global coronavirus pandemic (Covid-19). In response, as a community, we have worked together and supported each other and we have successfully moved our University online, creating a digital twin of ourselves in the early stages of the UK's response to Covid-19. We achieved this transition seamlessly - being progressive and digitally-focused is at the heart of Being Westminster: Our Strategy 2018-23 enabling us to respond rapidly at a time of unparalleled change.

We shared and shaped our plans for online delivery and ensuing assessment with our Students' Union (UWSU) and worked in coalition with them to shape a virtual learning environment that would enable our students to continue to study with no detriment to the outcome of the quality of their programmes. I am grateful for the tremendous efforts of all my colleagues and UWSU reps who have adapted and responded so well and who continue to put our students' wellbeing and achievement at the forefront of all considerations.

Through our strategic planning and resulting realignment, we entered the 2019/20 financial year in a strong position, having achieved registration with the Office for Students without conditions, providing a strong and stable platform for our University for the future.

We have created a relevant and attractive portfolio through our three distinctive Colleges ensuring we remain popular as a study choice. We achieved 100 per cent of our recruitment targets through Clearing 2019, securing our targets for growth across our portfolio. Our applications for the next academic year are already tracking ahead of the previous year whilst the sector more widely has found recruitment more challenging.

For those who will be able to spend time on campus in future, we have worked hard on making improvements and we implemented many of these before we needed to vacate our buildings in March 2020 as a result of the coronavirus pandemic. Over the year, we rolled out a multi-million programme of infrastructure development for our Estate including the refurbishment of our lecture theatres, studios, laboratories, workshops, catering facilities and student residences and we invested more than £6million in our digital capabilities. We put resources into many of the necessary underpinning projects for the running of our campuses with £7million invested in aspects including replacement of boilers, water tanks, LED lighting and air handling. We have since implemented all the measures needed in response to the pandemic to keep our colleagues and students safe, creating a socially-distanced version of our campuses to allow those who need to return to study in the next semester a Covid-19 safe environment.

We have responded to the needs of our colleagues and students throughout this difficult year for us all, putting in place support mechanisms to help with the challenges of remote working through the provision of financial, digital and health and wellbeing support schemes for our students. We did this with compassion for individual circumstances. We also reached out to respond to the needs of wider communities and Government calls to action. For example, we loaned equipment to help with the development of testing for the coronavirus and our psychologists teamed up with the NHS to launch a free course on wellbeing.

We know how critical it is for our students to have the platforms and channels they need to complete their courses successfully. We found creative ways to hold our end of year shows giving our students an opportunity to showcase their work and emerging talent from those courses where the opportunity to exhibit is so vital. These gained recognition from the media and the industries and professions relevant to the shows.

We have continued to work closely with our Students' Union on enhancing our student experience with more than 600 course representatives now ensuring the student voice is strong. We have listened to feedback and we have taken steps to focus on those aspects that matter to our students. As a result, we have improved our National Student Survey (NSS) scores for a second successive year with improvement in four of the five NSS Teaching Excellence Framework S (TEF) categories with the sector seeing an overall downturn in these areas.

As one of the most diverse universities in the world, equality, diversity and inclusion is at the heart of our thinking and planning. We approved our Equality Diversity and Inclusion (EDI) Action Plan in December 2019 and appointed our first EDI Officer. We have a new EDI Committee and we have published 15 commitments to deliver equity and inclusivity and eradicate racism and harassment within our University. We made these having listened and responded to the views of our BME colleague network members, students, trades unions and others and we will stand by them.

We have created a special package of support for our graduating students this year: The Class of 2020 with mentoring schemes, employability webinars and one to one careers' advice available to help to prepare for the world of work in extraordinary times. We held an online careers event with more than 200 attendees from

## UNIVERSITY OF WESTMINSTER

### Introduction from our Vice Chancellor and President

around the world giving our students introductions to employers and ideas to support their own entrepreneurship as they enter the world of work.

We have all missed the highlight of our academic year - our graduation ceremonies at the Royal Festival Hall this Summer - and we look forward to rearranging these celebratory events as soon as it is safe to do so. In the meantime, we stay close to our new graduates, now members of our Westminster alumni.

We are proud of the achievements of all of our alumni and the time so many give to mentor our future graduates. It is notable that it is one of our Westminster alumni who is at the forefront of developing a coronavirus vaccine for the world from his base in India.

So, even though we've needed to respond to the many changes resulting from the coronavirus pandemic, we've emerged from the year stronger. We have continued to meet the aspirations of our four objectives within our Being Westminster strategy for learning and teaching, research and knowledge exchange, employability and international. Our connected global University community and our unique Westminster progressive and entrepreneurial spirit will set us fair to meet future challenges arising from Covid-19 and as ever, we are prepared for our future. We are Westminster!



**Dr Peter Bonfield**  
**Vice-Chancellor and President**

## UNIVERSITY OF WESTMINSTER

### Statement from our Chair to the Court of Governors

I am proud to present to you our Annual Report for 2019/20, which outlines the second year of delivery of our University Strategy: Being Westminster 2018-23. We, the Court of Governors, confirm our commitment to the purpose, mission and values that are outlined in the Strategy and continue to ensure that they are embedded and influence all our activities.

During the year, we have implemented the outcomes of our first external effectiveness review, completed in 2019, putting into practice our values - being progressive, compassionate and responsible. We have adopted a new Code of Conduct, which each Governor will sign on joining the Court, and we have taken decisions to ensure that the composition of the Court is fit for purpose and highly effective. By delivering on our Inclusion and Diversity action plan we have improved our governor recruitment processes to ensure that they are more transparent, open and inclusive, with stakeholder involvement as appropriate in identifying criteria for vacancies and in the selection process.

The Covid-19 pandemic presented a significant challenge, as it has to everyone, and the safety and wellbeing of our students and colleagues has been at the forefront of our discussions and decisions. All governors have been kept up to date throughout and through online meetings and workshops have been able to examine and oversee the University's response and any potential impact on our longer-term plans.

Our Coronavirus Response Team; Being Safe, Feeling Safe Steering Group; Academic Council and University Executive Board acted decisively to respond quickly to the concerns and needs of our students and colleagues, enabling students to progress and complete their studies while maintaining our academic standards. This could not have been achieved without the remarkable resilience, commitment and efforts of our colleagues and students and we would like to take this opportunity to extend our thanks for their positive response to the demands, difficulties and uncertainties the pandemic produced.

We stand alongside our colleagues in the University in our commitment towards equity and inclusiveness for all students and colleagues without racism or harassment. We have ensured that equality, diversity and inclusion forms part of our committee terms of reference and will continue to challenge ourselves and the executive to deliver on our commitments. We warmly welcome the establishment of the Equality, Diversity and Inclusion Committee and the additional drive to build on what we have achieved already to become a place where people of all backgrounds and ages, students and colleagues, are valued and given the opportunity to flourish professionally.

We are very grateful for the continued strength of the partnership between our University and the University of Westminster Students' Union. In June 2020, we thanked the former UWSU President Ibrahim Alzaid for the challenge and insight that he brought to discussions at the Court of Governors and the central role that he and others at the Students' Union played in our response to the pandemic. We welcome the new UWSU President Padamjeet Mehta and look forward to working as partners with him and his sabbatical team as we progress into the new academic year.

It is such a privilege to be the Chair to the Court of Governors and I am very grateful for the support, commitment and hard work of my fellow governors and everyone in our university community.



**Diane Yeo**  
Chair to the Court of Governors

## ABOUT THE UNIVERSITY OF WESTMINSTER

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### *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 19,000 students from 166 different nations.

We have our origins as London'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

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### *College of Design, Creative and Digital Industries*

#### **National Teaching Fellowship Scheme**

Professor Graham Meikle (Communication and Digital Media) has been made a National Teaching Fellow by Advance HE's National Teaching Fellowship Scheme to recognise his outstanding impact in higher education.

#### **OPEN 2020**

The School of Architecture + Cities hosted their annual student exhibition OPEN 2020, which went virtual this year as an exhibition of projects to showcase the emerging talent from Westminster's Architecture and Interiors courses. It featured the works of more than 750 students, with highlights including digital drawings, models, films and prototypes in a virtual setting.

#### **3D-printing Personal Protective Equipment**

Colleagues from the Department of Architecture, the Fabrication Lab and the Emerging Media Space used their expert skills and 3D-printing technology to create protective acetate visor shields for the NHS to contribute to the efforts against the spread of Covid-19.

#### **Top Student Paper Award**

CAMRI Doctoral Researcher Aliaksandr Herasimenka was awarded the 2019 Top Student Paper Award by The Political Communication Division of the International Communication Association.

#### **Fashion Design BA students show at London Fashion Week**

For the third year running, selected final year students from the Fashion Design BA course debuted their Autumn/Winter collections at London Fashion Week. Fifteen collections were selected by an industry panel and were showcased to an audience of top fashion journalists, buyers and recruiters.

#### **Invisible Men exhibition**

The largest ever exhibition devoted to menswear Invisible Men: An Anthology from the Westminster Menswear Archive premiered at Ambika P3 on Marylebone Campus, showcasing 167 garments from over 50 designers.

## CELEBRATING SUCCESS (continued)

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### **Students commemorate Lumiere Brothers with giant grass project**

Animation students marked the 125th anniversary celebration of the University's heritage of being known as the birthplace of British cinema by creating a 50x50 metre grass artwork of the Lumiere Brothers, creators of the moving film of a train which showcased at Regent Street Cinema in 1896. The BBC reported on the project.

### **RIBA President's Medals awards**

Four Architecture students received awards for their student projects as part of the 2019 Royal Institute of British Architects President's Medals. Professor Kester Rattenbury was also shortlisted for an award for Research and Tumpa Fellows received a commendation for her paper in the Building in Quality category.

*College of Liberal Arts and Sciences*

### **Natural History Museum public engagement**

Astrobiology PhD student Rebecca Barcenilla Garcia ran activities at the Natural History Museum's Lates sessions as part of her outreach programme AromAtom, which takes participants on a space journey through smells related to the solar system.

### **20th Anniversary of LLM Corporate Finance Law**

The University hosted a roundtable and reception event to celebrate the 20th anniversary of the founding of the LLM Corporate Finance Law course, which was the first specialist Master's programme in Corporate Finance Law.

### **Me, Human project**

Dr Haiko Ballieux (Cognitive Neuroscience) and Professor Catherine Loveday (Psychology) took part in the Me, Human project, a live experiment at the Science Museum, to investigate how the functions of the brain underpin human behaviour. Dr Ballieux researched the developmental perspective of the brain, while Professor Loveday sat on a panel about how our brains cope in the modern world.

### **Covid-19 testing**

Westminster colleagues contributed towards the fight against the coronavirus outbreak by transferring some of the School's high-tech equipment to and working on a voluntary basis at the Government's Covid-19 testing facilities.

### **Queen's New Year's Honours list**

A number of Westminster alumni and colleagues have been recognised in the Queen's New Year's Honours list for their achievements and service, including Visiting Professor Yewande Mayomi-Akinola for her services to engineering and diversity in STEM design and innovation.

### **Launch of online mental health support tool during pandemic**

Dr Jo Birkett and Dr Cassie Hazell (Psychology) teamed up with NHS psychologists to launch the online tool 'Helpers', a free six-week course to address wellbeing during the coronavirus pandemic.

### **Academic provides House Foreign Affairs Committee statement**

Dr Nitasha Kaul gave a witness statement at a House Foreign Affairs Committee hearing in Washington D.C. about human rights in South Asia, where she spoke about human rights abuses and their impact on the people of Kashmir Valley.

### **Queen's Award for Voluntary Service**

The annual Science4u outreach event, which aims to inspire disadvantaged students to study STEM subjects, was honoured with the Queen's Award for Voluntary Service, the highest award a voluntary group can receive in the UK to recognise their work to benefit local communities.

### **The Difference Festival**

The fourth Difference Festival took place in February 2020 with a focus on truth. Highlights included movies, exhibitions, lectures and discussions which took place in the heart of London at Regent Campus, providing a flagship for the college's commitment to public engagement.

## CELEBRATING SUCCESS (continued)

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### *Westminster Business School*

#### **Business students fundraise over £7,000 for charity**

Business students from the Postgraduate Entrepreneurial Mindset and Opportunities Creation module raised £7,100 for a variety of charities as part of a business challenge on the Entrepreneurship, Innovation and Enterprise Development MSc. The students formed groups and held an array of events to successfully raise funds for chosen charities that they were passionate about.

#### **Major grant for project in collaboration with UNWomen**

Dr Souad Mohammed secured major funding for her two-year project Women Leadership Development in Sudan which contributes directly to the United Nations Sustainable Development Goal 5 of gender equality. The project is in collaboration with UN Women and representatives from NGOs, governmental bodies, female business leaders, business practitioners and academics.

#### **Microsoft app design challenge**

Students from the School of Organisations, Economy and Society were awarded first and second place in an app designing competition at the Microsoft BAME Network and EDI Diversity Festival in celebration of Black History Month. The students competed with an array of universities and won a VIP Microsoft Experience for their efforts.

#### **Funding secured for large-scale CER projects**

The Centre for Employment Research (CER) continues its strong performance in winning highly competitive research grants. Professor Peter Urwin secured a Nuffield Foundation award worth £230,000, to carry out an Analysis of post-16 education pathways that entrench social segregation. Richard Dorsett received £116,000 funding from the Office for National Statistics, to use administrative data to improve labour market statistics, a project that forms part of the Economic Statistics Centre of Excellence programme for research.

#### **Alumna presented construction award by Lord Mayor of London**

Quantity Surveying and Commercial Management BSc alumnus Anjali Pindoria was awarded the status of Journeyman Constructor by The Worshipful Company of Construction due to her efforts to promote the industry to the next generation, while encouraging diversity and inclusion in the sector. The award was presented by the Lord Mayor of London at a ceremony at the Mansion House.

#### **Doctoral research published in prestigious journal**

PhD candidate Marco Cuvero has had his research examining the effects of knowledge incubators and accelerator programmes of high-tech start-ups on product innovation published in the distinguished journal IEEE Transactions on Engineering Management Journal.

#### **Students crowned winners of 2020 IBM University Business Challenge**

A team of five Accounting BSc students, mentored by Karen Kufuor, saw off competition from over 250 university teams across the country. The University Business Challenge is the world's longest running simulation-based business competition.



## STRATEGIC OBJECTIVES

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

### **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.

### **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.

### **Employability**

To offer opportunities for employability-enhancing learning and engagement with employers and industry to all our undergraduate students.

### **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.

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 2019/20

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### *Learning and Teaching*

We have built on the successes achieved in 2019 in improving the experience for our students and our student satisfaction levels have improved for the second year in a row. Increased levels of satisfaction have been reported in four of the five National Students Survey (NSS) Teaching Excellence and Student Outcomes Framework (TEF) categories: Assessment and Feedback (+2.7 percentage points (pp)); Teaching (+2.5 pp); Student Voice (+1.6 pp); and Academic Support (+0.8 pp), with Learning Resources being the only category in which we have shown a decline in satisfaction this year (-0.4 pp).

This demonstrates the significant progress being made in achieving the objectives in Being Westminster to provide an exceptional student experience and we will continue to build on this progress to ensure we are above sector benchmarks in all NSS categories.

Our Personal Tutoring Policy, launched in 2018/19, is fully operational and our Student Engagement monitoring tools have now been accessed 12,053 times by 680 of our colleagues who deliver the academic and pastoral support our students require to help them to excel whilst at Westminster. The tools allow 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.

Our first-year student continuation rates have fallen this year and are now 2pp below benchmark. This is largely attributable to our growth in Foundation Year student numbers, where numbers of new entrants have grown from 251 in 2017/18 to 796 in 2019/20. Continuation rates for foundation students are improving and have increased from 69% in 2017/18 to 74% in 2018/19 because we provide more dedicated and tailored support services to this group of students.

### *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, which is now being delivered. Supplemented by local operational plans, the Strategy will support progress towards our 2023 targets relating to research grants and contracts.

### *Employability*

With the introduction of the new sector-wide Graduate Outcomes survey, we now have a new baseline for performance related to student employability. From the inaugural survey, 93% of our UK, Full-time, Undergraduate leavers were classified as 'in work, in study, or looking for work'<sup>1</sup>. We rank joint fourth amongst the group of eleven London comparator Providers in this metric.

61% of our UK, Full-time, Undergraduate leavers employed in the UK were working in 'highly skilled' employment. We rank seventh amongst the group of eleven London comparator providers in this metric.

### *International*

International fee-paying students now account for 45.6% of our total postgraduate taught (PGT) population, up from 41.1% in 2016/17, which demonstrates strong progress towards achieving our Being Westminster target of 50% for this cohort. At Undergraduate level, the level of international fee-paying students has also increased, to 16.9% from 15% in 2016/17. Our target for this cohort is 30%, so whilst we are still some way off from achieving it, the direction of travel is positive.

The impact of Covid-19 will be felt during 2020/21, and potentially longer-term, on the number of international students we are able to recruit, but as of July 2020, the University had seen an 8% increase in year-on-year applications from international students at undergraduate level and a 19% increase at postgraduate level.

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<sup>1</sup> Excludes 'Other' category i.e. travel, caring for someone or retired

## BEING WESTMINSTER: PERFORMANCE AND IMPROVEMENTS 2019/20 (continued)

In addition to international students studying with us in the UK, we also have 5,287 international students studying for Westminster awards overseas. Of the 142 UK-based universities offering this off-shore provision, we rank 21<sup>st</sup> in terms of volume of off-shore students.

### STRATEGIC FOCUS 2019/20

#### *Learning and Teaching*

Learning and Teaching at the University remains a core pillar of Being Westminster and continues to develop, with changes in leadership, strategy and practice during 2019/20. We established the Centre for Education and Teaching Innovation (CETI) in August 2019. During the year CETI has successfully led our popular Foundation Year (800+ students on 40+ pathways); developed Academic English programmes, including an innovative online programme in response to Covid-19; and secured full accreditation for Advance HE fellowship routes. CETI is developing a networked model for bespoke academic professional development, delivered in partnership with Schools.

Leadership of Learning and Teaching changed during the year, with Dr Sal Jarvis appointed as our new Deputy Vice-Chancellor (Education) in January 2020. We developed our new Education Strategy (approved by Academic Council in June 2020 and endorsed by the Court of Governors in July) through extensive consultation with colleagues and students. It has three strategic objectives:

- To teach in a way that is practical, active, inquiry/problem-focused and socially engaged
- To provide personalised learning and flexibility for students
- To embed critical thinking, employability, enterprise and global fluency in our courses and in co-curricular activities

Covid-19 presented a significant challenge to learning and teaching practice, since learning, teaching and assessment moved wholly online from mid-March 2020. Exceptional work from many colleagues coupled with extensive support and training provided by our Learning Innovation and Digital Engagement (LIDE) team, temporary changes to regulations and a substantial package of student support enabled effective online teaching and learning. Despite significant challenges for colleagues and students, internal student survey data showed a rise in student satisfaction with learning resources during the pandemic.

The latest National Student Survey (NSS) results were published on 15 July 2020. We improved in four of the five NSS TEF categories and our students' overall satisfaction with the quality of their course also increased by 1.8 points to 79.8%. These results show that students recognise the hard work of colleagues to continually enhance their education. There remains work to do to ensure that all students experience an exceptional education at Westminster and action planning to further improve in the coming year is already underway.

Finally, student partnership in learning and teaching is flourishing at Westminster, with the Students as Co-creators Programme engaging students in curriculum design and research projects, a new student voice panel supporting work on assessment and strategy, and a very positive working relationship with UWSU.

#### *Research*

Our four new Research Communities (Arts, Communication and Culture; Diversity and Inclusion; Health Innovation and Wellbeing; Sustainable Cities and the Urban Environment) are now underway, following their launch in September 2019. They have quickly become a key part of our research environment, hosting workshops and other events to support colleagues engaged in research. The Communities have awarded pump-priming grants this past year, which, with further support from our research development team, we look forward to translating into ambitious bids for external funds during the next year. To support the UK's understanding and management of the effects of Covid-19, the communities have in July 2020 funded a new round of projects that will have a uniquely Westminster impact on our response to the pandemic.

One of our strategic goals is to double our research income. In 2019/20 Westminster researchers across the University submitted 160 new external bids with a potential total value of £28.5 million. New research awards over the past year are worth a total of £2.25 million to the University, compared with a total value of £934,000 in the previous 12 months, so we are making good progress.

## STRATEGIC FOCUS 2019/20 (continued)

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Our other top-level KPI for research is that 70% of all our outputs will be 'internationally excellent' or 'world-leading', as measured by the Research Excellence Framework (REF). REF preparation is ongoing as the final submission date has been put back from December 2020 to March 2021 to allow for the impact of Covid-19 on preparations. Unit of Assessment leads are hard at work completing our selection of outputs and impact case studies as well as statements on our research environment, all led by REF Director, Dr David Cunningham.

Our Research Office has expanded to embrace support for knowledge exchange and is now almost at full strength with a complement of 20 colleagues. We have been joined by a new Research Information Support Officer to help ensure the excellence of our reporting and by a new Researcher Development Officer as we prepare to launch our ambitious programme for research support and development in the new academic year.

As we state in Being Westminster: Our Strategy 2018-23, we are 'a unified, interdisciplinary community of researchers with a vibrant body of PhD students at its heart'. Thanks to the generosity of the Quintin Hogg Trust, we will be offering ten new PhD studentships each year from 2020 onwards to help ensure that our PhD researchers have the support they need for their pioneering work. We know that postgraduate researchers who are finishing their PhDs this year have been particularly affected by unavoidable lack of access to research facilities and we have offered support by extending scholarships and offering fee waivers as needed.

It is invidious to single out individual research successes, but to give a flavour of the breadth and depth of our research, we might note the two Leverhulme Trust early-career fellowships awarded to Liberal Arts and Sciences, the Nuffield Foundation Research Grant on post-16 education pathways in the Westminster Business School and the Royal Academy of Engineering fellowship awarded to Dr Barbara Villarini in the College of Design, Creative and Digital Industries.

### *Knowledge Exchange*

We continue to deliver a growing range of knowledge exchange activities and services that bring significant social and economic benefit to businesses, public services, charities and our communities delivering advanced thinking and technologies to support businesses, and the public and third sector, through contract research, industry-led collaborative research and consultancy services. We educate and train our students in enterprise skills and facilitate the incubation and development of new business start-ups, with our highly regarded Creative Enterprise Centre generating ideas, technologies and IP that can be licensed, assigned or commercialised to impact business, industry and society. We deliver an extensive programme of social, community and cultural initiatives to enrich the education, development and experiences of our various communities supporting our local communities through education, training, services and facilities that improve social and economic prospects and growth in London.

Knowledge exchange has taken on greater importance and prominence in 2019/20, given the launch of the Government's Knowledge Exchange Framework (KEF) benchmarking exercise. This will bring new reporting requirements but also the prospect of increased funding from enhanced engagement with businesses, public services, charities and our communities. In April 2020, we published a refreshed Knowledge Exchange Strategy, focusing energy and resources where the greatest return and impact can be achieved, and aligning our knowledge exchange priorities with the work of our Research Communities.

As part of our refreshed Knowledge Exchange Strategy, we have been expanding knowledge exchange capacity across the University, with Knowledge Exchange Lead appointments due in each College and School in late-2020 to enhance the leadership of development and innovation. We have been exploring new ways to incentivise and reward academics to engage in knowledge exchange activity and have introduced a new career progression pathway through knowledge exchange to Professor. We are enhancing our marketing communications to raise awareness of our activities and services and have improved the coordination of University and College events to ensure better capture of data for Higher Education - Business and Community Interaction and KEF returns. We are building a clearer identity and growth strategy for Skills and Professional Development Programmes in the Colleges and have identified new opportunities to support business recovery in London post-Covid-19.

As mentioned above, we have created a new Research and Knowledge Exchange Office to ensure joined-up and effective support for research and knowledge exchange activities. The new Office will provide improved data capture on a broad range of knowledge exchange activities (both for internal strategic planning and external reporting).

## STRATEGIC FOCUS 2019/20 (continued)

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Upgrades to our Virtual Research Environment will better capture staff profiles and activity data to promote institutional excellence and researcher expertise. This, in turn, will foster an improved understanding of current strengths, to enable KEF requirements and reporting to be met with confidence. The reorganisation will ensure the underlying systems and process are directly linked to supporting and developing colleagues and will help develop policy that guides research and knowledge exchange at the University (e.g. ethics and integrity, intellectual property, consultancy and data management).

Knowledge exchange will be further enhanced by the appointment of a Director of Business Engagement in late-2020. This dynamic leader will direct and coordinate a more proactive interaction with businesses, public sector and other community organisations for the benefit of the student experience and our local and regional community. In 2019/20 we also committed to the coordinated expansion of student enterprise, short courses, apprenticeships and Westminster Working Cultures, which will constitute the focus of a planned physical hub for business engagement activity in 2023.

### *Global engagement*

Internationalisation remains a primary focus at Westminster, representing one of the four core pillars of Being Westminster and embracing areas such as overseas student recruitment, transnational education (TNE), international partnerships and outward student mobility. In 2019/20, there was further growth of the Westminster Working Cultures (WWC) programme, our flagship short-term outward mobility scheme that allows students to experience professional life in selected world cities. Following this success, the programme is expanding further, and WWC UK and WWC Professional will launch in 2020/21.

WWC is a core element 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, WWC has sent almost 200 students abroad and now features trips to Mumbai, Hong Kong, Washington DC, Shanghai, Berlin and Dubai, with plans to develop further visits to other world cities such as Tokyo, Milan and Kuala Lumpur. Engagement with overseas partner institutions is a key facet of the programme and we continue to look toward working with a range of TNE connections in Berlin, Milan and Colombo for future trips. WWC UK, our local equivalent of WWC, will feature a series of week-long employability programmes, skills development workshops and events which students can participate in throughout the year alongside their studies, giving them a chance to experience work insights and employment culture in the UK. WWC Professional, a new international programme, will deliver professional development activity in selected markets around the world, in order to strengthen engagement between the University, its alumni, and current and prospective students.

The development of our TNE portfolio has continued to be a global engagement priority in 2019/20. Our current TNE partnerships are with Westminster International University in Tashkent, Uzbekistan; Istituto Europeo di Design in Barcelona and Milan; Informatics Institute of Technology in Colombo, Sri Lanka; and Hochschule Macromedia in Berlin. At each partner institution, University of Westminster degrees are offered and awarded either through validated or franchise routes.

Following a successful validation event at Westminster International University in Tashkent (our oldest and largest partner) in December 2019 a new five-year contract was signed in London in February 2020, in the presence of HE Said Rustamov, Ambassador of the Republic of Uzbekistan to the United Kingdom. Going forward, our provision will include the delivery of new programmes at both undergraduate and postgraduate level in the areas of Finance; Human Resource Management; and Business Intelligence and Analytics.

This year has also seen the successful approval by HKCAAVQ in Hong Kong of our proposed partnership with Hong Kong Design Institute (HKDI), which will see HKDI offering Westminster's BA Fashion Buying Management at Level 6 from September 2020.

## STRATEGIC FOCUS 2019/20 (continued)

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Plans for TNE partnership development involve new links in Egypt, Malaysia and Nepal. The University intends to develop collaborative provision in the areas of Fine Art; Photography; Fashion Design (Egypt); Computer Science/Computer Network Security; and Data Systems Analytics (Malaysia/Nepal). At the same time, we are exploring how we might build on TNE links to enhance our provision in the CPD area.

### *Employability*

It has been a busy and successful year for employability developments, key to our Being Westminster Strategy. We refreshed our Employability Framework in the 2018/19 session, and this year has been dedicated to purposeful implementation. We have continued to embed core elements of our student Employability Journey, including our Employability inductions for new students. Having committed to introducing mandatory short-term work based and placement learning (WBPL) into all courses at levels 4 or 5, we began the process of embedding that project, producing a typology of models of WBPL to help course leaders identify the best WBPL practice for their programmes and students. We ran employer and industry engagement events, drawing on employer perspectives to support undergraduate course redesign and development, in the Schools of Computer Science and Engineering; Management and Marketing; Humanities and Social Sciences. We set up and ran Employer Advisory Boards in every School, the purpose of which is to provide insight into employer and industry requirements; advise on proposals for new programmes and employability initiatives, including WBPL; act as employer partner advocates for our Schools; and enhance the employer, industry and business interactions of Westminster students and colleagues.

Employer engagement is a key priority at Westminster. We are in the process of appointing a new Director of Business Engagement, who will take forward that project, working closely with colleagues across the University. S/he will lead a new directorate, comprising our Apprenticeships team, our Creative Enterprise Centre (to become the Student Enterprise Centre), our Alumni Relations team and our Short Courses team. The new Director and directorate will build on, coordinate and ensure the cross-fertilisation of existing and new relationships with business, employers and industry. This will enable ever greater employability and enterprise learning opportunities at Westminster and support the further development of an exceptional student experience.

A recent Employability highlight has been the celebration of the annual Westminster Employability Award. The Award supports students' career and personal development by formally recognising the extra-curricular activities they complete during their time at the University. Launched in October 2018, the Award requires students to take part in a range of core and optional activities to collect points and be eligible for Bronze, Silver or Gold Awards. On 11 June 2020, over 250 students, colleagues and guests participated in the virtual Employability Awards Celebration 2020, to celebrate the 2019/20 winners. The event attested to the impact of the Award on student participants, and to the ever-stronger employer relations the University is forging.

### *Wellbeing*

As part of our efforts towards achieving a whole-University approach to promoting wellbeing, throughout 2019/20 we have progressed an important project to develop Confidence and Competence in Responding to Student Wellbeing. Funded by the Quintin Hogg Trust, this collaborative project between ourselves and the Students' Union (UWSU) has various activity strands that 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:

- rolling out Mental Health Awareness and Mental Health First Aid training to be available to all colleagues across the University
- 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
- developing Sexual Violence Liaison Officer competence for key colleagues

The project team, drawn from across Student and Academic Services and UWSU, has successfully delivered training (both in-person and online) to more than 400 colleagues and students in 2019/20.

## STRATEGIC FOCUS 2019/20 (continued)

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We introduced Wellbeing Adviser roles in January 2020 to offer 'first response' emotional support, inclusion support for identified student groups and external service liaison. They have engaged with colleagues across our University to provide early intervention and holistic case coordination across a range of student support issues. We have also launched a Wellbeing Link referral system to enable collaborative approaches to supporting students who may be struggling with personal issues that are affecting their studies.

In 2019/20 we have taken several key steps to support individual and collective colleague wellbeing. These include:

- launching our wellbeing platform for colleagues 'Juice';
- launching the Wellbeing Action Plan, which has three themes: Leadership and Management, Spaces and Places and Colleagues and Culture; and
- focus groups and online discussions for colleagues to share their thoughts on the Wellbeing Action Plan, which resulted in a set of recommendations.

In July 2020, we carried out our second colleague wellbeing survey (our first survey took place in July 2019). The 'Being Safe, Feeling Safe' survey focused on understanding where we are and what further steps we need to take to continue to work together on our collective wellbeing, health and safety. 871 colleagues completed the survey (560 responses in 2019) and we collected more than 1,000 free text comments that will inform our plans. We have mapped some responses to our 2019 survey and recorded an improvement in colleagues' personal wellbeing; over a third of colleagues have moved from the centre and 'less well' side of the scale to 'more well' with almost two-thirds of us feeling positive levels of wellbeing. Our Being Safe, Feeling Safe group will use the responses to inform plans that will enable our phased return in the first semester of the 2020/21 academic year and in the medium- and long-term to inform the development and implementation of the Wellbeing Action Plan.

### **Covid-19 Student Wellbeing response**

We established several new initiatives in March 2020 to support students with the impact of Covid-19 and the temporary move to remote delivery:

- 166 devices were loaned to students before the University moved to remote delivery
- Through the Stay Connected Scheme, joint-funded by the University and Santander, UWSU delivered 160 laptops to students who had no access to a digital device
- The Quintin Hogg Trust (QHT) provided £100,000 for a Stay on Track Scheme Financial Support Fund
- The QHT provided £100,000 for the Work With Us Scheme (managed by UWSU) to fund remote working opportunities for students who lost part-time work and were not furloughed
- The QHT provided £50,000 for bursaries to support students with accommodation costs that have been affected by the impact of Covid-19
- We waived third-term residential fee instalments (for University owned and nominated accommodation provision) for students who moved away in response to Covid-19 and established flexible contract starts for the new academic year for students who cannot take up their places at the start of the year for reasons related to Covid-19.

### *Education for all*

It has been another successful year for us in terms of philanthropy. We raised over £3.6m from 450 donors for a range of projects helping our students to reach their true potential, regardless of their background, during their time with us.

Of this, £3.1m was donated by The Quintin Hogg Trust (QHT) to fund 41 projects supporting delivery of our Being Westminster strategic objectives and improving our students' learning experience and employability prospects. Most recently, the QHT also generously reallocated £1m of funds for several strategic projects identified to support the emerging needs of our students as a consequence of Covid-19. These projects will help to enhance our digital delivery and, through the scaling up of e-mentoring, our digital enterprise provision and the Westminster Working Cultures virtual programme, which gives our students the best possible chance of success in the challenging graduate job market.

## STRATEGIC FOCUS 2019/20 (continued)

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We also ran a telephone campaign which, over a period of three weeks, saw over 1,000 alumni engaged by our current students, raising an impressive £75,000 for the 125 Fund, which was then matched by the QHT. We were once again able to process over 700 applications for the 125 Fund, awarding £100,000 to 130 deserving students towards their aspirations, enterprises and academic progression. This increasingly important Fund continues to be essential in maintaining our most vulnerable students' development, no matter their background or the challenges that they may face.

Furthermore, we continued to reinforce the long-term relationship with several major donors including Santander Universities. We celebrated over 10 years of working together with the bank to support our students' professional development and announced a further three years of support totalling £184,500 for the Westminster Working Cultures programme, Creative Enterprise Centre and Student Hardship Fund. As noted above, with the support of our donors, over £360,000 was secured for our Covid-19 Response Funds to ensure our students remained on track this summer.

### *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 166 countries and 58% of our students are from BAME backgrounds.

Our 2019/20 Access and Participation plan was approved by the Office for Students (OfS) at the beginning of the financial year and spend across the key areas of impact are detailed in note 12 to the accounts. Our recently approved Access and Participation Plan 2020-2025 demonstrates our commitment to improving equality of opportunity for all our students and acknowledges the areas in which we need to improve to make this a reality. We set ambitious targets for eliminating gaps in continuation rates, degree completion and awarding of good honours degrees for students from underrepresented groups and achieving these targets is a key objective of our new Education Strategy.

We have already made significant progress against a number of these targets, with continuation rates of students declaring a disability and receiving the Disabled Students' Allowance at 85% compared to 84% for those without a disability. Students from neighbourhoods with low Higher Education participation are now more likely to continue at our University (87%) than those from neighbourhoods with higher rates of participation (83%). 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 and are undertaking further work to design co-created innovative approaches to support these students and nurture their sense of belonging.

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 their studies than any other ethnic group (by 9 percentage points). Black students at Westminster are also significantly less likely than students from all other ethnic backgrounds to achieve a 1st or 2:1 (by 21 percentage points). We have published a list of commitments that we will be making as an organisation to ensure an actively anti-racist, inclusive and safe environment for all of us to study and work in and are taking steps to eliminate these continuation and awarding gaps for black students through these commitments.

## INCLUSION, SUSTAINABILITY AND SOCIAL RESPONSIBILITY

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We continue to champion sustainability, social responsibility and inclusivity through our work and activities. As a global university, we are already contributing to society and creating value through research, learning and teaching. In addition, we are developing programmes to respond to the global sustainability challenges we face around issues such as climate change, supply chain impacts, wellbeing and community engagement.

We are proud of our achievements in these areas so far and have made ambitious commitments to further improvement.



## INCLUSION, SUSTAINABILITY AND SOCIAL RESPONSIBILITY (continued)

Over the last twelve months, we have continued our contribution towards the 17 Sustainable Development Goals (SDGs) developed by the United Nations as the blueprint to achieve a better and more sustainable future for all. We acknowledge that we have a role to play in the achievement of the SDGs and recognise that we will all benefit from engaging with them. The SDGs are highly relevant to our strategic plans and ambitions and we are using them as a framework to effectively combine and report on our progress and achievements.

In 2019/20 we established the SDG Steering Group, which brings together colleagues and students from across our community to discuss progress against our Times Higher Education (THE) Impact Ranking, share best practice and identify collaboration across departments to continue work towards these goals. We have held workshops, engaged with colleagues and students and developed clear SDG Action Plans. This allows us to use the SDG framework as a mechanism to effectively report on our progress and achievements while embedding these goals in our activities to enhance delivery of our Strategy and benefit students, colleagues and other stakeholders.

We developed our Equality, Diversity and Inclusion (EDI) Action Plan in partnership with our BME, LGBTIQ and Women of Westminster colleague networks. The Plan included an action to align our EDI work to the SDGs with reference to Goal 5: Gender Equality and Goal 10: Reduced Inequalities. As part of this work, the Diversity and Inclusion Research Community commissioned research to map and develop understandings of EDI within our University. Our new EDI Committee will work closely with the Sustainable Development Goals Steering Group and colleague networks to ensure alignment between EDI work and SDGs through our action plan, processes and policies.

As part of our commitment to the SDGs, we applied to this year's THE Impact Ranking, which assesses HE institutions (HEIs) against the actions they are taking to achieve the SDGs. We ranked in the top third of 768 HEIs that submitted evidence and placed in the top 100 of global institutions for work on SDG 5 - Gender equality, SDG 10 - Reduced Inequalities and SDG 12 - Responsible Consumption and Production.

In the past year, we have:

- Maintained our Gold Award for participation in the EcoCampus scheme
- Entered into a new three-year contract for 100% renewable electricity supply to all our sites
- Installed new electric vehicle charging points on our Harrow campus as part of our commitment to encouraging sustainable methods of transportation for those travelling to our sites
- Our catering team achieved the highest ever marks in the Soil Association's Green Kitchen Standard
- Won a Bronze Green Apple Award for Best Environmental Practice
- Introduced a successful reuse scheme for furniture and trialled innovative reverse vending machines for coffee cups as part of the national Cup Fund
- Engaged students and colleagues in sustainability initiatives such as our 2019 Sustainability Week
- Received over 22,000 views from colleagues and students of our Change for Good blog

## BEING ME, BEING WESTMINSTER: OUR PEOPLE STRATEGY

We launched our People Strategy: Being Me, Being Westminster in August 2019. In the first year of implementation operational plans focused on three main priorities - Being Well, Being Inclusive and Being Valued.

### *Being Well*

Launched at the Garden Party in August 2019, Juice brings our health and wellbeing offer together in one place, promoting a range of health, wellbeing, and engagement activities facilitated by and for colleagues. Juice provides easy booking for activities and events open to all colleagues across our sites, all year round, along with access to Juice's Health Hub, an online depository for information and advice that is updated on a regular basis.

During the Covid-19 pandemic we continued to add value for colleagues and our university by bringing activities online and have seen a significant increase in engagement as a result. There was a significant increase in the number of colleagues creating new accounts during the lockdown period.

## BEING ME, BEING WESTMINSTER: OUR PEOPLE STRATEGY (continued)

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### *Being Inclusive*

We have appointed a new EDI Officer who will lead on this workstream and work closely with colleagues and our networks - BME, LGBTIQ and Women of Westminster – to ensure that we develop into a truly inclusive organisation. As noted above, we established a new Equality, Diversity and Inclusion Committee to drive this work forward and the Terms of Reference for the Committee were developed from work undertaken by our colleague networks.

### *Being Valued*

Our Human Resources department launched a new Professional Development Review process at the beginning of June 2020, communicating the launch to colleagues through numerous channels. Colleagues also have access to online mandatory training on Unconscious Bias and Having Connected and Constructive Conversations. We also provide a dedicated SharePoint site that includes all guidance, proformas, checklists and FAQs.

## AN ESTATE FOR THE FUTURE

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Our physical estate remains a critical part in delivering Being Westminster. Our estate will continue to reflect our heritage through our historic buildings and provides 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, which are aligned to our strategic aims and are derived from the emerging College requirements and how we intend to progress these.

We continue to invest in the development of our general and specialist teaching spaces. At the start of 2019/20, we opened new space for Fashion at our Harrow site and wet lab space at our New Cavendish Street site. We continue to invest in the roll out of new audio, visual and technologically advanced classrooms, opening the final two Active Learning Classrooms room at our Marylebone and Harrow sites in September 2019.

We continue with coordinated investment in the mechanical and electrical infrastructure across the whole estate with around £4.4 million focused on condition, life cycle replacement and sustainability in 2019/20. We are delivering large scale projects to replace the boilers at the Marylebone campus and have started the first phase of an investment in the building management systems that will supply better building control and improve energy efficiency.

We continue with our development at Harrow through the One Public Estate programme and our strategic engagement with Brent Council and the NHS on areas of shared opportunity. This programme is currently working toward an outline planning approval at the end of 2020 and a start on infrastructure works funded by Central Government in early 2021.

We continue to look at programmes 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 also worked closely with UWSU to develop social learning space, supporting their delivery of the new Hum Pit and student recreation space at our Regents Street site opened in 2019 and worked towards a refreshed student space and Café at 115 New Cavendish Street for the start of 2020/21.

Our Timetabling Working Group - Chaired by Dr Sal Jarvis, Deputy Vice-Chair for Education – has drafted a strategic development plan and specified work streams to exploit significant opportunities to improve our student experience and increase space utilisation.

We completed the first phase of investment in our accommodation at Harrow in 2019 and phase two will be ready for the start of the 2020/21 academic year. Investment has accelerated in phase two with over 150 rooms plus kitchens, corridors and circulation spaces subject to refurbishment. We continue to consider the opportunity for a major refurbishment at our Marylebone Halls and are now also looking at the opportunity for

## AN ESTATE FOR THE FUTURE (continued)

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the redeployment of existing commercial units at Alexander Fleming Halls as student facing social learning spaces.

We completed the move of Professional Services colleagues out of 101 New Cavendish Street during this year, completing work in March 2020, the week before lockdown started and securing a £3.4 million saving in costs from the remaining term of the lease,

We have worked closely with other teams leading on our response to the Covid-19 pandemic, initially supplying dedicated support to colleagues supporting students staying in accommodation throughout this period. At the time of writing, we continue to prepare our buildings ensuring they are Covid-19 secure, safe and clean ready for the start of the new academic year.

## DIGITAL WESTMINSTER: OUR STRATEGY 2020-23

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*"Digital technologies and skills will be at the core of how students and colleagues learn and work, driving innovation and high-quality achievement in all that is done."*

Digital technologies are continuously transforming work and society and impact all our daily lives. Accordingly, they must be designed into the core of our academic provision, business operations and future investments rather than adding them on as an afterthought. We must embrace the changes that this will bring, challenging ourselves to lead from the front.

The digital environment at Westminster is a key enabler for our students, colleagues and external partners, supporting them to deliver Being Westminster and to realise their goals and full potential. By ensuring that our digital environment is effectively used, we will enhance our teaching and learning, facilitate and enable innovative research and improve the efficiency of, and access to, all the services we offer both on and off campus.

We already have many excellent examples of 'digital first' across our Colleges and Professional Services. It is vital that we are even more ambitious and continue to make more of our digital opportunities. These examples of great practice will be made widely accessible by adopting them fully at an institutional level. This will help to ensure that the University becomes digital by design and that we think digital at every opportunity.

With our world now digital and mobile, physical presence should enhance our offering and not constrain it. We will remove the limitations on our students that arise from attending physical classrooms or libraries to participate in their learning. To do this we must ensure that our capability to work digitally is strong and that we continue to adapt to meet the expectations of our students, colleagues and partners. Critically we must, at every opportunity, stress the appropriate use of digital technology in supporting the wellbeing and work-life balance of our University community.

We will provide suitable devices, systems, data and platforms to collaborate, teach, learn, research and meet in safe digital spaces, supporting the needs of our current and future students. For this it is vital to have robust and reliable digital tools and systems. These will be seamlessly integrated into our physical working, teaching and learning spaces in order that our activities can be an appropriate mix of face to face and virtual.

We will provide high quality digital skills development for our students and colleagues, ensuring they have the capability and confidence to make the most of what we provide for them, and to drive the future development of their digital experience.

Similarly, data must be seamlessly part of what we do, ultimately informing how we personalise the learning experience for our students and supporting our institutional decision making at all levels.

'Digital Westminster', our Strategy for 2020-23, sets the vision for our digital environment as a key enabler to Being Westminster. Our plans for achieving this will need to adapt and change as technology, expectations and our understanding evolve.

## DIGITAL WESTMINSTER: OUR STRATEGY 2020-23 (continued)

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Our Digital Strategy principles are:

**Progressive:** Bold and innovative in our use of digital, being prepared to take calculated risks for bigger rewards.

**Transformative:** A focus on the transformation of learning and teaching, research and our underpinning operational processes to be designed as digital first.

**Agile and Flexible:** An environment and culture that embraces digital working that adapts to changing needs, imposing minimal constraints on its users.

**Data Driven:** A data democracy providing ready and transparent access to University and external data to underpin evidence-led decision-making, creativity, and innovation.

**Usable and Inclusive:** A consistent user experience on any device with an emphasis on design for mobile platforms, ensuring that services are accessible to all and cater for all our stakeholders needs.

**Safe, Secure and Compliant:** Digital solutions and operational processes that balance risk with ease of use; allowing users to work, teach and learn in safe digital spaces whether wholly online or blended.

**Wellbeing Focused:** Considers the impact of technologies and digital services on people's mental, physical and emotional health.

The challenge of the Covid-19 pandemic meant that we needed to switch to operating remotely and online at very short notice. This led to accelerated and rapid progress being made on several areas of Digital Westminster within a very short space of time, to support remote delivery of learning and teaching and other supporting services.

## PUBLIC AND PRIVATE BENEFIT

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### *Public benefit*

The University of Westminster is a public benefit entity. Our strategic objectives are covered in detail on page 9 and our 2019/20 academic achievements are summarised on pages 6 to 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

## PUBLIC AND PRIVATE BENEFIT (continued)

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- 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 undergraduate and postgraduate students enrolled at the University and the public at large who stand to benefit through our teaching, research and knowledge exchange activities.

### *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.

## CARBON MANAGEMENT AND REPORTING

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We are committed to reducing our energy consumption and carbon impact. As a signatory to the UK Government's Emissions Reduction Pledge we have committed to reducing our carbon emissions by 30% by 2020/21 against a 2009/10 baseline.

Our focus this year has been on refurbishing and retrofitting several of our facilities to improve energy and create better performing spaces for our students and colleagues.

In 2021 we will increase our Scope 3 reporting to include key supply chains and business travel – allowing us to focus our efforts further on carbon reduction across our University. As part of our commitment to renewable energy, we will also be reviewing our energy procurement to include a proportion of Green Gas.

### *Methodology*

We report on Greenhouse Gas (GHG) emissions sources as required under the Streamlined Energy and Carbon Reporting (SECR) legislation. We calculate our GHG emissions and energy use according to the 2019 HM Government Environmental Reporting Guidelines and have also used the GHG Reporting Protocol – Corporate Standard.

Data has been calculated using the Government's emission 'Greenhouse gas reporting: conversion factors 2020' for all carbon streams. The chosen intensity measurement ratios are total gross emissions in metric tonnes CO<sub>2</sub>e per capita<sup>2</sup> and total gross emissions in metric tonnes CO<sub>2</sub>e per gross internal area (GIA).

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<sup>2</sup> Per capita in this instance is based on all site users, i.e. all students and colleagues

## CARBON MANAGEMENT AND REPORTING (continued)

### Emissions

GHG Emission Data for period 1 July 2019 to 31 August 2020*		
	2018/19	2019/20
<b>Scope 1 (tonnes CO<sub>2</sub>e)</b>		
Direct Emissions - Gas	3,990	3,795
Direct Emissions - Diesel consumption**	0	197
<b>Scope 2 (tonnes CO<sub>2</sub>e)</b>		
Energy Indirect Emissions - Electricity	3,149	2,716
<b>Scope 3 (tonnes CO<sub>2</sub>e)</b>		
Indirect Emissions - Waste Disposal to incineration	11	5
Indirect Emissions - Waste disposal to landfill	2	0.7
<b>Total Emissions</b>		
Total Scope 1 and 2 Emissions	7,139	6,511
Total Emissions (Scope 1, 2 and 3)	7,150	6,713
<b>Intensity measurement- Scope 1 and 2 only (tonnes CO<sub>2</sub>e)</b>		
Intensity ratio – tonnes Co <sub>2</sub> e per m <sup>2</sup> GIA	0.042	0.038
Intensity ratio - tonnes Co <sub>2</sub> e per capita	0.41	0.36

Energy Usage		
Gas Consumption (kWh)	21,699,110	20,641,081
Electricity Consumption (kWh)	13,510,952	11,651,671
Diesel Consumption (Litres)	0	77314
Purchased Electricity Renewable Percentage (%)	100	100

### Notes

\* The data for July 2020 was estimated as actual data was not available at the time of reporting

\*\* Diesel was used in a temporary generator as an emergency due to a faulty electricity transformer at our Harrow site during June 2020

### Energy efficiency

This year, we invested in several projects that have resulted in substantial energy savings and carbon reductions across our estate. Significant projects include:

- LED and PIR upgrades across all our sites, including Harrow halls of residence. Over 5,000 fluorescent lamps were changed to LED with an estimated saving of over 360 tonnes of carbon per annum
- Pipework insulation at our Marylebone site including 14 risers and plantroom, saving an estimated 24 tonnes of carbon per annum
- Upgrade of biomass boiler at our Harrow site
- Refurbishment of our Harrow fashion lab including LED lighting, new thermally efficient cladding and installation of a heat recovery unit
- Refurbishment of the science laboratory at 115 New Cavendish Street including LED lighting and installation of heat recovery units
- Refurbishment of Professional Services office space including PIR LED lighting, installation of new HVAC system and installation of a thermally efficient roof covering
- Procurement of 100% renewable energy for all sites
- Introduction of a furniture reuse scheme, which prevents old furniture from going to landfill or disposal. This has saved the equivalent of over 300 tonnes of carbon by reusing furniture, rather than buying new

## 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 2019 to 31 March 2020 is as follows:

**Table 1 - Relevant Union Officials**

Number of employees who were relevant union officials during the relevant period	39
Full-time equivalent employee number	
30 at 100% FTE	
1 at 80% FTE	
1 at 70% FTE	
1 at 60% FTE	
2 at 50% FTE	
4 at 20% FTE	

**Table 2 - Percentage of time spent on facility time**

Percentage of time	Number of employees
0%	21
1 - 50%	18
51 - 99%	
100%	

**Table 3 - Percentage of pay bill spent on facility time**

	Figures
Total cost of facility time	£59,554
Total pay bill	£82,189,836
Percentage of the total pay bill spent on facility time	0.07%

**Table 4 - Paid relevant trade union activities**

Time spent on paid trade union activities* as a % of total paid facility time hours	3.16%
Time spent on paid trade union duties** as a % of total paid facility time hours	96.84%

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

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

## FINANCIAL REVIEW

The financial position was strengthened at the start of the financial year with a strong performance in student recruitment which exceeded expectations. This has translated into a strong financial performance for the year. This year a surplus of £19.1m before other gains and losses and actuarial losses in respect of pension schemes has been reported.

The University's financial strategy is designed to enable investment in people, buildings and technology sufficient to provide the investment needed to deliver on Being Westminster: Our Strategy 2018-23 and to ensure the continuing financial sustainability of the University. In order to achieve this the University focuses on three key financial indicators: an operating surplus of 6%; a payroll cost to income ratio circa 54% and maintaining a current liquidity ratio greater than 2:1. The performance in the 2019/20 financial year satisfies those measures.

Strengthening our balance sheet and increasing cash reserves provides a solid financial platform. This year a net cash inflow from operating activities of £39.6m was achieved and our cash position was strengthened with a balance sheet total of cash deposits and short-term investments of £85.7m.

Capital investment has continued, £22.1m has been spent maintaining and enhancing our estate and IT infrastructure. In March 2020 the University completed the move from leased property at 101 New Cavendish Street relocating to refurbished spaces at Wells Street and the central London campuses.

The key results for the five years ended 31 July 2020 are summarised as follows:

	FY15/16 £m	FY16/17 £m	FY17/18 £m	FY18/19 £m	FY19/20 £m
Income	205.1	205.4	205.0	210.3	216.4
Expenditure	(193.0)	(204.9)	(196.8)	(193.0)	(197.3)
Operating surplus before exceptional items and other gains and losses	12.1	0.5	8.3	17.3	19.1
Capital expenditure	34.3	22.7	11.6	15.1	22.1
Borrowings	63.2	60.5	57.5	34.3	30.7
Net assets	173.4	190.1	224.1	260.3	222.0

### Income

Total income of £216.4m was ahead of 2018/19 £210.3m.

Tuition Fees and Education contracts account for 80% of total income. Undergraduate students account for 78% of this income and income received from this cohort of new and continuing students in 2019/20 increased by £9m from the prior year. There was also an increase in Postgraduate numbers for both home/ EU and international, resulting in fee income increasing by £5.7m to the prior year.

Returning stability to the University has for the second year seen an increase in research activity and income has increased from 2018/19 by £0.3m (2%). 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 this year increased by £0.5m, a 3% increase on the prior year.

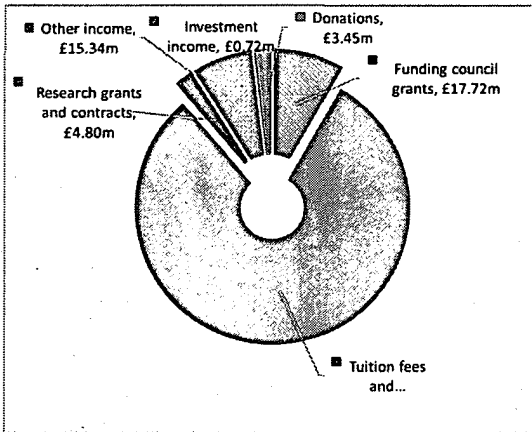
Other income from residences and other commercial activity was impacted by Covid-19 resulting in a reduction of £4.3m when compared to 2018/19, a decrease of 7%. It is anticipated that pressure on accommodation and letting income will continue and other income is not expected to recover to previous levels in 2020/21.



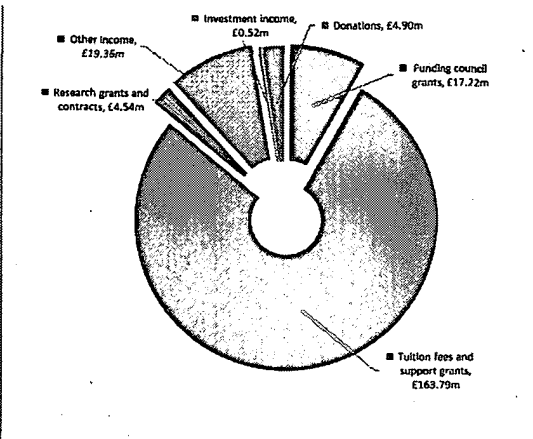
FINANCIAL REVIEW (continued)

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

2019/20 University Income



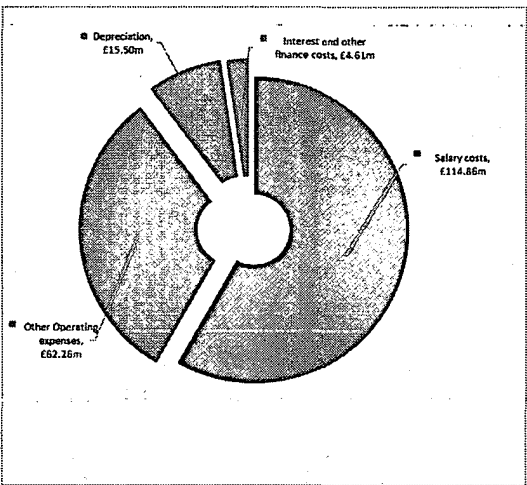
2018/19 University Income



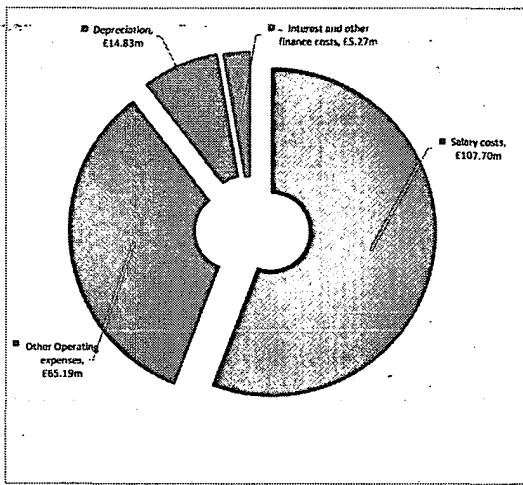
Operating Expenditure

Total expenditure increased by £4.3m (2%) in 2019/20 to £197.3m. (2018/19 £193m) and a summary breakdown is provided in the charts below:

2019/20 University Expenditure



2018/19 University Expenditure



## FINANCIAL REVIEW (continued)

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A key measure of salary spend in the sector is salary spend as a percentage of income, given this is the University's largest area of spend. Total salary spend for the year is £114.9m up from £107.7m in 2018/19, an increase of £7.2m (6.7%). This reflects the increase in the teachers' pension cost which impacted in 2019/20, a cost of living increase of 1.8% and as a result of Covid-19, the University has allowed all colleagues to carry forward additional holiday into future years which increased the year-end holiday accrual by an additional £2m.

Other operating costs have reduced by £2.9m (4%) from 2018/19. This reduction has been driven mainly by a reduction in travel, commercial operations and other planned activity in the second half of the year, as a result of Covid-19.

Depreciation has increased by £0.7m from the prior year and reflects the continuing investment in the estates and IT infrastructure. The depreciation charge for 2019/20 is £15.5m.

Interest and Other Finance costs for the year are £4.6m, reduced from £5.3m in 2018/19, a reduction of £0.7m (13.2%). The reduction has largely been achieved from repaying £23.2m in borrowings at the end of the financial year 2018/19. In November 2019 the University cancelled the £40m revolving credit facility leading to additional loan service cost savings.

### *Capital Spend*

During the year £22.1m was spent on capital improvements to maintain our infrastructure. Funding was provided from internally generated cash flows. Covid-19 has meant that the expected refurbishment work in the summer could not take place, particularly with the rolling estate and IT refresh activity, and efforts have been focused on readying the campuses for the safe return of restricted numbers of our students and moving teaching and support services on line in order to create our 'digital twin'. The major spend during the year has been focused on relocating the professional services colleagues following the vacation from the 101 New Cavendish Street offices which took place on 25 March 2020. Taking the opportunity to break the lease 20 months early has realised a total saving of £3.4m over the remaining lease period to December 2021.

### *Net Assets*

Despite showing a strong operational performance the balance sheet net asset position has been impacted by Covid-19, in two areas; the downward valuation of the properties held as investment assets and the year-end valuation of the balance sheet pension liabilities.

After recognising other gains and losses arising from investment property market value movements and actuarial losses the total reported comprehensive loss for the year is £38.3m. As a result, the University Group net asset position has reduced to £222.0m (2018-19 £260.3m).

### *Cash flow and liquidity*

The net cash inflow from operating activities totalled £39.6m. After accounting for net cash flows from investing activities and for financing and borrowing costs, the year-end cash deposits and short-term investments totalled £85.7m, an increase in cash deposits of £12.1m 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 year finished with net current assets of £63.9m (2019 net current assets £47.9m). 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 2.8:1 (2019 2.2:1).

No additional borrowings were required in the year and at the year-end the outstanding loan commitments are £30.7m (2018/19 £34.3m).

## FINANCIAL REVIEW (continued)

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### *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).

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.

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 2020 is a liability of £191.1m an increase of £63.2m from a deficit in 2018/19 of £127.9m.

The actuarial assumptions, which contributed to the increased deficit, were primarily in respect of the discount rate which has decreased from 2.15% to 1.4%. The discount rate used to assess the future pension liability position is based on financial market performance linked to the market return on corporate bonds, at the accounting date. In addition, the Actuaries changed their method for estimating the inflation rate due to the change in method of calculating the Retail Price Index from 2030 onwards that was announced by the Government in 2019. This is estimated to have led to the estimated inflation rate being approximately 0.2% higher than under the previous methodology. This has an impact of increasing the liability by approximately £19m compared to if the previous methodology had been used. As LGPS Funds are usually invested in a range of asset classes, the performance of the assets may be quite different from that of accounting for the pension liabilities and so the results can be very volatile from year to year and the Covid-19 pandemic has had a significant impact in driving down corporate bond values.

Provision is also made in respect of the University's obligation to fund the USS deficit which at 31 July 2019 was £2.2m (2019 £3.3m)

### *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 44 key risks that are being managed to deliver our strategic objectives and that are key to our long-term financial sustainability, three of these risks were added in July 2020 specifically in respect of Covid-19.

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.

On 23 June 2020 the Government announced that from 2021/22 EU students will no longer be eligible for home fee status and undergraduate and post graduate financial support for courses starting in 2021/22.

In 2019/20 the new intake of students consisted of approximately 10% of students domiciled in the EU (excluding home UK students).

## FINANCIAL REVIEW (continued)

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- **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.

- **Delivering the student experience**

In March 2020, in response to the Covid-19 pandemic, the University moved the final semester of teaching activities on-line, creating a University 'digital-twin'. Over the summer the focus has been readying Students and Colleagues for a safe return to University for the start of the 2020/21 Academic Year. In line with other Higher Education institutions the term has started with much of the student experience being delivered digitally in the expectation that students and colleagues will return to campus at some point during the 2020/21 academic year.

We undertake regular 'pulse' surveys with our students to ensure we continue to meet their needs and deliver on our education promise and while the feedback remains positive the prospect of further restrictions by governments limiting movement across the country and world at large will increase the risks of all students reconsidering their options, which potentially could further impact on the forecast income position.

We will continue to mitigate these risks responding to the ever changing landscape as University colleagues have done throughout the pandemic ensuring that our students wellbeing and safety and education experience remains our number one priority.

- **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 resulting from 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 continued uncertainty in the markets this liability is expected to remain at a significant level. In October 2020 the University commissioned a firm of independent pension advisors to undertake a review of the University pension position, with a brief to set out financial risks the current pension arrangements present in the medium to long term to the University's financial sustainability and to provide a number of options on how the University might respond to mitigate some of the associated risks.

## FINANCIAL REVIEW (continued)

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### *Outlook*

Our 2023 strategy, Being Westminster launched in 2018 recognised 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 Covid-19 pandemic was not envisaged as one of the challenges the University and rest of the Higher Education sector would face when setting the 2018-2023 strategy. The Government's clarification of their position following the Augar review, Brexit and the cessation of funding support from 2021/22 for European students continue to add additional uncertainty and challenges; the outlook for the Higher Education sector has never looked more uncertain.

The reversal of the demographic dip in 18-year olds and the increasing population of this cohort over the next fifteen years increasing the demand for full-time higher education is positive.

The completion of the University's transformation program in autumn 2018 has contributed to two years of strong financial performance which has returned the University to a financially sustainable footing. This financial strength means that the University can approach financial year 2020/21 maintaining the planned level of resources. Court approved a deficit budget for 2020/21 in July 2020 which was based on an anticipated 23% fall in student recruitment numbers for the next academic year; an assumption that previously forecast recruitment numbers would return in academic year 2021/22 and the University having the cash reserves to manage the operations in the medium term without the requirement for additional borrowings. Recruitment for academic year 2020/21 is positive and will exceed the budget expectations set in June 2020.

The Covid-19 situation and the political landscape continue to make managing the financial position challenging. The financial position is reviewed regularly by the University Executive Board and Resource Committee on behalf of the Court. The University Planning Committee meet regularly and this integrated planning process ensures that the planning process remains focused on a five year planning horizon and provides for timely corrective action to be taken if appropriate while continuing to be a forward-looking, digitally focused university that can adapt its delivery at pace with technological developments focus on the medium and longer-term activities

The necessary investment in our physical and virtual infrastructure depends on the strength of our balance sheet and operating cash surpluses.

We remain 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.

### **Strategic report**

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



**Diane Yeo**  
**Chair of the Court of Governors**  
**25 November 2020**

## UNIVERSITY OF WESTMINSTER

### 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.

UNIVERSITY OF WESTMINSTER  
General Information

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**Chancellor**

Lady Frances Sorrell (to 31 July 2020)

**Chair of the Court of Governors and Pro-Chancellor**

Ms Diane Yeo

**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

# UNIVERSITY OF WESTMINSTER

## General Information

### 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. 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 current 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 process<sup>3</sup>. The Court considers the University's submissions under the Office for Students<sup>4</sup> Prevent duty monitoring framework and reviews annually our Code of Practice on Freedom of Speech<sup>5&6</sup>. The Court of Governors has adopted also the Committee of University Chairs' Higher Education Senior Staff Remuneration Code (June 2018). This report uses footnotes to highlight how the Court of Governors has applied the Code.

### 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 2014<sup>3</sup>.

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://westminster.ac.uk/about-us/our-university/corporate-information/charitable-status)<sup>5</sup>

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<sup>3</sup> HE Code Primary Element 7 – good practice in governance

<sup>4</sup> 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.

<sup>5</sup> HE Code Primary Element 2 - adherence to legislative and regulatory requirements

<sup>6</sup> HE Code Primary Element 4 – academic governance



UNIVERSITY OF WESTMINSTER  
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 remit"*<sup>7</sup>. The Governors of the University during the year ended 31 July 2020 are listed below.

	Appointed (A) or reappointed (R)	Retired or resigned	Committee membership
Ms D Yeo Chair	24 October 2018 (A) <sup>8</sup>	18 March 2020 (Deputy Chair)	Nominations, Remuneration
Mr D Cheeseman Deputy Chair			Finance and Property (F&P), Remuneration
Ms L Phillips Deputy Chair	4 June 2020 (A) <sup>9</sup>		Nominations
Mr I Alzaid		30 June 2020	Academic Council
Professor D Anand	4 June 2020 (A)		
Mr J Bairamian			
Mr R Barnes		27 November 2019	F&P
Ms C Bernard (Interim Deputy Chair)		19 March 2020	HR, Nominations
Dr P Bonfield			Academic Council, F&P, Nominations, Professors and Readers Awarding
Mr N Catterall			
Mr G Davies		3 June 2020	
Dame K Dunnell			Audit, Nominations, Remuneration
Ms V Foster <sup>10</sup>	1 September 2020 (A)		Audit
The Hon Dame M Hogg		31 July 2020	
Professor A Hughes			
Ms V James			HR
Mr T Lovell <sup>10</sup>	1 September 2020 (A)		F&P
Mr P Mehta	1 July 2020 (A)		Academic Council
Professor G Meikle			Academic Council, Nominations
Mr G Morley			F&P
Mr P Murphy		27 February 2020	F&P, HR, Remuneration
Ms H Owen			F&P, HR
Professor F Ross			Audit
Mr M Smith			Audit
The Ven Canon D Stanton			F&P
Ms P Wales			F&P
Ms M X Wang			Nominations
Mr S Wylie			

The Court of Governors, which meets formally at least five times a year, comprises up to 19 independent (non-executive) governors (two current vacancies), three co-opted (staff) governors, one co-opted (student) governor, and two ex-officio governors (the Vice-Chancellor and the Provost)<sup>3</sup>. 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)<sup>3</sup>.

<sup>7</sup> HE Code Primary Element 1 – collective accountability

<sup>8</sup> Interim Chair to 18 March 2020 when appointed as Chair retrospectively from 24 October 2018

<sup>9</sup> Date of appointment to role of Deputy Chair; governor since 1 September 2018

<sup>10</sup> Recruited during the period to take up a position in the next financial year

## UNIVERSITY OF WESTMINSTER

### Corporate Governance and Internal Controls

#### The Court of Governors (continued)

The Court approves the University's long-term objectives and strategies and provides overall financial and organisational control<sup>7</sup>. 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 research<sup>7</sup>.

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 reviews<sup>3</sup> are published on our website: [westminster.ac.uk/governance](http://westminster.ac.uk/governance).

#### Statutory committees of the Court<sup>3</sup>

**The Academic Council<sup>6</sup>** 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 students. 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 partnerships<sup>11</sup>.

**The Audit Committee<sup>5 & 12</sup>** meets up to five times a year and comprises three independent governors, including the Chair Mr M Smith<sup>13</sup>. 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 Committee<sup>3</sup>** meets three times a year and comprises four independent governors, including the Chair Ms D Yeo, plus the Vice-Chancellor and one of the academic co-opted (staff) governors on the Court (Professor G Meikle). The Committee makes recommendations on Court appointments in accordance with procedures devised by the Committee and approved by 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 a good balance of skills, succession planning and equality and diversity in the membership and the senior leadership team<sup>14</sup>.

**The Remuneration Committee<sup>12</sup>** meets three times a year. It comprises four independent governors, including the Chair Mr D Cheeseman, the Chair of the Court and an independent (non-governor) committee member (Mr M Appleton). The Committee reviews the salaries, terms and conditions of employment and schemes of remuneration for UEB members. 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 (Interim Chair – Ms V James, three meetings per year) and Professors and Readers Awarding Committee (Chair – Professor R Dannreuther, four meetings per year) complete the governance structure reporting to the Court. The Court of Governors approved a revised governance structure that will be implemented from 1 September 2020.

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<sup>11</sup> HE Code Primary Element 5 – effective control and due diligence for significant external activities

<sup>12</sup> HE Code Primary Element 3 – institutional sustainability

<sup>13</sup> The Court of Governors appointed Ms J Khan to the vacant position for an independent (non-governor) member from 1 September 2020

<sup>14</sup> HE Code Primary Element 6 – equality and diversity

## UNIVERSITY OF WESTMINSTER

### Corporate Governance and Internal Controls

#### 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.

#### 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 (BME, LGBTIQ and Women of Westminster) and through his daily interactions.

During the Covid-19 pandemic, the Vice-Chancellor sent regular messages to colleagues and students via email about the University's response. From June 2020, our University Secretary and Chief Operating Officer, Mr J Cappock, communicated periodically to colleagues and students about the work of the Being Safe, Feeling Safe Steering Group on specific areas of planning and delivery to facilitate the re-opening of our campuses.

#### 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 are presented to and discussed at the Committee.

Our student representation 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. 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 inclusion<sup>14</sup>

We are committed to supporting diversity and equal opportunities in our dealings with job applicants, students, colleagues and the public and are working to create a safe environment free of discrimination and harassment.

We have a strong commitment to equal pay for work of equal value and family-friendly/work-life balance policies, with all relevant HR policies 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](#).

### **Equality, diversity and inclusion (continued)**

In 2020 we created a new EDI Officer role who was instrumental in the creation of our new Equality, Diversity and Inclusion (EDI) Committee reporting to the University Executive Board. In June 2020 we published a set of 15 commitments towards equity and inclusivity for all students and colleagues without racism or harassment. We are working to realise all these commitments into action and are incorporating equality, diversity and inclusion into the terms of reference of all University, College and School committees and as part of the objectives for all our senior leadership teams. Additionally, decolonising and diversifying our curriculum and teaching practices is part of our new Education Strategy.

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. We have made notable gains in gender equality, maintaining the gender balance of the Court's membership during the period; at 31 July 2020 48% of the Court membership, including 60% of independent governors, were women (46% of the membership and 56% of independents at 31 July 2019) and know we have work to do in the representation of all other protected characteristics at this level.

We have implemented our Court of Governors inclusion and diversity action plan, introducing a more inclusive recruitment and appointment process, a succession plan and a new format skills matrix, as well as re-engaging with the Board Apprentice scheme. We will work with our new EDI Committee to ensure that our governance processes are inclusive and remain committed to improving diversity in the membership of the Court and its committees. We will monitor and report on diversity across a broader range of characteristics and diversity of candidates will be a priority criterion as we begin the process to recruit our next Chair to the Court.

### **Risk management and systems of control<sup>11 & 12</sup>**

Being Westminster: Our Strategy 2018-23 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. In June 2020, the Court confirmed a risk appetite framework, which includes a risk appetite statement and supporting narratives.

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 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 and designed to evidence the achievement of value for money with regard to efficiency, economy and effectiveness. 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, risk and the adequacy and effectiveness of our arrangements for economy, efficiency and effectiveness.

## UNIVERSITY OF WESTMINSTER

### Corporate Governance and Internal Controls

#### **Risk management and systems of control (continued)**

In addition to the annual assurance report received from Internal Audit, the Audit Committee and Governors receive benchmarking and sector specific reports from both Internal and External Auditors to assist them in discharging their responsibility to monitor the University's performance in delivering value for money.

The University's policy towards fraud, malpractice and corruption is one of zero tolerance. The University's Anti-Bribery, Fraud and Corruption policy sets this out in detail, whilst the Financial Regulations set out the arrangements for reporting and responding to fraud. The Anti-Bribery, Fraud and Corruption policy is reviewed periodically and the Financial Regulations annually and approved by Court. The main emphasis of the Policy is on fraud prevention, achieved through risk assessment, process design informed by awareness of fraud risk, and by keeping staff alert to risks. Reporting of fraud and irregularities is a standing item on the Audit Committee agenda.

Governors and senior managers are required to ensure that their behaviour is demonstrably selfless and open and that they champion the University's policies on bribery, in particular, conflicts of interest, hospitality, travel, and gifts. These are set out in the Financial Regulations and associated policies. The University's external auditors obtain an annual statement signed by all governors and senior managers to the effect that they are personally unaware of any fraud, conflict of interest, or other breach of legislation. The Chair of Court also signs a Letter of Representation on behalf of the governing body which includes such assurances. This would include instances of bribery. 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 four limited assurance opinions provided during the year, relating to: Estates maintenance, NSS – student survey and student experience, Capital expenditure and Student retention. The University received reasonable or substantial assurance for all other assurance and compliance reviews. 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 follow up all recommendations and report on completion to the Audit Committee.

There were no significant internal control weaknesses identified by the internal or external auditors during their programme of work in 2019/20.

#### **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.

The Court of Governors are responsible for ensuring the funding received from the OfS and Research England are expended in accordance with the terms and conditions of the grants being given and for reporting to the OfS or Research England any irregularity, impropriety or non-compliance with the terms and conditions of the funding received. The Court of Governors gain assurance that the funds are being used in line with the funding terms and conditions through the governance committee structures and management representation.

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

## UNIVERSITY OF WESTMINSTER

### Corporate Governance and Internal Controls

#### **Governors' responsibilities (continued)**

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.

UNIVERSITY OF WESTMINSTER  
Corporate Governance and Internal Controls

**Governors' responsibilities** (continued)

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 2021 was approved at the Annual General Meeting in November 2020.

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

A handwritten signature in black ink, appearing to read 'Diane Yeo', is written over a faint, dotted grid background.

**Diane Yeo**  
**Chair of the Court of Governors**  
**25 November 2020**

# 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 2020 which comprise the Group and University Statement of Comprehensive Income and Expenditure, Group and University 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 2020, 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 2019 *Statement of Recommended Practice – Accounting for Further and Higher Education*;
- meet the requirements of the Accounts Direction dated 25 October 2019 issued by the Office for Students; 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.

### Going concern

The Court of Governors has prepared the financial statements on the going concern basis as they do not intend to liquidate the Group or the University or to cease their operations, and as they have concluded that the Group and 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 their 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 Group's business model and analysed how those risks might affect the Group and 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 Group or 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.



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

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 pages 37 and 38, 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 [www.frc.org.uk/auditorsresponsibilities](http://www.frc.org.uk/auditorsresponsibilities).

## REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS

We are required to report on the following matters by the Accounts Direction dated 25 October 2019 issued by the Office for Students ('the Accounts Direction').

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

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; and
- funds provided by the Office for Students, UK Research and Innovation (including Research England), the Education and Skills Funding Agency and the Department for Education have been applied in accordance with the relevant terms and conditions.

## Matters on which we are required to report by exception

We are required by the Accounts Direction to report to you where the University has an access and participation plan that has been approved by the Office for Students' director of fair access and participation and the results of our audit work indicate that the Group's and the University's expenditure on access and participation activities for the financial year disclosed in Note 12 has been materially misstated.

We are also required by the Accounts Direction to report to you where the results of our audit work indicate that the Group's and the University's grant and fee income, as disclosed in note 5 to the financial statements has been materially misstated.

We have nothing to report in these respects.

## 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

30 November 2020

# Consolidated and University Statement of Comprehensive Income and Expenditure

## Year Ended 31 July 2020

		Year Ended 31 July 2020		Year Ended 31 July 2019	
	Notes	Consolidated £'000	University £'000	Consolidated £'000	University £'000
<b>Income</b>					
Tuition fees and education contracts	2	174,344	174,344	163,788	163,788
Funding body grants	3	17,722	17,722	17,215	17,215
Research grants and contracts	4	4,800	3,922	4,538	3,921
Other income	6	15,341	14,010	19,361	17,813
Investment income	7	724	834	516	631
<b>Total income before endowments and donations</b>		<b>212,931</b>	<b>210,832</b>	<b>205,418</b>	<b>203,368</b>
Donations and endowments	8	3,446	3,406	4,903	4,889
<b>Total income</b>		<b>216,377</b>	<b>214,238</b>	<b>210,321</b>	<b>208,257</b>
<b>Expenditure</b>					
Staff costs	9	114,863	113,970	107,702	106,936
Other operating expenses	11	62,260	61,680	65,188	66,726
Depreciation	14	15,503	15,244	14,831	14,564
Interest and other finance costs	10	4,610	4,610	5,266	5,266
<b>Total expenditure</b>		<b>197,236</b>	<b>195,504</b>	<b>192,987</b>	<b>193,492</b>
<b>Surplus before other gains and losses</b>		<b>19,141</b>	<b>18,734</b>	<b>17,334</b>	<b>14,765</b>
Profit on disposal of fixed assets		-	-	25,958	25,958
Gain/ (loss) on financial investments	15	88	87	(23)	(71)
Unrealised loss on revaluation of investment property	15	(2,947)	(2,947)	(2,912)	(2,912)
<b>Surplus before tax</b>		<b>16,282</b>	<b>15,874</b>	<b>40,357</b>	<b>37,740</b>
Taxation	13	-	-	-	-
<b>Surplus for the year</b>		<b>16,282</b>	<b>15,874</b>	<b>40,357</b>	<b>37,740</b>
Actuarial loss in respect of pension schemes	27	(54,599)	(54,599)	(4,120)	(4,120)
<b>Total comprehensive (expenditure)/income for the year</b>		<b>(38,317)</b>	<b>(38,725)</b>	<b>36,237</b>	<b>33,620</b>
Represented by:					
Endowment comprehensive income for the year	24	-	-	62	3
Revaluation reserve comprehensive (loss)/ gain for the year		(510)	(510)	2,574	2,574
Unrestricted comprehensive (loss)/ income for the year		(37,831)	(38,215)	33,601	31,043
		<b>(38,317)</b>	<b>(38,725)</b>	<b>36,237</b>	<b>33,620</b>

All items of income and expenditure relate to continuing activities.  
The accompanying notes form part of these financial statements.

## Consolidated Statement of Changes in Reserves

### Year Ended 31 July 2020

<u>Consolidated</u>	Income and expenditure account		Revaluation reserve	Total
	Endowment £'000	Unrestricted £'000	£'000	£'000
<b>Balance at 01 August 2018</b>	<b>1,165</b>	<b>108,593</b>	<b>114,297</b>	<b>224,055</b>
Surplus from the statement of comprehensive income and expenditure	62	40,295	-	40,357
Other comprehensive expenditure (note 27)	-	(4,120)	-	(4,120)
Transfers between revaluation and income and expenditure reserve	-	(2,574)	2,574	-
<b>Total comprehensive income for the year</b>	<b>62</b>	<b>33,601</b>	<b>2,574</b>	<b>36,237</b>
<b>Balance at 31 July 2019</b>	<b>1,227</b>	<b>142,194</b>	<b>116,871</b>	<b>260,292</b>
Surplus from the statement of comprehensive income and expenditure	24	16,258	-	16,282
Other comprehensive expenditure (note 27)	-	(54,599)	-	(54,599)
Transfers between revaluation and income and expenditure reserves	-	510	(510)	-
<b>Total comprehensive income/ (loss) for the year</b>	<b>24</b>	<b>(37,831)</b>	<b>(510)</b>	<b>(38,317)</b>
<b>Balance at 31 July 2020</b>	<b>1,251</b>	<b>104,363</b>	<b>116,361</b>	<b>221,975</b>

<u>University</u>	Income and expenditure account		Revaluation reserve	Total
	Endowment £'000	Unrestricted £'000	£'000	£'000
<b>Balance at 01 August 2018</b>	<b>347</b>	<b>107,846</b>	<b>114,297</b>	<b>222,490</b>
Surplus from the statement of comprehensive income and expenditure	3	37,737	-	37,740
Other comprehensive expenditure (note 27)	-	(4,120)	-	(4,120)
Transfers between revaluation and income and expenditure reserve	-	(2,574)	2,574	-
<b>Total comprehensive income for the year</b>	<b>3</b>	<b>31,043</b>	<b>2,574</b>	<b>33,620</b>
<b>Balance at 31 July 2019</b>	<b>350</b>	<b>138,889</b>	<b>116,871</b>	<b>256,110</b>
Surplus from the statement of comprehensive income and expenditure	-	15,874	-	15,874
Other comprehensive expenditure (note 27)	-	(54,599)	-	(54,599)
Transfers between revaluation and income and expenditure reserves	-	510	(510)	-
<b>Total comprehensive loss for the year</b>	<b>-</b>	<b>(38,215)</b>	<b>(510)</b>	<b>(38,725)</b>
<b>Balance at 31 July 2020</b>	<b>350</b>	<b>100,674</b>	<b>116,361</b>	<b>217,385</b>

The accompanying notes form part of these financial statements.

# Consolidated and University Statement of Financial Position

## As at 31 July 2020

		As at 31 July 2020		As at 31 July 2019	
	Notes	Consolidated £'000	University £'000	Consolidated £'000	University £'000
<b>Non-current assets</b>					
Fixed assets	14	362,984	359,218	351,915	347,890
Investments	15	40,960	40,410	48,267	47,718
Trade and other receivables due after one year	16	-	3,400	-	3,717
		<b>403,944</b>	<b>403,028</b>	<b>400,182</b>	<b>399,325</b>
<b>Current assets</b>					
Trade and other receivables due within one year	16	13,019	13,345	15,305	16,217
Investments	17	75,034	75,034	65,036	65,036
Cash and cash equivalents	22	10,647	8,720	8,572	6,607
		<b>98,700</b>	<b>97,099</b>	<b>88,913</b>	<b>87,860</b>
Less: Creditors: amounts falling due within one year	18	(34,789)	(36,862)	(41,021)	(43,293)
<b>Net current assets</b>		<b>63,911</b>	<b>60,237</b>	<b>47,892</b>	<b>44,567</b>
<b>Total assets less current liabilities</b>		<b>467,855</b>	<b>463,265</b>	<b>448,074</b>	<b>443,892</b>
Creditors: amounts falling due after more than one year	19	(50,953)	(50,953)	(54,717)	(54,717)
<b>Provisions</b>					
Pension provisions	20 & 27	(194,927)	(194,927)	(133,065)	(133,065)
<b>Total net assets</b>		<b>221,975</b>	<b>217,385</b>	<b>260,292</b>	<b>256,110</b>
<b>Restricted reserves</b>					
Endowment reserve	21	1,251	350	1,227	350
<b>Unrestricted reserves</b>					
Income, expenditure and pension reserve - unrestricted		104,363	100,674	142,194	138,889
Revaluation reserve		116,361	116,361	116,871	116,871
<b>Total reserves</b>		<b>221,975</b>	<b>217,385</b>	<b>260,292</b>	<b>256,110</b>

The financial statements were approved by the Governing Body on 25 November 2020 and were signed on its behalf on that date by:



Ms Diane Yeo  
Chair and Pro Chancellor  
25 November 2020



Dr Peter Bonfield  
Vice Chancellor and President  
25 November 2020

The accompanying notes form part of these financial statements.

## Consolidated Cash Flow

### For period ended 31 July 2020

	Notes	Year ended 31 July 2020	Year ended 31 July 2019
		£'000	£'000
<b>Cash flow from operating activities before tax</b>		<b>16,282</b>	<b>40,357</b>
<b>Tax</b>		<b>-</b>	<b>-</b>
<b>Cash flow from operating activities after tax</b>		<b>16,282</b>	<b>40,357</b>
<b>Adjustment for non-cash items</b>			
Depreciation	14	15,503	14,831
Profit on fixed asset disposal	14	-	(25,958)
Loss on investments	15	2,859	2,935
Decrease/(increase) in debtors	16	2,286	31
(Decrease)/increase in creditors	18 & 19	(4,861)	2,695
Difference between Pension costs and contributions	20 & 27	7,262	10,587
(Decrease) in other provisions	20	-	(776)
<b>Adjustment for investing or financing activities</b>			
Investment income	7	(724)	(516)
Interest payable	10	1,905	2,261
Deferred capital grant released to income		(926)	(757)
<b>Net cash inflow from operating activities</b>		<b>39,586</b>	<b>45,690</b>
<b>Cash flows from investing activities</b>			
Proceeds from sales of fixed assets		-	31,879
Capital grants receipts		731	1,242
Investment income	7	724	516
Payments made to acquire fixed assets	14	(23,476)	(15,124)
New non-current asset investments	15	(52)	(35)
New Investments	17	(9,998)	(65,036)
		<b>(32,071)</b>	<b>(46,558)</b>
<b>Cash flows from financing activities</b>			
Interest paid	10	(1,905)	(2,261)
Repayments of amounts borrowed	19	(3,535)	(23,245)
		<b>(5,440)</b>	<b>(25,506)</b>
<b>Increase/ (decrease) in cash and cash equivalents in the year</b>		<b>2,075</b>	<b>(26,374)</b>
Cash and cash equivalents at beginning of the year	22	8,572	34,946
Cash and cash equivalents at end of the year	22	10,647	8,572

The accompanying notes form part of these financial statements.

# Notes to the Accounts

## for the year ended 31 July 2020

### 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 2019 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 Group activities, together with the factors likely to affect its future development, performance and position, are set out in the Strategic Report which forms part of the Court of Governors Report. The Court of Governors Report also describes the financial position of the University, its cash flows, liquidity position and borrowing facilities.

The University continues to actively monitor the impact of the Covid-19 pandemic, including the impact on economic activity and financial reporting. During the latter half of the financial year the University experienced a fall in income in certain areas of commercial activity. The temporary closure of the University campus in March 2020 led to teaching and assessment moving to a digital platform. In readiness for the academic year 2020/21 the University has continued to invest in the on-line digital delivery of teaching and learning to provide a 'blended' teaching experience and incurred incremental directly attributable costs including those associated with the increased provision of health and hygiene services and the impacts of maintaining social distance requirements.

As the pandemic continues to progress and evolve, it is difficult to predict the full extent and duration of resulting operational and economic impacts on the University Group, which are expected to impact on commercial activity, student retention and the collectability of receivables. The ongoing uncertainty has also been considered in the University's assessment of the appropriateness of adopting the going concern basis for the preparation of the University Consolidated Financial Statements.

Having considered the factors above and prepared a cash flow forecast for the next 12 months the University Group financial forecasts demonstrate that the University Group has sufficient financial resources to meet its obligations as they fall due over the period of 12 months from the date of approval of the financial statements (the going concern assessment period). Thus, the Court of Governors consider it appropriate that the University Group financial statements continue to be prepared on a going concern basis.

#### 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 2020. 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.

## Notes to the Accounts

### for the year ended 31 July 2020

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#### 1 Accounting Policies (continued)

##### Income recognition (continued)

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.

During the financial year the University accessed an emergency grant scheme offered by the UK Government. From March 2020, as a result of the Covid-19 pandemic, a number of commercial operations have been closed. In order to support individuals involved in those operations the University has received Government grant support to maintain the salary payments of those individuals impacted. The support has been received from the Government's Job Retention Scheme. All grant money received from this scheme have been recorded gross and accounted for as Other Grant Income.

##### 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 and expenditure on a straight-line basis over the lease term.



## Notes to the Accounts

### for the year ended 31 July 2020

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#### 1 Accounting Policies (continued)

##### Taxation

The University is an exempt charity within the meaning of schedule 3 of the Charities Act 2011 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. In addition assets previously treated as Investment properties when transferred to non current fixed assets are transferred at fair value at the date of transfer.

##### 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 and expenditure 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.

# Notes to the Accounts

## for the year ended 31 July 2020

### 1 Accounting Policies (continued)

#### Depreciation

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

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 include Fixed assets and Investments. Fixed assets are carried on the balance sheet at amortised costs. 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 and expenditure.

#### 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 and expenditure 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.

## Notes to the Accounts

### for the year ended 31 July 2020

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#### 1 Accounting Policies (continued)

##### 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.

For LGPS the University obligation is to provide the agreed benefits to current and former employees, and actuarial risk (that benefits will cost more or less than expected) and investment risk (that return on assets set aside to fund the benefits will differ from expectations) are borne, in substance, by the university. The University recognises the liability for its obligations under defined benefit plans net of plan assets. This net defined benefit liability is measured as the estimated amount of benefit that employees have earned in return for their service in the current and prior periods, discounted to determine its present value, less the fair value (at bid price) of plan assets. The calculation is performed by a qualified actuary using the projected unit method. When the calculation results in a net asset, recognition of the asset is limited to the extent to which the university is able to recover the surplus either through reduced contributions in the future or through refunds from the plan.

##### 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 27).

## Notes to the Accounts

### for the year ended 31 July 2020

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#### 1 Accounting Policies (continued)

##### Accounting estimates and judgements (continued)

###### a. Pension provision (continued)

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 £2.2 million (see Note 20) and a key factor used to calculate the provision is the element future contribution rate that relates to funding the existing deficit. The last formal actuarial valuation of the scheme was at 31 March 2018 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 27 (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 27, will impact the carrying amount of the pension liability.

The method used for determining the expected rate of inflation in future years has been amended by our actuaries compared to the method used in the 2018-19 accounts. This is one of the assumptions used in determining the future value of the pension obligations. The change in method for estimating the inflation rate has been required due to the change in the method of calculating the Retail Price Index from 2030 onwards that was announced by the Government in 2019. This is estimated to have led to the estimated inflation rate being approximately 0.2% higher than under the previous methodology. This has an impact of increasing the liability by approximately £19 million compared to if the previous methodology had been used. This is one of a number of assumptions used in estimating the future pension obligations and there cannot be certainty as to their actual outcome due to the time period over which the obligation to make future payments is discharged.

###### 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 16)

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.

## Notes to the Accounts

### for the year ended 31 July 2020

	Year Ended 31 July 2020		Year Ended 31 July 2019	
	Consolidated £'000	University £'000	Consolidated £'000	University £'000
<b>2 Tuition fees and education contracts</b>				
Full-time home and EU students	108,900	108,900	102,808	102,808
Full-time international students	52,522	52,522	46,680	46,680
Part-time students	10,556	10,556	10,766	10,766
	<b>171,978</b>	<b>171,978</b>	<b>160,254</b>	<b>160,254</b>
Research Training Support Grant	48	48	33	33
Non credit-bearing courses	2,318	2,318	3,501	3,501
	<b>174,344</b>	<b>174,344</b>	<b>163,788</b>	<b>163,788</b>
<b>3 Funding body grants</b>				
<b>Recurrent OfS grant</b>				
Office for Students				
Teaching grant	9,856	9,856	10,381	10,381
Research grant	5,304	5,304	4,649	4,649
Other grants	1,169	1,169	1,173	1,173
Pension liability grant	464	464	254	254
OfS capital grant	926	926	757	757
Teaching Agency grants	3	3	1	1
	<b>17,722</b>	<b>17,722</b>	<b>17,215</b>	<b>17,215</b>
<b>4 Research grants and contracts</b>				
Research councils	1,053	1,053	534	534
Charities	350	318	307	305
Government (UK and overseas)	1,947	1,864	1,947	1,811
Industry and commerce	620	119	982	426
Other bodies	830	568	768	845
	<b>4,800</b>	<b>3,922</b>	<b>4,538</b>	<b>3,921</b>

## Notes to the Accounts

### for the year ended 31 July 2020

#### 5 Grant and fee income

The source of grant and fee income, included in notes 2 to 4 is as follows:

	Year ended 31 July 2020		Year Ended 31 July 2019	
	Consolidated	University	Consolidated	University
	£'000	£'000	£'000	£'000
Grant income from the OfS	17,722	17,722	17,215	17,215
Grant income from other bodies	4,800	3,922	4,538	3,921
Fee income for research awards	1,521	1,521	602	602
Fee income from non-qualifying courses	2,366	2,366	3,534	3,534
Fee income for taught awards	170,457	170,457	159,652	159,652
Total grant and fee income	<b>196,866</b>	<b>195,988</b>	<b>185,541</b>	<b>184,924</b>

#### 6 Other income

Residences, catering and conferences	7,082	6,766	9,871	8,956
Recreation	427	427	640	640
Rents and Lettings	3,722	2,816	3,967	2,384
Photocopier Income	72	71	115	115
Sundry sales	221	221	539	538
Other Income	3,817	3,709	4,229	5,180
	<b>15,341</b>	<b>14,010</b>	<b>19,361</b>	<b>17,813</b>

#### 7 Investment income

Other investment income	21	25	-	21	3
Interest on fixed term deposits		699	834	495	628
		<b>724</b>	<b>834</b>	<b>516</b>	<b>631</b>

#### 8 Donations and endowments

Donations and endowments	3,446	3,406	4,903	4,889
	<b>3,446</b>	<b>3,406</b>	<b>4,903</b>	<b>4,889</b>

## Notes to the Accounts

### for the year ended 31 July 2020

#### 9 Staff costs

	Year ended 31 July 2020		Year ended 31 July 2019	
	Consolidated £'000	University £'000	Consolidated £'000	University £'000
Salaries	83,114	82,354	78,331	77,661
Redundancy costs	347	330	404	404
Social security costs	8,737	8,673	8,286	8,229
Other pension costs	22,665	22,613	20,681	20,642
	<b>114,863</b>	<b>113,970</b>	<b>107,702</b>	<b>106,936</b>

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

	2020	2019
£100,000 to £104,999	1	-
£110,000 to £114,999	2	2
£115,000 to £119,999	-	1
£120,000 to £124,999	1	2
£125,000 to £129,999	3	2
£130,000 to £134,999	1	1
£135,000 to £139,999	1	1
£150,000 to £154,999	1	1
£250,000 to £254,999	1	1
	<b>11</b>	<b>11</b>

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

	Number	Number
Teaching and research	835	812
Visiting lecturers	122	92
Support staff	758	724
	<b>1,715</b>	<b>1,628</b>

#### 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 and comprise:

Vice- Chancellor  
University Secretary and Chief Operating Officer  
Deputy Vice-Chancellor (Global Engagement and Employability)  
Deputy Vice-Chancellor (Education)  
Pro Vice-Chancellors and Heads of Colleges

Key management personnel compensation is made up as follows:

	31 July 2020 £'000	31 July 2019 £'000
Salary	931	1,043
Employer's pension contributions	119	123
Total emoluments	<b>1,050</b>	<b>1,166</b>

## Notes to the Accounts

### for the year ended 31 July 2020

#### 9 Staff costs (continued)

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

##### Vice Chancellor

	Total 31 July 2020	Total 31 July 2019
	£'000	£'000
Basic salary	250	250
	<b>250</b>	<b>250</b>

The Vice-Chancellor's basic salary is 5.5 times (2019: 5.6 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 4.9 times (2019: 5.0 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 median pay ratios have 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.

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 initial salary for the Vice-Chancellor the Remuneration Committee considered data from the agreed UCEA reference group (London and the South East, Median to Upper Quartile and income '£70m to £202m), information on the market position for salaries for Vice-Chancellors, 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 assessed the competitiveness of current salary bands by comparison to UCEA Senior Staff Survey salary data (published March 2020), noted the level of remuneration of colleagues on senior management contracts, and discussed the external context including the financial impact of Covid-19 and the view of the regulator and government on senior pay in the sector. The Committee considered a confidential pro forma report from the Chair to the Court on the performance of the Vice-Chancellor during 2019-20 that assessed performance against a set of pre-approved objectives and measures and led to a recommendation from the Chair of the salary zone in which the Vice-Chancellor should be positioned. During the period, the Vice-Chancellor declined a salary increase for the second time.



## Notes to the Accounts

### for the year ended 31 July 2020

#### 9 Staff costs (continued)

##### Compensation paid for loss of office

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

	31 July 2020	31 July 2019
	£'000	£'000
Compensation paid for loss of office to employees earning in excess of £100k	-	-
Compensation paid for loss of office to all employees	253	332
Number of employees	No. 32	No. 32

##### 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.

The remuneration of the governors of the University is as follows:

	31 July 2020	31 July 2019
	£'000	£'000
Total remuneration including employer's pension contributions	528	525

During the year £341 (2019: £711) 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 1 trustee (2019: 3 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.

#### 10 Interest and other finance costs

	Notes	Year Ended 31 July 2020		Year Ended 31 July 2019	
		Consolidated	University	Consolidated	University
		£'000	£'000	£'000	£'000
Promissory note		422	422	612	612
Bank loans		1,483	1,483	1,649	1,649
Net charge on pension scheme	27	2,705	2,705	3,005	3,005
		<b>4,610</b>	<b>4,610</b>	<b>5,266</b>	<b>5,266</b>

## Notes to the Accounts

### for the year ended 31 July 2020

#### 11 Analysis of total expenditure by activity

Consolidated	Year ended 31 July 2020			Year ended 31 July 2019		
	Staff	Other	Total	Staff	Other	Total
	£'000	£'000	£'000	£'000	£'000	£'000
Academic Departments	66,486	10,460	76,946	64,394	13,445	77,839
Academic Support Services	13,673	8,670	22,343	13,209	7,574	20,783
Research	2,561	3,604	6,165	2,356	2,495	4,851
Administration and Central Services	20,421	13,999	34,420	16,146	16,104	32,250
Premises	2,618	24,615	27,233	2,667	24,272	26,939
Residences and Catering	907	905	1,812	935	1,286	2,221
Other expenses	8,197	7	8,204	7,995	12	8,007
	<b>114,863</b>	<b>62,260</b>	<b>177,123</b>	<b>107,702</b>	<b>65,188</b>	<b>172,890</b>
Other operating expenses include:						
External auditors' remuneration in respect of audit services			60			50
External auditors' remuneration in respect of non-audit services			<b>25</b>			<b>24</b>
Operating lease rentals:						
Land and buildings			<b>7,388</b>			<b>8,651</b>

## Notes to the Accounts

### for the year ended 31 July 2020

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	31 July 20 Consolidated & University £'000
<b>12 Access and Participation</b>	
Access investment	644
Financial support provided to students	813
Support for disabled students	798
Research and evaluation of access and participation activities	688
	<hr/>
	<b>2,943</b>

No prior year comparator is included as FY 2020 is the first period for Access and Participation plan.

The Access and Participation plan approved by the OfS is published on the University website at <https://www.westminster.ac.uk/access-and-participation-plans>.

The results above are derived from direct and indirect costs associated with Access and participation activities and differ from that in the original Access and Participation plan approved by the OfS.

The Access and Participation plan approved by the OfS includes £1,337k for Access and Participation. Actual expenditure was £644k. Similarly the amount for Financial Support per the approved plan was £1,236k versus actual costs of £813K. The variance reflects the change in focus of our Access and Participation Plan spend from Access to Success and Progression. Further included in the £1,337k for Access and Participation were costs of Admissions staff that have been excluded from the actuals in Access investment disclosed above. In contrast spend has increased on Success and Progression from the £4,238k forecast to £5,205k. These amounts are not reported in the costs above.

£1,921k of the above costs are already included in the overall staff costs figures included in the financial statements (see note 9).

## Notes to the Accounts

### for the year ended 31 July 2020

#### 13 Taxation note

Reconciliation of current tax charge:	31 July 2020 £'000	31 July 2019 £'000
Recognised in the statement of comprehensive income		
Consolidated surplus on ordinary activities	<u>16,282</u>	<u>40,357</u>
Tax on surplus on ordinary activities at standard corporation tax rate in the UK of 19.00% (2019: 19.00%):	3,094	7,668
<b>Effect of:</b>		
Non- taxable profit	(3,094)	(7,668)
<b>Current tax expense</b>	<u>-</u>	<u>-</u>

#### 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% (2019: 17%) of the amount of the timing differences, is £81k asset (2019: £81k asset), and it is analysed below.

	31 July 2020 £'000	31 July 2019 £'000
Capital allowances not utilised	1	1
Tax losses not utilised	80	80
	<u>81</u>	<u>81</u>

## Notes to the Accounts

### for the year ended 31 July 2020

#### 14 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
<b>Cost or valuation</b>									
At 1 August 2019	388,083	28,285	7,517	15,783	7,469	25,845	4,988	49	478,019
Additions	6,342	282	12,900	689	1,178	477	204	-	22,072
Transfers	10,085	273	(16,642)	119	883	3,722	1,560	-	-
Transfer from Investment Property (note15)	4,500	-	-	-	-	-	-	-	4,500
Disposal	-	(1,180)	-	-	-	(6,447)	-	-	(7,627)
<b>At 31 July 2020</b>	<b>409,010</b>	<b>27,660</b>	<b>3,775</b>	<b>16,591</b>	<b>9,530</b>	<b>23,597</b>	<b>6,752</b>	<b>49</b>	<b>496,964</b>
<b>Consisting of:</b>									
Land at valuation:									
At 31 July 2014	120,570	-	-	-	-	-	-	-	120,570
At 31 July 2020	4,500	-	-	-	-	-	-	-	4,500
Assets at cost	283,940	27,660	3,775	16,591	9,530	28,711	1,638	49	371,894
<b>At 31 July 2020</b>	<b>409,010</b>	<b>27,660</b>	<b>3,775</b>	<b>16,591</b>	<b>9,530</b>	<b>28,711</b>	<b>1,638</b>	<b>49</b>	<b>496,964</b>
<b>Depreciation</b>									
At 1 August 2019	72,275	11,406	-	13,968	5,833	19,772	2,801	49	126,104
Charge for the year	6,670	1,163	-	1,287	1,366	4,052	965	-	15,503
Disposal	-	(1,180)	-	-	-	(6,447)	-	-	(7,627)
<b>At 31 July 2020</b>	<b>78,945</b>	<b>11,389</b>	<b>-</b>	<b>15,255</b>	<b>7,199</b>	<b>17,377</b>	<b>3,766</b>	<b>49</b>	<b>133,980</b>
<b>Net book value</b>									
<b>At 31 July 2020</b>	<b>330,065</b>	<b>16,271</b>	<b>3,775</b>	<b>1,336</b>	<b>2,331</b>	<b>6,220</b>	<b>2,986</b>	<b>-</b>	<b>362,984</b>
At 31 July 2019	315,808	16,879	7,517	1,815	1,636	6,073	2,187	-	351,915

## Notes to the Accounts

### for the year ended 31 July 2020

#### 14 Fixed Assets (continued)

University	Freehold Land and Buildings	Leasehold Land and Buildings	Assets in the Course of Construction	Plant and Machinery	Fixtures, Fittings and Equipment	Computers and software	AV Equipment	Motor vehicles	Total
	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000
<b>Cost or valuation</b>									
At 1 August 2019	388,083	23,200	7,517	15,769	7,469	25,796	4,988	49	472,871
Additions	6,342	282	12,900	689	1,178	477	204	-	22,072
Transfers	10,085	273	(16,642)	119	883	3,722	1,560	-	-
Transfer from Investment Property (note 15)	4,500	-	-	-	-	-	-	-	4,500
Disposal	-	(1,180)	-	-	-	(6,447)	-	-	(7,627)
<b>At 31 July 2020</b>	<b>409,010</b>	<b>22,575</b>	<b>3,775</b>	<b>16,577</b>	<b>9,530</b>	<b>23,548</b>	<b>6,752</b>	<b>49</b>	<b>491,816</b>
<b>Consisting of:</b>									
Land at valuation:									
At 31 July 2014	120,570	-	-	-	-	-	-	-	120,570
At 31 July 2020	4,500	-	-	-	-	-	-	-	4,500
<b>Assets at cost</b>	<b>283,940</b>	<b>22,575</b>	<b>3,775</b>	<b>16,577</b>	<b>9,530</b>	<b>23,548</b>	<b>6,752</b>	<b>49</b>	<b>366,746</b>
<b>At 31 July 2020</b>	<b>409,010</b>	<b>22,575</b>	<b>3,775</b>	<b>16,577</b>	<b>9,530</b>	<b>23,548</b>	<b>6,752</b>	<b>49</b>	<b>491,816</b>
<b>Depreciation</b>									
At 1 August 2019	72,275	10,341	-	13,956	5,833	19,725	2,802	49	124,981
Charge for the year	6,670	908	-	1,285	1,366	4,050	965	-	15,244
Disposal	-	(1,180)	-	-	-	(6,447)	-	-	(7,627)
<b>At 31 July 2020</b>	<b>78,945</b>	<b>10,069</b>	<b>-</b>	<b>15,241</b>	<b>7,199</b>	<b>17,328</b>	<b>3,767</b>	<b>49</b>	<b>132,598</b>
<b>Net book value</b>									
<b>At 31 July 2020</b>	<b>330,065</b>	<b>12,506</b>	<b>3,775</b>	<b>1,336</b>	<b>2,331</b>	<b>6,220</b>	<b>2,985</b>	<b>-</b>	<b>359,218</b>
At 31 July 2019	315,808	12,859	7,517	1,813	1,636	6,071	2,186	-	347,890

# Notes to the Accounts

## for the year ended 31 July 2020

### 15 Non-Current Investments

Consolidated	Subsidiary companies £'000	Investment property £'000	Other fixed assets investments £'000	Total £'000
At 1 August 2019	-	47,395	872	48,267
Additions	-	52	-	52
Transfer to Fixed assets	-	(4,500)	-	(4,500)
Revaluation	-	(2,947)	88	(2,859)
At 31 July 2020	-	40,000	960	40,960

University	£'000	£'000	£'000	£'000
At 1 August 2019	1	47,395	322	47,718
Additions	-	52	-	52
Transfer to Fixed assets	-	(4,500)	-	(4,500)
Revaluation	-	(2,947)	87	(2,860)
At 31 July 2020	1	40,000	409	40,410

Investment property includes one property held at fair value as at 31 July 2020. The valuation was performed by Cluttons at 31 July 2020 in accordance with applicable professional standards. The Tower Tavern became vacant prior to the year end and was transferred from Investment property to Freehold land and buildings on 31 July 2020 at fair value (note 14).

Other non-current investments consist of:

	Consolidated £'000	University £'000
Hypha Discovery Ltd	211	211
CVCP Properties plc	198	198
COIF Charity Investment Fund	551	-
	960	409

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. This holding represents 0.8% of the issued share capital and represents a participating interest with no significant influence exercised over the company.

At 31 July 2020, 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 £551k 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 ended 31st July 2020 was 0.3%.

## Notes to the Accounts

### for the year ended 31 July 2020

#### 16 Trade and other receivables

	Year ended 31 July 2020		Year ended 31 July 2019	
	Consolidated £'000	University £'000	Consolidated £'000	University £'000
Amounts falling due within one year:				
Trade and sundry debtors	2,069	1,983	1,659	1,309
Finance lease receivable from subsidiary	-	337	-	337
Other amounts due from subsidiary companies	-	0	-	-
Other debtors	896	729	1,141	1,141
Prepayments and accrued income	10,054	10,296	12,505	13,430
	<u>13,019</u>	<u>13,345</u>	<u>15,305</u>	<u>16,217</u>
Amounts falling due after more than one year:				
Finance lease receivable from subsidiary	-	3,400	-	3,717
Other amounts due from subsidiary companies	-	-	-	-
	<u>-</u>	<u>3,400</u>	<u>-</u>	<u>3,717</u>
	<u>13,019</u>	<u>16,745</u>	<u>15,305</u>	<u>19,934</u>

#### 17 Investments

	Year ended 31 July 2020		Year ended 31 July 2019	
	Consolidated £'000	University £'000	Consolidated £'000	University £'000
Short term deposits	75,034	75,034	65,036	65,036
	<u>75,034</u>	<u>75,034</u>	<u>65,036</u>	<u>65,036</u>

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 2020 the weighted average interest rate of these fixed rate deposits was 0.56% per annum and the remaining weighted average period for which the interest rate is fixed on these deposits was 166 days. The fair value of these deposits was not materially different from the book value.



## Notes to the Accounts

### for the year ended 31 July 2020

#### 18 Creditors: amounts falling due within one year

	Year ended 31 July 2020		Year ended 31 July 2019	
	Consolidated £'000	University £'000	Consolidated £'000	University £'000
Secured loans (promissory note)	2,472	-	2,163	-
Unsecured loans	1,401	1,401	1,372	1,372
Amounts owed to subsidiary undertakings	-	5,053	-	5,608
Trade payables	13,470	13,437	16,399	16,355
Social security and other taxation payable	353	346	288	226
Accruals and deferred income	16,258	15,807	14,304	13,552
Other creditors	835	818	6,495	6,180
	<b>34,789</b>	<b>36,862</b>	<b>41,021</b>	<b>43,293</b>

#### 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 2020		Year ended 31 July 2019	
	Consolidated £'000	University £'000	Consolidated £'000	University £'000
Grants - academic, research & other	169	169	400	404
Commercial rent	686	686	968	968
Accommodation charges	221	221	-	-
Academic fees	2,883	2,883	3,133	3,085
Other income	253	253	137	178
	<b>4,212</b>	<b>4,212</b>	<b>4,638</b>	<b>4,635</b>

## Notes to the Accounts

### for the year ended 31 July 2020

#### 18 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 2020		Year ended 31 July 2019	
	Consolidated £'000	University £'000	Consolidated £'000	University £'000
OfS capital grant	653	653	720	720
	<u>653</u>	<u>653</u>	<u>720</u>	<u>720</u>

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

	Year ended 31 July 2020		Year ended 31 July 2019	
	Consolidated £'000	University £'000	Consolidated £'000	University £'000
Accruals and deferred income	487	487	182	182
Secured loans	661	-	3,133	-
Unsecured loans	26,223	26,223	27,624	27,624
Amounts owed to subsidiary undertakings	-	661	-	3,133
Deferred OfS capital grant	23,582	23,582	23,778	23,778
	<u>50,953</u>	<u>50,953</u>	<u>54,717</u>	<u>54,717</u>

##### Analysis of secured and unsecured loans:

Due within one year or on demand (Note 18)	3,873	1,401	3,535	1,372
Due between one and two years	2,086	1,425	3,872	1,400
Due between two and five years	4,046	4,046	5,387	4,726
Due in five years or more	20,752	20,752	21,498	21,498
<b>Total due after more than one year</b>	<b>26,884</b>	<b>26,223</b>	<b>30,757</b>	<b>27,624</b>
<b>Total secured and unsecured loans</b>	<b>30,757</b>	<b>27,624</b>	<b>34,292</b>	<b>28,996</b>

##### Analysis of total debt

Secured loans, repayable by 2021	3,133	-	5,296	-
Unsecured loans, repayable by 2038	27,624	27,624	28,996	28,996
	<u>30,757</u>	<u>27,624</u>	<u>34,292</u>	<u>28,996</u>

Included in loans are the following:

Lender	Amount £'000	Termination	Interest rate %	Borrower
Scottish Widows	12,491	2038	5.28	University
Lloyds Bank	15,133	2034	4.74	University
	<u>27,624</u>			
Deutsche Bank	3,133	2021	9.54	Subsidiary
<b>Total</b>	<b>30,757</b>			

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 in 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%.

## Notes to the Accounts

### for the year ended 31 July 2020

#### 20 Provisions for liabilities

	Obligation to fund deficit on USS pension £'000	Pension enhance- ments on termination £'000	Defined benefit obligations (note 27) £'000	Total pension provisions £'000
<b>Consolidated and University</b>				
At 1 August 2019	3,328	1,884	127,853	133,065
Utilised in year	-	(129)	-	(129)
Movement in 2019/20	(1,173)	(108)	63,272	61,991
<b>As at 31 July 2020</b>	<b>2,155</b>	<b>1,647</b>	<b>191,125</b>	<b>194,927</b>

#### 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 2018 actuarial valuation has given rise to a decrease in the deficit provision from £3.3 million to £2.2 million.

#### Pension enhancement

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

Discount rate	1.4%
Inflation	2.2%

#### Defined benefit obligation

Note 27 includes detailed commentary on the defined benefit obligation.

## Notes to the Accounts

### for the year ended 31 July 2020

#### 21 Endowment Reserves

##### Consolidated

	Restricted permanent endowments	Expendable endowments	31 July 2020	31 July 2019
	£'000	£'000	Total £'000	Total £'000
<b>Balances at 01 August 2019</b>				
Capital	775	296	1,071	1,079
Accumulated income	4	152	156	86
	<u>779</u>	<u>448</u>	<u>1,227</u>	<u>1,165</u>
Investment income	-	25	25	21
Expenditure	-	(2)	(2)	(6)
Increase in market value of investments	1	-	1	47
<b>year</b>	<u>1</u>	<u>23</u>	<u>24</u>	<u>62</u>
<b>At 31 July 2020</b>	<u><b>780</b></u>	<u><b>471</b></u>	<u><b>1,251</b></u>	<u><b>1,227</b></u>
<b>Represented by:</b>				
Capital	776	296	1,072	1,071
Accumulated income	4	175	179	156
	<u>780</u>	<u>471</u>	<u>1,251</u>	<u>1,227</u>
<b>Analysis by asset</b>				
Current and non-current asset investments			554	553
Cash & cash equivalents			697	674
			<u>1,251</u>	<u>1,227</u>

## Notes to the Accounts

### for the year ended 31 July 2019

#### 21 Endowment Reserves (continued)

##### University

	Restricted permanent endowments	Expendable endowments	31 July 2020 Total	31 July 2019 Total
	£'000	£'000	£'000	£'000
<b>Balances at 01 August 2019</b>				
Capital	85	150	235	289
Accumulated income	4	111	115	58
	<u>89</u>	<u>261</u>	<u>350</u>	<u>347</u>
Investment income	-	-	-	3
<b>Total endowment comprehensive income for the year</b>	<u>-</u>	<u>-</u>	<u>-</u>	<u>3</u>
<b>At 31 July 2020</b>	<u><b>89</b></u>	<u><b>261</b></u>	<u><b>350</b></u>	<u><b>350</b></u>
<b>Represented by:</b>				
Capital	85	150	235	235
Accumulated income	4	111	115	115
	<u>89</u>	<u>261</u>	<u>350</u>	<u>350</u>
<b>Analysis by asset</b>				
Cash & cash equivalents			350	350
			<u>350</u>	<u>350</u>

#### 22 Cash and cash equivalents

	Consolidated	
	At 1st August 2019	At 31st July 2020
	£'000	£'000
Cash and cash equivalents	8,572	10,647
	<u>8,572</u>	<u>10,647</u>
Cash and cash equivalents at 31 July 2020 comprised:		£'000
Endowment cash		697
Unrestricted cash		9,950
		<u>10,647</u>

## Notes to the Accounts

### for the year ended 31 July 2020

#### 23 Capital commitments

Provision has not been made for the following capital commitments at 31 July 2020:

	31 July 2020		31 July 2019	
	Consolidated	University	Consolidated	University
	£'000	£'000	£'000	£'000
Commitments contracted for	4,880	4,880	3,267	3,267
	<u>4,880</u>	<u>4,880</u>	<u>3,267</u>	<u>3,267</u>

#### 24 Leases

Total rentals payable under operating leases:

Consolidated and University	31 July 2020		31 July 2019
	Land and Buildings £'000	Total £'000	Total £'000
Payable during the year	<u>7,388</u>	<u>7,388</u>	<u>8,773</u>
<b>Future minimum lease payments due:</b>			
Not later than 1 year	5,546	5,546	9,241
Later than 1 year and not later than 5 years	22,397	22,397	28,821
Later than 5 years	98,042	98,042	114,570
<b>Total lease payments due</b>	<u>125,985</u>	<u>125,985</u>	<u>152,632</u>

In March 2020 the University terminated a property lease and a surrender premium of £1.55 million was paid to exit the lease before the original lease expiry date of 8 December 2021. The early exit has resulted in a reduction in future minimum lease payments as reflected in the above figures.

Total rentals receivable under operating leases:

Consolidated and University	31 July 2020	31 July 2019
	Total £'000	Total £'000
Receivable during the period	<u>1,950</u>	<u>2,130</u>
<b>Future minimum lease receipts due:</b>		
Not later than 1 year	1,777	2,174
Later than 1 year and not later than 5 years	6,731	7,129
<b>Total lease receipts due</b>	<u>8,508</u>	<u>9,303</u>

# Notes to the Accounts

## for the year ended 31 July 2020

### 24 Leases (continued)

#### 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 2020, the total cost of cinema equipment and leasehold fixtures was £5,148k and present value of minimum lease payments receivable was £3,854k.

#### University

	31 July 2020 £'000	31 July 2019 £'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	2,966	3,303
Total lease receipts due	<u>4,650</u>	<u>4,987</u>

### 25 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

## Notes to the Accounts

### for the year ended 31 July 2020

#### 26 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 the University of Westminster Prize and Scholarship Fund which is included as a subsidiary undertaking in these consolidated financial statements. The University of Westminster Prize and Scholarship Fund is a registered charity number 11010405. The activity of the fund is the advancement of education by the awarding of prizes and scholarships tenable at the University of Westminster. The other charitable institutions 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 2020 financial year (2019: 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 2020 financial year. The Students' Union is treated as a related party of the University.

	31 July 2020 £'000	31 July 2019 £'000
<b>The Quintin Hogg Trust</b>		
Rent payable to the Trust in respect of academic buildings	(4,897)	(5,339)
Donations received from the Trust and recognised in the statement of comprehensive income	3,063	4,329
Amounts owed to the University, disclosed within debtors	3,063	4,329
The University has given a guarantee and indemnity on a loan arrangement entered into by the Quintin Hogg Trust (see note 28).		
<b>Quintin Hogg Memorial Fund</b>		
Rent payable to the Trust	(69)	(93)
Amounts owed to the University, disclosed within debtors	-	26
<b>The Students' Union</b>		
Subvention payable to Students' Union	(1,446)	(1,363)
Salaries reimbursed and invoiced by the University	1,055	963
Other income receivable and invoiced by the University	-	15
Other expenditure payable and invoiced by the Students' Union	(81)	-
Amounts owed to the University, disclosed within debtors	229	353

During the year Regent Street Cinema and the University provided services to a company whose director is a member of the Court of Governors of the University of Westminster. The total amount invoiced was £21k. All transactions were conducted at arm's length.



# Notes to the Accounts

## for the year ended 31 July 2020

### 27 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 2020	Year Ended 31 July 2019
	£m	£m
USS	(1.20)	2.90
LGPS	12.83	12.46
	<u>11.63</u>	<u>15.36</u>

#### (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.

Employers contributions paid and charged to the Statement of Comprehensive Income and Expenditure is £1,070k (2019: £946k) and Actuarial loss on pension scheme of £192k (2019: nil) is included in the table above.

The latest available full actuarial valuation of the Retirement Income Builder is as at 31 March 2018 (the valuation date), which was carried out using the projected unit method. At the year end date the valuation as at 31 March 2020 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 2018 valuation was the fifth 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 £63.7 billion and the value of the scheme's technical provisions was £67.3 billion indicating a shortfall of £3.6 billion and a funding ratio of 95%.

## Notes to the Accounts

### for the year ended 31 July 2020

#### 27 Pension Schemes (continued)

The key financial assumptions used in the 2018 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 + 0.14% reducing linearly to CPI – 0.73%
	Years 11-20: CPI + 2.52% reducing linearly to CPI + 1.55%
	Years 21+: CPI + 1.55%

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 2018 actuarial valuation. The mortality assumptions used in these figures are as follows:

	<b>2018 valuation</b>
Mortality base table	Pre-retirement: 71% of AMC00 (duration 0) for males and 112% of AFC00 (duration 0) for females.
	Post retirement: 97.6% of SAPS S1NMA "light" for males and 102.7% of RFV00 for females
Future improvements to mortality	CMI_2017 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

The current life expectancies on retirement at age 65 are:

	<b>2018 valuation</b>	<b>2017 valuation</b>
Males currently aged 65 (years)	24.4	24.6
Females currently aged 65 (years)	25.9	26.1
Males currently aged 45 (years)	26.3	26.6
Females currently aged 45 (years)	27.7	27.9

A new deficit recovery plan was put in place as part of the 2018 valuation, which requires payment of 2% of salaries over the period 1 October 2019 to 30 September 2021 at which point the rate will increase to 6%. The 2020 deficit recovery liability reflects this plan. The liability figures have been produced using the following assumptions:

	<b>2020</b>	<b>2019</b>
Discount rate	1.5%	3.1%
Pensionable salary growth	n/a	n/a

In the year ended 31 July 2019, the liability was based on the previous deficit recovery plan, which required payment of 5% of salaries over the period 1 April 2020 to 30 June 2034. The reduction in the term of the deficit recovery plan has given rise to a substantial reduction in the deficit provision which has decreased from £3.3 million to £2.2 million as set out in note 20. This reduction is in part attributed to the change in the deficit contributions contractual commitment.

A further full valuation as at 31 March 2020 is currently underway. As the valuation has only recently commenced there is still work to be done agreeing the technical provisions assumptions, the extent of future investment risk, the duration of the deficit period and the level of deficit contributions. Rule changes in respect of strengthening the employer covenant are also in progress including restrictions on employer exits, debt monitoring and pari passu arrangements. The valuation must be completed by 30 June 2021. However it is generally anticipated that there will be a significant increase in the deficit provision as at 31 July 2021 (assuming the valuation is completed by then).

## Notes to the Accounts

### for the year ended 31 July 2020

#### 27 Pension Schemes (continued)

##### (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 2019 by a professionally qualified actuary. The next actuarial valuation of the Fund will be carried out as at 31 March 2022 and will set contributions for the period from 1 April 2023 to 31 March 2026. There are no minimum funding requirements in the LGPS but the contributions are generally set to target a funding level of 100% using the actuarial valuation assumptions.

During the accounting period, the University paid contributions to the pension scheme at the rate of 12.5% for 8 months to March 2020. From 1 April 2020 the University paid contributions to the pension scheme at the rate of 15.1% 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 2020	At 31 July 2019
	%pa	%pa
Price inflation (RPI)	3.00%	3.35%
Price inflation (CPI)	2.20%	2.35%
Rate of increase in salaries	3.20%	3.85%
Rate of increase of pensions in payment for LGPS members	2.20%	2.35%
Increases to deferred pensions before retirement	2.20%	2.35%
Discount rate	1.40%	2.10%

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 at 31 July 2020 weighted by liability and unweighted. The life expectancies shown at 31 July 2019 are unweighted. In future years the life expectancies weighted by liability only will be shown.

	Male Pensioner	Male Non-pensioner (currently aged 45)	Female Pensioner	Female Non-pensioner (currently aged 45)
At 31 July 2019 (unweighted)	20.4	22.2	23.5	25.4
At 31 July 2020 (unweighted)	21.6	23.2	24.2	25.6
At 31 July 2020 (weighted by liability)	22.1	23.6	24.5	25.9

# Notes to the Accounts

## for the year ended 31 July 2020

### 27 Pension Schemes (continued)

#### 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 2020	31 July 2019	31 July 2018
	£m	£m	£m
Equities	100.43	100.04	96.51
Target return portfolio	44.30	46.63	43.12
Infrastructure	12.87	10.52	8.46
Property	17.24	16.72	14.66
Cash	12.63	9.68	2.31
Total	<u>187.47</u>	<u>183.59</u>	<u>165.06</u>

	Year Ended 31 July 2020	Year Ended 31 July 2019
	£m	£m

#### Analysis of the amount shown in the balance sheet for LGPS

Scheme assets	187.47	183.59
Scheme liabilities	(375.55)	(308.16)
Present value of unfunded obligation	(3.06)	(3.29)
<b>Deficit in the scheme – net pension liability</b>	<u>(191.14)</u>	<u>(127.86)</u>
<b>recorded within pension provisions (Note 20)</b>		

Current service cost	12.59	12.25
Administration expenses	0.24	0.21
<b>Total operating charge:</b>	<u>12.83</u>	<u>12.46</u>

#### Analysis of the amount charged to interest payable/credited to other finance income for LGPS

Interest cost	6.50	7.36
Expected return on assets	3.88	4.39
<b>Net charge to other finance income</b>	<u>2.62</u>	<u>2.97</u>
<b>Total profit and loss charge</b>	<u>15.45</u>	<u>15.43</u>

#### Analysis of other comprehensive income for LGPS

(Loss)/gain on assets	(0.47)	13.07
Experience (loss)/gain on defined benefit obligation	(6.59)	0.21
Other actuarial (losses)/gains on assets	(1.86)	-
Change in demographic assumptions	(1.22)	15.51
Change in financial assumptions for defined benefit obligation	(44.27)	(32.91)
<b>Total other comprehensive income</b>	<u>(54.41)</u>	<u>(4.12)</u>

# Notes to the Accounts

## for the year ended 31 July 2020

### 27 Pension Schemes (continued)

#### History of experience gains and losses – LGPS

	2020	Year to 31 July			2016
		2019	2018	2017	
<b>Difference between actual and expected return on scheme assets:</b>					
Amount (£m)	(0.47)	13.07	6.72	16.06	1.80
% of assets at end of year	(0.25%)	7.12%	4.07%	10.63%	1.42%
<b>Experience (gains)/losses on scheme liabilities:</b>					
Amount (£m)	(6.59)	0.21	5.80	11.64	(0.06)
% of liabilities at end of year	(1.74%)	0.07%	2.07%	4.10%	(0.02%)

	At 31 July 2020 £m	At 31 July 2019 £m
<b>Cumulative actuarial (gain) / loss recognised as other comprehensive income for LGPS</b>		
Cumulative actuarial (gain) / loss recognised at the start of the year	4.12	(30.36)
Cumulative actuarial (gain) / loss recognised at the end of the year	54.41	4.12

#### Analysis of movement in surplus/(deficit) for LGPS

<b>Deficit at beginning of year</b>	<b>127.86</b>	<b>115.28</b>
Contributions or benefits paid by the University	(6.57)	(6.97)
Return fund on assets	(3.41)	(17.46)
Current service cost	12.56	10.27
Past service costs including curtailment	0.02	1.98
Interest cost	6.50	7.36
Other administration expenses	0.24	0.21
Experience loss / (gain) on defined benefit obligation	6.59	(0.21)
Loss/(gain) recognised in other comprehensive income	44.27	32.91
Other actuarial gains and losses	1.86	-
Change in demographic assumptions recognised in other comprehensive income	1.22	(15.51)
<b>Deficit at end of year</b>	<b>191.14</b>	<b>127.86</b>

	Year to 31 July 2020 £m	Year to 31 July 2019 £m
<b>Analysis of movement in the present value of LGPS liabilities</b>		
<b>Present value of LGPS liabilities at the start of the year</b>	<b>311.45</b>	<b>280.34</b>
Current service cost (net of member contributions)	12.56	10.27
Past service cost including curtailment	0.02	1.98
Interest cost	6.50	7.36
Change in financial assumptions	44.27	32.91
Change in demographic assumptions	1.22	(15.51)
Actual member contributions and other employer contributions	2.18	1.98
Actuarial loss/(gain)	6.59	(0.21)
Estimated benefits paid net of transfer in	(5.80)	(7.28)
Unfunded pension payments	(0.38)	(0.39)
<b>Present value of LGPS liabilities at the end of the year</b>	<b>378.61</b>	<b>311.45</b>

## Notes to the Accounts

### for the year ended 31 July 2020

#### 27 Pension Schemes (continued)

	Year to 31 July 2020 £m	Year to 31 July 2019 £m
<b>Analysis of movement in the fair value of scheme assets</b>		
Fair value of Scheme assets at the start of the year	183.59	165.06
Expected return on assets	3.88	4.39
Actuarial (loss)/gain on assets	(0.47)	13.07
Other actuarial gains/(losses)	(1.86)	-
Administration expenses	(0.24)	(0.21)
Actual contributions paid by University	6.57	6.97
Actual member contributions (including notional contributions)	2.18	1.98
Estimated benefits paid plus unfunded net of transfers in	(6.18)	(7.67)
<b>Fair value of scheme assets at the end of the year</b>	<b>187.47</b>	<b>183.59</b>

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

	Year to 31 July 2020 £m	Year to 31 July 2019 £m
<b>Actual return on Scheme assets</b>		
Expected return on Scheme assets	3.88	4.39
Asset (loss)/gain	(0.47)	13.07

Estimated contributions for LGPS in the Financial Year 2020–2021 is £5.92m.

#### (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 23.68% of pensionable pay including a 0.08% administration levy 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 2020, contributions by the Group to the scheme were £9.37 million (2019: £6.14 million).

#### 28 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.

## Notes to the Accounts

### for the year ended 31 July 2020

#### 29 Reconciliation of Net debt Consolidated

	31 July 2020	
	£'000	
Net debt 1 August 2019	25,720	
Movement in cash and cash equivalents	2,075	
Other non-cash changes	(7,685)	
Net debt 31 July 2020	<u>20,110</u>	
Change in net debt	<u>(5,610)</u>	
<b>Analysis of net debt:</b>	<b>31 July 2020</b>	<b>31 July 2019</b>
	£'000	£'000
Cash and cash equivalents	10,647	8,572
Borrowings: amounts falling due within one year		
Secured loans	(2,472)	(2,163)
Unsecured loans	(1,401)	(1,372)
	<u>(3,873)</u>	<u>(3,535)</u>
Borrowings: amounts falling due after more than one year		
Secured loans	(661)	(3,133)
Unsecured loans	(26,223)	(27,624)
	<u>(26,884)</u>	<u>(30,757)</u>
Net debt	<u>(20,110)</u>	<u>(25,720)</u>

#### 30 Events after the reporting period

There have been no material events after the reporting date which would require disclosure or adjustment to the financial statements for the year ended 31 July 2020.