

**Roehampton University**  
**Annual Report and Financial Statements**  
**31 July 2014**

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<b>Company Registration Number</b>	5161359
<b>Registered Office</b>	Grove House Roehampton Lane London SW15 5PJ
<b>Auditors</b>	BDO LLP 2nd Floor 2 City Place Beehive Ring Road Gatwick West Sussex RH6 0PA
<b>Bankers</b>	Lloyds Bank 4th Floor 25 Gresham Street London EC2V 7HN
<b>Solicitors</b>	SGH Martineau London EC3N 2SG

## Chair of Council's Statement for the year ended 31 July 2014



The University of Roehampton has over the last 10 years grown from strength to strength advancing significantly both academically and financially. The last year has been a very good one for the University, student recruitment has been strong, a range of surveys have demonstrated our growing reputation and we have commenced one of the most ambitious building programmes in our history.

One of the most notable developments of the last academic year has been the approval of our new Strategic Plan for 2014/19 in November 2013. This plan sets out an ambitious strategy to enable us to recruit and retain high quality students from the UK and overseas, who gain excellent degree results, secure a good graduate job, leave highly satisfied with their University experience, and continue to have a positive and engaged relationship with the University after they graduate.

The University is focused on providing a first-rate student experience, based on:

- Providing our students with high levels of contact time with excellent teachers and researchers working at the cutting edge of their subject areas;
- strong student engagement at all levels of decision-making in the University, through the innovative 'Student Partnership' and Student Senate;
- Excellent facilities for learning and teaching;
- Multiple chances for students to get involved in extracurricular activities, with over 40 active and well-supported student societies, as well as many opportunities to volunteer or play sport;
- Accessible development and specialist support services, working closely with academic departments and across the University;
- An ongoing commitment to its historic mission to provide opportunities for students from non-traditional backgrounds;
- A collegiate structure, drawing on over 170 years' experience of providing higher education;
- A beautiful, green campus in South-West London;
- A diverse student body, with students from all walks of life, creating a friendly and cosmopolitan atmosphere on campus.

This year we have seen, in a range of indicators, evidence that we are continuing to improve our reputation for high quality teaching and research. The results of the 2014 National Student Survey (NSS) were the best the University has achieved since the survey was created. Overall satisfaction with our programmes was 95% or higher in Anthropology, Business Management and Retail Marketing, Creative Writing, English Literature, International Business, Media and Culture, and Primary Education (History, and Art and Design).

We had our best ever result this year in the leading measure of student employment, the Destinations of Leavers from Higher Education (DLHE) survey, with more than 92% of our graduates in work or further study after six months. We saw our students achieve the highest average degree results for a graduating year since we became an independent University in 2004, with 70% of students achieving a first-class honours or a second-class honours degree (upper division). In the Sunday Times Good University Guide 2015, Roehampton was ranked as the best modern University in London.

The quality of buildings and facilities are a key part of the University experience and so we are planning the largest regeneration in our history within the heart of our campus. Within three years, the University will have additional attractive, modern campus accommodation and a purpose-built library befitting our status as a University with an excellent reputation for teaching and learning and internationally-recognised research.

## **Chair of Council's Statement for the year ended 31 July 2014**

This is a significant investment which will allow the University to provide great facilities for teaching, as well as new student accommodation to meet demand as our reputation continues to grow. This is good news for our students and staff, and for the surrounding neighbourhood, where the University plays such a significant role.

As we celebrate our tenth-year as an independent University, we are delighted to be welcoming our new Chancellor, Dame Jacqueline Wilson. We wish to express our thanks to John Simpson CBE for his commitment to the University over the past nine years as our first Chancellor.

Sir David Bell  
Chair of Council

## Strategic Report for the year ended 31 July 2014

### Introduction

The Members of Council have pleasure in presenting their strategic report for the year ended 31 July 2014.

Whilst 2013/14 has been a challenging year for the higher education sector, Roehampton has fully embraced these challenges with the support of dedicated and hardworking staff and excellent students. As a result, considerable progress has already been made against the University's new Strategic Plan for 2014/19.

### Key highlights of the year

The University has introduced new subject areas into the portfolio of programmes it offers to its students:

- 2014 saw the introduction of a new Accountancy programme in the Business School.
- A new Law programme is currently being developed in the Department of Social Sciences with the first cohort due to be recruited for September 2015.
- The Business School is also developing a partnership with the Royal United Services Institute for Defence and Security Studies (RUSI), to create degrees in the areas of Defence and Military History.
- Innovatively, new online degrees in Public Health and Public Administration have been launched, marking continued growth of the Roehampton Online community which the University delivers in partnership with Laureate. Current enrolment figures have reached 1,000 students and three new programmes are currently in development to launch by November 2014.

Expanding student recruitment has also been a crucial focus of the University's growth. Roehampton continues to diversify its overseas recruitment activity, developing new markets and partnerships. The University has recently signed a partnership agreement with Schiller International University, with students enrolling on Roehampton-validated programmes from September 2014. Schiller International University is an institution headquartered in Florida, with campuses in Madrid, Heidelberg and Paris. Students are encouraged to study at all of the campuses during their studies giving them a truly international experience.

Enhancing our use of social media and improving our public facing image are both important steps to develop our online communications and presence.

The University has introduced a digital social media strategy with ambitious growth targets to access a wider audience. The social media strategy focuses on channels most relevant to our audiences e.g. Instagram (newly-launched), Facebook, LinkedIn, Twitter, and Google+. The focus is on creating relevant and shareable text, video and image-based content.

Proud of our curriculum development, the University continues its review through the Curriculum Strategy Committee.

- Detailed work has been carried out in a number of Departments, with the aim of ensuring an appealing and attractive curriculum is delivered to students that can be efficiently run and, importantly, is financially sustainable.
- Student involvement on Programme Boards and approval panels helps provide a student perspective on new programme design.

## Strategic Report for the year ended 31 July 2014

Further developments relate to the ways in which we engage our students in the broader University life.

- Roehampton prides itself on student involvement in shaping the University. Students are represented on all key committees and continue to play an important and valued role in decisions.

Student Senate continues to play a significant role in informing University decision-making and, in response to a recommendation from the most recent Institutional Audit by the Quality Assurance Agency (QAA), the University and the Roehampton Students' Union have given the Student Partnership greater prominence in core communications. The University works in partnership with its students, and encourages them to share in the responsibility for determining the direction of their University. Building on our success in the 2014 National Students Survey and the DLHE survey, there has been significant progress with the University's Student Employability Strategy this year. Three key priorities have been identified.

- The first has been the development of a Student Employability Communications Plan, created in 2014, which aims to engage students in taking responsibility for their career readiness and raises their aspirations towards graduate-level employment. The plan, under the title, 'Career Ready' will coordinate communications across the University, including the central Employability service and Academic Departments, and present the opportunities and services available in a coherent and timely way (targeting specific messages to first, second and final years for example).
- Secondly, the plan sets out a process for promoting the University's innovative Graduate Mentoring Scheme which partners current students and recent graduates with alumni in established careers. The scheme provides essential insights into the real world of work for the student participants and offers a valued opportunity to contribute to the community for alumni.
- And finally, a comprehensive review of the opportunities for Roehampton students to develop employability within and outside the curriculum is under way, and this will also ensure that the University's approach to supporting student employability is informed by sector best practice.

We are now a year into the establishment of the Alumni Development department. Significant progress has been made which includes:

- A strategic focus on raising awareness of the Alumni Association to alumni, through communications, events, developing benefits and volunteer opportunities; to current students, by enabling a smooth transition from student to alumnus; and to staff internally, to identify opportunities for engagement between the alumni community and departments.
- Developing and launching a fundraising strategy that seeks to grow a culture of philanthropy at Roehampton; developing a case for support and identifying a range of prospects including alumni and trusts and foundations, with the aim of soliciting 200 donors by the end of the 2014/15 year.
- Importantly, there is an emphasis on cultivating long-term relationships with alumni at the same time as fundraising for the new Library as a feature of this strategy.

There remains a strong focus on Research funding, the key achievements for 2013/14 are:

- The University was awarded 12 studentships through membership of the Arts and Humanities Research Council (AHRC) Doctoral Training Partnership, TECHNE. Studentships have been awarded through individual grants, and partnerships with the Royal United Services Institute and the Southlands Methodist Trust.

## Strategic Report for the year ended 31 July 2014

- The University was also awarded a prestigious Commonwealth Shared Scholarship Award from the Association of Commonwealth Universities in 2014.
- In the last year the University has also had a number of successful applications for national and EU funding for developing best practice in teaching.

The University continues to promote green and sustainable activities.

- It has continued to implement a Green Impact project, which involves members of staff from across the University in environmental initiatives.
- The University also supports Roehampton Students' Union (RSU) in its commitment to environmental activities, with its *Growhampton* project launched in 2014. We are proud of the Union's successful award of £240,000 from HEFCE's NUS Sustainability Scheme with which to launch the scheme. As a result of this award, *The Hive Café*, serving produce grown on campus was officially opened in May 2014 by constituency MP, the Rt. Hon. Justine Greening. The University and RSU with its *Growhampton* project will see the University becoming an "edible" campus and aim to transform it into a model for sustainable food.

We are delighted to conclude this section with a reflection of the key achievements in 2013/14, by acknowledging the significance of our growing reputation for excellence in teaching and research. The University is investing significantly in a new state-of-the-art library and high quality residential accommodation. We are currently building new student bedrooms on two sites with: 210 new bedrooms on our Grade II listed Downshire House site, due for completion in September 2015; and we are creating 391 new bedrooms and training facilities on our Digby Stuart College site, which will also be the location of the new purpose built library building. We are also seeking to improve the landscape of our beautiful 54-acre campus, which is already the largest parkland campus in London. Improvements to the campus environment will include planting new trees and creating new pedestrianised spaces.



Digby Stuart College Site: Student Accommodation and Library

## Strategic Report for the year ended 31 July 2014

### Key Performance Indicators and Risk Analysis

A new Strategic Plan 2014/19 aims to ensure that by 2019 we will be:

- In the top third of universities in the country by performance in the National Student Survey for overall experience and every aspect of course satisfaction
- At or above the sector average in our student retention rates
- Considered as one of the best universities in the country to work for
- On course to be in the top third of institutions by the next Research Excellence Framework (expected 2020)

### Key Performance Targets

To ensure we achieve these aims the University is closely monitoring its progress against the Key Performance Indicators (KPI's) for each of the Strategic Plan priority areas. Highlights of recent activity are listed below:

Recruiting High Quality Students				
Indicator	Measure	Baseline	Target 2019	Status July 2014
Portfolio	New subject areas launched	n/a	3 new subjects launched	2 new subjects launched
Applications	Market share (competitor group)	2012/13 5.7%	6.0%	2013/14 6.2%
Student Quality	Average tariff on entry	2012/13 281	300	2013/14 279

Helping Students to Achieve Their Potential				
Indicator	Measure	Baseline	Target 2019	Status July 2014
Overall satisfaction	% satisfaction in the National Student Survey (NSS)	NSS 2012 85%	88%	NSS 2014 86%
Quality of teaching	% satisfaction in NSS	NSS 2012 86%	89%	NSS 2014 87%
Assessment and Feedback	% satisfaction in NSS	NSS 2012 71%	73%	NSS 2014 74%

Supporting Staff				
The University is currently developing an annual staff engagement survey to measure progress and ensure that staff satisfaction improves during the lifetime of the Strategic Plan. This is forecast to be finalised by the end of 2014.				

Creating and Disseminating World/Class Ideas				
Indicator	Measure	Baseline	Target 2019	Status July 2014
Research	Ranked in the top third of institutions by grade point average in the Research Excellence Framework (REF)	2008 Research Assessment Exercise (RAE) 2.2	2.5	Due Dec 2014
	Number of successful research bids and grants	2013 £0.85m	£1.7m	2014 £1.24m

## Strategic Report for the year ended 31 July 2014

Helping Students to Achieve Their Potential				
Indicator	Measure	Baseline	Target 2019	Status July 2014
Employability	% of students in employment or further study according to DLHE statistics	2011/12 88.4%	90%	2012/13 92.3%
Student satisfaction	% agree Personal Development section in NSS	NSS 2012 80%	90%	NSS 2014 82%
Graduate Mentoring Scheme	Number of students engaged with scheme	n/a	250	70
International study experience	Number of students engaged in international study experience	2013 127	500	129
Career related events	Attendance by students at career related events	2012/2013 8,558	Increase 100% from baseline	9,630
'Roehampton Friends'	Number of alumni actively engaged in activity, strong advocates of Roehampton	900	2,500	1,111

Creating a World Class Campus				
Indicator	Measure	Baseline	Target 2019	Status July 2014
Learning Resources	% satisfaction in the National Student Survey (NSS)	NSS 2012 81%	86%	NSS 2014 87%
Organisation & Management	% satisfaction in the National Student Survey (NSS)	NSS 2012 78%	80%	NSS 2014 81%

Maintaining Financial Stability				
Indicator	Measure	Baseline	Target 2019	Status July 2014
Financial Stability	Liquidity	2013 90 days	100 days	91 days
	Earnings before interest, taxes, depreciation and amortisations (EBITDA)	2013 8%	10%	4%

### Risk Analysis

The University's Council has identified a number of high-level risks related to the Strategic Plan that it monitors on a regular basis. The Council is confident that these risks are well managed. The 2013 Risk Audit report, prepared by our internal auditors, made one recommendation regarding the provision for departmental plans i.e. to include commentary on the risks associated with achieving the stated objectives. Importantly, this has been addressed and risk now plays an integral part in the planning process of the University.

Departmental business plans for both the academic and administrative support departments are now risk-focused. The Deputy Vice-Chancellor and the Deputy Provosts are responsible for managing risk within the Academic Departments,

## Strategic Report for the year ended 31 July 2014

while Directors of Administrative Support departments are responsible for managing their own risk. Both make use of the University's risk register to identify core areas of work needed to be undertaken to ensure adequate and effective risk management. The planning process focuses on these key areas of work. Departments map out their planned actions in relation to each of these areas of work and are challenged in follow-up meetings to ensure that actions can mitigate the risk identified for the institution. This enables the University to maintain a greater level of control in relation to risk and to be more certain about its future direction and, crucially, the extent to which its mission can be achieved. The Vice-Chancellor's Financial Strategy Group plays a key role in risk management with risk being reviewed on a regular basis by the group.

The University has identified the following three significant risks: changes in Government policy on future funding for places; the cost of supporting the pension schemes; and failure to recruit to target for undergraduate and postgraduate taught students.

Firstly, planned activities to mitigate the risk of Government policy changes include:

- Building institutional resilience to external events.
- Continuing to diversify our income streams through growth in the recruitment of our Roehampton Online students and through other partnerships such as Laureate and Schiller.
- A major focus on recruitment, marketing and our admission processes. Recent changes to our admissions processes allow us to respond promptly and accurately to our applicants' queries.
- Continuing to raise the quality of and invest in human and physical resources (including residential accommodation) to ensure that our overall offer is attractive and competitive.
- The launch of new subject areas, widening the University's offer for prospective students.
- Maintaining the University's influence in sector-level discussions on emerging policy, and its lobbying activity especially in the run-up to the general election.

Secondly, as the University has staff in the Teachers' Pension Scheme, the Local Government Pension Scheme and the Universities Superannuation Scheme, there is a significant financial risk to supporting these pension schemes. The University will:

- Continue to monitor closely developments in our two main schemes, the Teachers' Pension Scheme and the Local Government Pensions Scheme.
- Continue to monitor the new auto-enrolment arrangements to ensure the University remains compliant.
- Participate in the London Pensions Fund Authority (part of the Local Government Pensions Scheme) Employer Forum to ensure the University's interests are aired.

Thirdly, failure to meet our recruitment targets for undergraduate and postgraduate taught students has implications for sustainability of the University. Whilst the University has had a strong recruitment round for entry into 2014/15, it continues to take a number of important actions to reduce the risk of under-recruitment, including:

- An effective and efficient admissions process.
- Improvements with our digital marketing campaigns.
- New advertising campaigns delivered predominantly online.
- A review of our portfolio at undergraduate and postgraduate levels and the development of new programmes with emphasis on professional practice.
- The potential of opening a branch campus.

## Strategic Report for the year ended 31 July 2014

- Compact arrangements with feeder schools and the University's outreach activity.
- Increasing the number of international students by focusing high levels of activity in key markets.
- Build the number of study abroad students and study abroad partnerships.
- Developing and enhancing our work with students between application and enrolment.
- New student accommodation.

### Academic Review

#### Overview

The academic objectives of the University rest on the need to achieve excellence and to be among the best at whatever we do. We are ambitious and continue to develop our strong research portfolio, consolidating research excellence in existing areas of strength and investing to build capacity elsewhere. We see excellence in learning and teaching as a core responsibility for all academic staff. The synergy between research and learning and teaching provides the foundation for developing a great student experience. It is also the basis for building knowledge-transfer activity.

The table below shows degree classifications achieved in 2013/14 compared to the prior year.

Degree Classification	2013/14 %	2012/13 %
First Class Honours	13.5	11.9
Second Class Honours (Upper Division)	56.4	50.6
Second Class Honours (Lower Division)	27.5	33.4
Third Class Honours	2.6	4.1

#### Learning and Teaching

2013/14 has been an important and exciting period for the progression of Learning and Teaching within the University.

The University has created a new post of Deputy Provost for Learning and Teaching in 2014 to provide senior academic leadership to this area. A new Learning and Teaching Strategic Plan (LTSP) will be launched in autumn 2014. The LTSP's focus is ensuring good progress is made with the enhancement of the quality of Roehampton's academic programmes and to improving the academic support offered to all students. Of particular importance is how student work is assessed, how feedback is given and how linkages are made to potential future careers.

The Learning and Teaching Enhancement Unit (LTEU) merged with Research and Business Development Office (RBDO) to become the Academic Enhancement Department (AED) in 2013/14. AED in conjunction with the University's Learning and Teaching Quality Committee, continue to work closely with academic and administrative support departments. This collaboration ensures the delivery of the University's Strategic Plan relating to teaching and has led to:

- Three nationally funded research projects: embedding learning technologies with JISC; transforming assessment practices (TAPS); and Re-imagining the Attainment for All (RAFA), ensuring the attainment of Black and Minority Ethnic students. Two of these projects have since reported internally and externally at conferences and events with other Universities, RAFA in December 2013 and TAPS in May 2014.

## Strategic Report for the year ended 31 July 2014

- Building on this expertise, we are delighted that the University's Learning and Teaching team is contributing to a large two year international EU funded TEMPUS project, PICASSA, which leads on to staff development processes to aid universities in the internationalisation of their curriculum.

Other key project developments are:

- The increasing impact of student voices as Programme Representatives in the development of excellent Learning and Teaching progression. A Programme Representative from each academic intake liaises with academic staff and students on academic matters and the student experience of the programmes. Their work culminates in an annual conference with all the Programme Representatives where good practice is shared across the representatives and subsequent actions required across the University are highlighted. This dialogue, between academic staff and students, is the reason for the University's participation in national programmes which focuses on student inclusion enhancement programmes. Flowing out of this, a number of student interns have been employed to work on areas including assessment and feedback and students as change agents. The University is now seen as a sector leader in the area of students as partners.
- The University remains part of the national *Changing the Learning Landscape* initiative, to create a step change in technology-enhanced learning. Involving academic staff, senior leaders and students, the University focus is on e-assessment and will continue to develop this over the next two years. This will build on some of the good practice developed through the University's partnership with Laureate Online Education with whom we continue to develop courses.
- The engagement of all staff with the UK Professional Standards for Learning and Teaching in HE. The University has an established framework in place, accredited by the Higher Education Academy (HEA) to offer an internal scheme recognising teaching expertise. Mapped to the Standards, it is now embedded into staff's probation and promotion scheme. Staff across the University can achieve recognition for their expertise and experience in teaching and supporting learning, including those in central administrative support departments. Good progress is being made to ensure that all those who teach have met the benchmark standard, with many others seeking recognition at higher levels for leading teaching. Tailored programmes are also available for experienced staff, new lecturers, PhD students who teach, research supervisors and those who support the student learning experience including academic learning advisors and librarians.
- Learning and teaching practices have been reviewed during the year with more than 200 academic staff engaged in workshops and seminars.
- All programmes now have an online presence on our virtual learning environment, Moodle, and we are making good progress in using the software more effectively for online learning and assessment.

### University Responsibility

#### Outreach and Widening Participation

Roehampton has an historic mission to reach out to communities with traditionally low levels of university attendance and to create opportunities for them to benefit from a high quality university education. In 2011 the University made a conscious decision to keep its tuition fee for home and EU undergraduate students as low as possible to encourage participation of students from all backgrounds. The University also devotes significant resources to outreach activities as well as to its scholarship and bursary programmes. These tuition fees will increase in line with the cost of living until they reach the £9,000 cap. The most recently available figures (2012/13 entrants) for our students are:

## Strategic Report for the year ended 31 July 2014

- 95.7% of young full-time undergraduate entrants to the University were from state schools or colleges, substantially above the national average of 89.3%.
- The proportion of young, full-time first degree entrants from the National Statistics socio-economic groups classification 4, 5, 6 or 7 at the University is 41.7%, substantially above the national average of 32.3%;
- The University has been particularly successful at attracting Black and Minority Ethnic (BME) students: The University has twice the average proportion of BME students (42% of students who declare their ethnicity are from BME backgrounds, compared to the national average of 21%);

### 2013/14 entrants

- 19% of full-time first degree entrants are mature students, with the majority having no previous experience of higher education;
- 48% of the home and EU undergraduate first-year intake qualified for a full maintenance grant (having a household income below £25k).

The University delivers an extensive and well-established programme of targeted outreach activities designed to raise levels of attainment, aspiration and applications among under-represented groups. Highlights include:

- An academic mentoring programme through which Roehampton students work with secondary schools in the local region to offer academic support and act as role models for pre-GCSE students.
- Taster and progression days for schools in our region that are identified as having low progression to higher education.
- The University continues with the Compact Scheme with local schools and colleges designed to support their students' transition to higher education. This scheme incorporates a range of activities for Year 12 and Year 13 students designed to familiarise them with academic study at, and study skills for, higher education level. It further introduces them to general student life issues.

### Community Engagement

Our outward and public-facing engagement with the local community and businesses continues to expand. Noticeable achievements have been made with:

- The University of Roehampton is the exclusive Partner for Wimbledon Bookfest, one of the fastest growing literature festivals in the UK, which is held across Wimbledon every October. Approximately 10,000 people attend Bookfest events on Wimbledon Common and at venues in Merton, which feature not just literature, but also comedy, film and music. Under the agreement, the University brand is promoted heavily at the festival; our academic staff showcase their work at the festival through running or attending events, as well as participate in the year-long Bookfest school engagement programme and the associated Film programme, which culminates in an event at Wimbledon Curzon cinema. The festival also provides paid internship work for two English & Creative Writing students, as well as volunteering opportunities for many more.
- An increased number of local employers utilising the University, for example the Unitemps employment agency, offers temporary posts to our students and graduates.
- Additionally, our Santander internships enable students to engage more formally with local business.

The University remains committed to serving the needs of the local community, contributing to the social and cultural life of the neighbourhood demonstrated through:

## Strategic Report for the year ended 31 July 2014

- Academic departments regularly offer public lectures and specialist events. The Roehampton Dance Festival for example offers free classes each year during the festival period. The Psychology Department and the School of Education run extensive specialist professional development programmes and short courses. Engagement with local schools has received new attention this year and the University is now delivering a Creative Industries strand in the Merton Schools Sixth Form Partnership Higher Education Aspirations programme for year 12 students across Merton.
- Much of the University's Chaplaincy programme includes the local community including: hosting term-time lectures attracting a large number of external guests; religious festivals; and annual interfaith celebrations on campus to which members of the local faith communities are invited to join us.
- Religious services are open to the community and attract a number of local people. Muslim Friday prayers not only involve staff and students but include also patients from the local hospital. We have an active engagement with the Methodist Circuit including worship, concerts and community activities and we hosted an away day for a local Methodist church this year. The Catholic Chaplain says Mass at events organised by the Society of the Sacred Heart on campus and in their nursing home on Roehampton Lane. The Anglican chaplaincy links with the local Anglican Church in Roehampton for its Sunday services.

### Research

The University has an international reputation for research, driven by innovative research centres that attract students from all over the world. Our research informs national and international debates and policy. Below are just some examples of the influential research our academic staff are working on:

#### *Department of Education*

Professor Adam Ockelford's Sounds of Intent is an internationally-recognised project that maximises musical education for children with learning difficulties. The project has provided a framework for recording the progress of a pupil's musical development, enabling teachers to improve practice and pupil engagement. By July 2014 soundsofintent.org had received three million online visitors.

#### *Department of Media, Culture and Language*

Dr Pablo Romero-Fresco has researched and promoted a new technique to give deaf and hard-of-hearing people around the world access to live programmes and public events, through speech recognition-based subtitles. His work has increased awareness about live subtitling, improvements in quality, and has led to the introduction of live subtitles in art galleries, universities and in engagement between EU politicians and voters. His work has also led to live subtitling being made available in countries where it was not previously the case, such as Spain and South Africa

#### *Department of Social Sciences*

Dr Aisha K. Gill's research looks at preventative measures to stop violence against women in the UK, Iraq, Kurdistan and India. She explores the reasons that allow this type of violence to persist, for example 'reverse racism', which leads to cultural rights being granted precedence over women's rights. Her research has informed national policy, such as Forced Marriage (Civil Protection) Act and the National Police Honour-Based Strategy (2008/2010). Dr Gill is also a respected media commentator in her field.

## Strategic Report for the year ended 31 July 2014

Other key events and awards include:

- The University's strong submission to the 2014 Research Excellence Framework (REF) with a higher grade point average than previous years and some excellent impact case studies. Some of the REF results will be published on 18th December 2014.
- New structures and procedures to support research have clearly enhanced the work in academic departments resulting in focused research plans and an increase in research income and bidding activity. The University continues to invest in research through professorial appointments, research scholarships and dedicated library support. An away day was held in February 2014 to launch the Research Strategy.
- Bids were successful from a range of funders including the Leverhulme Trust, the Arts and Humanities Research Board and the European Union (TEMPUS), bringing in over £1 million in research funds to the University in 2013/14. Each department has an active Research Advisory Group and a key task of each group has been to arrange mentors for all research active staff and a sabbatical rota.

### Staff

The University depends on the contribution and quality of its workforce reflected in the following ongoing initiatives:

- Regular, independently chaired meetings are held between the University's management and the recognised trades unions (GMB and UCU) to discuss emerging staff issues. The trades unions are also represented on the University's Health and Safety and Equality and Diversity Committees.
- Importantly, the University engages with staff in a number of ways, including: the Vice-Chancellor's attendance at Departmental meetings; Vice-Chancellor Forums; staff focus groups; online comment forums; and departmental away days, involving staff in important decision-making. The dissemination of information and feedback on University business is supported through fortnightly newsletters, ad hoc all-staff emails and regular departmental committees and team meetings.
- An appropriate mix of development and training activities for both academic and administrative staff further reflects the University's investment in its staff. These include: informal development opportunities, for example mentoring or peer observation of academic colleagues; participation in academic conferences; work shadowing; and attending formal training courses to support education and to maintain professional knowledge and expertise.
- Staff well-being is central to the University's mission. As well as providing a range of rewards and benefits, the University subscribes to an Employee Assistance Programme with Lifestyle Support which provides staff access to free advice on a wide range of personal matters. The University also works with the Money Advice Service to provide financial planning advice to staff.
- The University's main pay and reward scheme was developed in conjunction with the trades unions and in line with the 2003 National Framework Agreement on pay equality. It is an incremental pay system supported by a factor-based job evaluation scheme. The University is committed to recognising high performance through its annual Academic Promotions Round and Professorial and Senior Staff Salary Reviews. Salary costs currently equate to 58.5% of the University's income, decreasing by 0.7% from 2012/13. Staff costs are still above the sector average of 52.4% (2012/13). In order to manage this, the University has implemented rigorous procedures with regard to all amendments to posts and vacancies. All new posts and amendments are reviewed by a senior management committee and now require sign-off from the Deputy Vice-Chancellor before they can be filled.

## Strategic Report for the year ended 31 July 2014

- The Personal Relationships at Work and Anti-Corruption and Bribery policies have been introduced during the year. We have also reviewed and re-titled the Dignity at Work Policy which covers issues such as bullying and harassment at work, and updated the Flexible Working and Paternity Leave policies in line with changes in legislation.

### Environmental Sustainability

The University continues to work to meet its 2025 goal of 'creating a campus environment that is a stimulating and inspiring place in which to study, work and live, and which is environmentally sustainable'.

This year we have worked closely with the Students' Union on several exciting high profile environmental projects which include:

- Student Switch Off, through which student residents were engaged throughout the year to motivate and empower them to take action to save energy and recycle. More than 500 students participated in the various activities which included a Climate Change Quiz, a photo competition and kitchen waste auditing.
- Green Impact Teams worked to complete a wide range of positive environmental actions in their local area and gain Green Impact Awards. There was a 40% increase in the number of participating Green Impact teams compared with 2012/2013.

The University has been working with RSU to develop Growhampton. The overall aim of the project is to embed sustainability in everyday life on campus and beyond. As a result of this work:

- Campus food growing areas and a Sustainability Hub in Digby Stuart College Square have been developed. The former includes allotments and a polytunnel at Froebel College and the latter the Hive Café, made from two upcycled shipping containers.
- The Hive sells triple-certified coffee (Organic, Fairtrade, and Rainforest Alliance); sandwiches supplied by our community partner, Regenerate's Feel Good Bakery, and produce such as salads coming straight from our edible campus.

Key national environmental events have been hosted during the year and include:

- The first annual meeting for new Sustainable Behaviour Assistants held at Whitelands College on 10<sup>th</sup> October (2013). The University was presented with a £500 apple press enabling us to make Growhampton apple juice from the harvest from our recently restored ancient orchard at Froebel College.
- Hosting the Association of Directors of Estates annual conference, speakers at which included Ken Livingstone, the first Mayor of London, and Jonathon Porritt, former Director of Friends of the Earth.

Great steps have been made to reduce the University's energy consumption and lower the carbon Footprint this year through:

- The installation of 562m of pipe insulation in Grove House Basement and 1005 Thermostatic Radiators Valves (TRV) in 18 buildings.
- Moving to a flexible purchasing energy plan to reduce exposure to price hikes and benefit from lower wholesale prices when available.

## Strategic Report for the year ended 31 July 2014

- Implemented the Reuse Relove scheme in collaboration with the Students' Union to divert halls of residence waste from landfill. In partnership with Crisp, a locally based social enterprise, we also collected c.1.2 tonnes of materials which will be either locally reused or recycled, or returned to new students at the beginning of next year.

Transportation has been an area of significant innovation within The University and recent action this year includes:

- The implementation of the University's first comprehensive Travel Plan, which covers a 5-year period and seeks to encourage the use of more sustainable transport modes. Ultimately it seeks to reduce the University's environmental impacts associated with staff, student and visitor travel, and importantly it was endorsed through a comprehensive Travel Survey which received over 1,500 responses.
- Our Travel Options Guide was also revised and updated during the year. The guide focuses on sustainable travel to the University.
- Finally, our Bicycle User Group is flourishing and has well over 100 staff and student members.

Our Environmental Champions are an important way of promoting local environmental awareness and good practices.

- Twelve more Environmental Champions were trained in October, most being awarded the Chartered Institute of Environmental Health's Certificate in Environmental Principles and Best Practice.
- We now have a network of over 50 trained staff and student Champions who work to raise environmental awareness and improve environmental performance in their area of work.
- The Roehampton Green Fund, a new initiative created for staff and students to apply for small grants for sustainability projects on campus was launched in January. It has been useful for Green Impact teams completing the Silver award, which requires teams to design, plan and deliver a project. Six applications were successful which included projects to help clean up the University's lakes and to enhance the Southlands Chapel Garden to increase biodiversity and plant herbs to provide for Fairtrade and organic lunches.

### Equality and Diversity

Promoting equality, diversity, mutual respect and understanding are core values within the University and are clearly set out within the Strategic Plan 2014/2019. Supporting our mission which states that we support all of our students, whatever their background, to reach their full potential – the University pursues a range of activities and policies around equality, diversity and mutual respect including:

- The Equality and Diversity Committee (EDC) has oversight of diversity and equality matters within the University and meets termly to develop policies and strategies and monitor compliance. The Committee is responsible for setting the University's Equality Objectives and for the publication of the University's annual Equality Report which demonstrates how the University is meeting the Public Sector Equality Duty. The Equality Report and Equality Objectives are available on the University's website (<http://www.roehampton.ac.uk/Corporate-Information/Equality-and-Diversity/>). A small subcommittee, the Equalities Review Working Group, has been established to further a detailed Action Plan to support implementation of the Equalities Objectives.
- The Learning and Teaching Assessment Strategy (2009/14) includes a commitment to promoting equality, diversity, mutual respect and understanding. One of the underlying principles of this strategy is that it be informed by an active commitment to community engagement, social justice, diversity and inclusive practice at national and international levels.

## Strategic Report for the year ended 31 July 2014

- LTA's significant role in advancing the equality of opportunity demonstrated by the University wide participation in the aforementioned RAFA project Enabling the Success of BME Students.
- The development of pedagogical approaches to support a more diverse student population. This rationale will carry over into the new strategy and will be launched in autumn 2014.
- Promoting the values of social justice and inclusivity, evidenced both by overarching research projects and by the work of research centres (for example, the Centre for Education Research in Equalities, Policy and Pedagogy).
- Providing dedicated Dyslexia and Disability teams that provide support and advice to enable students with learning difficulties and disabilities to successfully complete their programmes of studies. The support offered includes: assistance in applying for funding; direct assistance, such as note taking and British Sign Language interpreting; arrangements for adjustments to examinations to ensure they are accessible; and specialist IT support in an Access Centre. There is advice, support and specialist tutoring for students with specific learning difficulties such as dyslexia, dyspraxia and dyscalculia. In addition, an internal consultancy service assists University staff in working effectively with students who have additional needs.
- The University is also a Disability Symbol Employer, guaranteeing an interview to all job applicants declaring a disability who meet the selection criteria.

Finally, the University is a Charter Member of Athena Swan, a nationally recognised organisation, which requires universities to demonstrate their commitment to advancing women's academic careers in STEMM (Science, Technology, Engineering, Mathematics and Medicine).

### Financial Review

#### Strategy for Sustainability

The primary purpose of the University's Financial Strategy is to ensure that the University remains financially viable and that long-term success and sustainability are achieved in line with the 2025 goals. The current Financial Strategy contains a number of targets to be achieved within the life of the strategy, with progress to date provided in the table below:

Indicator	Measure	July 2013	July 2014
Staffing	Total income as a proportion of staff costs	2012/13 169%	2013/14 171%
Liquidity	Net liquidity days	2012/13 90	2013/14 91
Historical cost surplus or deficit	Historical cost surplus or deficit	2012/13 2.1%	2013/14 0.4%
Net cash flow from operating activities	Ratio of total net cash inflow from operating activities to total income	2012/13 7.9%	2013/14 5.4%
Discretionary reserves	Reserves	2012/13 £27.9m	2013/14 £29.5m
Earnings before interest, taxes, depreciation and amortisations (EBITDA)	EBITDA as a % of turnover	2012/13 7.1%	2013/14 4.6%

## Strategic Report for the year ended 31 July 2014

The University's surplus retained within general reserves for the year to 31 July 2014 was £0.353 million. This compares to a surplus of £1.568 million in the previous financial year. In 2013/14 the targets within the financial strategy have seen the impact of additional one off exceptional costs. The main one off exceptional cost items are:

- The cost of restructuring mainly within the Department of Education; £0.752 million.
- Costs associated with refinancing existing loans and the arrangement fees for the new loan £0.847 million.

Surplus / (deficit) as a percentage of income for the past five years is illustrated in the table below:

Financial Year to 31 July	2010	2011	2012	2013	2014
Surplus / (deficit) as % of Income	1.6%	3.7%	3.0%	2.1%	0.4%

A key financial indicator (KFI) in the University's Financial Strategy is the aggregate surplus / (deficit) for the past 3 years as a percentage of income. This KFI is calculated by taking the sum of the surplus / (deficit) for the past 3 years and dividing this by the sum of total income for the same period, and is illustrated in the charts below.

	2010	2011	2012	2013	2014
Aggregate surplus for past 3 years as % of income	0.7%	1.8%	2.8%	2.9%	1.8%



The income for 2013/14 increased by £6.3 million (8.3%) to £82.8 million. Tuition fee income increased by £9.6 million (23.6%) and income from Funding Council grants reduced by £5.6m (27.0%), these large variances continue to be due to the national changes in the funding regime, which resulted in the removal of HEFCE teaching funding from a large majority of the University's undergraduate courses.

Income from research grants and contracts was £0.3 million (36.8%) higher than the previous year. The rise was a result of new research projects beginning during the year. Other Operating Income increased by £2.1million (15.0%), due mainly to the additional temporary student accommodation that the University had acquired in the year.

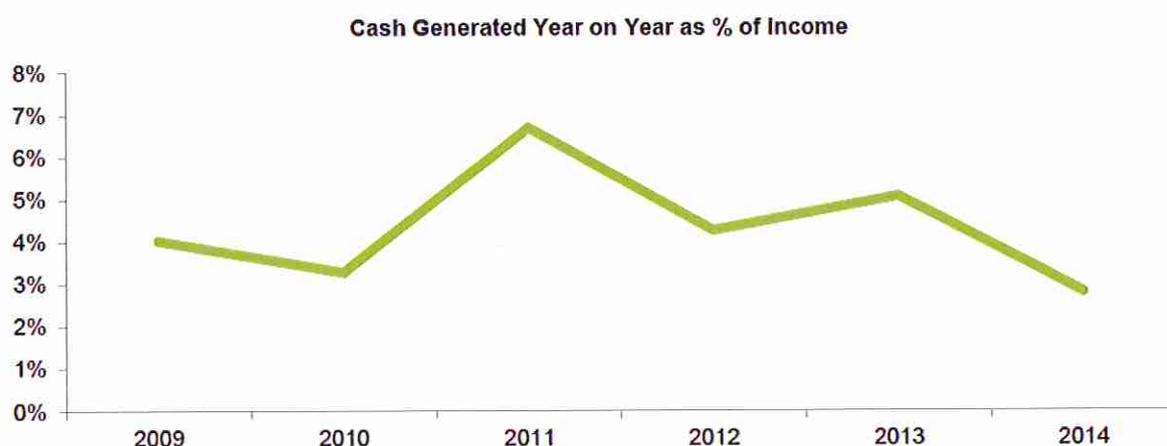
Staff costs of £48.4 million represent the most significant item of expenditure. Total staff costs increased by £3.1 million. This figure also includes the pension scheme adjustment costs (FRS17) of £0.592 million and restructuring costs of £0.752 million. The cost of living increase in 2013/14 was 1% increase on basic pay and an average increment increase of 2.97% received by 344 members of staff. The University has continued to invest in its academic departments with the recruitment of new Professors and Lecturers.

## Strategic Report for the year ended 31 July 2014

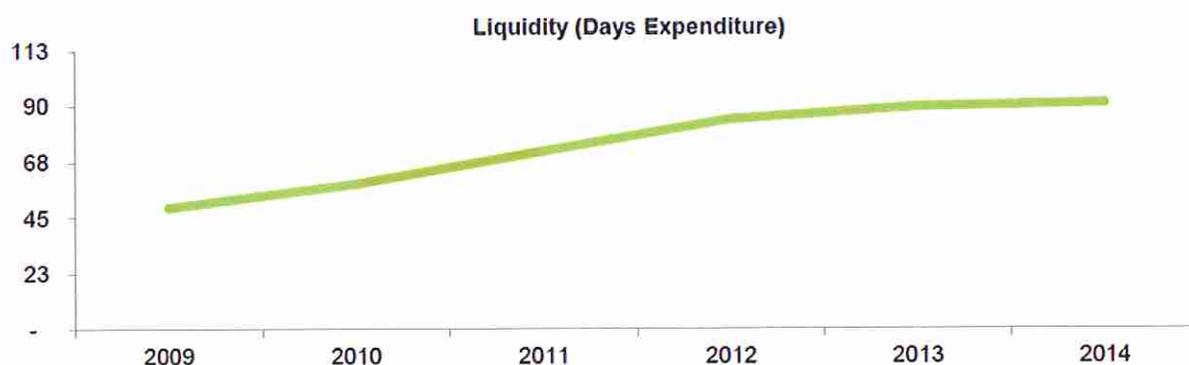
In 2013/14 Other Operating Expenses increased by £4.2 million. The increase in expenditure results from the cost of additional accommodation acquired in the year and it also includes the cost of arranging the new loans with Lloyds Bank PLC and the breakage costs associated with the early repayment of the Barclays Bank loan. The Interest Payable remained by and large static, with the FRS17 interest adjustment remaining on par with the 2012/13 figure.

Cash generated is a useful measure of the financial headroom the institution is creating from its operations. It is calculated as historical surplus + pension financing costs + depreciation – capital grants released. Cash generated as a percentage of income was lower in 2013/14 as a result of the exceptional items.

Cash generated over the past six years is illustrated in the chart below:



The liquidity positions remained strong during this period following the introduction of higher fees and ahead of the significant capital development programme. The University's aim has been to improve its liquidity ratio to 100 days' worth of expenditure. There has been an overall improvement in the ratio over the past five years and at the end of July 2014 the ratio of 91 days was achieved, as illustrated below:



### Investments

The University uses predominantly a cash management service to manage its treasury activity. All surplus funds are invested for a maximum period of time to improve return. In September 2012 the University agreed an investment policy to ensure that funds are invested to maximise return, minimise risk and ethically, this policy is currently being updated. In order to promote best practice the University has formed an Investment Subcommittee to be responsible for monitoring and assessing all University investments.

## Strategic Report for the year ended 31 July 2014

The Dove Bowerman and the Gerhard Weiler endowment funds are invested directly with investment fund companies; both funds have a value as at the end of 31 July 2014 of £261,000 and £48,000 respectively.

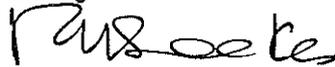
### Post Balance Sheet Events

Post Balance Sheet events may have a significant effect on the values shown in the accounts, and occur after the Balance Sheet date but prior to the date on which the accounts are approved by Council. The Council has one post balance sheet event to report.

In order to fund the major capital development project for the new library and new student accommodation buildings the University has signed a 20-year term loan facility with Lloyds Bank PLC. The Facility for £75 million was signed on 7 August 2014.

Approved by the Council and signed on behalf of the Council

Nicholas Brookes



Director of the University and Chair of Finance and General Purposes Committee

## Statement of Public Benefit for the year ended 31 July 2014

### Statement of Public Benefit

Roehampton University is an exempt charity under the terms of the Charities Act 2011. In preparing this statement of public benefit, the governors as Trustees of the University have had regard to the Charity Commission's guidance on the reporting of public benefit and its supplementary public benefit guidance on the advancement of education.

#### Object, Vision and Values

The University's object, vision and values reflect the institution's commitment to public benefit. The object is set out in Article 3.1 which provides that:

*The object of the University shall be the establishment, conduct and development of a university for the advancement of higher and further education and as an institution for teaching and research*

The University's vision gives a particular focus to the benefits that both the student and society receive as a result of a Roehampton education. The vision is:

*Challenging, inspiring and supporting students to grow as individuals and to be responsible citizens and leaders in a complex world*

The institution's core values are embedded within the University's Strategic Plan which illustrates clearly the University's commitment to public benefit:

*At Roehampton we are defined by the high quality and strategic focus of our teaching and research, a commitment to serving our local communities in London, a distinctive approach to higher education and by the way we put into action a clear set of values*

- We remain loyal to the values and traditions that form the core of our strength as an institution and which to a large extent draw inspiration from our collegiate foundations. These values and traditions include a fundamental belief in the power of education to transform lives and communities, a commitment to encouraging the personal potential and social awareness of individuals, and a passion for the highest quality of education and scholarship.
- We are committed to diversity and a global outlook as fundamental to an education that meets the needs of a society that is increasingly complex and fast-changing.
- The University offers the only traditional campus experience for students in London, with high-quality facilities and inspirational teaching by experts who are leaders in their fields. At Roehampton, every academic is engaged in teaching, including our top professors.
- A Roehampton degree is designed to help our students become the sort of graduate most valued by employers: a confident, critical thinker, open to new ideas, able to work well as a team with people from all walks of life, and with first-class communication skills.
- The University is committed to its students, helping them to reach their full potential and launch themselves on a successful graduate career. All students can count on the support and advice of dedicated advisers who will help them succeed in their studies, and they can turn to our careers service for advice at any time throughout their working life.
- The University works in partnership with its students and encourages them to share in the responsibility for determining the direction of their University.

## University Members of Council Report for the year ended 31 July 2014

Members of Council present this report and the financial statements for the year ended 31 July 2014. The names of the current members of council are listed below. All held office throughout the year unless indicated.

<b>Members of Council and Directors</b>	<p>Sir David Bell – Chair            Dr Susan Acheson            Robert Alexander            Nicholas Brookes – Vice-Chair            John Constantine            Janet Cooper            Roger Dawe CB, OBE            Rev David Deeks            Clare Delmar            Noel Flannery            Siobhan Kelly (ex officio, from 21 July 2014)            Terence Knight            David Lochtie            Stephen Ludlow            Rev James McKinney            Mark Neale CB            Brian Newey            Laura Peters (from 16 October 2013)            Professor Paul O'Prey            Dr Julie Shaughnessy (until 13 March 2014)            Wade Tomlinson (ex officio, until 21 July 2014)</p>	<b>Employment Committee</b>	<p>Rev David Deeks – Chair            Janet Cooper            Professor Pat Corcoran (until 31 July 2014)            Janet Day            Stuart Hannan            Siobhan Kelly (ex officio, from 21 July 2014)            Brian Newey            Professor Paul O'Prey (ex officio)            Wade Tomlinson (ex officio, until 21 July 2014)</p>
		<b>Estates Committee</b>	<p>Terence Knight – Chair (from 2 May 2013)            Mark Allen (from 1 May 2014)            Group Captain Laurence Barnes (until 31 October 2013)            Nicholas Brookes            Professor Lynn Dobbs (ex officio)            Robert Erskine            Virginia Jordan (until 31 October 2013)            Siobhan Kelly (ex officio, from 21 July 2014)            Stephen Ludlow            Rev Jim McKinney (until 31 October 2013)            Professor Paul O'Prey (ex officio)            Wade Tomlinson (ex officio, until 21 July 2014)            Philip Wildman (until 31 October 2013)</p>
<b>Company Secretary and Clerk to the Council</b>	<p>Laurence Benson</p>	<b>Health &amp; Safety Committee</b>	<p>John Constantine (Chair)            Dr Ghazwa Alwani-Starr            Laurence Benson            Reggie Blennerhassett            Dr Patrick Brady (UCU)            Professor Pat Corcoran            Simon Dorman            Dr Mark Garner            Irene Gerlach (GMB)            Professor Suzy Harris            Gary Jennings (ex officio, until 15 May 2014)            Siobhan Kelly (ex officio, from 21 July 2014)            David Lochtie            Paul McCourt (ex officio, from 2 July 2014)            Dr Claire Ozanne            John Payne            Dr Christopher Stephens            Wade Tomlinson (ex officio, until 21 July 2014)</p>
<b>Audit Committee</b>	<p>Noel Flannery – Chair            John Constantine            Roger Dawe CB, OBE            Elaine Hutton            Brian Newey            Jeffery Onions QC</p>		
<b>Finance and General Purposes Committee</b>	<p>Finance &amp; General Purposes Committee            Nicholas Brookes – Chair            Robert Alexander            Clare Delmar            Paul Folthergill            Dennis Hone CBE (from 1 May 2014)            Siobhan Kelly (ex officio from 21 July 2014)            Terry Knight            Professor Paul O'Prey (ex officio)            Mark Neale CB            Wade Tomlinson (ex officio until 21 July 2014)</p>	<b>Nominations &amp; Governance Committee</b>	<p>Sir David Bell – Chair (ex officio)            Reggie Blennerhassett            Nicholas Brookes            Siobhan Kelly (ex officio, from 21 July 2014)            Terry Knight            Professor Paul O'Prey (ex officio)            Wade Tomlinson (ex officio, until 21 July 2014)</p>
<b>Remuneration Committee</b>	<p>Sir David Bell – Chair (ex officio)            Nicholas Brookes            Janet Cooper )            Rev David Deeks            Professor Paul O'Prey (ex officio)</p>		

## University Members of Council Report for the year ended 31 July 2014

### Corporate Governance Statement

#### Legal Status

Roehampton University was incorporated as a Company Limited by Guarantee on 23 June 2004 and commenced trading on 1 August 2004. The University is an exempt charity for the purposes of the Charities Act 2011. In 2011 the University adopted the trading name University of Roehampton. The University's legal name remains Roehampton University.

The University is composed of four constituent Colleges, Froebel, Digby Stuart, Southlands and Whitelands, each of which has a Providing Body that owns the land on which the respective College is located. The University has long-term leases and associated management agreements with Froebel, Digby Stuart and Southlands Colleges. The University's relationship with Whitelands College is governed by a 2012 Deed of Adherence which sets out the terms on which the College is and shall continue to be a part of the University, and by a 2012 seven-year rolling Licence and Management Agreement which sets out the terms on which the University occupies and manages the College's buildings.

#### Statement of Corporate Governance

The University is committed to exhibiting best practice in all aspects of corporate governance. In 2011 the University engaged Dr Geoffrey Copland, former Vice-Chancellor of the University of Westminster, to carry out an independent effectiveness review of its governance processes and has now implemented the review's recommendations, which include streamlining and modernising its Articles of Association, which were implemented in 2013.

In March 2009, the Committee of University Chairs (CUC) issued an updated Guide for Members of Higher Education Governing Bodies in the UK which includes the Governance Code of Practice and General Principles of Governance. Although the Code is voluntary, the Council has had regard to the Code in developing its governance structures and practices. The University complies with the principles set out in the Code and responded to the 2014 consultation on the CUC's review of the Code.

The University holds Professional Indemnity and Officers' Liability Insurance, which provides indemnity to Members of Council 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

#### Statement of Responsibilities of the Members of Council

Company law requires the Members of Council, who are also Directors of the University for the purposes of company law, to prepare financial statements for each financial year. Under that law Council has elected to prepare the financial statements in accordance with applicable law and United Kingdom Generally Accepted Accounting Principles. Within the terms and conditions of the Financial Memorandum agreed between the Higher Education Funding Council for England (HEFCE) and the University, the Council prepares financial statements for each financial year in accordance with the Statement of Recommended Practice: Accounting for Further and Higher Education. Under company law Council must not approve the financial statements unless it is satisfied that they give a true and fair view of the state of affairs of the University and of its surplus or deficit for that period. In preparing the financial statements the Council is required to:

- Select suitable accounting policies and apply them consistently
- Make judgements and estimates that are reasonable and prudent
- State whether applicable accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements

## University Members of Council Report for the year ended 31 July 2014

- Prepare financial statements on the going-concern basis, unless it is inappropriate to assume that the University will continue in operation

The Council also gives a report in the financial statements which includes the legal and administrative status of the University. The Council is responsible for the keeping of adequate accounting records which disclose with reasonable accuracy, at any time, the financial position of the University, and which enable it to ensure that the financial statements are prepared in accordance with its Articles of Association, the Accounts Direction issued by HEFCE, the Statement of Recommended Practice: Accounting for Further and Higher Education and applicable UK law and financial reporting standards, as well as reflecting best practice in public sector corporate governance. The Council is responsible for taking steps that are reasonably open to it in order to safeguard the assets of the University and to prevent and detect fraud and other irregularities.

Members of Council are responsible for ensuring that funds from HEFCE are used only in accordance with the Financial Memorandum with the Funding Council and any other conditions that the Funding Council may prescribe from time to time. Members of Council also ensure that appropriate financial and management controls are in place in order to safeguard public and other funds and to ensure they are used properly. In addition, Members of Council are responsible for securing economical, efficient and effective management of the University's resources and expenditure, so that the benefits that should be derived from the application of public funds by the Funding Council are not put at risk.

### Disclosure of Information to Auditors

At the date of making this report, Council confirms that:

- So far as each Member of Council is aware, there is no relevant information needed by the University's auditors in connection with preparing their report of which the University's auditors are unaware
- Each Member of Council has taken all the steps that he/she ought to have taken as a Member of Council in order to make himself/herself aware of any relevant information needed by the University's auditors in connection with preparing their report and to establish that the University's auditors are aware of that information

### Statement of the University's Structure of Corporate Governance

The University's governing body is the Council. The Council determines the ongoing strategic direction of the University. It approves major developments and is provided with regular and timely information on the overall financial performance of the University together with other information such as performance against funding targets, proposed capital expenditure, risk management, legal compliance, quality assurance, and personnel-related and Health & Safety matters.

The Council is composed of up to 20 members:

- Up to 15 independent members, one of whom shall normally have experience of working at a senior level in higher education, and eight of whom are nominated by the College Providing Bodies or equivalent
- An elected representative of academic staff
- An elected representative of academic support staff
- One member nominated by the University Senate
- The Vice-Chancellor
- The President of the Students' Union

## University Members of Council Report for the year ended 31 July 2014

Appointments to Council are a matter for the Council as a whole to determine. There is a majority of independent members on the Council. Members of Council are appointed for a term of office not exceeding three years and are eligible to serve two consecutive three-year terms. Exceptionally, Independent Council members may serve a third and final two-year term.

Council normally meets four times each year. It has seven standing committees: Audit Committee, Employment Committee, Estates Committee, Finance & General Purposes Committee, Health & Safety Committee, Nominations & Governance Committee, and Remuneration Committee. Council committees are formally constituted with terms of reference and composition set out in the University Regulations. All committees include lay members of Council and most committees also include external members with expertise in the committee's subject area. In addition, the Joint Honorary Awards Committee is a joint committee of Council and Senate.

The Audit Committee oversees an ongoing programme for reviewing the effectiveness of the University's system of internal control. It is responsible for meeting with the internal and external auditors, and reviews and discusses reports issued. The auditors have access to the Committee for independent discussion. The Committee also receives and considers reports to and from HEFCE as they affect the University's business, and monitors adherence to relevant regulatory requirements.

The Employment Committee sets the pay and conditions of staff, save where these are covered by the Remuneration Committee or associated employment policies, and monitors the Health & Safety compliance in relation to employment matters.

The Estates Committee oversees the management and development of University property, in conjunction with Providing Bodies of the constituent Colleges and on behalf of the University in accordance with the University's Strategic Plan and Campus Strategy.

The Finance & General Purposes Committee, among other things, recommends to Council the University's annual revenue and capital budgets and receives updated forecasts during the course of the year. It also monitors investment and financing relating to capital developments.

The Health & Safety Committee has responsibility for ensuring the University's compliance with health and safety legislation, and for overseeing the management of health and safety in conjunction with the University's local health and safety committees.

The Joint Honorary Awards Committee considers and recommends candidates for the award of the Honorary Degrees and Fellowships of the University.

The Nominations & Governance Committee advises Council on the discharge of its responsibilities in relation to appointments to Council and to its standing committees, and is also responsible for reviewing the effectiveness of governance and for ensuring an appropriate balance of skills, experience and knowledge on Council and its Committees. The Committee has authority to make appointments to Council committees but the appointment of Members of Council and of Chairs of all Council committees is the responsibility of Council.

The Remuneration Committee determines the remuneration and benefits of senior post-holders and the Vice-Chancellor, save for the initial terms and conditions for the Vice-Chancellor, which are established by Council. The Vice-Chancellor is not present at Committee meetings when his remuneration is discussed.

In addition, the Clerk to the Council is responsible to the Council for ensuring that all applicable procedures and regulations are complied with, and maintains a register of financial and personal interests of the Members of Council. All members of Committees of Council are able to take independent professional advice in furtherance of their duties at the University's expense and have access to the Clerk to the Council.

## University Members of Council Report for the year ended 31 July 2014

### Internal Control

As the governing body of the University, the Council is ultimately responsible for the University's system of internal control and for reviewing its effectiveness in the achievement of its policies, aims and objectives.

The system of internal control is designed to manage rather than eliminate the risk of failure to achieve policies, aims and objectives. It can therefore provide reasonable but not absolute assurance of effectiveness. The system of internal control is based on an ongoing process designed to identify and prioritise the risks to the achievement of University policies, aims and objectives, to evaluate the likelihood of those risks being realised and the impact should they be realised, and to manage them efficiently, effectively and economically.

The Council has delegated to the Vice-Chancellor, as Chief Accountable Officer, the day-to-day responsibility for maintaining a sound system of internal control that supports the achievement of the University's policies, aims and objectives, whilst safeguarding the public funds and assets for which he is personally responsible, in accordance with the responsibilities assigned to him in the Memorandum of Assurance and Accountability between the University and HEFCE. He is also responsible for reporting to Council any material weaknesses or breakdowns in internal control.

The University has a Risk Management Policy which was revised in 2013. The Council's role as defined under this policy is to:

- Set the tone and influence the culture of risk management within the University, including setting the standards and expectations of staff with respect to conduct and probity
- Approve major decisions affecting the University's risk profile or exposure
- Monitor the management of high-level risks
- Satisfy itself that the less high-level risks are being actively managed, with the appropriate controls in place and working effectively
- Annually review the University's approach to risk management and approve changes or improvements to key elements of its processes and procedures

The Council has reviewed the key risks to which the University is exposed together with the operating, financial and compliance controls that have been implemented to mitigate those risks. The Council is of the view that there is a formal ongoing process for identifying, evaluating and managing the University's high-level risks that has been in place for the period ended 31 July 2014 and up to the date of approval of the Annual Report and Financial Statements. This process is regularly reviewed by Council.

The system of internal control is based on a framework of regular management information, administrative procedures including the segregation of duties, and a system of delegation and accountability. In particular, it includes:

- Comprehensive budgeting systems with an annual budget which is reviewed and agreed by Council
- Regular reviews by Council of periodic and annual financial reports which indicate financial performance against forecasts
- Setting targets to measure financial and other performance
- Clearly defined investment appraisal guidelines
- The adoption of formal project management disciplines where appropriate

## University Members of Council Report for the year ended 31 July 2014

The University has appointed an internal audit service which operates in accordance with the requirements set out in the HEFCE Audit Code of Practice. The work of the internal audit service is informed by an analysis of the risks to which the University is exposed, and annual internal audit plans are based on this analysis. The analysis of risks is endorsed by the Council on the recommendation of the Audit Committee, and Audit Committee agrees an appropriate internal audit plan. Annually, the appointed Internal Auditor, Kingston City Group (KCG), provides Council with a report on internal audit activity in the University. The report includes KCG's independent opinion on the adequacy and effectiveness of the University's system of risk management, controls and governance and VFM processes. The internal audit plan includes an annual opinion on governance informed by the programme of work.

As the Chief Accountable Officer, the Vice-Chancellor has responsibility for reviewing the effectiveness of the system of internal control. His review of the effectiveness of the system of internal control is informed by:

- The work of the internal auditors
- The work of the Executive Officers within the University who have responsibility for the development and maintenance of the internal control framework
- Comments made by the University's external auditors and the Funding Council auditors in their management letters and other reports

The Vice-Chancellor has been advised on the effectiveness of the system of internal control by the Audit Committee which oversees the work of the internal auditors. A plan to address weaknesses and ensure continuous improvement of the system is in place.

The Senior Management team receives reports setting out key performance and risk indicators and considers possible control issues brought to their attention by early warning mechanisms which are embedded within the University's academic and administrative departments. The Senior Management team and the Audit Committee also receive regular reports from internal audit, which include recommendations for improvement. The Audit Committee's role in this area consists of a high-level review of the arrangements for internal control. The Council regularly considers risk and control and receives reports thereon from the Senior Management team and the Audit Committee.

The emphasis is on obtaining the relevant degree of assurance and not merely reporting by exception. At its November 2014 meeting, the Council carried out the annual assessment of risk for the year ended 31 July 2014 by considering reports from the Senior Management team, internal audit and Audit Committee and taking account of events since 31 July 2014.

The report from internal audit considered the mechanisms by which the risk management framework and related processes, internal controls, assurance and performance management tools inter-relate, VFM and, together, combine to provide the Council with the necessary assurance to enable the University to make the disclosures required within the statement of internal control. It concluded that the University, overall, has an appropriate framework for delivering assurance to the governing body on key aspects of governance, risk management and internal control. The report concluded that assurance can be given of the adequacy of the control environment and that substantial assurance can be given of the effectiveness of the University's overall assurance and risk management arrangements.

Approved by the Council and signed on behalf of the Council

Nicholas Brookes



Director of the University and Chair of Finance and General Purposes Committee

## **Independent Auditors' Report to the Members of Council for the year ended 31 July 2014**

### **Independent Auditors' Report to the Members of Council of Roehampton University**

We have audited the financial statements of Roehampton University for the year ended 31 July 2014 which comprise the Consolidated Income and Expenditure Account, Consolidated Statement of Total Recognised Gains and Losses, the Balance Sheets for the Group and the University, the Consolidated Cash Flow Statement and the related notes. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

This report is made solely to the University's Council Members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006 and section 124B of the Education Reform Act 1988. Our audit work has been undertaken so that we might state to the Council Members 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 Council Members as a body, for our audit work, for this report, or for the opinions we have formed.

### **Respective Responsibilities of the University's Governing Body and Auditors**

As explained more fully in the statement of responsibilities of the University's Council, the members of Council (who are also the directors of the charitable company for the purposes of company law) are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view.

Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law, regulatory requirements and International Standards on Auditing (UK and Ireland) and the Audit Code of Practice issued by the Higher Education Funding Council for England. Those standards require us to comply with the Financial Reporting Council's (FRC's) Ethical Standards for Auditors.

### **Scope of the audit of the financial statements**

A description of the scope of an audit of financial statements is provided on the FRC's website at [www.frc.org.uk/auditscopeukprivate](http://www.frc.org.uk/auditscopeukprivate).

In addition, we also report to you whether income from funding bodies, grants and income for specific purposes and from other restricted funds administered by the University have been properly applied only for the purposes for which they were received and whether income has been applied in accordance with the Statutes and, where appropriate, with the Financial Memorandum with the Higher Education Funding Council for England.

### **Opinion on the financial statements**

In our opinion, the financial statements:

- Give a true and fair view of the state of the Group's and the University's affairs as at 31 July 2014 and of the Group's income and expenditure for the year then ended;
- Have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- Have been prepared in accordance with the requirements of the Companies Act 2006, the Education Reform Act 1988 and the Statement of Recommended Practice: "Accounting for Further and Higher Education Institutions".

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

## Independent Auditors' Report to the Members of Council for the year ended 31 July 2014

In our opinion, in all material respects:

- Income has been applied in accordance with the University's statutes and where appropriate with the applicable Financial Memorandum with the Higher Education Funding Council for England.
- Funds from whatever source administered by the University for specific purposes have been properly applied to those purposes and, if relevant, managed in accordance with relevant legislation.
- Funds provided by HEFCE have been applied in accordance with the Financial Memorandum and any other terms and conditions attached to them.

### Opinion on other matter prescribed by the Companies Act 2006

In our opinion the information given in the Report of the Board of Governors including the Strategic Report for the financial year for which the financial statements are prepared is consistent with the financial statements.

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

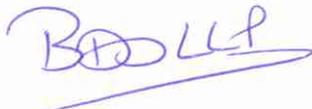
We have nothing to report in respect of the following matters where the Companies Act 2006 requires us to report to you if, in our opinion:

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

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

We have nothing to report in respect of the following matter where the Higher Education Funding Council for England Audit Code of Practice requires us to report to you if, in our opinion:

- The Statement of Internal Control (included as part of the Corporate Governance Statement) is inconsistent with our knowledge of the Group and the University.



James Aston, Senior Statutory Auditor  
for and on behalf of BDO LLP, Statutory Auditor  
Gatwick  
United Kingdom

Date: 25 November 2014

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

## Consolidated Income and Expenditure Account for year ended 31 July 2014

	Notes	2014 £'000	2013 £'000
<b>Income</b>			
Funding Council grants	1	15,234	20,882
Academic fees and support grants	2	50,433	40,787
Research grants and contracts	3	1,048	766
Other operating income	4	15,937	13,858
Interest receivable and endowment income	5	109	144
<b>Total income</b>		<b>82,761</b>	<b>76,437</b>
<b>Expenditure</b>			
Staff costs	6	48,374	45,264
Depreciation/amortisation	7,9,10	3,147	3,218
Other operating expenses	7	29,256	25,076
Interest payable	8	1,656	1,392
<b>Total expenditure</b>		<b>82,433</b>	<b>74,950</b>
<b>Surplus on continuing operations after depreciation of assets, disposal of assets and tax</b>		<b>328</b>	<b>1,487</b>
<b>Transfer from accumulated income within expendable endowments</b>		<b>25</b>	<b>81</b>
<b>Surplus for the year retained within general reserves</b>	19	<b>353</b>	<b>1,568</b>

The income and expenditure of the University relates wholly to continuing operations.

Depreciation of assets is undertaken on an historical cost basis; no separate statement of historical cost surpluses and deficits is shown as it would be no different to the Income and Expenditure Account values.

## Consolidated Statement of Total Recognised Gains and Losses for the year ended 31 July 2014

	2014 £'000	2013 £'000
Surplus on continuing operations after depreciation of asset/ disposal of assets and tax	328	1,487
Appreciation of endowment asset investments	4	29
Actuarial (losses) / gains in respect of pension scheme	(8,200)	6,117
<b>Total recognised (losses) / gains relating to the year</b>	<b>(7,868)</b>	<b>7,633</b>
<b>Total recognised (losses) / gains since last Annual Report</b>	<b>(7,868)</b>	<b>7,633</b>
<b>Reconciliation</b>		
Opening reserves and endowments	9,992	2,359
<b>Total recognised (losses) / gains for the year</b>	<b>(7,868)</b>	<b>7,633</b>
<b>Closing reserves and endowments</b>	<b>2,124</b>	<b>9,992</b>

## Balance Sheets as at 31 July 2014

	Notes	Group 2014 £'000	Group 2013 £'000	University 2014 £'000	University 2013 £'000
<b>Fixed assets</b>					
Tangible assets	9	114,666	111,713	114,666	111,713
Intangible assets					
Goodwill	10	104	113	104	113
Negative goodwill	10	(63,288)	(64,919)	(63,288)	(64,919)
Investments	11	-	-	129	129
		<u>51,482</u>	<u>46,907</u>	<u>51,611</u>	<u>47,036</u>
<b>Endowment assets</b>	12	704	725	704	725
<b>Current assets</b>					
Stocks and stores in hand		120	117	120	117
Debtors due within one year	13	2,790	3,217	3,375	3,443
Cash at bank and in hand		19,760	17,609	18,899	17,152
		<u>22,670</u>	<u>20,943</u>	<u>22,394</u>	<u>20,712</u>
<b>Current liabilities</b>					
Current liabilities within one year	14	(9,868)	(9,497)	(9,734)	(9,408)
<b>Net current assets</b>		<u>12,802</u>	<u>11,446</u>	<u>12,660</u>	<u>11,304</u>
<b>Total assets less current liabilities</b>		<u>64,988</u>	<u>59,078</u>	<u>64,975</u>	<u>59,065</u>
<b>Creditors: Amounts falling due after one year</b>	15	(25,305)	(19,535)	(25,305)	(19,535)
<b>Provisions for liabilities and charges</b>	16	(2,034)	(1,993)	(2,035)	(1,993)
<b>Net assets excluding pension liability</b>		<u>37,649</u>	<u>37,550</u>	<u>37,635</u>	<u>37,537</u>
Net pension liability	25	(27,139)	(17,729)	(27,139)	(17,729)
<b>Net assets including pension liability</b>		<u>10,510</u>	<u>19,821</u>	<u>10,496</u>	<u>19,808</u>
<b>Represented by:</b>					
Deferred capital grants	17	8,386	9,829	8,385	9,829
<b>Endowments</b>					
Restricted expendable endowments	18	704	725	704	725
<b>Reserves</b>					
Income and Expenditure Account excluding pension reserve		29,493	27,930	29,480	27,917
Pension reserve		(28,073)	(18,663)	(28,073)	(18,663)
Income and Expenditure Account including pension reserve	19	1,420	9,267	1,407	9,254
		<u>10,510</u>	<u>19,821</u>	<u>10,496</u>	<u>19,808</u>

The financial statements on pages 32 to 58 were approved and authorised for issue by Roehampton University Council on 24 November 2014 and signed on its behalf by:

SIR DAVID BELL, Chair of Council

PROF PAUL O'PREY, Vice-Chancellor

MR NICHOLAS BROOKES, Chair of Finance & General Purposes Committee




## Consolidated Cash Flow Statement Year ended 31 July 2014

	Notes	2014 £'000	2013 £'000
Net cash inflow from operating activities	20	4,488	6,022
Returns on investments and servicing of finance	21	(768)	(678)
Capital expenditure and financial investments	22	(7,207)	(3,025)
Net cash inflow arising from acquisition	10	-	263
Cash (outflow) / Inflow before financing		(3,487)	2,582
Financing	23	5,609	(583)
<b>Increase in cash</b>		<b>2,122</b>	<b>1,999</b>

## Reconciliation of Net Cash Flow to Movement in Net Debt Year ended 31 July 2014

	Notes	2014 £'000	2013 £'000
Increase in cash in the year		2,122	1,999
Change in net debt resulting from cash flows	23	(5,609)	583
Movement in net debt resulting from cash flows	24	(3,487)	2,582
Inception of finance lease on acquisition	10	-	(6,859)
Movement in net debt		(3,487)	(4,277)
Net debt at 1 August	24	(2,425)	1,852
<b>Net debt at 31 July</b>		<b>(5,912)</b>	<b>(2,425)</b>

## **Principal Accounting Policies Year ended 31 July 2014**

The following accounting policies have been applied consistently in dealing with items which are considered material in relation to the Financial Statements.

### **Accounting Convention**

The Financial Statements have been prepared under the historical cost convention as modified by the revaluation of certain fixed asset investments and in accordance with both the Statement of Recommended Practice: Accounting for Further and Higher Education issued in 2007 and applicable United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice). They conform to guidance published by HEFCE and NCTL.

### **Basis of Consolidation**

The consolidated Financial Statements reflect the total activities of the University and its subsidiaries, Roehampton Corporate Initiatives Limited, Roehampton Hosting Services Limited and Roehampton Construction Services Limited.

The University Council does not consider it appropriate to consolidate Roehampton Students' Union (RSU) Financial Statements into those of the University, as the University does not exercise dominant influence over RSU affairs. The RSU Financial Statements are therefore audited and published separately.

The University has taken advantage of the exemption contained within section 408 of the Companies Act 2006 not to present its own Income and Expenditure Account.

### **Recognition of Income**

Income from research grants and contracts is included to the extent of expenditure incurred during the year, together with any related contributions towards overhead costs. All income from short-term deposits is credited to the Income and Expenditure Account on a receivable basis.

The recurrent grants from Funding Councils represent the funding allocations attributable to the current financial year and are credited direct to the Income and Expenditure Account. Recurrent grants are recognised in line with planned activity. Any under-achievement against this planned activity is adjusted in-year and reflected in the level of recurrent grant recognised in the Income and Expenditure Account.

Non-recurrent grants from Funding Councils or other bodies received in respect of the acquisition or construction of fixed assets are treated as deferred capital grants and amortised in line with depreciation over the life of the assets.

Tuition fee income is credited to income over the academic year in which the student is studying. Where tuition discounts are given for prompt payment these are deducted from income receivable. All bursaries and scholarships are recognised as expenditure.

### **Going Concern**

After reviewing the University financial position forecasts and financial facilities, Council has a reasonable expectation that the University has adequate resources to continue in operational existence for the foreseeable future. Accordingly, the University has continued to adopt the going-concern basis in preparing the Financial Statements.

## **Principal Accounting Policies Year ended 31 July 2014**

### **Pension Schemes**

The two principal pension schemes for the University's staff are the Teachers' Pension Scheme (TPS) and the London Pension Fund Authority (LPFA) Superannuation Scheme. In addition, a small number of staff are members of the Universities Superannuation Scheme (USS). The schemes are defined-benefit schemes which are externally funded and contracted out of the State Earnings-Related Pension Scheme.

As stated in Note 25, the TPS and USS are multi-employer schemes and the University is unable to identify its share of the underlying assets and liabilities of the schemes on a consistent and reasonable basis. The TPS is therefore treated as a defined-contribution scheme and the contributions recognised as they are paid each year. Contributions to the TPS and USS are charged to the Income and Expenditure Account so as to spread the cost of pensions over employees' working lives with the University in such a way that the pension cost is a substantially level percentage of current and future pensionable payroll. The contributions are determined by qualified actuaries on the basis of quinquennial valuations using a prospective benefit method for the TPS scheme and triennial valuations using a projected unit method for the USS scheme.

The assets of the LPFA are measured using closing market values. LPFA liabilities are measured using the projected unit method and discounted at the current rate of return on a high-quality corporate bond of equivalent term and currency to the liability. The increase in the present value of the liabilities of the scheme expected to arise from employee service in the period is charged to the operating surplus. The expected return on the scheme's assets and the increase during the period in the present value of the scheme's liabilities, arising from the passage of time, are included in pension finance costs. Actuarial gains and losses are recognised in the statement of total recognised gains and losses.

### **Enhanced Pensions**

The actual cost of any enhanced ongoing pension to former members of staff is paid by the University annually. An estimate of the expected future cost of any enhancement to the ongoing pensions of former members of staff is charged in full to the University's Income and Expenditure Account in the year that the member of staff retires. In subsequent years a charge is made to provisions in the Balance Sheet using the enhanced pension spreadsheet provided by HEFCE.

### **Foreign Currencies**

Transactions denominated in foreign currencies are recorded at the rate of exchange ruling at the dates of the transactions. Monetary assets and liabilities denominated in foreign currencies are translated into sterling at year-end rates. The resulting exchange rate differences are dealt with in the determination of income and expenditure for the financial year.

### **Goodwill**

Goodwill arising on acquisition represents the excess of purchase price over the fair value of the net liabilities acquired. Goodwill is capitalised and amortised over twenty years. Members of Council consider annually whether a provision against the value of goodwill is required.

## Principal Accounting Policies Year ended 31 July 2014

### Negative Goodwill

Negative goodwill arising on acquisitions is allocated to non-monetary assets. This negative goodwill is then retained on the Balance Sheet and released to the Income and Expenditure Account over the remaining useful life of those assets (40 years from 1 August 2008 in respect of buildings and 125 years from 1 August 2008 in respect of long-leasehold land). In the event the assets are disposed prior to the end of their useful life any remaining negative goodwill is released immediately. The excess of any negative goodwill above the value of non-monetary assets is released to the Income and Expenditure Account immediately.

### Land and Buildings

Where the University acquires or constructs buildings, they are capitalised and depreciated as below. Any related grants are treated as deferred capital grants and released to income over the expected useful life of the buildings.

Additions and improvements to buildings costing less than £10,000 are written off in the year of completion. All other additions and improvements are capitalised.

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

Listed residences	50 years
New residences	40 years
Leasehold buildings	40 years
Leasehold land	125 years
Additional floors added/significant enhancements to existing buildings	25 years
New partitioning/alterations and improvements to existing buildings	10 years

### Equipment

Additions costing less than £5,000 are written off. Capitalised expenditure is stated at cost. Equipment is depreciated over its expected useful life as follows:

Telephone equipment	7 years
General equipment purchased	3 years

Where equipment has been acquired with the aid of specific grants it is capitalised and depreciated as above. Any related grant is treated as a deferred capital grant and released to income over the expected useful life of the equipment.

### Stocks

Stocks and stores represent materials held by the University cleaning and postal units and the Catering Department. They are valued at the lower of cost and net realisable value.

## **Principal Accounting Policies Year ended 31 July 2014**

### **Cash Flows and Liquid Resources**

Cash flows comprise increases or decreases in cash. Cash includes cash in hand, deposits repayable on demand and overdrafts. Deposits are repayable on demand if they are in practice available within 24 hours without penalty. No investments, however liquid, are included as cash.

Liquid resources comprise assets held as a readily disposable store of value. They include term deposits, Government securities and loan stock held as part of the University's treasury management activities. They exclude any such assets held as Endowment Asset Investments.

### **Leases**

Rental costs under operating leases are charged to expenditure in equal amounts over the period of the leases.

Leasing agreements that transfer to the University substantially all of the benefits and risks of ownership of an asset are treated as if the asset had been purchased outright. The assets are included in fixed assets and the capital element of the leasing commitments is shown as obligations under finance leases. The lease rentals are treated as consisting of capital and interest elements. The capital element is applied to reduce the outstanding obligations and the interest element is charged to the Income and Expenditure Account in proportion to the reducing capital element outstanding. Assets held under finance leases are depreciated over the useful economic lives of equivalent owned assets.

### **Maintenance of Premises**

The University has a rolling maintenance plan, which is reviewed on an annual basis. The cost of routine corrective maintenance is charged to the Income and Expenditure Account as incurred.

### **Taxation**

The University is an exempt charity within the meaning of Schedule 2 of the Charities Act 2011 and as such is a charity within the meaning of Section 506 (1) of the Taxes Act 1988. Accordingly, the University is potentially exempt from taxation in respect of income or capital gains received within the categories covered by Section 505 of the Taxes Act 1988 or Section 256 of the Taxation of Chargeable Gains Act 1992 where such income or gains are applied exclusively for charitable purposes. The University receives no similar exemption in respect of Value Added Tax.

### **Provisions**

Provisions are recognised when the University has a 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.

### **Agency Arrangements**

The Funds the University receives and disburses as paying agent on behalf of a funding body (or other body) where the University is exposed to minimal risk or enjoys minimal economic benefit related to the transaction are excluded from the Income and Expenditure Accounts. The balance and movement of these funds are disclosed at Notes 27, 29 and 30.

## Notes to the Financial Statements Year ended 31 July 2014

### 1 Funding Council grants

	HEFCE £'000	NCTL £'000	2014 Total funds £'000	2013 Total funds £'000
<b>Recurrent grants</b>	11,183	1,245	12,428	18,547
<b>Non-recurrent grants</b>				
Higher Education Innovation Fund	575	-	575	402
Research Capital Investment Fund	71	-	71	144
Capital teaching and research grants	449	-	449	179
Capital teaching and research grants to deferred capital grants (Note 17)	(520)	-	(520)	(323)
Other NCTL grants	-	309	309	489
Release of deferred capital grants (Note 17)	1,922	-	1,922	1,444
	<b>13,680</b>	<b>1,554</b>	<b>15,234</b>	<b>20,882</b>

### 2 Academic fees

	2014 £'000	2013 £'000
Full-time students	39,029	30,496
Full-time students from European Union excluding UK	2,058	1,629
Full-time students charged overseas fees	6,050	5,649
Part-time fees	2,042	1,918
Short course fees	1,255	1,095
	<b>50,433</b>	<b>40,787</b>

### 3 Research grants and contracts

	2014 £'000	2013 £'000
Research Councils	393	377
UK-based charities	88	166
European Commission	379	84
Other grants and contracts	188	139
	<b>1,048</b>	<b>766</b>

## Notes to the Financial Statements Year ended 31 July 2014

### 4 Other operating income

	2014 £'000	2013 £'000
Residences, conferencing and catering	11,664	9,332
Other income-generating activities	2,562	3,428
Other grant income	1,572	964
Other income	98	94
Release of deferred capital grants (Note 17)	41	40
	<u>15,937</u>	<u>13,858</u>

### 5 Interest receivable

	2014 £'000	2013 £'000
Income from short-term investments	109	133
Endowment income	-	11
	<u>109</u>	<u>144</u>

### 6 Staff

	2014 £'000	2013 £'000
Wages and salaries	38,914	36,567
Social security costs	3,370	3,153
Other pension costs including FRS 17 adjustments (Note 25)	5,338	5,228
Restructuring costs	752	316
	<u>48,374</u>	<u>45,264</u>

<b>Analysis of staff costs by activity</b>	<b>2014 £'000</b>	<b>2013 £'000</b>
Academic departments	31,465	28,262
Academic services	5,941	6,741
Research grants and contracts	500	386
Residences, catering and conferences	1,285	1,068
Premises	3,352	3,343
Administration	5,831	5,464
	<u>48,374</u>	<u>45,264</u>

The administration activity costs includes £752k (2013: £316k) of restructuring costs and £592k (2013: £766k) of pension costs relating to FRS17 (Note 25).

## Notes to the Financial Statements Year ended 31 July 2014

Analysis of staff costs by type of contract	2014 £'000	2013 £'000
Employment costs for staff on permanent contracts	45,830	43,302
Employment costs for staff on temporary contracts	1,792	1,646
Staff restructuring costs	752	316
	<b>48,374</b>	<b>45,264</b>

### Total emoluments of staff Members of Council

The total emoluments of all staff members of Council in the year amounted to £375,586 (2013: £356,344). Employer pension contributions in respect of the staff members of Council totalled £50,291 (2013: £47,951) and were paid on behalf of four staff members of Council (2013: three staff members).

The Vice-Chancellor's emoluments shown below include remuneration, employer's contributions for pension, and benefit covering medical insurance.

Vice-Chancellor	2014 £'000	2013 £'000
Salary costs	223	215
Pension	67	63
Taxable benefits	2	1
	<b>292</b>	<b>279</b>

The University's pension contributions to the Universities Superannuation Scheme (USS) for the Vice-Chancellor are paid at the same rates as all scheme members and in 2014 they amounted to £35,524 (2013: £34,259). The University makes a separate provision of 0.575% of his pensionable salary for each year of service after 1 August 2012. This pension is being provided on an unfunded basis and the actuarial provision for 2013/14 is £32,000 (2013: £29,000) (Note 16). The Vice-Chancellor accrued pension as at 31 July 2014 is £48,792 (2013: £45,101) gross per annum and the accrued tax-free lump sum total is £146,375 (2013: £134,432).

Remuneration of other senior staff	2014 No	2013 No
£110,001 - £120,000	1	1
£120,001 - £130,000	1	-
£130,001 - £140,000	-	1
£140,001 - £150,000	1	2
£150,001 - £160,000	2	-
£160,001 - £170,000	-	-
£170,001 - £180,000	1	1
	<b>7</b>	<b>5</b>

For senior staff gross salary, pension costs and any benefits are included.

Staff numbers by major category (full-time equivalent)	2014 No	2013 No
Academic	450	427
Administrative	396	384
Other including technical and manual	142	147
	<b>988</b>	<b>958</b>

The staff FTE total in includes temporary staff recruited through Unitemps.

## Notes to the Financial Statements Year ended 31 July 2014

### 7 Other operating expenses

	2014 £'000	2013 £'000
Residences, conferencing and catering	1,879	1,810
Consumables and laboratory expenditure	1,641	2,417
Books and periodicals	1,238	1,327
Heat, light, water and power	1,539	1,328
Repairs and general maintenance	1,265	1,600
Grants and payments to the Students' Union	568	366
Property lease rentals	1,901	1,204
Auditors' remuneration (internal)	63	53
Auditors' remuneration (external)		
Audit of the University annual Financial Statements	42	42
Audit of subsidiary company financial statements	12	6
Audit of pension scheme and funding body statements	1	10
Tax and other services	16	19
Operating leases	205	46
Provision for doubtful debts	10	383
Travel, subsistence, catering and entertaining	2,226	1,698
Infrastructure	3,076	2,610
Printing, stationery and postage	619	626
Temporary Staff	1,817	1,727
Consultancies	536	223
Professional fees	1,939	914
Management fees	207	756
Scholarships and bursaries	3,264	3,036
Staff training	626	537
Advertising	598	507
Other student-related expenditure	2,504	1,321
Other expenses	617	510
Breakage costs for existing loans	660	-
Loan arrangement fee	187	-
	<b>29,256</b>	<b>25,076</b>

The University has a lease over the Mount Clare property, owned by Southlands College, which expires in 2026. The rental paid in the year was £400,000 (2013: £400,000).

The property lease rental figure also includes £667,000 paid to Whitelands College as part of the licence and management agreement.

The other operating expenditure increases are mainly as a result of additional costs from the leasehold buildings acquired and the trading operations of Whitelands College.

The breakage costs relate to the repayment of the existing Barclays loan and also changes to the terms of the existing Lloyds loans. The arrangement fees of £187,000 relate to the new Lloyds loan.

## Notes to the Financial Statements Year ended 31 July 2014

### Members of Council and Directors

No Member of Council has received any remuneration or waived payment from the University during the year in their capacity as a Member of Council. Emoluments received by Council Members in their capacity as employees are included in Note 6. The total expenses paid to or on behalf of 21 Members of Council were £1,431 (2013: £1,338). These represent travel and subsistence expenses incurred in attending Council Committee meetings and other events in their official capacity.

### Analysis of expenditure (less staff costs) by activity

	Other operating expenses £'000	Depreciation /amortisation £'000	Interest payable £'000	2014 Total funds £'000	2013 Total funds £'000
Academic departments	4,345	206	-	4,551	2,404
Academic services	5,816	509	-	6,325	4,816
Research grants and contracts	425	-	-	425	505
Residences, catering and conferences	6,290	153	-	6,443	5,567
Premises	3,834	1,744	878	6,456	6,481
Administration	8,545	535	778	9,858	9,913
	<u>29,255</u>	<u>3,147</u>	<u>1,656</u>	<u>34,058</u>	<u>29,686</u>

	2014 £'000
<b>Funding of depreciation charge</b>	
Deferred capital grants released (Note 17)	1,963
General income	1,184
	<u>3,147</u>

### 8 Interest payable

	2014 £'000	2013 £'000
Loans not wholly repayable within five years	579	717
Finance lease interest payments	299	105
LPFA pension finance costs (Note 25) and enhanced pension finance cost	778	570
	<u>1,656</u>	<u>1,392</u>

## Notes to the Financial Statements Year ended 31 July 2014

### 9 Tangible fixed assets Group and University

	Work in progress £'000	Leasehold land £'000	Leasehold buildings £'000	Freehold buildings £'000	Equipment £'000	Total £'000
<b>Cost or valuation</b>						
At 1 August 2013	711	27,150	98,371	3,279	19,830	149,341
Additions	5,750	-	309	-	1,664	7,723
Transfer	-	-	-	-	-	-
At 31 July 2014	6,461	27,150	98,680	3,279	21,494	157,064
<b>Depreciation</b>						
At 1 August 2013	-	500	19,314	527	17,288	37,629
Charge for year	-	124	3,078	87	1,480	4,769
At 31 July 2014	-	624	22,392	614	18,768	42,398
<b>Net book values</b>						
At 31 July 2014	6,461	26,526	76,288	2,665	2,726	114,666
At 1 August 2013	711	26,650	79,057	2,752	2,542	111,712
<b>Financed by</b>						
Capital grant	-	-	7,435	-	950	8,385
Other	6,461	26,526	68,853	2,665	1,776	106,281
	6,461	26,526	76,288	2,665	2,726	114,666

Any buildings that have been funded in whole or in part by exchequer funds, if disposed of, are subject to paragraphs 52 to 54 of the Financial Memorandum between the University and HEFCE that may require part or all of the proceeds to be repaid to HEFCE. Where these buildings form part of property owned by the four constituent Colleges or their Providing Bodies, they are similarly bound by the Financial Memorandum.

## Notes to the Financial Statements Year ended 31 July 2014

### 10 Goodwill

#### Group and University

Negative goodwill relating to Digby Stuart College, Southlands College, and now the London and Quadrant Froebel Trust buildings is being amortised in line with depreciation of the relevant assets.

Total goodwill	Positive Goodwill £'000	Negative Goodwill £'000
<b>Cost</b>		
At 1 August 2013	173	(71,100)
Additions		
At 31 July 2014	173	(71,100)
<b>Amortisation</b>		
At 1 August 2013	(60)	6,181
Charge for year	(9)	1,631
At 31 July 2014	(69)	7,812
<b>Net book values</b>		
At 31 July 2014	104	(63,288)

### 11 Subsidiary undertakings

Roehampton Corporate Initiatives Limited (RCIL) is a wholly owned subsidiary of the University. The results of RCIL have been consolidated into the Financial Statements of the University. Separate audited financial statements have been prepared for the company to 31 July 2014. The company provides media and consultancy services to external clients. The investment in RCIL is £29,000. The University owns 100% of the ordinary shares of RCIL. In 2013-14 RCIL made a profit of £148,795, all of which is gift aided to the University.

Roehampton Hosting Services Limited (RHSL) is a wholly owned subsidiary of the University. The results of RHSL have been consolidated into the Financial Statements of the University. Separate audited Financial Statements have been prepared for the company to 31 July 2014. The company provides hosting and support services to external clients. The investment in RHSL is £100,000. The University owns 100% of the ordinary shares of RHSL. In 2013-14 RHSL made a profit of £28,144, all of which is gift aided to the University.

Roehampton Construction Services Limited (RHCL) is a wholly owned subsidiary of the University. The results of RCSL have been consolidated into the Financial Statements of the University. Separate audited Financial Statements have been prepared for the company to 31 July 2014. The company provides facility and management to the construction of student accommodation. The investment in RCSL is £1. The University owns 100% of the ordinary shares of RCSL.

## Notes to the Financial Statements Year ended 31 July 2014

### 12 Endowment assets

	2014 £'000	2013 £'000
<b>Group and University</b>		
Balance at 1 August	725	777
Net (disposals)	(25)	(81)
Appreciation on revaluation	4	29
Balance at 31 July	<u>704</u>	<u>725</u>
Represented by		
Market value		
Fixed interest stocks	128	134
Equities	<u>177</u>	<u>164</u>
	305	298
Cash	<u>399</u>	<u>427</u>
Total	<u>704</u>	<u>725</u>
Fixed interest and equities at cost	<u>245</u>	<u>240</u>

### 13 Debtors: Amounts falling due within one year

	Group 2014 £'000	Group 2013 £'000	University 2014 £'000	University 2013 £'000
Debtors	1,785	1,995	1,389	1,793
Amount owed subsidiary undertakings	-	-	793	428
Prepayments and accrued income	816	908	1,004	908
College debtors	-	88	-	88
Roehampton Students' Union loan	189	226	189	226
	<u>2,790</u>	<u>3,217</u>	<u>3,375</u>	<u>3,443</u>

The policy for calculating the bad debt provision is based on a sector-wide bench-marking exercise. The debtors figure includes a bad debt provision of £785k (2013: £1,023k) for student-related debt.

### 14 Creditors: Amounts falling due within one year

	Group 2014 £'000	Group 2013 £'000	University 2014 £'000	University 2013 £'000
Secured loans	585	738	585	738
Finance leases	180	188	180	188
University creditors	2,372	2,016	2,365	2,013
Taxation and social security	1,701	1,481	1,695	1,481
Accruals and deferred income	5,030	5,074	4,909	4,988
	<u>9,868</u>	<u>9,497</u>	<u>9,734</u>	<u>9,408</u>

## Notes to the Financial Statements Year ended 31 July 2014

### 15 Creditors: Amounts falling due after one year

Secured loans	Group 2014 £'000	Group 2013 £'000	University 2014 £'000	University 2013 £'000
Between one and two years	572	737	572	737
Between two and five years	2,018	2,479	2,018	2,479
In five years or more	16,268	9,717	16,268	9,717
	<b>18,858</b>	<b>12,933</b>	<b>18,858</b>	<b>12,933</b>

Finance lease	Group 2014 £'000	Group 2013 £'000	University 2014 £'000	University 2013 £'000
Between one and two years	204	180	204	180
Between two and five years	766	688	766	688
In five years or more	5,478	5,734	5,478	5,734
	<b>6,448</b>	<b>6,602</b>	<b>6,448</b>	<b>6,602</b>

Lender	Type of loan	Date drawn down	Total drawn at inception £'000	Period of loan	Interest rate
Lloyds	Credit Facility	July 2014	10,000	20 years	Fixed
Lloyds	Term loan	Aug 2006	4,600	20 years	Fixed
Lloyds	Term loan	Nov 2003	1,441	20 years	Fixed
Lloyds	Term loan	Oct 2004	6,500	25 years	Fixed
Salix	Term loan	Jan 2011	237	4 years	Interest-free
Salix	Term loan	Jan 2011	35	4 years	Interest-free
Salix	Term loan	Jan 2012	48	4 years	Interest-free
Salix	Term loan	Dec 2012	170	4 years	Interest-free

As part of the University's capital development plan all existing loans have been reviewed. In December 2013 the University repaid in full the borrowing from Barclays Bank which was secured by a charge over the freehold interest in Downshire House and the leasehold interest in the Molly Davies PE and Dance building. The cost of early repayment was £590,000.

The three existing Lloyds loans have now been revised. The borrowing from Lloyds is secured as part of a general charge over the property that is owned by the Providing Body of Digby Stuart College. Interest has been fixed on all of these loans for the duration of the loan period. The three existing Lloyds loans were amended on 20<sup>th</sup> January 2014 with an increase in the margin of 1.0000%. The £4.6 million drawn-down loan has a revised interest rate of 5.5200%, the £1.44 million drawn-down loan has a revised interest of 5.9082% and the £6.5 million drawn-down loan has a revised interest rate of 6.1465%. The cost of these amendments to the existing Lloyds loans was £70,000.

On 7<sup>th</sup> January 2014 the University signed a Revolving Credit Facility (RCF) with Lloyds for £15 million as at 31<sup>st</sup> July 2014 only £10 million of this loan was drawn down. The University has successfully signed a new term loan facility with Lloyds for £75 million (note 32). The agreement was signed on 7<sup>th</sup> August 2014. This facility will be used to refinance the RCF in full, the total cost of arranging this facility was £187,000.

## Notes to the Financial Statements Year ended 31 July 2014

The University was successful in receiving £490,000 in funding from the HEFCE/Salix Revolving Green Fund. The Fund is intended to provide repayable grants for the University to undertake specific projects that will reduce carbon emission. The financial savings made as a result of these projects are used to replenish the Fund. The loan is a long-term grant and only repayable once reinvestment in relevant carbon management projects ceases.

The finance leases relate to the acquisition of the London and Quadrant building in 2012/13.

### 16 Provisions for liabilities and charges Group and University

	Enhanced pension provision	Kingston City Group pension provision	Vice- Chancellor unfunded pension provision
	£'000	£'000	£'000
<b>At 1 August 2013</b>	1,956	8	29
Utilised in year	(154)	-	-
Transfer from Income and Expenditure Account	160	4	31
Loss in respect of pension scheme recognised in the STRGL		-	-
<b>At 31 July 2014</b>	<b>1,962</b>	<b>12</b>	<b>60</b>

The University pays enhanced pension entitlements (EP) to staff who took early retirement after 1 April 1989 under the reorganisation programme which ended in 1993/94. The calculation of the cost of early retirement provisions charged to the Income and Expenditure Account in the year of retirement is based on the total capital cost of providing enhanced pensions with allowance for future investment returns at 4% in excess of price inflation. During 2013/14, actual payments of £154,379 (2013: £150,249) have been charged to the provision. The provision will be released against the cost to the University of enhanced pension entitlements over the estimated life expectancy of relevant employees.

In addition to the enhanced pensions which are being provided above, the University also provides enhanced pension contributions to a further 50 former employees. HEFCE is providing the University with additional funds each year to meet these contributions. Although HEFCE does not have a legal obligation to continue making these payments, the University expects them to do so. As the costs of these payments have been recognised as a liability in the Financial Statements of HEFCE (indicating HEFCE's expectation that they will be meeting these costs in the future) they have not been recognised as a liability in the University's Balance Sheet. Were the position to change, the estimated cost to the University of meeting these pension payments was £1.2 million as at 31 July 2014 (2013: £1.2 million).

## Notes to the Financial Statements Year ended 31 July 2014

### 17 Deferred capital grants

	Funding Council £'000	Other grants £'000	Total £'000
<b>At 1 August 2013</b>			
Buildings	7,136	364	7,500
Equipment	2,329	-	2,329
	9,465	364	9,829
<b>Cash received</b>			
Buildings	-	-	-
Equipment	520	-	520
	520	-	520
<b>Restatement</b>			
Buildings	595	-	595
Equipment	(595)	-	(595)
	-	-	-
<b>Release to Income and Expenditure Account</b>			
Buildings	(615)	(41)	(656)
Equipment	(1,307)	-	(1,307)
	(1,922)	(41)	(1,963)
<b>At 31 July 2014</b>			
Buildings	7,116	324	7,439
Equipment	947	-	947
	8,063	324	8,386

### 18 Restricted permanent and expendable endowments

	Gerhard Weiler £'000	Honora Naughton £'000	Dove Bowerman £'000	The Ebb and Flow Fund £'000	Total £'000
<b>At 1 August 2013</b>	49	5	257	21	
Appreciation in endowment asset for year	(1)	-	4	1	
Income for year	1	-	-	-	
Expenditure for year	(1)	-	-	(1)	
<b>At 31 July 2014</b>	48	5	261	21	
	Society of the Sacred Heart Fund (RUSH) £'000	Jewish Resource Centre £'000	Society of the Sacred Heart Fund £'000		Total £'000
<b>At 1 August 2013</b>	365	26	2		725
Appreciation in endowment asset for year	-	-	-		4
Income for year	-	5	25		31
Expenditure for year	(52)	(2)	-		(56)
<b>At 31 July 2014</b>	313	29	27		704

## Notes to the Financial Statements Year ended 31 July 2014

### 19 Reserves

#### a) Income and Expenditure Account

	Group 2014 £'000	Group 2013 £'000	University 2014 £'000	University 2013 £'000
<b>At 1 August 2013</b>	<b>9,267</b>	<b>1,582</b>	<b>9,254</b>	<b>1,569</b>
Net surplus after depreciation of assets, disposal of assets and tax	353	1,568	353	1,568
Actuarial gain/(loss) in respect of pension scheme	(8,200)	6,117	(8,200)	6,117
<b>At 31 July 2014</b>	<b>1,420</b>	<b>9,267</b>	<b>1,407</b>	<b>9,254</b>
<b>Balance represented by</b>				
Pension reserve	(28,073)	(18,663)	(28,073)	(18,663)
Income and Expenditure Account excluding pension reserve	29,493	27,930	29,480	27,917
	<b>1,420</b>	<b>9,267</b>	<b>1,407</b>	<b>9,254</b>

#### b) Total Reserves

	Income and Expenditure Account £'000	Pension reserve £'000	Total £'000
<b>Group</b>			
<b>At 1 August 2013</b>	<b>27,930</b>	<b>(18,663)</b>	<b>9,267</b>
Net surplus /(deficit) after depreciation of assets, disposal of assets and tax	1,563	(1,210)	353
Actuarial gain in respect of pension scheme	-	(8,200)	(8,200)
<b>At 31 July 2014</b>	<b>29,493</b>	<b>(28,073)</b>	<b>1,420</b>
<b>University</b>			
<b>At 1 August 2013</b>	<b>27,917</b>	<b>(18,663)</b>	<b>9,254</b>
Net surplus /(deficit) after depreciation of assets, disposal of assets and tax	1,563	(1,210)	353
Actuarial gain in respect of pension scheme	-	(8,200)	(8,200)
<b>At 31 July 2014</b>	<b>29,480</b>	<b>(28,073)</b>	<b>1,407</b>

### 20 Reconciliation of consolidated operating surplus / (deficit) on continuing operations to net cash inflow from operating activities

	2014 £'000	2013 £'000
<b>Net surplus / (deficit) on continuing operations</b>	<b>328</b>	<b>1,487</b>
Depreciation/amortisation (Notes 9 & 10)	3,148	3,218
Deferred capital grants released to income (Note 17)	(1,963)	(1,484)
Interest receivable (Note 5)	(109)	(144)
Interest payable (Note 8)	877	822
Pension cost less contributions payable	1,210	1,225
Decrease / (Increase) in stocks	(3)	(10)
Decrease / (Increase) in debtors	427	370
Increase / (Decrease) in creditors	532	544
(Decrease) / Increase in provisions	41	(6)
<b>Net cash inflow from operating activities</b>	<b>4,488</b>	<b>6,022</b>

## Notes to the Financial Statements Year ended 31 July 2014

### 21 Return on investments and servicing of finance

	2014 £'000	2013 £'000
Interest received from short-term investments	109	144
Interest paid	(877)	(822)
	<u>(768)</u>	<u>(678)</u>

### 22 Capital expenditure and financial investment

	2014 £'000	2013 £'000
Tangible assets acquired (Note 9)	(7,723)	(3,351)
Net movement on endowments	(4)	3
Deferred capital grants received (Note 17)	520	323
<b>Net cash outflow from capital expenditure and financial investment</b>	<b>(7,207)</b>	<b>(3,025)</b>

### 23 Analysis of changes in finance during the year

	Loans £'000	Total £'000
<b>At 1 August 2013</b>	20,461	20,461
New loans	10,000	10,000
Finance lease repayments	(162)	(162)
Loan capital repayment	(4,229)	(4,229)
Net amount (repaid) in year	5,609	5,609
Finance lease acquired with acquisition (Note 10)		
<b>At 31 July 2014</b>	<b>26,070</b>	<b>26,070</b>

### 24 Analysis of changes in net debt

	At 1 August 2013 £'000	Cash flows £'000	Non-cash changes £'000	At 31 July 2014 £'000
Cash at bank and in hand	17,609	2,151	-	19,760
Cash held within endowments	427	(29)	-	398
Debt due within one year	(738)	738	(585)	(585)
Debt due after one year	(12,933)	(6,509)	585	(18,857)
Finance leases	(6,790)	162	-	(6,628)
	<u>(2,425)</u>	<u>(3,487)</u>	<u>-</u>	<u>(5,912)</u>

### 25 Pensions

The University's employees belong to three principal pension schemes, the Teachers' Pensions Scheme (TPS), the Universities Superannuation Scheme (USS) and the Local Government Pension Scheme (LGPS). All are defined benefit schemes. The total pension cost for the year ended 31 July 2014 was £5.3m (2013: £5.2m); this includes an amount of £160,000 (2013: £111,000) being notional interest in respect of enhanced pension entitlements for staff who have taken early retirement. The calculation of the cost of early retirement provisions charged to the Income and Expenditure

## Notes to the Financial Statements Year ended 31 July 2014

Account in the year of retirement is based on the total capital cost of providing enhanced pensions with allowance for future investment returns at 4% in excess of price inflation.

### Teachers' Pension Scheme

Under the definitions set out in Financial Reporting Standard 17 - Retirement benefits, the Teachers' Pension Scheme (TPS) is a multi-employer pension scheme. As the TPS is underwritten by central government and the University has no future obligation to make contributions to the scheme, this is effectively a defined contribution scheme in so far as it affects the University. As a result, contributions to this scheme are accounted for as if the scheme was a defined contribution scheme.

The University has set out below the information available on the Scheme and the implications for the University in terms of the anticipated contribution rates. The employers' contribution rates for the University's academic staff were 14.1% of pensionable salaries from 1 August 2013 to 31 July 2014.

The Teachers' Pension Scheme is a statutory, contributory, unfunded, defined benefit scheme. The regulations under which the TPS operates are the Teachers' Pensions Regulations 1997, as amended. Contributions are credited to the Exchequer on a "pay as you go" basis under arrangements governed by the Superannuation Act 1972. A notional asset value is ascribed to the Scheme for the purposes of determining contribution rates.

The last valuation of the TPS related to the period 1 April 2004 to 31 March 2012. The Government Actuary's report of June 2014 revealed that the total liabilities of the Scheme (pensions currently in payment and the estimated cost of future benefits) amounted to £191.5 billion. The value of the assets (estimated future contributions together with the proceeds from the notional investments held at the valuation date) was £176.6 billion. The assumed real rate of return is 3% in excess of prices and 1.25% in excess of earnings. The rate of real earnings growth is assumed to be 2.75%. The assumed gross rate of return is 5.06%.

The next formal actuarial valuation is due as at 31 March 2016

### Local Government Pension Scheme (LGPS)

The Local Government Pension Scheme (LGPS) is a funded defined-benefit scheme, with the assets held in separate trustee-administered funds. The total contribution made for the year ended 31 July 2014 was £2.5m (2013: £2.4m) of which employer's contributions totalled £1.8m (2013: £1.7m) and employees' contributions totalled £0.7m (2013: £0.7m). The employer's contribution rate for administrative and manual staff for the period 1 August 2013 to 31 March 2014 was 16% and for the period 1 April 2014 to 31 July 2014 was 15.5%. The employer contributions expected to be paid into the scheme during the year ending 31 July 2015 amount to £1.9m.

### *Financial Reporting Standard (FRS) 17 - Retirement Benefits*

The following information is based upon a full actuarial valuation of the Fund at 31 March 2007 updated to 31 July 2014 by a qualified independent actuary.

## Notes to the Financial Statements Year ended 31 July 2014

The major assumptions used by the actuary were:

	2014 %	2013 %
<b>Retail price index increases</b>	3.5	3.4
<b>Consumer price index increases</b>	2.7	2.6
Salary increases	4.5	4.3
Pension increases	2.7	2.6
Discount rate	4.3	4.8
<b>Expected return on assets</b>		
Equities	6.7	6.4
Target return portfolio	6.1	4.9
Alternative assets	n/a	5.4
Cash	3.2	0.5
Cashflow matching	3.4	3.4

The assumed life expectancies from age 65 were:

<b>Life Expectancy from 65 (years)</b>	31 July 2014	31 July 2013
<b>Retiring Today</b>		
Males	21.6	20.7
Females	25.2	24.0
<b>Retiring in 20 years</b>		
Male	23.9	22.7
Female	27.5	25.9

The estimated asset allocation for Roehampton University as at 31 July 2013 is as follows:

	Value at 31 July 2014 £'000	Proportion %	Value at 31 July 2013 £'000	Proportion %
Equities	19,686	44%	19,668	47%
Target return portfolio	12,814	29%	12,135	29%
Alternative assets	2,736	6%	3,348	8%
Infrastructure	1,496	3%	n/a	n/a
Commodities	477	1%	n/a	n/a
Property	1,228	3%	n/a	n/a
Cash	6,203	14%	418	1%
Bonds	n/a	n/a	6,277	15%
<b>Total market value of assets</b>	<b>44,640</b>	<b>100%</b>	<b>41,846</b>	<b>100%</b>

## Notes to the Financial Statements Year ended 31 July 2014

The following amounts, at 31 July 2014, were measured in accordance with the requirements of FRS 17:

<b>Analysis of the amount shown in Roehampton University's Balance Sheet</b>	<b>31 July 2014</b>	<b>31 July 2013</b>
	<b>£'000</b>	<b>£'000</b>
Estimated asset share	44,640	41,846
Present value of funded liabilities	(71,476)	(59,307)
Present value of unfunded liabilities	(303)	(268)
<b>Net pension deficit</b>	<b>(27,139)</b>	<b>(17,729)</b>

<b>Analysis of amounts charged to staff costs in the Income and Expenditure Account</b>	<b>31 July 2014</b>	<b>31 July 2013</b>
	<b>£'000</b>	<b>£'000</b>
Employer service cost (net of employee contributions)	2,430	2,397
Losses on curtailments	-	203
<b>Total operating charge</b>	<b>2,430</b>	<b>2,600</b>

<b>Analysis of the amount that is credited to interest payable in the Income and Expenditure Account</b>	<b>31 July 2014</b>	<b>31 July 2013</b>
	<b>£'000</b>	<b>£'000</b>
Expected return on pension scheme assets	2,307	1,802
Interest on pension liabilities	(2,925)	(2,261)
<b>Net return on pension scheme</b>	<b>(618)</b>	<b>(459)</b>

The actual return on assets during the year was £720,000.

<b>Analysis of the amount recognised in the Statement of Total Recognised Gains and Losses (STRGL)</b>	<b>31 July 2014</b>	<b>31 July 2013</b>
	<b>£'000</b>	<b>£'000</b>
Actual return less expected return on pension fund assets	(1,684)	4,772
Experience gains	1,642	31
Change in financial and demographic assumptions underlying the fund liabilities	(8,158)	1,353
<b>Actuarial (loss) / gain recognised in the STRGL</b>	<b>(8,200)</b>	<b>6,156</b>

<b>Analysis of movement in the present value of the scheme liabilities</b>	<b>31 July 2014</b>	<b>31 July 2013</b>
	<b>£'000</b>	<b>£'000</b>
<b>Opening present value of the defined benefit obligation</b>	<b>(59,575)</b>	<b>(57,229)</b>
<b>Movement in the period</b>		
Current service cost	(2,430)	(2,397)
Interest cost	(2,925)	(2,261)
Contributions by members	(759)	(705)
Actuarial (losses)/gains	(6,516)	1,384
Losses on curtailments	-	(203)
Estimated unfunded benefits paid	25	25
Estimated benefits paid	401	1,811
<b>Closing present value of the defined-benefit obligation</b>	<b>(71,779)</b>	<b>(59,575)</b>

## Notes to the Financial Statements Year ended 31 July 2014

	31 July 2014 £'000	31 July 2013 £'000
<b>Analysis of the movement in the fair value of the scheme assets</b>		
Opening fair value of employer assets	41,846	34,569
<b>Movement in the period</b>		
Expected return on assets	2,307	1,802
Contributions by members	759	705
Contributions by the employer	1,838	1,834
Actuarial gains/ (losses)	(1,684)	4,772
Estimated benefits paid	(426)	(1,836)
<b>Closing fair value of employer assets</b>	<b>44,640</b>	<b>41,846</b>

	31 July 2015 £'000
<b>Projected Pension Expense for the year to 31 July 2015</b>	
Service cost	2,622
Interest cost	3,150
Return on assets	(2,649)
<b>Total</b>	<b>3,123</b>
<b>Employer contributions</b>	<b>1,891</b>

Amounts for the current and previous four periods are as follows:

	2014 £'000	2013 £'000	2012 £'000	2011 £'000	2010 £'000
Defined benefit obligation	(71,779)	(59,575)	(57,229)	(47,147)	(44,463)
Plan assets	44,640	41,846	34,569	32,859	28,453
Deficit	(27,139)	(17,729)	(22,660)	(14,288)	(16,010)
Experience adjustment on plan liabilities	1,642	31	(6)	5,675	137
Experience adjustment on plan assets	(1,684)	4,772	(1,696)	634	779

### Universities Superannuation Scheme

The University participates in the Universities Superannuation Scheme (USS), a defined benefit scheme which is contracted out of the State Second Pension (S2P). The assets of the scheme are held in a separate trustee-administered fund. Because of the mutual nature of the scheme, the scheme's assets are not linked to individual institutions and a scheme-wide contribution rate is set. The institution 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 and therefore, as required by FRS 17 "Retirement benefits", accounts for the scheme as if it were a defined contribution scheme. As a result, the amount charged to the income and expenditure account represents the contributions payable to the scheme in respect of the accounting period.

The latest actuarial valuation of the scheme was at 31 March 2011, although the scheme actuary has updated some of the information to 31 March 2013. The valuation was carried out using the projected unit method. The assumptions which have the most significant effect on the result of the valuation are those relating to the rate of return on investments (i.e. the valuation rate of interest), the rates of increase in salary and pensions and the assumed rates of mortality. The financial assumptions were derived from market yields prevailing at the valuation date. An "inflation risk premium" adjustment was also included by deducting 0.8% (2011: 0.3%) from the market-implied inflation.

## Notes to the Financial Statements Year ended 31 July 2014

To calculate the technical provisions, it was assumed that the valuation rate of interest would be 4.8% (2011:6.1%) per annum, salary increases would be 4.3% (2011:4.4%) per annum (plus an additional allowance for increases in salaries due to age and promotion reflecting historic Scheme experience, with a further cautionary reserve on top for past service liabilities) and pensions would increase by 2.5% per annum (2011:3.4% per annum for the 3 years following the valuation then 2.6% per annum thereafter).

Standard mortality tables were used (for 2013 and 2011) as follows:

Male members' mortality	S1NA (light) year of birth tables – no age rating
Female members' mortality	S1NA (light) year of birth tables – rated down 1 year

Use of these mortality tables reasonably reflects the actual USS experience but also provides an element of conservatism to allow for further improvements in mortality rates. The assumed life expectations on retirement at age 65 are:

Males (females) currently aged 65	23.7 years
Males (females) currently aged 45	25.5 years

At the valuation date, the value of the assets of the scheme was £38.6billion (2011:£32.4billion) and the value of the schemes' technical provisions was £50.1billion (2011:£35.3billion) indicating a shortfall of £11.5billion (2011:£2.9billion). The assets therefore were sufficient to cover 77% (2011:92%) of the benefits which had accrued to members after allowing for expected future increases in earnings.

The actuary also valued the scheme on a historic gilts basis, using a valuation rate of interest in respect of past service liabilities of 3.1% (2011:4.4%) per annum (the expected return on gilts). On this basis the funding level was approximately 55% (2011:68%).

Surpluses or deficits which arise at future valuation may impact on the institution's future contribution commitment. A deficit may require additional funding in the form of higher contribution requirements, where a surplus could, perhaps, be used to similarly reduce contribution requirements. The sensitivities regarding the principal assumptions used to measure the scheme liabilities are set out below:

Assumption	Change in assumption	Impact on scheme liabilities
Rate of investment return	Increase/decrease by 0.25%	Decrease/increase by £1.6 billion
Rate of salary growth	Increase/decrease by 0.25%	Increase/decrease by £0.6 billion
Rate of mortality	Members live one year longer than assumed	Increase by £0.8 billion

USS is a "last man standing" scheme so that in the event of the insolvency of any of the participating employers in USS, the amount of any pension funding shortfall (which cannot otherwise be recovered) in respect of that employer will be spread across the remaining participant employers and reflected in the next actuarial valuation of the scheme.

The next formal triennial actuarial valuation is due as at 31 March 2017. The contribution rate will be reviewed as part of each valuation and may be reviewed more frequently.

## Notes to the Financial Statements Year ended 31 July 2014

### 26 Financial Commitments

Commitments in respect of annual commitments for land and buildings, on leases expiring:	2014 £'000	2013 £'000
Over five years	1,067	1,522
<b>Balance at 31 July 2014</b>	<b>1,067</b>	<b>1,522</b>

### 27 Access to learner support funds

	2014 £'000	2013 £'000
<b>Balance at 1 August 2013</b>	<b>8</b>	<b>11</b>
Funding Council grants	197	176
Interest earned	-	-
	<b>205</b>	<b>187</b>
Disbursed to students	(184)	(179)
Audit fees	-	-
<b>Balance at 31 July 2014</b>	<b>21</b>	<b>8</b>

Funding Council Access Grants are available solely for students: the University acts only as paying agent. The grants and related disbursements are therefore excluded from the Income and Expenditure Account.

### 28 Froebel Trust

	2014 £'000	2013 £'000
Total accommodation income collected	-	463
Total expenditure	-	(434)
<b>Balance at 27 February 2014</b>	<b>-</b>	<b>29</b>

Prior to 27 February 2013 the University had provided management services for the Trust in relation to the London and Quadrant buildings. On 27 February 2013 the University signed an agreement with the Froebel Trust and as a result the London and Quadrant buildings have now been transferred to the University and included under the 999 year Froebel College lease.

### 29 The National College for Teaching and Learning training salaries

	2014 £'000	2013 £'000
<b>Balance at 31 July 2013</b>	<b>79</b>	
Total payment received from the NCTL excluding VAT	1,990	2,238
Disbursed to students	(2,292)	(2,159)
Administration fee	-	-
<b>Balance at 31 July 2014</b>	<b>(223)</b>	<b>79</b>

The Training Salary Grant is solely for students: the University acts only as paying agent. The grants and related disbursements are therefore excluded from the Income and Expenditure Account; only the administration fee is included.

## Notes to the Financial Statements Year ended 31 July 2014

### 30 The National Scholarship Programme (NSP)

	2014 £'000	2013 £'000
Balance at 31 July 2013	25	-
Total payment received from HEFCE	498	222
Disbursed to students	(523)	(197)
Balance at 31 July 2014	0	25

Participation in the National Scholarship Programme was compulsory for all institutions charging above the basic undergraduate fee of £6,000. The grants and related disbursements are therefore excluded from the Income and Expenditure Account.

### 31 Related party disclosures

The following disclosure is required under FRS 8, Related Party Transactions.

During the financial year 2013/14 Wade Tomlinson (until 21 July 2014) and Slobhan Kelly (from 21 July 2014) was a member of University Council and President of Roehampton Students' Union. In 2013/14 the University gave Roehampton Students' Union £352,000 as a block grant and additional payments for services of £216,000.

The University has taken advantage of the exemption available in FRS8, Related Party Transactions not to disclose transactions with its wholly owned subsidiaries.

### 32 Post balance sheet events

On 7<sup>th</sup> August 2014 the University signed a new loan facility agreement with Lloyds Bank PLC for £75 million. The loan is a 20-year fixed term loan with an interest rate of 5.22%. The loan will be used to finance the new student accommodation, both on the Downshire House site and on the Digby Stuart College site. It will also be used to build a new state-of-the-art purpose-built University Library.