



UNIVERSITY OF  
HEART  
OF LONDON  
WESTMINSTER 用

REPORT AND  
FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 JULY 2014



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# UNIVERSITY OF WESTMINSTER OPERATING AND FINANCIAL REVIEW (continued)

## ABOUT THE UNIVERSITY OF WESTMINSTER

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### **Who we are**

The University of Westminster is a diverse and dynamic international education institution situated in the heart of London with more than 20,000 students from 150 different nations.

Since our foundation in 1838 as Britain's first polytechnic, the institution aspired to offer an inclusive environment where innovative, creative and dedicated staff inspire the next generation of world citizens and help to shape a better future for all.

Today we occupy a third space as an independent, commercially aware higher education institution. We promote a dynamic synergy between our Faculties of Architecture and the Built Environment, Media, Arts and Design, Science and Technology, Social Sciences and Humanities, and our Business School. We place equal emphasis on research and teaching by supporting and establishing our reputation for practice-led engagement to generate the greatest impact.

The University of Westminster is incorporated under the Companies Act as a charity and company limited by guarantee and not having a share capital. The University is also an exempt charity by virtue of the Charities Act 1993.

The objects for which the University is established are recorded in the Memorandum of Association, and reproduced in the Statement of Corporate Governance and Internal Controls. The charity's beneficiaries, as reflected in the objects, are the students enrolled at the University, and the public at large who stand to benefit through the teaching and research undertaken at Westminster.

The University's Court of Governors is the institution's governing body. It meets five times a year and is ultimately responsible for the effective conduct of the activities of the University, including our strategic development, our educational character and mission, and our financial health. The members of the Court of Governors are the trustees of the charity. In accordance with the Charities Act 2006, HEFCE is the responsible body for regulating universities as charities on behalf of the Charity Commission.

### **A year of celebration**

The 2013/14 academic year marked the 175th anniversary of the University of Westminster. The development of our modern University can be traced back to the Polytechnic Institution – the UK's first polytechnic – established by Sir George Cayley in 1838, through to Quintin Hogg's Regent Street (soon known as the Regent Street Polytechnic, the Polytechnic of Central London and finally to the award of university status in 1992.

Over the past 12 months we have been able to celebrate this milestone with supporters, staff, and students past and present, at events in the UK and overseas. Alongside several exhibitions and celebrations on our campuses across London, we held a special service at Westminster Abbey. Events were also held in Tashkent (WUIT), and among our teams and alumni networks around the world, including in India and China.

### **Corporate social responsibility (CSR)**

We aspire to be a leading advocate and supporter of social responsibility in the higher education sector and in our local and national communities. Our aim is to be a socially responsible, sustainable University in all of our activities, policies and actions so as to ensure our graduates have a beneficial impact on society, economically, socially, environmentally and ethically.

We recognise this ambition will require vision, belief, commitment and change. We accept the challenge and continue to embed CSR principles in our strategies, policies, operations and performance.



# UNIVERSITY OF WESTMINSTER OPERATING AND FINANCIAL REVIEW (continued)

## STRATEGIC AIMS AND OBJECTIVES

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*Westminster 2020*, the new University of Westminster Corporate Strategy, defines the basic conditions for our success and sustainability by providing a focus for offering the best service and support for both students and staff. It outlines a strategy that reduces our reliance on government funding while allowing continued renewal and development aligned with our distinctive brand of Higher Education delivery.

Going forward however requires a step change in performance, which can be identified by a range of strategic institutional objectives coupled with key strategic enablers.

The following aims with specific objectives and Key Performance Indicators are given in *Westminster 2020*:

- Be ranked in the top half of UK HEIs with some disciplines ranked in the top 500 worldwide.
- Foster a culture where all staff are fully engaged in achieving the success of our single shared vision.
- Establish key international partnerships and increase both the numbers of international students at the university and UK students studying overseas.
- Grow the student population while maintaining an attractive and affordable staff-student ratio without reducing quality.
- Achieve an overall graduate employability level in the upper quartile of UK institutions.
- Significantly increase income from research, academic enterprise and commercial activities.
- Increase annual turnover to maintain long-term financial sustainability of the university and provide stability for staff and students.

### Strategic objectives

The University has four key strategic objectives:

#### 1. The Faculties

The five Faculties seek to strengthen and build upon their distinctive disciplinary strengths and ensure that all departments and units achieve excellence in their teaching, have an international reputation for research and are committed to engaging with practice and business.

#### 2. Reconnecting with STEM/STEAM

Collaborative research, bringing STEM into dynamic and innovative interdisciplinary research projects and learning programmes, is a distinctive feature of STEM activity at the University of Westminster. Projects such as Broad Vision, a collaborative Arts/Science research and learning programme is an example of such synergistic research and learning projects which extend STEM activities to the wider STEAM agenda.

# UNIVERSITY OF WESTMINSTER OPERATING AND FINANCIAL REVIEW (continued)

An objective for the current period is to invest in ways that expand and strengthen STEM/STEAM activities to establish a distinctive Westminster STEAM identity.

## 3. The balanced portfolio

Building the environment to support research and for enterprise requires financial support and investment. The balanced portfolio approach requires the following elements to be built into the annual planning cycle:

- A work-allocation system that ensures both equity and the capacity for staff to engage with and achieve the key elements of the strategic plan.
- The construction of a virtuous circle between Faculty-generated surplus and investment in research, teaching, and enterprise activities (e.g. the setting up and management of Faculty reserves).
- A balance of income targets across student numbers, research and third leg activity monitored annually.
- The production and maintenance of easily accessible management information (e.g. via dashboard statistics at Faculty and institutional level).



# UNIVERSITY OF WESTMINSTER OPERATING AND FINANCIAL REVIEW (continued)

## 4. An entrepreneurial framework

The entrepreneurial framework aims to embed a culture of innovation and partnership, with an ability to support activities that have both reach and impact within and beyond the University.

The overall aim of the framework is to allow staff, academic units, corporate services, and the University to leverage results with high impact by using collective resource across the University but also engaging with resources and attracting investment from outside the University.

### The three-phase journey

The University will continue to build on the structural and behavioural changes in a way that integrates all parts of the University. Delivery of the Westminster strategy plan has been scheduled in three major phases:

Phase 1: By 31 July 2015, we will have completed the major policy reviews as well as the structural and behavioural changes to support the enterprise agenda, as the basis of transformative learning.

Phase 2: By July 2017, we will have consolidated focus in major research areas informed by the REF 2014 outcome, restored income levels for academic enterprise to previous levels (circa 2009/10), introduced a revised curriculum via Learning Futures, bedded in the work allocation process, and laid the foundation for building substantial global partnerships.

Phase 3: Between 2017 and 2020, we shall see the growth of new income streams from entrepreneurial and commercial activities and review the existing strategy in the context of a changing HE market place and develop our Westminster 2025 agenda.



# UNIVERSITY OF WESTMINSTER OPERATING AND FINANCIAL REVIEW (continued)

## A YEAR OF ACADEMIC ACHIEVEMENT

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### Faculty of Architecture and the Built Environment

Our Faculty of Architecture and the Built Environment (FABE) has continued to build on its reputation as one of the UK's leading centres for teaching and research in these disciplines. With more than 2,000 students, FABE is one of the largest providers of built environment education in the country. It is also one of the few Faculties to bring together all the disciplines that inform the design and development of our cities: from architecture to transport, construction to tourism, property to urban design, and housing to planning.

Based on the Marylebone Road Campus, the Faculty uses its Central London location to great effect. It has strong connections to a wide range of professional bodies, and engages with leading practitioners and industries, delivering excellent graduate prospects.

The Faculty's commitment to sustainable design was reinforced with the launch this year of *Latitudes*, an innovative network linking our University with counterparts around the world including São Paulo (Brazil), Delhi (India), Rovaniemi (Finland) and Tromsø (Norway), enabling young designers to work to tackle the impacts of climate change. The initiative uses live-stream video 'smartrooms' to enable students and researchers from around the globe to share ideas and create future habitats in real time.

Closer to home, the Faculty launched The Fab lab (fabrication laboratory) to further enhance its exceptional facilities. The laboratory, will include two workshop areas offering advanced digital model making facilities. It will provide an environment where our students can learn, make and experiment at the cutting edge of digital design and fabrication.

Looking to the undergraduate students of tomorrow, the Faculty also announced the launch of the new Access to Architecture Portfolio Preparation Summer School. The School is a three-day course giving 16 to 18 year olds a taste of what it is like to be an architecture student with studio sessions, 'taster' lectures and building visits. It aims to boost students' portfolios through studio work and give guidance on personal statements and course choices.

This year, were significant academic achievements by both staff and students. Architecture BA Honours students Janis Atelbauers and Kishan Bhopal, and recent graduate Jimi Deji-Tijani, were all commended in the RIBA *Journal Eyeline* drawing competition, and Interior Architecture BA Honours students Alice Simmons, Emily Coyle and Ada Asllani, won first prize in the Collective Design Award. The University won this year's Teaching Award for Leadership in Visitor Economy, granted by the Association for Tourism in Higher Education. Senior Lecturer Nasser Golzari and recent PhD graduate Yara Sharif worked on the Revitalisation of Birzeit Historic Centre in Palestine, one of five winning projects in the 2013 Aga Khan Awards for Architecture. Anthony Boulanger, tutor on our Master of Architecture (MArch) RIBA Part II, and his practice, AY Architects, received the 2013 RIBA Stephen Lawrence Prize and a RIBA National Award for the Montpelier Community Nursery project.

In conjunction with the National Association of Students of Architecture (NASA), India, our Department of Architecture launched the second annual international design competition for architecture students across South Asia. The competition focused on the issues of rapidly growing green-field developments in suburban India, encouraging students to group together and explore designs for sustainable neighbourhoods. The winners of the competition from Chandigarh College of Architecture were presented with their award at FABE's Graduate Evening in June.

FABE researchers recently won a grant from TfL in partnership with the Baker Street Quarter around waste management; they continue to engage with the Baker Street Quarter on a number of local initiatives, and the Faculty takes a lead on cycling research, building on the high-profile ESRC-funded project 'Changing Commutes'. This year the Faculty's Max Lock Center has been working with the Rwandan government to create green urbanisation. Staff have also won international awards for air transport management and air traffic flow management, while the launch of the innovative Supercrits website ([www.supercrits.com](http://www.supercrits.com)) by the Research Centre for Experimental Practice has received international support.

### Faculty of Media, Arts and Design

Our Faculty of Media, Arts and Design offers one of the most varied portfolios in Europe, based at the University's cutting-edge Harrow Campus, where an ongoing development programme is enabling us to offer world-leading media and creative arts educational facilities.



# UNIVERSITY OF WESTMINSTER

## OPERATING AND FINANCIAL REVIEW (continued)

The Faculty now has around 180 staff and 3,000 students; and offers more than 40 different undergraduate and postgraduate courses, receiving more than 9,000 applications a year.

Our strong reputation for practice-based and professional education is matched by a distinguished record in academic teaching and research, and unrivalled links to professional bodies and the creative industries.

That reputation was further cemented this year when the *Guardian University Guide 2015* rated the University of Westminster as the top London university, and fifth in the country, for courses in journalism, publishing and public relations. The University is also in the top 20 in the UK for media and film studies, which includes degree courses in radio and TV, contemporary media practice, film, and digital media and communications.

Recognition by industry and professional bodies is an equally important measure of academic achievement, and the past 12 months have been a remarkable period for students and staff alike. *The Act of Killing*, a documentary film directed by Dr Joshua Oppenheimer (a Reader in the FMAD) and produced by Professor Joram ten Brink, was nominated for an Oscar, won a BAFTA for Best Documentary, as well as more than 40 prizes at film festivals around the world, including Best Film at the inaugural *Guardian* Film Awards.

There was more success on screen for Television Production BA students at the Royal Television Society (RTS) Student Awards. For the third consecutive year, University of Westminster students collected the RTS Best Factual Programme award (Abi Njopera Pedler, Chloe Knowles, Maria Morgunova and Robyn Watts-Boothby), while fellow students Mark Cobb and Alex Alexandrou won the Best Entertainment award.

University fashion students and recent graduates have also been leading the way in their industry, with Louise Alsop (Fashion Design BA) becoming the latest to show at London Fashion Week and fellow 2013 Fashion Design graduate Philli Wood's award-winning collection for Warehouse launching to coincide with London Fashion Week. The work of current students has also been recognised during 2013/14, with two awards at the British Fashion Council (BFC) Colleges Council Graduate Preview Day.

Students from the Commercial Music courses gained national recognition after their band, Venice Trip, won *The Independent* newspaper's Student Band competition, and there were industry honours for Radio Production BA student Adam Allinson (Gold Award, 2014 Charles Parker Prize) and Illustration and Visual Communications BA student Antonis Sideras (D&AD New Blood Awards).

Westminster's research on communications, cultural and media studies is world-leading. The China, Arab, Africa and India Media Centres, together with the Communication and Media Research Institute (CAMRI) and the Centre for Research and Education in Art and Media (CREAM), combine the expertise of scholars from a range of subject specialisms. Dr Tom Corby worked with a team of creative practitioners and artists to explore the theme of 'Future Cities' in Ahmedabad, India, as part of the country's UnBox festival. And in July, the Ceramics Research Centre (CRC-UK) completed its latest project with a conference and accompanying exhibition marking the culmination of the three-year, AHRC-funded project 'Ceramics in the Expanded Field'.

The India Media Centre delivered the prestigious Chevening South Asia Journalism programme for the second year running for the UK Foreign and Commonwealth Office. Other research awards were made by the Defence Science and Technology Laboratory (MoD) and the Swedish Foundation for International Cooperation in Research and Higher Education.

# UNIVERSITY OF WESTMINSTER

## OPERATING AND FINANCIAL REVIEW (continued)

### Faculty of Science and Technology

Our Faculty of Science and Technology (FST) is based in the Cavendish Campus at the University of Westminster, and a refurbishment programme of the site over recent years has delivered state-of-the-art equipment and teaching and learning places for today's students.

The Faculty offers both mainstream and specialist undergraduate and postgraduate courses across the life sciences, psychology, and electronics and computer sciences. Our courses prepare students for professional working life, and provide graduates with technical knowledge and practical skills that meet the needs of industry. All of our courses are modular, offering flexibility for those wishing to switch between full-time and part-time study, allowing students to customise their programmes.

Most of our biomedical sciences and biosciences degree courses are recognised by the Society of Biology, and many are also accredited by the Institute of Biomedical Science. All of our computer science and engineering degree courses are now accredited by the relevant professional bodies, including the British Computer Society and the Engineering Council.

The Faculty continues to have a thriving research culture, with more than 30 students registered for PhDs. Our active research and postgraduate programmes also ensure that undergraduate students are in close contact with cutting edge applied scientific knowledge.

The Faculty is leading groundbreaking research in promoting health and tackling disease. Alongside our ongoing work in the fight against breast cancer (which now involves the largest study of its kind in the UK), over the past year research teams from the Faculty developed new methods to test an innovative cure for hepatitis C, published pioneering work into the understanding of Parkinson's disease, and identified a new method of fortifying iron levels in food – an issue which the World Health Organisation estimates affects 1.2 billion people globally. Our FST researchers also successfully bid for €1.7m funding to develop innovative teaching and learning technologies for life sciences and medicine in ex-Soviet Europe; were awarded a research grant of £1.3m to examine the health risks and benefits associated with working later in life; and secured an EU research grant of €548,473 to develop biodegradable materials for arterial stent development for heart patients.

Other key successes during 2013/14 include: the Health and Social Care Modelling Group (HSCMG) won a tender with Monitor, the sector regulator for health services in England, to develop national NHS activity forecasting models; the Central and North West London NHS Trust contracted the Centre for Resilience to deliver resilience workshops, based on leading-edge science of resilience and new knowledge about the highly evolved human 'social engagement' system.

### Faculty of Social Sciences and Humanities

The Faculty of Social Sciences and Humanities is based at our Regent Street Campus and Little Titchfield Street site in the heart of London's West End. It offers an exciting breadth of activity across the social sciences, the arts, humanities and law, as well as being one of the country's biggest providers of modern and applied language tuition.

The Faculty is distinctive in combining theoretical and academic rigour with practical application; undergraduate and postgraduate courses sit alongside a growing programme of short courses, executive training and continuing professional development activity in collaboration with employer and professional partners. The Faculty hosts nine separate research centres now based at the Regent Street Campus, and with around 60 doctoral students.

One of the major developments for the Faculty over the past 12 months was the appointment of Professor Roland Dannreuther – formerly Head of the Politics and International Relations Department – as Dean. Professor Dannreuther completed a PhD in International Relations at Oxford University; his research is centred on security studies and international relations, particularly in Russia, Central Asia and the Middle East.

Significant other events for the Faculty during 2013/14 included the appointment of Dr Gerda Wielander, a specialist in Chinese studies, as Head of the Department of Modern Languages and Cultures, and the Faculty's role in partnering TEDxHousesofParliament to host a one-day event featuring talks, career workshops and debates on democracy and representation.

# UNIVERSITY OF WESTMINSTER

## OPERATING AND FINANCIAL REVIEW (continued)

This year the Faculty's Network for Languages London has been awarded a grant of £600,000 by the London Schools Excellence Fund to support and develop language teaching in primary and secondary schools across the city. The Faculty's teams worked with our partner college, the City Literary Institute, to produce learning videos and materials for deaf teacher trainees, funded by the Learning and Skills Improvement Service.

Westminster Law School, offers undergraduate, postgraduate, professional and research degrees, and has an international reputation and extensive links with institutions and professional contacts throughout the world. Our reputation as a leading force in legal education was further cemented with the news that Luke Mason, a lecturer in Contract Law at the University of Westminster, was named Law Teacher of the Year 2014. The award, sponsored by Oxford University Press, was an exceptional achievement for Luke, whose teaching and research interests include jurisprudence, EU, property and labour law. It comes just three years after Andreas Philippopoulos-Mihalopoulos, Professor of Law and Theory at Westminster, was also named Teacher of the Year. The School also won a European Union Tempus Programme bid as part of a multi-partner project to assist higher education institutions in the Maghreb to integrate a human rights-based approach (HRBA) to higher education.

Success in the Law School was not limited to staff; aspiring lawyer Eniola Asaolu, a first year LLB student, won the prestigious Stephen Lawrence Scholarship for 2014 with top firm Freshfields Brukhaus Deringer. The scholarship programme aims to address the under-representation of black men from low-income households in large commercial law firms. It is only awarded to a handful of candidates across the country each year.

There was good news for the Faculty with the publication of the 2013 National Student Survey, which ranked the University of Westminster 12th in the UK out of all departments for undergraduate studies in Politics, International Relations and Development Studies. The Department soared 46 places in the national rankings (one of the most improved politics departments in the country) with an overall satisfaction rating of 92.3 per cent.



# UNIVERSITY OF WESTMINSTER

## OPERATING AND FINANCIAL REVIEW (continued)

### Westminster Business School

The mission of Westminster Business School, based at the University's recently refurbished Marylebone Campus, is to facilitate the development of the business and management careers of our students in a complex and uncertain professional world. The School draws on applied research, practitioner expertise and management development experience to offer a wide range of business and management programmes.

Designed for the global marketplace and based in Central London, our business courses enable a diverse community of students, staff and other stakeholders to engage with academic, professional, and research communities. We provide higher education for more than 4,000 students (a quarter of whom are studying postgraduate degrees); with nearly 200 full-time staff, 150 visiting lecturers and a turnover now in excess of £30 million, we are among the largest UK University business schools.

The School holds a number of international and professional accreditations from bodies such as the Association of MBAs, the Chartered Institute of Personnel and Development, the Association of Chartered Certified Accountants, and the Chartered Institute of Marketing. Our vision is to gain worldwide recognition as an internationally-facing, professional, and research-engaged business school.

Among the key developments this year was the launch of the innovative 'Women for the Board' programme. Designed for women targeting a board role (executive or non-executive), it consists of six days of intensive learning, spread over six months, covering a range of topics including governing, finance, board politics and relationships, and how to get the role. The course, led by Dr Ruth Sacks, generated considerable media coverage and interest from businesses and course candidates; following the success of the first course, applications are now being taken for the second course which will start in January 2015. The Westminster Business School was again appointed by King's Health Partners to provide its Executive MBA and Postgraduate Diploma in Management to staff.

There was also plenty of interest in the Business School's free Business Bites sessions, a series of stand-alone sessions for mid-to-senior-level managers and business owners keen to stay abreast of current business thinking. The sessions, which lasted between one and two hours, ran either early in the morning or early in the evening to avoid intruding into the working day. Topics covered included anticipating external change, collaboration through technology, and how to get commitment from stakeholders.

This year also saw students from the MBA course launch a business model in Uganda to turn waste into a profitable source of income and cover the expenses needed to repair watering and sanitation systems, as part of the course's increasingly popular Social Entrepreneurship module. The students visited Uganda in April, and worked with charity the Busoga Trust to implement the business model and pilot an educational programme which together should bring long-term positive change for thousands of Ugandans.

Westminster Business School's strong research culture covers wide-ranging interests in business and management, with key research centres including the Centre for Employment Research, the Centre for Research in Finance and Financial Services, and the Pensions Research Network. The School's Department of Leadership and Professional Development provides a focus for pedagogic research, learning and teaching across the University; as well as supporting postgraduate research at all levels it provides validated teacher training programmes in regional colleges and knowledge transfer activities through internal and external consultancy. A multi-disciplinary team won a research grant from the Royal Society to study diversity among the scientific workforce.



# UNIVERSITY OF WESTMINSTER

## OPERATING AND FINANCIAL REVIEW (continued)

### Education for all – widening participation

The University of Westminster is committed to widening participation, diversity and equality as identified in our Mission Statement and supported by our Access Agreement. In a typical first degree enrolment of 4,224 students in 2013/14, over 95 per cent of entrants progressed from state schools and colleges. Some 49 per cent of new entrants joined us from a further education college, compared with 38 per cent from a state school. The balance of female and male students was 58 per cent and 42 per cent respectively. Students' recorded ethnicity indicated that 42 per cent were from Black and Minority Ethnic backgrounds, and 39 per cent declared their ethnic background as White. Of students who indicated their socio-economic class, 47 per cent indicated that they were from lower level occupations.

The University of Westminster's Access Agreement highlights:

- the University continued to foster our partnership with the Westminster Group of Associate Colleges to support progression from further education to higher education;
- ongoing initiatives to strengthen communication on fees and funding for students, prospective students and their advisers, and to help students develop their financial capability skills;
- further developments in the provision for scholarships, stressing diversity in the selection criteria, including the award of the Frank Buttle Trust Quality Mark for the Care Leavers at Westminster scheme;
- initiatives by the Career Development Centre to provide additional support such as the BME Mentoring scheme, Westminster's Great Start, and the Westminster Inspiration Network;
- the University of Westminster Associates in Schools (UWAS) initiative enabling students to work as classroom assistants in schools and colleges, particularly in local areas with high indications of disadvantaged communities;
- the Routes into Languages scheme co-directed by the University of Westminster and SOAS;
- Westminster's lead developer role in the Sir Simon Milton Westminster University Technical College (UTC);
- sharing best practice to bridge vocational education and higher specialised education through London policy groups Linking London and AccessHE.

### Education for all – bursaries, scholarships and funding

2014/15 represents the final year of the National Scholarships programme. Since its launch in 2012/13, the total number of Westminster students benefiting from the £6,000 scholarship is nearly 1,000. To alleviate any hardship caused by the phasing out of the NSP, the University has allocated an additional £100,000 to its Scholarship Fund. This will bring the total value of the University Scholarships Programme (excluding the NSP) to nearly £3 million – one of the largest programmes of any UK university.

This year also sees the launch of the new Student Learning Support Fund. This replaces the Access to Learning Fund (ALF) and provides financial assistance (by way of a grant) to home undergraduate and postgraduate students who can demonstrate a shortfall between their income and essential expenditure that will cause financial hardship. The University has allocated £400,000 from its Student Opportunity Allocation for the new fund which exceeds the previous ALF budget allocation by nearly £50,000. A major benefit of the new funding arrangement is that it will allow the University to create a new bespoke hardship fund better able to address the needs of our student cohort.

As part of the University's 175 Anniversary celebrations, this year we launched the Westminster 175 Scholarships Programme, underlining our commitment to providing education for all, regardless of backgrounds or financial status. The range of half-fee and part-fee scholarships are available to both postgraduate and undergraduate students, and will be awarded on the basis of academic excellence and financial need.

Other new scholarships for Westminster students announced in 2013/14 include the Windle Trust International scholarships, for Masters-level students who are refugees, displaced or from a community emerging from conflict;

# UNIVERSITY OF WESTMINSTER OPERATING AND FINANCIAL REVIEW (continued)

the Media Diversity Institute scholarship, to support students from developing countries to study the Media and Diversity MA; and an increase of the Santander Internship programme to £30,000.

Westminster Business School made the first award of the PricewaterhouseCoopers Achievement Bursary scheme in January 2014; the £1,000 award recognises exemplary academic achievement among students from low-income families. The same month saw confirmation of the University's involvement in the British Council GREAT campaign, as one of 36 UK university partners for jointly funded Masters scholarships for Indian students.

## **A year of development – building places for learning**

*Westminster 2015* identified one of six pillars for a sustainable future as investment in facilities. The normal ways of working and organisation are being challenged as part of the development of the estate by utilising space management and IT 2013 marked the half way point in our 10-year estate investment and development programme.

The £20.6m redevelopment of Marylebone Campus was completed in May 2013, creating a fresh, vibrant student environment. The redesigned Campus now includes a new social and learning hub at the centre of the site; new lecture, seminar and study rooms; a completely refurbished library facilities; and extensive additional catering facilities and meeting areas.

Following the successful completion in January 2013 of the first phase of the £37m redevelopment of the Harrow Campus, significant progress has been made on the second phase of the project during 2013/14. The project, due to be completed in 2015, will deliver spaces for a gallery and catwalk, flexible performance areas, a café, reception, and a new multimedia newsroom.



# UNIVERSITY OF WESTMINSTER

## OPERATING AND FINANCIAL REVIEW (continued)

Both Harrow Phase 1 and the Marylebone projects have been met with great success, and the disruption caused to students in these projects has been factored into planning for future projects to help minimise the impact on the student experience.

A £3.5m redevelopment of Little Titchfield Street began in 2012, and was completed in September 2013; this included a new 380-seat, state-of-the-art lecture theatre in the Law School, which was officially opened in December 2103 with a lecture by Westminster alumnus the Rt Hon Dominic Grieve QC, the Attorney General.

In February 2014, Westminster City Council approved plans for the restoration of the Regent Street Cinema – the birthplace of British cinema, and part of the university's Regent Campus. Work is now underway on the refurbishment; once completed, the iconic venue will house a 200-seat auditorium which will be open to the public.

As part of the continuing commitment to deliver sustainable development of the fabric of the University and improve the experience of staff and students, a number of projects are scheduled to be completed over the coming 12 months. These include:

### **Cavendish Campus**

- An increased provision of turnstiles at the entrance to the New Cavendish Campus to cope with increase in staff and student numbers following the relocation of the Psychology department to the Faculty of Science and Technology.

### **Harrow Campus**

- The creation of open plan offices in J Block to house the Faculty Hub and Corporate Services.
- The creation of a Mock Shop and flexible project space in E block.
- The replacement of the entry and exit doors and replacement of the tensile roof structure connecting F Block to the street.
- Acoustic treatment to the lower ground floor of A block.
- Installation of additional seating in the auditorium in anticipation of the projected increase in undergraduate programme sharing modules in the 2015/16 academic year.

### **Marylebone Campus**

- Fab Lab creation, as well as associated workshops, offices and PhD study space.
- Digital trunking installation in the digital studios (4th and 5th floors).
- Complete library refurbishment, on the 2nd and 3rd floors with the creation of new study booths and group study spaces.

### **Regent Street Cinema**

- The Regent Street Cinema project will return the interior of the building to its former glory, evoking its 1920s origins, while looking to the future as a state-of-the-art auditorium, opening in April 2015.

# UNIVERSITY OF WESTMINSTER OPERATING AND FINANCIAL REVIEW (continued)

## A YEAR OF CHANGING LIVES

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Over the past 12 months, four key strands of work have been crucial to preparing us for the future.

### **Learning Futures**

Learning Futures is a programme of academic change intended to transform the learning and teaching experience for students and staff at the University of Westminster. This transformation will be delivered through changes to the curriculum framework and supporting regulations, the way in which courses are delivered, how students are assessed, and how students are supported to encourage motivation and progression.

The Learning Futures programme was formally established in November 2013; during the first half of 2014 there were a number of consultation and engagement events for staff and students, and in July this year the final curriculum and assessment recommendation was put to Academic Council and the new curriculum design model endorsed. Over the coming year a new learning and teaching strategy will be developed, all University of Westminster undergraduate courses will be redesigned and revalidated, and an academic staff development programme will be implemented. The new Learning Futures undergraduate courses will be implemented from September 2016.

### **Westminster Change Academy**

The Westminster Change Academy is a year-long, innovative process to support the development of ideas that can improve the University. Open to all staff, this bottom-up process includes development opportunities for those involved, an ongoing support network, and a residential element that provides a creative environment in which the whole team can focus on planning and developing strategies for lasting change.

The first Change Academy was launched in 2011, and successful outcomes from the first three Academies have influenced policy and strategy, identified new or improved ways of working, and generated support for new initiatives. The fourth Westminster Change Academy was launched in November 2013.

### **Research and academic enterprise**

Over the past 12 months a new directorate of Commercial Development and Business Support has been established, following a review into how the University supports income generation. Research and academic enterprise form part of the directorate, and plans are being developed to increase income across both areas. We continue to look to diversify research and academic enterprise funders and support cross-faculty and interdisciplinary activities.

### **International outreach – a global force for good**

Internationalism is an imperative for the academic development of the University of Westminster, for our 'global' graduates, and for the financial advancement of the institution. With students from more than 150 different countries at Westminster, we already have one of the largest and most diverse international student bodies of any UK university. With 50 full-time and part-time language degree courses available, we offer one of the widest ranges of languages at any British University. There are more than 100,000 members of the University Alumni Association around the world.

We have partnerships with more than 20 institutions in 13 different countries. In July this year we hosted a team from Westminster International University in Tashkent (WIUT) for the Learning Futures project and TEDx events. Our Student Forum event was shared with the WIUT Students' Union by Skype so that the Westminster Student Union could hear first-hand about WIUT's Student International Culture Week, and discuss plans for more student exchanges next year.

This year our Law School has worked closely with Michigan State University College of Law to host the international Reinvent Law London conference, a free event focusing on the future of law, and the capstone of the 21st Century Law Practice Programme. Our Faculty of Science and Technology is hosting 22 Brazilian undergraduate students as part of the Science without Borders project and has a new partnership with Kwame Nkrumah University of Science and Technology (KNUST) in Kumasi, Ghana. The award-winning collaborative MSc course in Medical Molecular Biology with institutions in the South Caucasus provides a model for a successful partnership.

The University of Westminster will continue to seek to partner leading overseas institutions worldwide, where this is beneficial in student exchange, developing synergistic research, and in establishing the university brand overseas.



# UNIVERSITY OF WESTMINSTER

## OPERATING AND FINANCIAL REVIEW (continued)

### FINANCIAL REVIEW

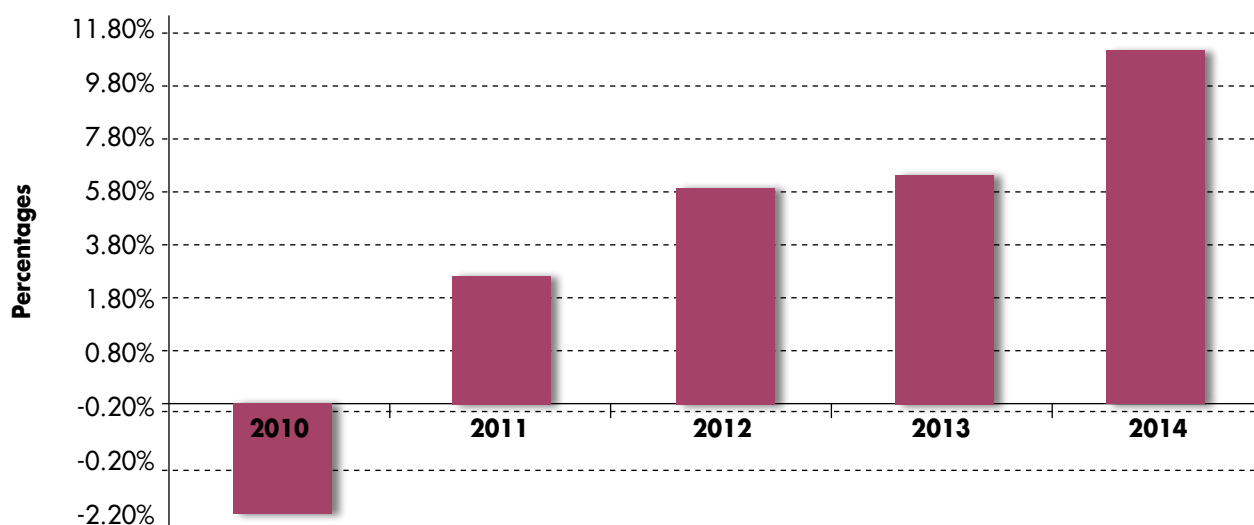
#### Results for the year

In financial terms the University has performed well, recording it's fourth consecutive year of increasing surpluses recording a surplus of £20.097m, this represents a surplus of 11.1% of turnover.

	2009/10	2010/11	2011/12	2012/13	2013/14
	£m	£m	£m	£m	£m
Income	171.2	164.6	165.4	168.5	181.7
Expenditure	(174.8)	(159.2)	(155.1)	(157.4)	(161.7)
Operating surplus for the year	(3.4)	5.1	10.3	11.1	20.0
Capital expenditure	2.3	12.4	21.6	18.6	13.3
Borrowings	30.6	30.1	29.2	38.2	47.1
Total funds	89.3	100.1	103.8	112.9	124.3

Operating surpluses are essential as the University is to set to embark on a period of significant investment in facilities, infrastructure and teaching and the University's reserves put it in a strong position to do this.

#### Surplus on normal operations



\*2009/10 deficit was planned to cover costs of restructuring

# UNIVERSITY OF WESTMINSTER

## OPERATING AND FINANCIAL REVIEW (continued)

### Income analysis

Total income has increased by £13.3m with the reduction in funding grants being more than offset by increases in tuition fee income.

Tuition fee income of £123.5m increased by £24.78m over 2012/13 as a result of an increase in home/EU and overseas students together with a further year of fee income generated under the new fee regime introduced in September 2012.

Research income was £4.1m, £0.4m down on 2012/13, however this source of income is expected to rise in the coming years following the creation in 2013/14 of a new directorate for Commercial Development and Business Support to deliver income generation across Research and Academic Enterprise activities.

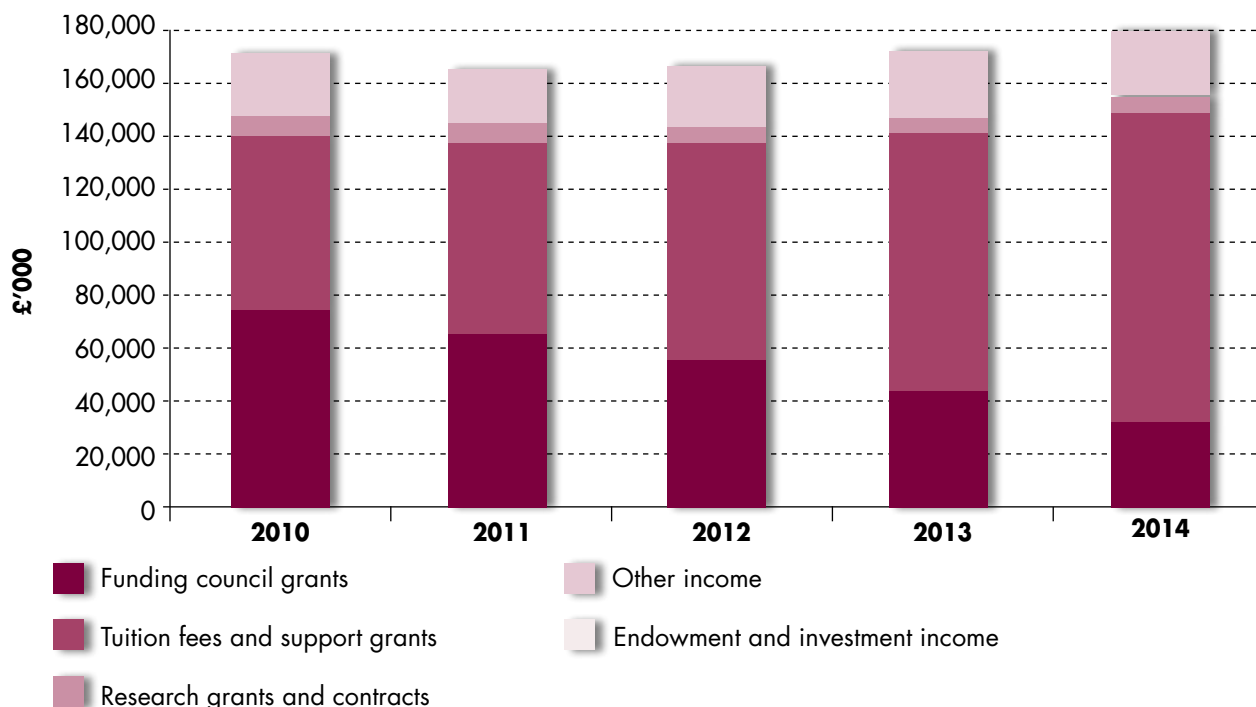
As expected Funding Council grants continue to reduce as a result of current government policy for students to fund their own education, and in 2013/14 this funding was reduced by £11.4m to £31.7m. Other operating income at £21.9m is largely in line with 2012/13.

### Expenditure

Total expenditure rose by £4.3m over the year to £161.7m, although as a percentage of total income this has reduced to an income to cost ratio of 88.9%, from 93.4% in 2012/13.

Staff costs increased by 4.6% to £95m which represents a small overall increase in staff numbers of 1% to 1,793, a mix of higher grade academics, an agreed inflationary rise in salaries in 2013/14 and an increase in pension costs of £1m.

### Income



# UNIVERSITY OF WESTMINSTER

## OPERATING AND FINANCIAL REVIEW (continued)

Depreciation costs increased by 22% to £8.56m which reflects the increased investment spend on capital projects in prior years and is a trend that is expected to continue over the period to 2020, with a planned programme of heavy investment in both the Estates and the IS Infrastructure.

Other operating expenses at £53.2m have reduced by £2.18m, as result of a decrease in premises, residences and catering costs. The fall in catering and residence costs is matched by a fall in residence and catering income. The fall in premises costs is largely explained as a result of an adjustment to a rent provision in respect of office premises.

### Accounting for retirement benefits

The University participates in four multi-employer defined benefit pension schemes. The Teachers Pension Scheme, to which most of the academic staff belongs, is unfunded. The majority of the professional support staff are members of the Local Government Pension Scheme (LGPS), which in London is administered by the London Pension Fund Authority (LPFA), there are also a number of members of staff in the Universities Superannuation Scheme. In 2014 no suitable replacement members could be found to enable the continuation of the Superannuation Arrangements of the University of London defined benefit scheme and as a result the University signed a deed of cessation with the pension scheme trustees. The LPFA is the only one of these schemes where the University's share of the scheme assets and liabilities can be determined on a reasonable basis and, therefore, reported on the University's Balance Sheet.

The underlying position of the LGPS has continued its upward liability trend during the past year with the University's share of the scheme deficit increasing from £62.3m to £74.2m. This is predominantly due to an increase in the present value of funded obligations which is influenced by actuarial losses.

The scheme was subject to an actuarial valuation in March 2013 and in terms of funding levels, the general position had improved with the Fund now funded at 91% compared to 83% at the 2010 valuation. Over the past three years the LPFA has been carrying out annual reviews of the strength of the employer covenant for all bodies in the Fund, in order to support a risk based categorisation for all Fund member bodies. The University risk profile has currently been assessed as category B, the medium, with category A being deemed least risky and category C most risky. The LPFA is due to reassess the risk categorisation in November 2014 which will form the basis for the calculation of benefit payments over the next two financial years. It is expected that the University will remain within the category B banding.

### Capital expenditure and assets

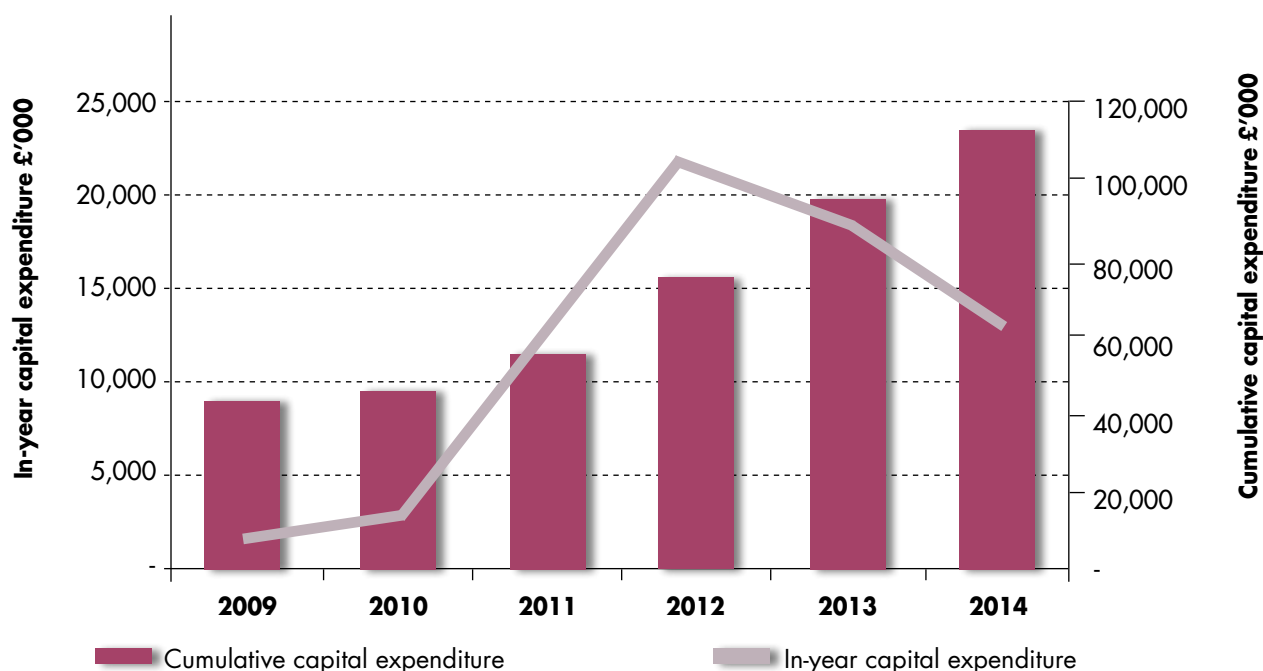
Capital expenditure in 2013/14 was £13.3m which was £4m behind planned spend which was primarily due to the delay in start of the Regent Street Cinema project. In July 2014, a contractor was appointed to the Regent Street Cinema project and work on the £4.7m project has commenced.

During the year, Harrow phase 2a project was successfully completed upgrading a number of the existing teaching blocks and communal spaces. Harrow phase 2b project £5.5m, is planned to start in 2014/15 and will provide additional teaching space and bring together a number of the corporate student support services to further enhancing the student experience. Other major projects completed during the year included the library north wing refurbishment at Marylebone Campus and the lecture theatre project at Little Titchfield Street.

# UNIVERSITY OF WESTMINSTER OPERATING AND FINANCIAL REVIEW (continued)

A significant investment in IS infrastructure has commenced and during the year £1.2m capital spend has been incurred on developing management reporting products, work planning and space management software development.

## Capital expenditure



In December 2008, the University adopted an estate strategy that set the framework for the management of and investment in the University's buildings and locations for the next 10 years to 2018, the investment strategy has since been revised to align to look to 2020 and beyond.

The strategic drivers for this are:

- The need for additional space for teaching and learning requirements.
- The need to enable income generating and enterprise opportunities.
- The need to provide future stability in the property assets held by the University.
- The strategic significance of increasing the University's physical representation close to existing sites/campuses.
- The need to satisfy the Corporate Services professional support and administration function in the medium to longer term.
- To realise opportunities for further campus redevelopments and enhance the overall quality of the estate.

The estate strategy embraces the principles of environmental sustainability and will provide the capacity for the University to fulfil its academic ambitions.

Funding for these projects has come from a combination of reserves and additional borrowing.



# UNIVERSITY OF WESTMINSTER

## OPERATING AND FINANCIAL REVIEW (continued)

### Cash and investments

At the balance sheet date the total of cash at bank and short term investments increased by £29.6m to £75.7m. In July 2014 a decision was taken to draw down an additional £10m loan and to refinance the existing £10m, 15 year loan rolled into a 20 year £20m loan at an interest rate of 4.74% to provide additional funding for the next phase of the capital programme.

The long term policy remains to maintain minimum working capital cash levels at £20m, in order to ensure that sufficient financial flexibility is retained. Rolling three year cash flow forecasts are produced on a monthly basis that incorporate a review of capital expenditure against the capital plan and cash income in order that future borrowing needs are addressed on a timely basis.

The University's cash balances are managed in accordance with the Treasury Management Policy that is approved by the Governors annually. The University cash levels fluctuate throughout the year due to the receipt of funds from the Student Loans Company and requirements to meet the capital expenditure programmes. Throughout 2013/14 the University managed its cash investment portfolio in-house and continues to invest funds in the money markets for short term periods (between 1 month and up to 1 year) and with top-rated counterparties. The University investment strategy is currently being reviewed to widen current investment opportunities and counterparty options, while maintaining rigorous treasury and risk management control.

### Student numbers

In 2013/14 student recruitment achieved the management targets. This is summarised in the table below:

	2013/14 Home & EC	2013/14 Overseas	2012/13 Home & EC	2012/13 Overseas
Full time undergraduate	11,109	1,063	11,297	948
Full time post graduate	968	1,118	976	1,046
Part time undergraduate	810	442	960	370
Part time post graduate	789	74	874	62
Total University Student FTEs	13,676	2,697	14,107	2,426

Initial enrolment figures for 2014/15 indicate that the home target (quota and ABB) will be exceeded which will balance a shortfall in overseas undergraduate enrolments which are predicted to be below plan figures. The current data also indicates that postgraduate enrolment is ahead of the intake expected for September starts.

### Risks and uncertainties

The University manages the risks it perceives through a risk management process described in the Statement of Corporate Governance and Internal Controls. The key risks identified by that process as 'High' are as follows:

- Failure to recruit quality home/EU and overseas students in line with plan numbers. This risk will be reviewed following the 2014/15 intake analysis, the lead indicators are showing signs of improvement.
- The impact of the UK Visas and Immigration position on the perception (of prospective overseas students) of the UK as a suitable place to study.
- Failure of some line managers to effectively manage staff performance and development.

These 'High' level risks are being addressed through various measures contained within the strategic income generation vision and its operational changes, which are in the implementation phase. Comparison of the risk register has shown that in all risk categories there have been year on year improvements, including in the 'High' level risks detailed.

# UNIVERSITY OF WESTMINSTER

## OPERATING AND FINANCIAL REVIEW (continued)

### Future outlook

The University has successfully positioned itself over the last few years to provide some financial resilience and attention can now be turned to invest in key areas to deliver income growth in the new HE environment. At the heart of this is building on Westminster's distinctive brand to enhance the student experience by further improving the quality of its academic and support programmes and its facilities. A new Corporate Plan is also being developed to drive the institution forward to 2020.

With the appointment of the new Pro-Vice Chancellor, the University is taking steps forward to change the Research Strategy to incorporate future growth of income outside of teaching. Although it is apparent that there is a downward trend in overall funding for research, plans are in place to increase academic enterprise income over the coming years. The University has sought to increase the specialised staff within faculty areas to help stimulate the growth of research and to ensure that a strategic approach is taken to future projects. The University has created a Graduate School, which provides oversight of, and identify to, young career researchers – PhD students and post-doctoral researchers – across the University.

In July 2014, the University submitted its five year forecast to HEFCE for the period up to 2016/17. This plan has financial sustainability at its core. The Court of Governors have set KPI's around financial health to ensure that the University delivers year on year surpluses (3%+ growing to >5%).

	2014/15	2015/16	2016/17
	£m	£m	£m
Income	190.9	217.7	232.7
Staff costs	103.0	115.7	125.2
Operating expenses	53.1	62.9	63.1
Depreciation	12.6	13.9	18.1
Interest	4.8	7.9	7.7
Surplus	17.4	17.3	18.6

Tuition fee income is forecast to increase by 27% (£38m) by the end of the forecast period in 2016/17 from the 2014/15 draft budget. This is predominately due to the forecast increase in student numbers. The largest increase is on full time undergraduates due to the lifting of number restrictions.

This forecast factors in a 5% annual increase to cover pay raises and incremental increases. It also ensures that the 'staff costs as a percentage of income' KPI agreed by the Court of Governors is met. The increase in income allows for additional investment in academic staff to ensure that the University's staff student ratio improves over the period and is comparable with our immediate competitors.

### Public benefit

The University's Court of Governors is the institution's governing body and is ultimately responsible for the effective conduct of the activities of the University. The members of the Court of Governors are the trustees of the charity. In setting and reviewing the University's objectives and activities, the trustees have due regard to the Charity Commission's guidance on the reporting of public benefit; 'Charities and Public Benefit', 2008 and particularly to its supplementary guidance; 'The Advancement of Education for the Public Benefit', 2008.

# UNIVERSITY OF WESTMINSTER

## OPERATING AND FINANCIAL REVIEW (continued)

### **Private benefit**

Commercially funded research and some types of knowledge exchange activity may generate the possibility of private benefit. The University trustees recognise that any private benefit must be incidental. The University Research, Enterprise and Knowledge Transfer Committee are responsible through the University's management structure for the development and implementation of the University's Policy and Strategy on Research and Research degrees. The work of the Committee falls into two closely related areas: research policy and strategy, and research degrees. The Committee is chaired by the Vice-Chancellor with membership including Deans of School and School Research Directors and representatives of the professional support departments.

### **Strategic report**

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

**Michael Webb**

*Director of Finance*  
25 November 2014

# UNIVERSITY OF WESTMINSTER VISION AND MISSION STATEMENT

## OUR VISION

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Located in the heart of London, the premier global city, we are a cosmopolitan university building on our roots as an innovative institution with a social conscience.

We aspire to be a practice focused university in the top half of HEIs in the UK with some disciplines in the top 500 worldwide.

Our University was the original blueprint for the sought after model of collaboration with industry and practice and today occupies a distinctive place as an independent, commercially aware institution. To 2020 and beyond Westminster will build on its progressive, inclusive and enterprising history to shape the future of professional life:

- We will continue to create a rich, dynamic, and inspirational University based on world-leading research, absorbing teaching, and enterprising education for all.
- Our confidence will be built on financial strength and a high-quality estate with a modern, technologically advanced, infrastructure that provides strong evidence of our commitment to a green agenda.
- Our students will be global citizens, professional leaders, and lifelong learners, appreciating the need for interdisciplinary approaches in understanding and resolving the constantly evolving intellectual, professional and business challenges of the 21<sup>st</sup> century.

Together these characteristics will position Westminster as the leading practice focused London-based University.

## OUR MISSION

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To provide a vibrant global learning environment in the heart of London, inspiring the next generation of world citizens and helping to shape a better future for all.



# UNIVERSITY OF WESTMINSTER A COMPANY LIMITED BY GUARANTEE AND AN EXEMPT CHARITY

## GENERAL INFORMATION

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**Chancellor**

Lord Paul of Marylebone

**Chair of the Court of Governors**

Mr Peter Kyle OBE

**Vice-Chancellor**

Professor Geoffrey Petts BSc PhD FRSA FRGS

**Company Secretary**

Carole Mainstone MA MBA

**Director of Finance**

Mr Michael Webb BA FCA

**Auditors**

KPMG LLP  
1 Forest Gate  
Brighton Road  
Crawley  
West Sussex  
RH11 9PT

**Bankers**

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

**Solicitors**

Eversheds LLP  
Mills & Reeve LLP  
Farrer & Co LLP

**Registered Office**

309 Regent Street  
London  
W1B 2HW

**Registered Number**

977818 England and Wales



# UNIVERSITY OF WESTMINSTER COURT OF GOVERNORS

The Governors of the University during the year ended 31 July 2014 are listed below. The Governors are also directors of the University in its status as a company and trustees of the University in its status as a charity.

	Appointed or reappointed	Term of Office Completed
<b>Chair</b>	Mr P Kyle OBE	
<b>Deputy Chair</b>	Dr S Walton	8 May 2014
	Mr S Hart	8 July 2014
Mr R Barnes	28 November 2013	
Mr D Batchelor		
Mr J Begg	6 June 2014	
Ms R Bellamy-James		13 May 2014
Mr R Briant		
Dr S Courtenage	21 May 2014	
Dame K Dunnell		
Mr A Ganguli		
The Hon Dame Mary Hogg		
Mr T Hope		
Dr H Kinloch	8 July 2013	27 October 2014
Mr N Laws	21 May 2014	
Professor G Megson		13 May 2014
Mr K Mimouni	13 May 2014	
Professor E Morgan-Tamosunas (Deputy Vice-Chancellor)		
Mr G Morley		
Mr P Murphy	18 March 2014	
Professor G Petts (Vice-Chancellor )		
Mr M Smith	28 November 2013	
Mr M Staples		8 May 2014
Mr James Vvates		
Ms K Williams		13 May 2014
Mr Alastair Woods		
Ms D Yeo		

**Mr Robert (Chester) Barnes, BSc Hons** is a Managing Director at JP Morgan Asset Management where he is the Portfolio Manager for the European Property Fund. He qualified as a Chartered Surveyor in 1985 having graduated from the Polytechnic of Central London BSc Hons Urban Estate Management in 1983. He has held a variety of roles in portfolio and asset management for investments in the UK and more recently in 15 European countries for companies including LaSalle, Merrill Lynch and GE.

**Mr David Batchelor, FCA Chartered Accountant** is a former PricewaterhouseCoopers partner with extensive commercial and professional experience in a wide range of business sectors. Non-executive Chairman of CBRE Global Investors (Jersey) Limited. He is also a Freeman of the City of London and on the Court of Assistants of the Turners Livery.

# UNIVERSITY OF WESTMINSTER

## COURT OF GOVERNORS (continued)

**Mr John Begg, MA** is a Senior Lecturer at the University of Westminster in the Department of Property and Construction, Faculty of Architecture and the Built Environment and is the elected representative for Academic Council. In addition to his teaching duties John is a Westminster Change Academy project leader, Admissions Tutor and a member of the University's Academic Council.

**Ms Rita Bellamy-James, LLB CQSW Barrister** is a professionally qualified Social Worker, one time Deputy General Secretary of British Association of Social Workers. Having been called to the Bar she was in private practice before joining the FCO where she became Head of Specialist Advisers in the Consular Directorate. She now acts as an Independent Consultant and is currently Chairman of National Family Mediation. Visiting Fellow Commoner Corpus Christi College Cambridge 2012-2013.

**Mr Robert Briant, BA** is a Senior IT Support Analyst in Information Systems and Library Services at the University of Westminster.

**Dr Simon Courtenage, MSc, PhD** is a Principal Lecturer in the Faculty of Science and Technology, University of Westminster, the Course Leader for MSc Computer Science and is the elected representative of the University of Westminster's teaching staff. He teaches web programming and software design at both undergraduate and postgraduate level, and conducts research in the area of distributed computer systems.

**Dame Karen Dunnell** has spent all her working life in research and statistics in the public sector. From 1974-2009 she worked in the Government Statistical Service and from 2005 was its head and Chief Executive of the Office for National Statistics. She also has Advisory/Trustee roles for PricewaterhouseCooper, Legal and General, the UK Health Forum, Northern Ireland Heart, Chest and Stroke, the Department for Business-BIS, Highgate Scientific and Literary Society.

**Mr Anupam Ganguli, BA (Hons) Economics MBA FCA** is Finance Director, Royal Museums Greenwich. His career has included senior roles at the Victoria and Albert Museum and at Arts Council England. He is a trustee of Wayne McGregor/Random Dance and the Whitechapel Gallery, and an independent member of the audit committee of Historic Royal Palaces.

**Mr Stephen Hart, BA** is Deputy Chair. He is a solicitor currently working as an employment and public lawyer for HM Government.

**The Hon Dame Mary Hogg, DBE FRSA** has an honorary LLD from the University. A former QC, she is now a High Court Judge in the Family Division. Her great-grandfather, Quintin Hogg, founded the Polytechnic.

**Mr Trevor Hope, ACIB DipFS CIM MBA** is Chief Investment Officer of international venture capital firm Beringea LLP.

**Dr Henry (Harry) Kinloch MSc, PhD, ARCST, CEng, FIMechE** is an engineer who has enjoyed a successful career in both the public and private sectors, in academia and the City. He has taught at universities in the UK and the USA and worked in the City as a corporate finance adviser to merchant banks and the insurance world. He has advised government on its operations in two nationalised industries and been a managing director of one of them. Today, he holds non-executive directorships in the fields of oil and gas research technology, food production and distribution, clean energy generation and waste management.

# UNIVERSITY OF WESTMINSTER

## COURT OF GOVERNORS (continued)

**Mr Peter Kyle, OBE CCMI** is Chair. He was formerly Director General of the English Speaking Union, CEO of Shakespeare's Globe, the Arts Educational Schools, London and of The Scottish Ballet. He is Chairman of the Shakespeare Birthplace Trust and of The Centre for Magic Arts. He is a trustee of the John Ellerman Foundation, the Noel Coward Foundation and the Dance Teachers Benevolent Fund.

**Mr Nicholas Laws, MA** is Head of Digital Communications and Publishing at the University and is the elected representative of the University of Westminster's non-teaching (support) staff. A communications specialist, Nick's career prior to joining the University includes work for the United Nations High Commissioner for Refugees, the International Air Transport Association and Danisco.

**Professor Graham M Megson, BSc (Leeds), PhD(Loughborough), MBA (Reading), FBCS CITP CEng** is Pro Vice-Chancellor Research & Knowledge Exchange at Westminster and a Professor of Computer Science with particular interests in parallel computation, neural networks and emergent algorithms and is the elected representative for Academic Council. He has published 200+ research papers including 5 books on these and related topics. He sits on a number of editorial boards for technical journals and has interests in change management and organisational development.

**Mr Kaled Mimouni** is the President of the University of Westminster Students' Union.

**Professor Rikki Morgan-Tamosunas, PhD PGCE MA FRSA** is Deputy Vice-Chancellor. In addition to day-to-day line management of the Deans of Schools and deputising for the Vice-Chancellor as required, she has particular responsibilities, inter alia, in relation to Learning & Teaching and the Student Experience.

**Mr Gary Morley, FCA** is a Partner with MHA McIntyre Hudson. He is Hon. Treasurer of City YMCA London, Vice Chairman of the Imperial Society of Teachers of Dancing and former Chairman of British Suzuki Institute. He is also a Past Master of the Worshipful Company of Plaisterers.

**Mr Philip Murphy, BSc MRICS** is a Partner with PRP Architects LLP, a multi-disciplinary design and project management practice based in Smithfield. PRP is a leading housing regeneration design and delivery consultancy with very strong links to the public sector. He is involved with a number of education and arts organisations as a Trustee and Governor.

**Professor Geoffrey Petts, BSc PhD FRSA FRGS** is Vice-Chancellor of the University.

**Mr Matthew Smith, MA LLM** is a barrister specialising in charity law and a voluntary youth worker. He is Chairman of The Boys' Brigade and Vice Chairman of City YMCA, London.

**Mr Mike Staples, FRICS** is a very experienced strategic cost and project adviser. He has over 30 years at senior level in the property and construction sector and has occupied leading management positions with Hanscomb, Skanska and Rider Levett Bucknall. He is currently a director at Davis Langdon an AECOM company.

# UNIVERSITY OF WESTMINSTER

## COURT OF GOVERNORS (continued)

**Dr Suzy Walton, BSc MSc PhD CSci C Psychol C Dir** is a Chartered Scientist, a Chartered Occupational Psychologist and a Chartered Director. She has a portfolio of board roles and over a decade's experience in central government. Suzy is Deputy Chairman of the RSA (Royal Society for the Encouragement of Arts, Manufactures and Commerce) and the Internet Watch Foundation. She is also on the boards of HEFCE (the government regulator for the University sector) and Combat Stress which runs hospitals for veterans with PTSD. She also sits on many government committees including the State Honours Committee (Cabinet Office) and the Ethics Group of the National DNA Database (Home Office). Suzy has over a decade's experience as a Senior Civil Servant in central government. She has served in the Cabinet Office, the Prime Minister's Strategy Unit and the Ministry of Defence (MoD). She was awarded a PhD for her research in the MoD into military suicide. Suzy's earlier career was as a producer, editor and presenter for Sky News, LBC Radio and the BBC. She has six children.

**Mr James Wates CBE, FCIQB, FRICS, FRSA, FCGI** is Chairman of Wates Group. He is Chairman of CITB, Chairman of the UK Contractors Group, a Vice Chairman of the CBI Construction Council, Past President of the British Council for Offices, a Commissioner for the UK Commission for Employment and Skills, Board Member Green Construction Board and Past President of the Chartered Institute of Building. James is also a Trustee of the Building Research Establishment and the College of Estate Management, a Governor of Emanuel School, Vice Chairman of Queen Elizabeth's Foundation for the Disabled and a member of the London Regional Council of The Prince's Trust. He is also a patron of the Wates Family Enterprise Trust.

**Ms Kieran Williams** is a Senior Lecturer in the Westminster Business School.

**Mr Alastair Woods** is Director within PricewaterhouseCoopers Human Resource Consulting practice specialising in reward and performance management.

**Mrs Diane Yeo, BSc FRSA FInstF** is currently a consultant to not for profit organisations and chairs 151 Proprietors Limited, SOS Westminster and the Arts Educational Schools.

# UNIVERSITY OF WESTMINSTER

## THE WORK OF THE COURT OF GOVERNORS

All governors of the University are Directors of the Company. A list of governors who served during the year to 31 July 2014 appears on page 24. None of the governors had an interest in any contract which subsisted during the period of this report, other than those who are full-time members of staff and those associated with the transactions disclosed in note 34 (related party transactions) to the accounts. Governors are required to declare any interests at the start of each Court and committee meeting they attend.

The Court of Governors, which meets formally up to five times a year, currently comprises 16 independent (non-executive) governors, three elected staff governors, one elected student governor, and two ex officio governors (the Vice-Chancellor and the Deputy Vice-Chancellor). There is a clear separation of the roles of the non-executive Chair and the Chief Executive (the Vice-Chancellor).

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

### AUDIT COMMITTEE

(membership as at 31 July 2014)

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Mr David Batchelor (Chair)

Dame Karen Dunnell

Mr Anupam Ganguli

Dr Henry (Harry) Kinloch (from 1 April 2014)

The Audit Committee meets at least four times a year and reviews the work of the external and internal auditors of the University. The Committee considers detailed reports on risk management, control, governance and value for money, together with recommendations for the improvement of the University's systems of internal control and management's response and implementation plans. It also receives and considers reports from the Higher Education Funding Council for England (HEFCE) and monitors adherence with the regulatory requirements. It reviews the University's annual financial statements and accounting policies.

The Committee reports on its work to the Court of Governors. Whilst senior executives attend meetings of the Audit Committee as necessary, they are not members of the Committee. The Committee meets the external auditors on their own for independent discussion.

### FINANCE AND PROPERTY COMMITTEE

(membership as at 31 July 2014)

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Mr Trevor Hope (Chair)

Mr Robert (Chester) Barnes (from 15 April 2014)

Professor Geoffrey Petts

Mr Gary Morley

Mr Philip Murphy

Mr James Wates



# UNIVERSITY OF WESTMINSTER

## THE WORK OF THE COURT OF GOVERNORS

(continued)

The Finance and Property Committee meets at least four times a year and recommends to the Court of Governors the University's annual revenue and capital budgets (including the estates strategy) and monitors performance in relation to approved budgets. It also recommends to the Court the annual financial statements, having been satisfied that management is properly discharging its responsibilities to control and account for the income, expenditure and assets of the University in compliance with the guidelines of HEFCE and the applicable legislation. The Committee has maintained throughout the year an overview of progress and expenditure on the major estates redevelopment projects at the Harrow, Marylebone and Little Titchfield Street sites and has supported the initial stages of the implementation of the Regent Street Cinema redevelopment project.

### HUMAN RESOURCES COMMITTEE

(membership as at 31 July 2014)

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Mr Stephen Hart (Chair)  
Dr Amanda Feggetter (non-governor member)  
Mr Anupam Ganguli  
Professor Rikki Morgan-Tamosunas  
Mr Philip Murphy  
Mr Matthew Smith (from 11 June 2014)  
Mr Alastair Woods

This Committee meets at least four times a year to review the University's Human Resources strategy, policies and related legislation; to consider the framework for pay and conditions of staff; and to receive and discuss reports on associated matters, including staff training and development and diversity. It has also overseen the development of the new People strategy and the development of workforce planning. It regularly monitors staff Key Performance Indicators and reports on these to the Court of Governors.

### NOMINATIONS COMMITTEE

(membership as at 31 July 2014)

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Mr Peter Kyle (Chair)  
Mrs Rita Bellamy-James  
Mr Stephen Hart  
Professor Geoffrey Petts  
Mrs Diane Yeo (from 16 October 2013)

This Committee meets at least twice a year to make recommendations on the appointment of new governors, and non-governor members of Court committees, in accordance with procedures devised by the Committee and approved by the Court. It is also responsible for the procedures for nominating individuals for the award of Honorary Degrees and Fellowships of the University, for considering nominations, and making recommendations to the Court. When required, it leads the process of search and appointment of the Vice-Chancellor and the Chancellor.

# UNIVERSITY OF WESTMINSTER

## THE WORK OF THE COURT OF GOVERNORS

(continued)

### REMUNERATION COMMITTEE

(membership as at 31 July 2014)

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Mr Peter Kyle (Chair)

Dame Karen Dunnell (from 11 March 2014)

Professor Geoffrey Petts

Mr Stephen Hart

Mr Alastair Woods

This Committee meets when appropriate to review the salaries, terms and conditions of employment of senior staff. The Vice-Chancellor withdraws from the Committee when his own remuneration is under review and this is formally recorded. The Committee also sets the framework for remuneration for academic and professional support staff paid salaries above the 51-point national scale.

### ACADEMIC COUNCIL

### PROFESSORS AND READERS AWARDING COMMITTEE

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In addition to the above sub committees of the Court of Governors, the Academic Council and the Professors and Readers Awarding Committee, also report to the Court.

The Academic Council, chaired by the Vice-Chancellor, is the senior academic body of the University. It is responsible for the policies which govern the University's academic programmes and activities and for the quality assurance processes which underpin these. It approves policies for the support of students, codes of behaviour, disciplinary and appeals procedures.

The Professors and Readers Awarding Committee considers criteria and applications for the award of the titles Professor, Reader, Visiting Professor, Professor Emeritus and Emeritus Fellow. It is chaired by the Vice-Chancellor and includes external members with academic and commercial research expertise.

# UNIVERSITY OF WESTMINSTER STATEMENT OF CORPORATE GOVERNANCE AND INTERNAL CONTROLS

## GOVERNANCE AND MANAGEMENT

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The University is a Company Limited by Guarantee and an exempt Charity. It complies with CUC guidance in its governance and management processes.

The University has had regard to the Charity Commission's guidance on public benefit. The objects of the University are set out in its Memorandum of Association as

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

The Vice-Chancellor, Professor Geoffrey Petts, has continued to lead the University towards the achievement of his vision for the future of the University as an efficient, forward moving, research active, and financially sound institution which provides an excellent experience to its students. Building on the vision for 2015, set out originally in 2007, the University has developed the Westminster 2020 strategy including a new vision for a University in 2020 which is practice focused and in the top half of HEIs in the UK with some disciplines in the top 500 worldwide. The University delivers its teaching, research and academic enterprise through an organisational structure consisting of five academic Faculties, each led by an executive Dean. The academic structure is underpinned by an integrated Corporate Services function, which has Investor in People Bronze Standard accreditation and Customer First accreditation.

The Vice-Chancellor is supported by the University Executive Board, which he chairs. The membership includes the Deputy Vice-Chancellor, the Pro Vice-Chancellor (Research and Knowledge Exchange), the five Deans of Faculty, the Registrar & Secretary, and the Director of Finance. An additional Pro Vice-Chancellor (Global Engagement) will join the Vice-Chancellor's support team in September 2014.

The University's Corporate Plan is supported by a strategic risk register for the University, which is regularly reviewed by management and by the Court of Governors. Five year plans and associated risk registers for each Faculty and for the Corporate Services are also in place.

The University has continued its programme of information, engagement and development sessions for governors with two governor strategy meetings, focusing on the 2020 strategy and research and academic enterprise, and a presentation on Learning Futures, a University-wide programme to design and deliver a distinctive learning experience to Westminster students. The Governors participated in the University's 175<sup>th</sup> anniversary events, including a celebratory service at Westminster Abbey, and were also invited to a presentation and tour of the Faculty of Media, Arts and Design at Harrow.

# UNIVERSITY OF WESTMINSTER STATEMENT OF CORPORATE GOVERNANCE AND INTERNAL CONTROLS

(continued)

The present Chancellor, Lord Paul of Marylebone, has indicated his intention to step down with effect from 31 December 2014. The Nominations Committee is leading the process of search for and selection of his successor.

Two independent governors came to the end of their final term of office in the current year and two new independent governors have been appointed to replace them. Three staff governors came to the end of their term of office in the current year and three new staff governors have been appointed to replace them. The Nominations Committee has continued to be active in ensuring that the Court has a good spread of skills amongst its independent membership. The Committee continues to seek non-governor members to supplement the expertise available to the Court sub-committees.

During the year the Court has conducted a review of its effectiveness. This commenced with committee and Court questionnaires being sent to all governors during February and April 2014, with the initial outcomes discussed at meetings between March and May. The findings of the review will be reported to the meeting of the Court in September 2014. Enhancements agreed at this meeting will be implemented from October 2014.

The University continues to be a member of the Kingston City Group, a consortium providing internal audit and management assurance services to a number of Higher Education institutions in London and the South East.

## RISK MANAGEMENT

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The University's risk management policy defines risk as an event or action, or a combination or series of these, which could significantly impede the University's ability to achieve its current or future objectives and to execute its strategy effectively.

Whilst the Audit Committee has responsibility for advising the Court on the effectiveness of the University's risk management policy and procedures, the University Executive Board has the remit for embedding risk management, aligning it with the Strategic Plan, and reviewing and updating the risk management policy and procedures in accordance with HEFCE guidance. The Strategic Risk Register is reviewed every year as part of the strategic planning process. The risks identified cover business, financial, operational, reputational, and compliance issues.

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

The approach to internal control is risk based and the programme of internal audit work during the year has reflected this approach. The Audit Committee approves the internal audit programme and receives the internal audit reports at its regular meetings during the year. An annual report is provided by the internal auditors, which includes an opinion on internal control and risk.

The risk management policy requires an annual report to be made to the Court of Governors on risk management. The policy, which is approved and reviewed from time to time by the Court of Governors, with the next review scheduled for September 2014, clearly states the Court's responsibilities for the maintenance of a sound system of control and for the operation of the risk management process.

# UNIVERSITY OF WESTMINSTER

## STATEMENT OF GOVERNORS' RESPONSIBILITIES

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

The governors are responsible for preparing the Operation and Financial Review, the Strategic Report and the financial statements in accordance with applicable law and regulations.

The governors, who are the directors and members of the Company, are required by the after Companies Act 2006 and the Financial Memorandum with HEFCE to prepare consolidated financial statements for each financial year which give a true and fair view of the state of affairs of the University and its subsidiaries as at the end of the financial year and of the surplus or deficit for that period. It is also the governors' responsibility to maintain adequate accounting records, safeguard the assets of the University and its subsidiaries, prevent and detect fraud and other irregularities and to apply the basis of a going concern unless it is not appropriate to presume that the University will continue in business.

The governors confirm that suitable accounting policies, consistently applied and supported by reasonable and prudent judgements and estimates have been used in the preparation of the consolidated financial statements and that applicable accounting standards have been followed.

The governors have taken reasonable steps to:

- ensure that funds from the Higher Education Funding Council for England are used only for the purposes for which they have been given and in accordance with the Financial Memorandum with the Funding Council and any other conditions which the Funding Council may from time to time prescribe.
- ensure that there are appropriate financial and management controls in place to safeguard public funds and funds from other sources
- safeguard the assets of the University and prevent and detect fraud
- secure the economical, efficient and effective management of the University's resources and expenditure.

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

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

## EMPLOYEE PARTICIPATION

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The University's committee structure ensures staff participation in the decision-making processes of the University. Meetings of the Joint Consultative and Negotiating Committees, with representation from management and trade unions, are held at frequent intervals and are supplemented by informal discussions and briefing meetings. The Vice-Chancellor provides briefings to staff both face to face, and through video transmissions on the University's intranet, on the University's performance and plans.



# UNIVERSITY OF WESTMINSTER STATEMENT OF GOVERNORS' RESPONSIBILITIES (continued)

## DIVERSITY POLICY

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The University of Westminster is committed to promoting diversity in all its dealings with employees and job applicants. The Equal Opportunities Policy is binding on all appointments, irrespective of category. The policy seeks to ensure that no employee or applicant receives less favourable treatment on the grounds of race or colour, nationality, ethnic or national origins, gender, marital status, sexual orientation, disability, age, family responsibility, trade union activity, or political or religious belief. In accordance with diversity legislation and best practice, the University has a supportive Gender Equality Scheme in place, as well as a strong commitment to equal pay for work of equal value, family-friendly/work-life balance policies and specific, gender-based developmental programmes such as Springboard, Navigator and SpringForward, as well as participation in the Leadership Foundation for Higher Education's Aurora initiative.

All relevant HR policies are kept under review to ensure compliance with the single public sector equality duty as required by the Equality Act 2010.

## HEALTH AND SAFETY

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

A revised Health and Safety Policy Statement and associated organisational arrangements were approved by the Court of Governors in 2012, and the Court received the Safety, Health and Wellbeing annual report 2012–13 in November 2013. The University maintains a strong emphasis on staff wellbeing, and arranges regular 'Wellbeing Days' to which all members of staff are invited and at which they can receive free of charge advice on healthy lifestyle options.

## DISCLOSURE TO AUDITOR

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

## INSURANCE FOR OFFICERS

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

# UNIVERSITY OF WESTMINSTER STATEMENT OF GOVERNORS' RESPONSIBILITIES (continued)

## AUDITOR

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A resolution to reappoint KPMG LLP as auditor for the year ending 31 July 2015 will be proposed at the forthcoming Annual General Meeting.

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

**Peter Kyle OBE**

*Chair*

*25 November 2014*

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

We have audited the Group and University financial statements (the "financial statements") of the University of Westminster for the year ended 31 July 2014 which comprise the Group Income and Expenditure Account, the Group and University Balance Sheets, the Group Cash Flow Statement, the Statement of Group Total Recognised Gains and Losses, the Group Statement of Consolidated Historical Cost Surpluses and Deficits, the Accounting Policies 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 Court of Governors, in accordance with paragraph 13(2) of the University's Articles of Government and section 124B of the Education Reform Act 1988 and to the company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the Board of Governors those matters we are required to state to it 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 Court of Governors for our audit work, for this report, or for the opinions we have formed.

## RESPECTIVE RESPONSIBILITIES OF THE GOVERNING COURT OF GOVERNORS AND AUDITOR

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As explained more fully in the Court of Governors Statement set out on pages 33 to 35 the Court of Governors is responsible for the preparation of financial statements which give a true and fair view. Our responsibility is to audit, and express an opinion, on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors.

## SCOPE OF THE AUDIT OF THE FINANCIAL STATEMENTS

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An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of: whether the accounting policies are appropriate to the Group's and University's circumstances and have been consistently applied and adequately disclosed; the reasonableness of significant accounting estimates made by the Court of Governors; and the overall presentation of the financial statements. In addition, we read all the financial and non-financial information in the Operating and Financial Review to identify material inconsistencies with the audited financial statements. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

## OPINION ON FINANCIAL STATEMENTS

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In our opinion the financial statements:

- give a true and fair view of the state of the affairs of the Group and University as at 31 July 2014 and of the Group's income and expenditure, recognised gains and losses and cash flows for the year then ended;
- have been properly prepared in accordance with UK Generally Accepted Accounting Practice;
- have been prepared in accordance with the Statement of Recommended Practice: Accounting for Further and Higher Education; and
- have been prepared in accordance with the Companies Act 2006.

# INDEPENDENT AUDITOR'S REPORT TO THE GOVERNING COURT OF GOVERNORS OF UNIVERSITY OF WESTMINSTER (continued)

## OPINION ON OTHER MATTERS PRESCRIBED IN THE HEFCE AUDIT CODE OF PRACTICE ISSUED UNDER THE FURTHER AND HIGHER EDUCATION ACT 1992

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In our opinion, in all material respects:

- funds from whatever source administered by the Group and the University for specific purposes have been properly applied to those purposes;
- income has been applied in accordance with the University's articles of government; and
- 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 MATTERS PRESCRIBED BY THE COMPANIES ACT 2006

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In our opinion the information given in the Operating and Financial review, which constitutes the Strategic Report and the Court of Governors 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

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We have nothing to report in respect of the following matter where the HEFCE Audit Code of Practice issued under the Further and Higher Education Act 1992 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 University and group.

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:

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

**Nicola May (Senior Statutory Auditor)**

**For and on behalf of KPMG LLP, Statutory Auditor**

*Chartered Accountants*  
1 Forest Gate, Brighton Road  
Crawley, West Sussex  
RH11 9PT  
25 November 2014

# UNIVERSITY OF WESTMINSTER CONSOLIDATED INCOME AND EXPENDITURE ACCOUNT

FOR THE YEAR ENDED 31 JULY 2014

	Note	2014 Total £'000	2013 Total £'000
<b>INCOME FROM CONTINUING ACTIVITIES</b>			
Funding council grants	5	31,703	43,122
Tuition fees and support grants	6	123,509	98,728
Research grants and contracts	7	4,153	4,510
Other income	8	21,911	21,491
Endowment and investment income	9	496	657
Total income		<b>181,772</b>	<b>168,508</b>
<b>EXPENDITURE ON CONTINUING ACTIVITIES</b>			
Staff costs	10,13	95,027	90,834
Depreciation	12	8,566	7,003
Other operating expenses	10	53,223	55,406
Interest payable	11	4,907	4,167
Total expenditure		<b>161,723</b>	<b>157,410</b>
<b>Surplus after depreciation of tangible assets at valuation and before amounts written off investments and before tax</b>		<b>20,049</b>	<b>11,098</b>
Increase in investments	17	23	-
<b>Surplus after depreciation of tangible assets at valuation and amounts written off investments and before tax</b>		<b>20,072</b>	<b>11,098</b>
Taxation	15	-	-
<b>Surplus after depreciation of assets at valuation, amounts written off investments and tax</b>		<b>20,072</b>	<b>11,098</b>
Surplus for the year transferred to accumulated income in endowment funds	26	25	4
<b>Surplus for the year retained within general reserves</b>	16	<b>20,097</b>	<b>11,102</b>

All activities relate to continuing operations.

The notes on pages 44 to 79 form part of the financial statements.



# UNIVERSITY OF WESTMINSTER

## NOTE OF CONSOLIDATED HISTORICAL COST SURPLUSES AND DEFICITS

FOR THE YEAR ENDED 31 JULY 2014

	<b>Note</b>	<b>2014 £'000</b>	<b>2013 £'000</b>
<b>Surplus on continuing operations before taxation</b>		20,072	11,098
Difference between historical cost depreciation and the actual depreciation charge for the year calculated on the re-valued amount	28	510	510
<b>Historical cost surplus for the year before taxation</b>		<b>20,582</b>	<b>11,608</b>

The notes on pages 44 to 79 form part of the financial statements.

# UNIVERSITY OF WESTMINSTER

## STATEMENT OF TOTAL RECOGNISED GAINS AND LOSSES

FOR THE YEAR ENDED 31 JULY 2014

	Note	2014 £'000	2013 £'000
<b>Surplus on continuing operations after depreciation of assets at valuation and amounts written off investments and tax</b>		20,097	11,102
Endowment income retained in the year	26	3	3
Endowments withdrawn	26	(28)	(7)
New endowments	26	-	2
Appreciation of endowment asset investments	21	8	41
Loss on investments	23	(2)	-
Actuarial (loss) in respect of pension schemes	33	(8,521)	(1,017)
Unrealised gain on investments	20	1	1
<b>Total recognised gains relating to the year</b>		<b>11,558</b>	<b>10,125</b>
<b>Reconciliation</b>			
Opening reserves and endowments		56,141	46,016
Total recognised gains for the year		11,558	10,125
Closing reserves and endowments		<b>67,699</b>	<b>56,141</b>

The notes on pages 44 to 79 form part of the financial statements.

# UNIVERSITY OF WESTMINSTER BALANCE SHEETS

AS AT 31 JULY 2014

	Note	Group 2014 £'000	Group 2013 £'000	University 2014 £'000	University 2013 £'000
<b>Fixed Assets</b>					
Tangible assets	19	199,041	194,266	194,983	189,905
Investments	20	106	82	95	72
		199,147	194,348	195,078	189,977
<b>Endowment assets</b>	21	947	964	294	320
<b>Current Assets</b>					
Debtors due within one year	22	8,193	8,348	7,941	8,021
Investments	23	24,014	10,015	24,014	10,014
Cash at bank and in hand		51,736	36,086	50,300	34,673
		83,943	54,449	82,255	52,708
<b>Creditors</b>					
Amounts falling due within one year	24	(37,598)	(35,011)	(35,733)	(33,612)
<b>Net Current Assets</b>		46,345	19,438	46,522	19,096
<b>Total assets less current liabilities</b>		246,439	214,750	241,894	209,393
<b>Creditors</b>					
Amounts falling due after more than one year	24	(47,876)	(39,486)	(48,072)	(40,274)
<b>Total net assets excluding pension liability</b>		<b>198,563</b>	<b>175,264</b>	<b>193,822</b>	<b>169,119</b>
Pension liability	33	(74,243)	(62,300)	(74,243)	(62,300)
<b>Net assets including pension liability</b>		<b>124,320</b>	<b>112,964</b>	<b>119,579</b>	<b>106,819</b>
Represented by:					
<b>Deferred capital grants</b>	25	56,621	56,824	55,120	55,274
<b>Endowments Funds</b>					
Expendable	26	353	378	207	233
Permanent	26	594	586	87	87
<b>Total endowments</b>		947	964	294	320
<b>Reserves</b>					
Revenue reserve excluding pension liability	28	117,980	93,951	118,532	93,263
Pension reserve	28	(74,243)	(62,300)	(74,243)	(62,300)
Revenue reserve including pension liability		43,737	31,651	44,289	30,963
Revaluation reserve	28	23,015	23,525	19,876	20,262
<b>Total reserves</b>	28	<b>66,752</b>	<b>55,176</b>	<b>64,165</b>	<b>51,225</b>
<b>Total funds</b>		<b>124,320</b>	<b>112,964</b>	<b>119,579</b>	<b>106,819</b>

The notes on pages 44 to 79 form part of the financial statements.

Approved by the Court of Governors on 25 November 2014 and signed on its behalf by:

Mr Peter Kyle  
Chairman

Prof Geoffrey Petts  
Vice-Chancellor

# UNIVERSITY OF WESTMINSTER CONSOLIDATED CASH FLOW STATEMENT

FOR THE YEAR ENDED 31 JULY 2014

	Note	2014 £'000	2013 £'000
NET CASH INFLOW FROM OPERATING ACTIVITIES	31	34,544	20,313
RETURNS ON INVESTMENTS AND SERVICING OF FINANCE			
Income from endowments	9	3	3
Interest received	9	493	654
Interest paid	11	(2,495)	(2,360)
<b>Net cash (outflow) from returns on investments and servicing of finance</b>		<b>(1,999)</b>	<b>(1,703)</b>
CAPITAL EXPENDITURE AND FINANCIAL INVESTMENT			
Purchase of tangible fixed assets	19	(13,341)	(18,632)
Purchase of investments	23	-	(1)
New endowments received	26	-	2
Deferred capital grants received	25	1,574	745
<b>Net cash (outflow) from capital expenditure and financial investment</b>		<b>(11,767)</b>	<b>(17,886)</b>
CASH INFLOW BEFORE MANAGEMENT OF LIQUID RESOURCES AND FINANCING		<b>20,778</b>	<b>724</b>
MANAGEMENT OF LIQUID RESOURCES			
Cash transferred (to)/from short term deposits		<b>(13,999)</b>	<b>20,000</b>
FINANCING			
New Bank loan		10,000	10,000
Loan repayments		(1,154)	(1,002)
<b>Net cash inflow from financing</b>		<b>8,846</b>	<b>8,998</b>
INCREASE IN CASH	32	<b>15,625</b>	<b>29,722</b>

The notes on pages 44 to 79 form part of the financial statements.

# UNIVERSITY OF WESTMINSTER

## RECONCILIATION OF NET CASH FLOW TO MOVEMENT IN NET FUNDS

FOR THE YEAR ENDED 31 JULY 2014

	Note	2014		2013	
		£'000	£'000	£'000	£'000
Increase in cash in period		15,625		29,722	
Cash outflow/(inflow) from movement in liquid resources		13,999		(20,000)	
Cash (inflow) from decrease in debt and lease financing		(8,846)		(8,998)	
<b>Change in net funds resulting from cash flows</b>		<b>20,778</b>		<b>724</b>	
<b>Movement in net funds in the period</b>			<b>20,778</b>		<b>724</b>
Net funds at 1 August			8,463		7,739
<b>Net funds at 31 July</b>	32		<b>29,241</b>		<b>8,463</b>

The notes on pages 44 to 79 form part of the financial statements.

# UNIVERSITY OF WESTMINSTER

## NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 JULY 2014

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### 1. COMPANY STATUS

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

Each of the maximum number of 23 members of the University has undertaken to contribute to the assets of the University in the event of its being wound up whilst being a member, or within one year after ceasing to be a member, an amount not exceeding one pound.

### 2. BASIS OF PREPARATION

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The financial statements have been prepared in accordance with the Statement of Recommended Practice (SORP): Accounting for Further and Higher Education 2007 and in accordance with applicable accounting standards.

The financial statements have been prepared in accordance with the historical cost convention as modified by the valuation of certain fixed assets.

After making enquiries, the Court of Governors has a reasonable expectation that the University has adequate resources to continue in operational existence for the foreseeable future. For this reason, it continues to adopt the going concern basis in preparing the accounts.

### 3. BASIS OF CONSOLIDATION

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The consolidated financial statements consolidate the financial statements of the University and its subsidiary undertakings for the financial year ended 31 July 2014. Intra-group transactions are eliminated on consolidation.

The consolidated financial statements do not include those of the University of Westminster Students' Union because the University does not control its activities.

### 4. STATEMENT OF PRINCIPAL ACCOUNTING POLICIES

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#### **Income recognition**

HEFCE grants are accounted for in the year to which they relate in accordance with advice given by HEFCE. Revenue grants attributable to a subsequent financial year are included in creditors under the classification of deferred income.

Non-recurrent grants from HEFCE, or other bodies, received in respect of the acquisition or construction of fixed assets are treated as deferred capital grants. Such grants are credited to deferred capital grants and an annual transfer made to the Income and Expenditure account over the useful economic life of the asset, at the same rate as the depreciation charge on the asset for which the grant was awarded.

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



# UNIVERSITY OF WESTMINSTER

## NOTES TO THE FINANCIAL STATEMENTS (continued)

### 4. STATEMENT OF PRINCIPAL ACCOUNTING POLICIES (continued)

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#### **Income recognition** (continued)

Recurrent income from grants, contracts and other services rendered are accounted for on an accruals basis and included to the extent of the completion of the contract or service concerned; any payments received in advance of such performance are recognised on the Balance Sheet as liabilities.

Income from the sale of goods or services is credited to the income and expenditure account when the goods or services are supplied to the external customers or the terms of the contract have been satisfied.

Donations with restrictions are recognised when relevant conditions have been met; in many cases recognition is directly related to expenditure incurred on specific purposes. Donations which are to be retained for the benefit of the institution are recognised in the Statement of Total Recognised Gains and Losses and in endowments; other donations are recognised by inclusion as other income in the Income and Expenditure account.

Endowment and investment income is credited to the Income and Expenditure account on a receivable basis. Income from restricted endowments not expended in accordance with the restrictions of the endowment, is transferred from the income and expenditure account to restricted endowments. Any realised gains or losses from dealing in the related assets are retained within the endowment in the Balance Sheet.

Increases or decreases in value arising on the revaluation or disposal of endowment assets i.e. the appreciation or depreciation of endowment assets, is added to or subtracted from the funds concerned and accounted for through the Balance Sheet by debiting or crediting the endowment asset, crediting or debiting the endowment fund and is reported in the Statement of Total Recognised Gains and Losses.

Any increase in value arising on the revaluation of fixed asset investments is carried as a credit to the revaluation reserve, via the Statement of Total Recognised Gains and Losses; a diminution in value is charged to the Income and Expenditure account as a debit, to the extent that it is not covered by a previous revaluation surplus.

Fee income is stated gross and credited to the income and expenditure account over the period in which the students are studying. Where the amount of the tuition fee is reduced, income receivable is shown net of the discount. University income is shown net where it is funded by the National Scholarship Programme, all other bursaries and scholarships, which are not normally used for University services are accounted for gross as expenditure and not deducted from income.

#### **Agency arrangements**

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

# UNIVERSITY OF WESTMINSTER

## NOTES TO THE FINANCIAL STATEMENTS (continued)

### 4. STATEMENT OF PRINCIPAL ACCOUNTING POLICIES (continued)

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#### **Leases**

Assets held under finance leases and hire purchase contracts are capitalised at their fair value on the inception of the leases and depreciated over their estimated useful economic lives. The finance charges are allocated over the period of the lease in proportion to the capital amount outstanding.

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

#### **Taxation**

The University is an exempt charity within the meaning of schedule 3 of the Charities Act 2011 (formerly schedule 2 of the Charities Act 1993) and is considered to pass the tests set out in Paragraph 1 Schedule 6 Finance Act 2010 and therefore it meets the definition of a charitable company for UK corporation tax purposes. Accordingly, the University is potentially exempt from taxation in respect of income or capital gains received within categories covered by section 287 CTA2009 and sections 471, and 478-488 CTA 2010 (formerly s505 of ICTA 1988) or section 256 of the Taxation of Chargeable Gains Act 1992, to the extent that such income or gains are applied to exclusively charitable purposes.

The Institution receives no similar exemption in respect of Value Added Tax. Irrecoverable VAT on inputs is included in the costs of such inputs. Any irrecoverable VAT allocated to tangible fixed assets is included in their cost.

The University's subsidiary companies are subject to corporation tax and VAT on the same basis as any commercial organisation.

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

# UNIVERSITY OF WESTMINSTER

## NOTES TO THE FINANCIAL STATEMENTS (continued)

### 4. STATEMENT OF PRINCIPAL ACCOUNTING POLICIES (continued)

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#### **Tangible assets**

##### **Land and buildings**

On adoption of FRS 15 'Tangible Fixed Assets' the Group followed the transitional provisions to retain the book value of land and buildings but not to adopt a policy of revaluations of these properties in the future. The freehold property in which the group has a beneficial interest was revalued at 31 July 1995 by Messrs Drivers Jonas & Co., Chartered Surveyors. The basis of the valuation was depreciated replacement cost for those properties intended for continuing use and open market value for those intended to be sold.

The Group acquired the beneficial interest in five halls of residence (consisting of one leasehold building and four freehold buildings) on 4 April 2008. The halls of residence buildings were valued on this date by Philip Hillman FRICS on an existing use basis.

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

##### **Computer and software costs**

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

##### **Inherited fixed assets**

Land and buildings inherited from the former Inner London Education Authority on 1 April 1989 and the London Borough of Harrow on 1 April 1990 were valued as at the date of their transfer and this valuation has been considered to be historic cost from that point in time.

##### **Repairs and maintenance**

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

##### **Assets used by the University**

The Group enjoys the occupation and facilities of certain land and buildings which are the property of separate charitable trusts. With the exception of rent payments and other running costs associated with these properties and leasehold improvements made to the properties at 309 Regent Street and 4-12 Little Titchfield Street, these assets are not reflected in the accounts.

##### **Interest capitalisation**

Interest is not capitalised in respect of assets in the course of construction.

##### **Equipment**

Individual assets costing over £10,000 are capitalised.

##### **Depreciation**

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

# UNIVERSITY OF WESTMINSTER

## NOTES TO THE FINANCIAL STATEMENTS (continued)

### 4. STATEMENT OF PRINCIPAL ACCOUNTING POLICIES (continued)

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#### **Tangible fixed assets**

Freehold buildings	fifty years
Leasehold buildings and leasehold improvements	amortised over the remaining term of the lease by equal instalments
Motor vehicles	four years
Fixtures, fittings and equipment	five years and twenty years
Plant and machinery	five years
Computers and Software costs	three to five years

Freehold land and assets in the course of construction are not depreciated.

#### **Investments**

Current asset investments are included in the Balance Sheet at market value at the Balance Sheet date. Fixed asset investments are included at cost less provision for impairment in value.

#### **Cash flows and liquid resources**

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

Liquid resources comprise assets held as a readily disposable store of value. They include term deposits, government securities, and listed equity investments held as part of the University's treasury management activities. They exclude any such assets held as endowment asset investments.

#### **Going concern**

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

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

#### **Foreign currencies**

Transactions denominated in foreign currencies are recorded at the rates 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. Exchange differences are dealt with in the Income and Expenditure account for the financial year.

# UNIVERSITY OF WESTMINSTER

## NOTES TO THE FINANCIAL STATEMENTS (continued)

### 4. STATEMENT OF PRINCIPAL ACCOUNTING POLICIES (continued)

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#### **Accounting for charitable donations**

##### **Unrestricted donations**

Charitable donations are recognised in the accounts when the charitable donation has been received or if, before receipt, there is sufficient evidence to provide the necessary certainty that the donation will be received and the value of the incoming resources can be measured with sufficient reliability.

##### **Endowment funds**

Where charitable donations are to be retained for the benefit of the University as specified by donors, these are accounted for as endowments. There are three main types:

Unrestricted permanent endowments – the donor has specified that the fund is to be permanently invested to generate an income stream for the general benefit of the University.

Restricted expendable endowments – the donor has specified a particular objective other than the purchase or construction of tangible fixed assets, and the institution can convert the donated sum into income.

Restricted permanent endowments – the donor has specified that the fund is to be permanently invested to generate an income stream to be applied to a particular objective.

##### **Donations for fixed assets**

Donations received to be applied to the cost of a tangible fixed asset are shown on the Balance Sheet as a deferred capital grant. The deferred capital grant is released to the Income and Expenditure account over the same estimated useful economic life that is used to determine the depreciation charge associated with the tangible fixed asset.

##### **Pension costs**

The Group operates four pension schemes, the London Pension Fund Authority (LPFA), the Teachers' Pension Scheme (TPS), the Universities Superannuation Scheme (USS) and the Superannuation Arrangements of the University of London (SAUL). All schemes are defined benefit schemes which are contracted out of the State Second Pension (S2P).

The assets of the USS, TPS and SAUL are held in separate trustee-administered funds. Because of the nature of the schemes, the scheme's assets are not hypothecated to individual institutions and scheme-wide contribution rates are set. The University is therefore exposed to actuarial risks associated with other institutions' employees and is unable to identify its share of the underlying assets and liabilities of these schemes on a consistent and reasonable basis and therefore as required by FRS17 'Retirement Benefits', accounts for these schemes as if they were defined contribution schemes. As a result, the amount charged to the Income and Expenditure account represents the contribution payable to the scheme in respect of the accounting period.

The University is able to identify its share of the underlying assets and liabilities of the London Pension Fund Authority and thus the University fully adopts the requirements of FRS17 'Retirement Benefits'.

# UNIVERSITY OF WESTMINSTER

## NOTES TO THE FINANCIAL STATEMENTS (continued)

### 4. STATEMENT OF PRINCIPAL ACCOUNTING POLICIES (continued)

#### Revaluation reserve

The University has been reimbursed by HEFCE for payments of loan liabilities inherited from the local authorities. The reimbursement of the principal element has been credited to the revaluation reserve.

#### Provisions

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

### 5. FUNDING COUNCIL GRANTS

		<b>2014</b>	<b>2013</b>
		<b>£'000</b>	<b>£'000</b>
<b>(a) Recurrent grant from HEFCE</b>			
	<b>Note</b>		
Teaching		23,824	36,038
Research		4,059	4,037
Other (including special initiatives)		2,633	1,999
Pension liabilities		439	388
		<b>30,955</b>	<b>42,462</b>
<b>(b) Release of HEFCE capital grants</b>	25	744	649
<b>(c) Teaching Agency grants</b>		4	11
		<b>31,703</b>	<b>43,122</b>

### 6. TUITION FEES AND SUPPORT GRANTS

	<b>2014</b>	<b>2013</b>
	<b>£'000</b>	<b>£'000</b>
Full Time Home and EU students	79,649	59,999
Part Time Home and EU Students	8,537	8,364
Non-EU students	31,966	27,600
	<b>120,152</b>	<b>95,963</b>
Research Training Support Grant	31	19
Non credit bearing courses	3,326	2,746
	<b>123,509</b>	<b>98,728</b>



# UNIVERSITY OF WESTMINSTER

## NOTES TO THE FINANCIAL STATEMENTS (continued)

### 7. RESEARCH GRANTS AND CONTRACTS

	<b>2014</b>	<b>2013</b>
	<b>£'000</b>	<b>£'000</b>
Government departments	994	1,309
Research councils	870	981
UK based charities	883	914
European Commission	934	702
Other bodies	472	604
	<b>4,153</b>	<b>4,510</b>

### 8. OTHER INCOME

	<b>2014</b>	<b>2013</b>
	<b>£'000</b>	<b>£'000</b>
Residences, catering and conferences*	9,974	10,102
Recreation	685	633
Rents and lettings	1,460	1,606
Photocopier income	381	428
Sundry sales	395	561
Miscellaneous	6,243	5,242
Donations	1,740	1,860
Release of non-HEFCE deferred capital grants (note 25)	1,033	1,059
	<b>21,911</b>	<b>21,491</b>

\*In 2013, residences, catering and conferences income was reported at £12,031k. The 2013 comparatives have been reduced by £1,929k to reflect a change in 2014 to the accounting treatment of the catering contract which has no impact on the net surplus.

### 9. ENDOWMENT AND INVESTMENT INCOME

	<b>2014</b>	<b>2013</b>
	<b>£'000</b>	<b>£'000</b>
Income from expendable endowments (note 26)	3	3
Income from short-term investments	493	654
	<b>496</b>	<b>657</b>

# UNIVERSITY OF WESTMINSTER

## NOTES TO THE FINANCIAL STATEMENTS (continued)

### 10. EXPENDITURE BY ACTIVITY

	<b>Staff costs</b>	<b>2014 Other operating expenses</b>	<b>Total</b>	<b>Staff costs</b>	<b>2013 Other operating expenses</b>	<b>Total</b>
	<b>£'000</b>	<b>£'000</b>	<b>£'000</b>	<b>£'000</b>	<b>£'000</b>	<b>£'000</b>
Academic departments	59,854	9,698	69,552	57,877	9,939	67,816
Academic support services	12,251	7,755	20,006	10,660	7,615	18,275
Research	2,292	1,691	3,983	2,414	1,700	4,114
Administration and central services	14,079	12,645	26,724	15,089	12,466	27,555
Premises	4,057	18,281	22,338	2,964	19,970	22,934
Residences and catering*	893	3,106	3,999	1,110	3,705	4,815
Other expenditure	1,601	47	1,648	720	11	731
	<b>95,027</b>	<b>53,223</b>	<b>148,250</b>	<b>90,834</b>	<b>55,406</b>	<b>146,240</b>

The total shown for other expenditure in the column headed Staff costs includes £1,010k (2013: £269k) in respect of FRS17 adjustments to staff costs.

\*In 2013 residences and catering expenditure was reported at £6,744k. The 2013 comparatives have been reduced by £1,929k to reflect a change in 2014 to the accounting treatment of the catering contract which has no impact on the net surplus.

### 11. INTEREST PAYABLE

	<b>2014 £'000</b>	<b>2013 £'000</b>
Promissory note	1,239	1,314
Bank loans repayable after 5 years	1,256	1,046
Net interest cost on pension scheme liabilities (note 33)	2,412	1,807
	<b>4,907</b>	<b>4,167</b>

### 12. DEPRECIATION

	<b>2014 £'000</b>	<b>2013 £'000</b>
The depreciation charge has been funded by:		
Release of deferred capital grants	1,777	1,708
Release of revaluation reserve	510	510
General income	6,279	4,785
	<b>8,566</b>	<b>7,003</b>

# UNIVERSITY OF WESTMINSTER

## NOTES TO THE FINANCIAL STATEMENTS (continued)

### 13. INFORMATION REGARDING EMPLOYEES

	2014 £'000	2013 £'000
<b>(a) Employee costs</b>		
Wages and salaries	76,056	73,274
Redundancy costs	582	451
Social security costs	6,628	6,329
Other pension costs	11,761	10,780
	<b>95,027</b>	<b>90,834</b>

	2014 No.	2013 No.
<b>b) Average number of people employed by the group in the year, expressed as full-time equivalents, was:</b>		
Teaching and research staff	792	767
Visiting lecturers	119	144
Support staff	882	863
	<b>1,793</b>	<b>1,774</b>

<b>(c) Remuneration of higher paid staff (including Governors)</b>	No.	No.
The following staff received remuneration (excluding pension contributions) of £100,000 or over		
£100,000 - £109,999	1	7
£110,000 - £119,999	3	2
£120,000 - £129,999	5	1
£130,000 - £139,999	1	1
£140,000 - £149,999	4	-
£230,000 - £239,999	-	1
£250,000 - £259,999	1	-
	<b>15</b>	<b>12</b>

# UNIVERSITY OF WESTMINSTER

## NOTES TO THE FINANCIAL STATEMENTS (continued)

### 14. REMUNERATION OF TRUSTEES

The trustees of the University in its status as a charity are those individuals who are members of the Court of Governors. Executive trustees are those trustees who are also employees of the University.

	2014 £'000	2013 £'000
<b>(a) The remuneration of the trustees of the University are:</b>		
In respect of service as trustees	-	-
Other remuneration:		
Executive trustees (including pension contributions on behalf of executive trustees)	642	619
Non-executive trustees	-	-
<b>(b) The remuneration of the Chairman and the Vice-Chancellor are:</b>		
Chairman: Mr Peter Kyle (from 24 February 13)	-	-
Vice Chancellor: Prof G Petts		
Salary	259	233
Pension contributions	25	37
Total remuneration	<b>284</b>	<b>270</b>

The remuneration of the Vice-Chancellor are shown on the same basis as for higher paid staff. The University's pension contributions to the Universities Superannuation Scheme (USS) in respect of the Vice-Chancellor are paid at the same rates as for other academic staff.

Eight executive trustees (2013: five) are members of the University's defined benefit pension schemes and accrued benefits during the year under those schemes.

The non-executive trustees receive no remuneration.

During the year £200 (2013: £1,000) was paid in respect of trustees' expenses (i.e. expenses that were incurred in respect of their service as trustees). The expenses related to travel and subsistence. (2013: travel and subsistence). The expenses related to two trustees. (2013: two trustees).

# UNIVERSITY OF WESTMINSTER

## NOTES TO THE FINANCIAL STATEMENTS (continued)

### 15. TAXATION

#### Factors affecting the tax charge for the current period

The tax assessed for the period is lower than that resulting from applying the average standard rate of corporation tax in the UK for the period: 23.33% (last period 23.67%). The differences are explained below:

	2014 £'000	2013 £'000
Consolidated surplus/(deficit) on ordinary activities	20,072	11,098
Surplus on ordinary activities multiplied by standard rate of corporation tax in the UK of 23.33% (2013: 23.67%):	4,683	2,627
<b>Effects of:</b>		
- Adjustment in respect of prior periods	1	-
- Capital allowances in excess of depreciation	-	(1)
- Unrelieved tax losses and other deductions	9	-
- Non-taxable (profit)/loss	(4,693)	(2,626)
Current tax for the year	-	-

#### Factors that may affect the future tax charge

There is a deferred tax asset which has not been recognised as it is not expected to crystallise in the future. The amount of the asset in terms of the taxation not recognised, calculated at 20% (2013: 20%) of the amount of the timing differences, is £383,738 (2013: £375,793 asset), and it is analysed below.

	2014 £'000	2013 £'000
Provision for bad debts not utilised	35	35
Capital allowances not utilised	2	2
Tax losses not utilised	347	339
	384	376

# UNIVERSITY OF WESTMINSTER

## NOTES TO THE FINANCIAL STATEMENTS (continued)

### 16. SURPLUS FOR THE FINANCIAL YEAR BEFORE TRANSFERS FROM RESERVES

	2014 £'000	2013 £'000
<b>Auditors remuneration:</b>		
audit fee      University	49	48
Subsidiary Companies	17	16
non-audit services	83	27
<b>Operating lease rentals:</b>		
property rents	4,321	4,432
<b>Depreciation:</b>		
owned assets	7,524	6,149
leased assets	1,042	854

### 17. INCREASE IN INVESTMENTS

	2014 £'000	2013 £'000
Release of provision against investment in Hypha	23	-
	<b>23</b>	<b>-</b>

The University has invested a total of £394k in Hypha Discovery Limited and holds 28.8% of the shares. The investment carrying amount has been uplifted to reflect the University's 28.8% share of the net asset value of the investment as at 31 July 2014.

### 18. SURPLUS OF PARENT COMPANY

Under section 408 of the Companies Act 2006 the company is exempt from the requirement to present its own Income and Expenditure account. The parent company's surplus for the financial year amounted to £20.33m (2013: £10.433m surplus).



# UNIVERSITY OF WESTMINSTER

## NOTES TO THE FINANCIAL STATEMENTS (continued)

### 19. TANGIBLE ASSETS

#### (a) The Group

	Freehold land and buildings £'000	Leasehold buildings and improvements £'000	Assets in course of construction £'000	Plant and machinery £'000	Fixtures, fittings and equipment £'000	Computers and software £'000	Motor vehicles £'000	Total £'000
<b>Cost or Valuation</b>								
At 1 August 2013	<b>216,169</b>	<b>15,539</b>	<b>4,571</b>	<b>7,683</b>	<b>1,549</b>	<b>2,331</b>	<b>49</b>	<b>247,891</b>
Additions	5,599	876	4,789	1,224	382	471	-	13,341
Transfers	2,611	1,955	(6,027)	296	130	1,035	-	-
<b>As 31 July 2014</b>	<b>224,379</b>	<b>18,370</b>	<b>3,333</b>	<b>9,203</b>	<b>2,061</b>	<b>3,837</b>	<b>49</b>	<b>261,232</b>
<b>Depreciation</b>								
At 1 August 2013	<b>40,653</b>	<b>6,334</b>	-	<b>4,713</b>	<b>314</b>	<b>1,562</b>	<b>49</b>	<b>53,625</b>
Charge for the year	4,854	1,043	-	1,194	408	1,067	-	8,566
<b>At 31 July 2014</b>	<b>45,507</b>	<b>7,377</b>	-	<b>5,907</b>	<b>722</b>	<b>2,629</b>	<b>49</b>	<b>62,191</b>
<b>Net book value at 31 July 2014</b>	<b>178,872</b>	<b>10,993</b>	<b>3,333</b>	<b>3,296</b>	<b>1,339</b>	<b>1,208</b>	<b>-</b>	<b>199,041</b>
<b>Net book value at 31 July 2013</b>	<b>175,516</b>	<b>9,205</b>	<b>4,571</b>	<b>2,970</b>	<b>1,235</b>	<b>769</b>	<b>-</b>	<b>194,266</b>
Financed by capital grant	52,637	2,965	-	8	-	-	-	55,610
Other	126,235	8,028	3,333	3,288	1,339	1,208	-	143,431
<b>Net book value at 31 July 2014</b>	<b>178,872</b>	<b>10,993</b>	<b>3,333</b>	<b>3,296</b>	<b>1,339</b>	<b>1,208</b>	<b>-</b>	<b>199,041</b>

# UNIVERSITY OF WESTMINSTER

## NOTES TO THE FINANCIAL STATEMENTS (continued)

### 19. TANGIBLE ASSETS (CONTINUED)

#### (b) The University

	Freehold land and buildings £'000	Leasehold buildings and improvements £'000	Assets in course of construction £'000	Plant and machinery £'000	Fixtures, fittings and equipment £'000	Computers and Software £'000	Motor vehicles £'000	Total £'000
<b>Cost or valuation</b>								
At 1 August 2013	<b>201,786</b>	<b>15,539</b>	<b>4,571</b>	<b>7,683</b>	<b>1,549</b>	<b>2,318</b>	<b>49</b>	<b>233,495</b>
Additions	5,599	876	4,789	1,224	382	471	-	13,341
Transfers	2,611	1,955	(6,027)	296	130	1,035	-	-
<b>As 31 July 2014</b>	<b>209,996</b>	<b>18,370</b>	<b>3,333</b>	<b>9,203</b>	<b>2,061</b>	<b>3,824</b>	<b>49</b>	<b>246,836</b>
<b>Depreciation</b>								
At 1 August 2013	<b>30,631</b>	<b>6,334</b>	-	<b>4,713</b>	<b>314</b>	<b>1,549</b>	<b>49</b>	<b>43,590</b>
Charge for the year	4,552	1,042	-	1,194	408	1,067	-	8,263
<b>At 31 July 2014</b>	<b>35,183</b>	<b>7,376</b>	-	<b>5,907</b>	<b>722</b>	<b>2,616</b>	<b>49</b>	<b>51,853</b>
<b>Net book value at 31 July 2014</b>	<b>174,813</b>	<b>10,994</b>	<b>3,333</b>	<b>3,296</b>	<b>1,339</b>	<b>1,208</b>	-	<b>194,983</b>
<b>Net book value at 31 July 2013</b>	<b>171,155</b>	<b>9,205</b>	<b>4,571</b>	<b>2,970</b>	<b>1,235</b>	<b>769</b>	-	<b>189,905</b>
Financed by capital grant	51,136	2,965	-	8	-	-	-	54,109
Other	123,677	8,029	3,333	3,288	1,339	1,208	-	140,874
<b>Net book value at 31 July 2013</b>	<b>174,813</b>	<b>10,994</b>	<b>3,333</b>	<b>3,296</b>	<b>1,339</b>	<b>1,208</b>	-	<b>194,983</b>

On 4 April 2008 the Quintin Hogg Trust transferred the beneficial interest in five halls of residence (consisting of one leasehold building and four freehold buildings) to the University. In July 2014 legal title to the five halls was passed to the University.

The halls of residence buildings were valued as at the date of transfer by Philip Hillman FRICS. The valuation was executed using an existing use value for accounts purposes.

# UNIVERSITY OF WESTMINSTER

## NOTES TO THE FINANCIAL STATEMENTS (continued)

### 19. TANGIBLE ASSETS (CONTINUED)

#### (c) The Group and the University

	The Group		The University	
	2014 £'000	2013 £'000	2014 £'000	2013 £'000
(i) Analysis of land and buildings at cost or valuation:				
At cost	159,847	159,847	152,236	152,236
Revaluation increase	26,208	26,208	19,436	19,436
At valuation: 31 July 1995	<b>186,055</b>	<b>186,055</b>	<b>171,672</b>	<b>171,672</b>

Freehold properties were revalued at 31 July 1995 by Messrs Drivers Jonas & Co., Chartered Surveyors.

The transitional rules set out in FRS 15, Tangible Fixed Assets, have been applied on implementing FRS 15. Accordingly the book values at implementation have been retained.

	The Group		The University	
	2014 £'000	2013 £'000	2014 £'000	2013 £'000
(ii) If freehold land and buildings had not been revalued, they would have been included at the following amounts:				
Cost	159,847	159,847	152,236	152,236
Aggregate depreciation	(32,524)	(29,701)	(25,486)	(22,665)
Net book value	<b>127,323</b>	<b>130,146</b>	<b>126,750</b>	<b>129,571</b>

(iii) The value of freehold land and buildings includes £27.254 million in respect of land that is not depreciated (2013: £27.254 million).

# UNIVERSITY OF WESTMINSTER

## NOTES TO THE FINANCIAL STATEMENTS (continued)

### 20. FIXED ASSET INVESTMENTS

	<b>The Group</b>		<b>The University</b>	
	<b>2014</b>	<b>2013</b>	<b>2014</b>	<b>2013</b>
	<b>£'000</b>	<b>£'000</b>	<b>£'000</b>	<b>£'000</b>
<b>Share in subsidiary undertakings:</b>				
At 1 August and 31 July	-	-	1	1
<b>Other shareholdings:</b>				
At 1 August	82	81	71	71
Appreciation in value of investment assets	1	1	-	-
Increase in investment value (Note 17)	23	-	23	-
At 31 July	106	82	94	71
<b>TOTAL</b>	<b>106</b>	<b>82</b>	<b>95</b>	<b>72</b>

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

At 31 July 2014, the University and Group own 2,235,803 Ordinary 0.0001 pence shares in Hypha Discovery Ltd, an unquoted company. This holding amounts to 28.8% of the issued share capital and represents a participating interest with no significant influence exercised over the company.

# UNIVERSITY OF WESTMINSTER

## NOTES TO THE FINANCIAL STATEMENTS (continued)

### 20. FIXED ASSET INVESTMENTS (continued)

The following companies were held as investments by the University of Westminster on 31 July 2014. They are all subsidiary undertakings of the University and, with the exception of University of Westminster (International), all operate in the UK.

	Voting rights %	Nature of Business
Uniwest (Finance) Ltd	100	Issue of Promissory Note
Uniwest (Investments) Ltd	100	Investment in Uniwest (Finance) Ltd
Uniwest (Property) Ltd	100	Leasing of properties
University of Westminster (Trading) Ltd	100	Research, vacation letting of halls of residence
University of Westminster (International)	100	Education, research and training overseas
WestmlInnovation Ltd	100	Exploitation of intellectual property

University of Westminster (International) did not trade during the financial year.

Uniwest (Investments) Ltd owns 100% of the issued ordinary share capital of Uniwest (Finance) Ltd and holds 100% of the voting rights in that company.

With the exception of Uniwest (Finance) Ltd, all shareholdings are in the name of the University of Westminster. The University holds 100% of the issued ordinary share capital and 100% of the voting rights in these companies, all of which are registered in England and Wales and operate in the UK.

#### Other subsidiary undertakings

In November 2007, following Charity Commission consent, the trustees of the University of Westminster Prize and Scholarship Fund used their power of amendment as contained in the Fund Scheme to appoint the University of Westminster as sole trustee of the Fund. Accordingly from 2008 the results for the year of the University of Westminster Prize and Scholarship Fund were consolidated into the Group. The University of Westminster Prize and Scholarship Fund is a registered Charity, number 11010405. The activity of the Fund is the advancement of education by the awarding of prizes and scholarships tenable at the University of Westminster.

# UNIVERSITY OF WESTMINSTER

## NOTES TO THE FINANCIAL STATEMENTS (continued)

### 21. ENDOWMENT ASSET INVESTMENTS

	The Group		The University	
	2014 £'000	2013 £'000	2014 £'000	2013 £'000
<b>Investments</b>				
Market value at 1 August	964	925	320	324
Appreciation in the value of endowment asset investments	8	41	-	-
(Decrease) in cash balances	(25)	(2)	(26)	(4)
<b>Balance at 31st July</b>	<b>947</b>	<b>964</b>	<b>294</b>	<b>320</b>
Fixed interest stocks	2	2	-	-
Charities Official Investment Fund	370	362	-	-
Cash	575	600	294	320
<b>Total endowment asset investments</b>	<b>947</b>	<b>964</b>	<b>294</b>	<b>320</b>

### 22. DEBTORS

	The Group		The University	
	2014 £'000	2013 £'000	2014 £'000	2013 £'000
<b>Amounts falling due within one year:</b>				
Trade and sundry debtors	2,495	2,712	2,495	2,409
Amounts owed by subsidiary undertakings	-	-	79	71
Other debtors	1,256	1,297	1,118	1,297
Prepayments and accrued income	4,442	4,339	4,249	4,244
<b>Total debtors</b>	<b>8,193</b>	<b>8,348</b>	<b>7,941</b>	<b>8,021</b>



# UNIVERSITY OF WESTMINSTER

## NOTES TO THE FINANCIAL STATEMENTS (continued)

### 23. INVESTMENTS HELD AS CURRENT ASSETS

	<b>The Group</b>		<b>The University</b>	
	<b>2014</b>	<b>2013</b>	<b>2014</b>	<b>2013</b>
	<b>£'000</b>	<b>£'000</b>	<b>£'000</b>	<b>£'000</b>
Short term deposits	24,014	10,014	24,014	10,014
Equities at valuation at 31 July	-	1	-	-
	<b>24,014</b>	<b>10,015</b>	<b>24,014</b>	<b>10,014</b>

Equities consist of the following:

At 31 July 2014, the University held 132 shares in Lloyds TSB (2013: 132 shares in Lloyds TSB), with a market value at that date of £98 (2013: £90). During the year the Group redeemed at par its' holding of £494 of 12% Exchequer stock for £369.

# UNIVERSITY OF WESTMINSTER

## NOTES TO THE FINANCIAL STATEMENTS (continued)

### 24. CREDITORS

	The Group		The University	
	2014	2013	2014	2013
	£'000	£'000	£'000	£'000
<b>Amounts falling due within one year:</b>				
Trade creditors	10,596	10,199	10,556	10,178
Bank and other borrowings – promissory note	1,031	868	-	-
Bank and other borrowings – other loan	307	286	307	286
Taxation and social security	2,137	2,146	2,065	2,083
Provision for enhanced future pension	128	133	128	133
Access Funds (see note 27)	35	50	35	50
Other creditors	7,261	6,750	7,213	6,728
Accruals and deferred income	16,103	14,579	15,429	14,154
	<b>37,598</b>	<b>35,011</b>	<b>35,733</b>	<b>33,612</b>

#### Amounts falling due after more than one year:

Bank and other borrowings – promissory note	11,442	12,473	-	-
Bank and other borrowings – other loans	34,304	24,611	34,304	24,611
Amounts owed to subsidiary undertakings	-	-	11,638	13,261
Provision for enhanced future pension	1,905	2,108	1,905	2,108
Accruals and deferred income	225	294	225	294
	<b>47,876</b>	<b>39,486</b>	<b>48,072</b>	<b>40,274</b>

#### Analysis of promissory note and other bank loan:

Due within one year	1,338	1,154	307	286
Due between one and two years	2,504	1,337	1,296	307
Due between two and five years	8,950	7,115	4,012	2,856
Due in over five years	34,292	28,632	28,996	21,448
	<b>47,084</b>	<b>38,238</b>	<b>34,611</b>	<b>24,897</b>

The interest rate on the promissory note (issued on 31 October 1996) is 9.54%. The loan is secured on University land and buildings, and is due to be repaid by 2021.

There are two other bank loans. The first bank loan has a term of thirty years that commenced during the year ended 31 July 2008. On the 28 June 2013 the interest rate on this loan was fixed at 5.2925% for the remaining period of the loan. In July 2014 the University redeemed an existing £10m sixteen year loan and entered into a new £20m loan for a twenty year term at an interest rate of 4.74%. Both loans are unsecured.

# UNIVERSITY OF WESTMINSTER

## NOTES TO THE FINANCIAL STATEMENTS (continued)

### 25. DEFERRED CAPITAL GRANTS

#### (a) The Group

	<b>Buildings HEFCE £'000</b>	<b>Buildings Other grants £'000</b>	<b>Equipment Other grants</b>	<b>Investment £'000</b>	<b>Total £'000</b>
Balance at 1 August 2013	20,351	36,423	16	34	56,824
Grants received	1,074	500	-	-	1,574
	21,425	36,923	16	34	58,398
Release to Income and Expenditure account	(710)	(1,025)	(8)	(34)	(1,777)
<b>Balance at 31 July 2014</b>	<b>20,715</b>	<b>35,898</b>	<b>8</b>	<b>-</b>	<b>56,621</b>

#### (b) The University

	<b>Buildings HEFCE £'000</b>	<b>Buildings Other grants £'000</b>	<b>Equipment Other grants</b>	<b>Investment £'000</b>	<b>Total £'000</b>
Balance at 1 August 2013	18,615	36,609	16	34	55,274
Grants received	1,074	500	-	-	1,574
	19,689	37,109	16	34	56,848
Release to Income and Expenditure account	(656)	(1,030)	(8)	(34)	(1,728)
<b>Balance at 31 July 2014</b>	<b>19,033</b>	<b>36,079</b>	<b>8</b>	<b>-</b>	<b>55,120</b>

# UNIVERSITY OF WESTMINSTER

## NOTES TO THE FINANCIAL STATEMENTS (continued)

### 26. ENDOWMENTS

#### (a) The Group

	Restricted expendable £'000	Restricted permanent £'000	Total £'000
Balance at 1 August 2013	378	586	964
Additions	-	-	-
Appreciation of endowment asset investments	-	8	8
Income for year	3	-	3
Qualifying expenditure	(28)	-	(28)
<b>Balance at 31 July 2014</b>	<b>353</b>	<b>594</b>	<b>947</b>

#### (b) The University

	Restricted expendable £'000	Restricted permanent £'000	Total £'000
Balance at 1 August 2013	233	87	320
Additions	-	-	-
Income for year	1	-	1
Qualifying expenditure	(27)	-	(27)
<b>Balance at 31 July 2014</b>	<b>207</b>	<b>87</b>	<b>294</b>

#### (b) The University

### 27. ACCESS FUNDS FOR STUDENTS

The University and Group received and distributed HEFCE access funds as follows:

	2014 £'000	2013 £'000
At 1 August	50	-
Received	356	366
Interest accrued	1	1
Distributed	(372)	(317)
<b>At 31 July</b>	<b>35</b>	<b>50</b>

The University acts only as a paying agent. The grants and related disbursements are, therefore, excluded from the Income and Expenditure account.

# UNIVERSITY OF WESTMINSTER

## NOTES TO THE FINANCIAL STATEMENTS (continued)

### 28. RECONCILIATION OF MOVEMENTS ON RESERVES

#### (a) The Group

	<b>Revaluation reserve</b>	<b>Revenue reserve</b>	<b>Pension reserve</b>	<b>Total reserves</b>
	<b>£'000</b>	<b>£'000</b>	<b>£'000</b>	<b>£'000</b>
Balance at 1 August 2013	<b>23,525</b>	<b>93,951</b>	<b>(62,300)</b>	<b>55,176</b>
Surplus for the year	-	23,519	(3,422)	20,097
Actuarial loss in respect of pension scheme	-	-	(8,521)	(8,521)
Transfer for depreciation relating to revaluation	(510)	510	-	-
<b>Balance at 31 July 2014</b>	<b>23,015</b>	<b>117,980</b>	<b>(74,243)</b>	<b>66,752</b>

#### (b) The University

	<b>Revaluation reserve</b>	<b>Revenue reserve</b>	<b>Pension reserve</b>	<b>Total reserves</b>
	<b>£'000</b>	<b>£'000</b>	<b>£'000</b>	<b>£'000</b>
Balance at 1 August 2013	<b>20,262</b>	<b>93,263</b>	<b>(62,300)</b>	<b>51,225</b>
Surplus for the year	-	24,883	(3,422)	21,461
Actuarial loss in respect of pension scheme	-	-	(8,521)	(8,521)
Transfer for depreciation relating to revaluation	(386)	386	-	-
<b>Balance at 31 July 2014</b>	<b>19,876</b>	<b>118,532</b>	<b>(74,243)</b>	<b>64,165</b>

# UNIVERSITY OF WESTMINSTER

## NOTES TO THE FINANCIAL STATEMENTS (continued)

### 29. FINANCIAL COMMITMENTS

#### Operating leases

At 31 July the Group had commitments during the next financial year in respect of operating leases:

	<b>Land and buildings 2014 £'000</b>	<b>Land and buildings 2013 £000</b>
<b>Leases which expire:</b>		
Within 2 to 5 years	-	1,387
After 5 years	4,494	3,067
	<b>4,494</b>	<b>4,454</b>

### 30. CAPITAL AND OTHER FINANCIAL COMMITMENTS

Capital expenditure authorised and contracted for but not provided in the accounts amounts to £1.251 million for the Group and University (2013: £5.298 million).

Contracts placed for future expenditure not provided in the accounts in respect of other financial commitments amount to £nil for the Group and University (2013: £nil).

### 31. RECONCILIATION OF OPERATING SURPLUS TO NET CASH FROM OPERATING ACTIVITIES

	<b>2014 £'000</b>	<b>2013 £'000</b>
Surplus from Operating Activities	20,072	11,098
Depreciation (note 12)	8,566	7,003
Reclassification of fixed assets	-	674
Release of investment provision	(23)	-
Deferred capital grants released to income (note 25)	(1,777)	(1,708)
Investment income (note 9)	(496)	(657)
Interest payable (note 11)	2,495	2,360
Decrease/(increase) in debtors	155	(1,342)
Increase in creditors	2,130	809
Net pension cost	3,422	2,076
<b>Net Cash Inflow from Operating Activities</b>	<b>34,544</b>	<b>20,313</b>

# UNIVERSITY OF WESTMINSTER

## NOTES TO THE FINANCIAL STATEMENTS (continued)

### 32. ANALYSIS OF CHANGES IN NET FUNDS

	<b>At 1 August 2013</b>	<b>Cash flows</b>	<b>At 31 July 2014</b>
	<b>£'000</b>	<b>£'000</b>	<b>£'000</b>
<b>Cash at bank and in hand:</b>			
Endowment assets	600	(25)	575
Other	36,086	15,650	51,736
	<b>36,686</b>	<b>15,625</b>	<b>52,311</b>
<b>Liquid resources:</b>			
Current asset investment	1	(1)	-
Short term deposits	10,014	14,000	24,014
	<b>10,015</b>	<b>13,999</b>	<b>24,014</b>
<b>Debt:</b>			
Loans due within one year	(1,154)	(183)	(1,337)
Loans due after more than one year	(37,084)	(8,663)	(45,747)
	<b>(38,238)</b>	<b>(8,846)</b>	<b>(47,084)</b>
<b>Net funds</b>	<b>8,463</b>	<b>20,778</b>	<b>29,241</b>



# UNIVERSITY OF WESTMINSTER

## NOTES TO THE FINANCIAL STATEMENTS (continued)

### 33. PENSION COSTS

The Group operates four pension schemes of the defined benefit type. Three are funded and one, the Teachers' Pension Scheme, is unfunded. The assets of the schemes are held separately from the assets of the Group, in independently administered funds.

The other pension costs total disclosed in note 13 is analysed below.

	2014 £'000	2013 £'000
<b>Employers' contributions:</b>		
Teachers' Pension Scheme	4,823	4,628
London Pensions Fund Authority	4,467	4,016
Superannuation Arrangements of the University of London	269	324
Universities Superannuation Scheme	789	868
Payments in respect of unfunded pensions	403	675
	10,751	10,511
<b>FRS17 adjustment</b>	1,010	269
	<b>11,761</b>	<b>10,780</b>

Details of the four Group pension schemes are set out below.

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

The latest actuarial valuation of the TPS was carried out as at 31 March 2012 and in accordance with the Public Service Pensions (Valuations and Employer Cost Cap) Directions 2014. The valuation report was published by the Department for Education on 9 June 2014. The key elements of the valuation and subsequent consultation are:

- employer contribution rates set at 16.48% of pensionable pay (including a 0.08% employer administration charge (currently 14.1%);
- total scheme liabilities for service to the effective date of £191,500 million, and notional assets of £176,600 million, giving a notional past service deficit of £14,900 million; and
- an employer cost cap of 10.9% of pensionable pay will be applied to future valuations.

The new employer contribution rate is applicable from 1 April 2015 and will be implemented for the TPS from September 2015.

It is not possible to identify the University's share of the underlying assets and liabilities of the TPS. Therefore contributions are accounted for as if the TPS were a defined contribution scheme and pension costs are based on the amounts actually paid (i.e. cash amounts) in accordance with paragraphs 8-12 of FRS17. In the year ending 31 July 2014 contributions by the Group to the scheme were £4.823 million (2013: £4.628 million).

# UNIVERSITY OF WESTMINSTER

## NOTES TO THE FINANCIAL STATEMENTS (continued)

### 33. PENSION COSTS (continued)

#### Superannuation Arrangements of the University of London (SAUL)

The University of Westminster participates in a centralised defined benefit scheme for all qualified employees with the assets held in separate Trustee-administered funds. The University has adopted FRS17 for accounting for pension costs. It is not possible to identify the University's share of the underlying assets and liabilities of SAUL. Therefore contributions are accounted for as if SAUL were a defined contribution scheme and pension costs are based on the amounts actually paid (i.e. cash amounts) in accordance with paragraphs 8-12 of FRS17. In the year ending 31 July 2014, contributions by the Group to the scheme were £269,000 (2013: £23,852).

In 2013 a £300,000 provision was made in respect of the anticipated additional costs associated with the crystallisation of a liability as a result of the last member leaving the pension scheme and no suitable replacement to the scheme to enable the continuation of the scheme being found. During 2013/14 no suitable replacement member of the scheme was found to enable the continuation of the scheme and on 15 July 2014 the University signed a deed of Cessation with the SAUL Trustee Company having discharged its Section 75 debt to the scheme totalling £569,000 plus costs of £5,901.

#### London Pensions Fund Authority (LPFA)

This defined benefit scheme is subject to a triennial valuation by independent actuaries. The valuation used for FRS17 disclosures has been based on the most recent actuarial valuation at 31 March 2013 and updated by Barnett Waddingham to take account of the requirements of FRS17 in order to assess the liabilities of the scheme as at 31 July 2014.

The financial assumptions used by the actuary for the funding valuation under FRS17 as at 31 July 2014 were:

	<b>2014</b>	<b>2013</b>
	<b>% per annum</b>	<b>% per annum</b>
Assumptions as at:		
Expected return on assets	5.8	5.4
Salary increases	4.5	4.3
Pension increases	2.7	2.6
Discount rate	4.3	4.8

The current mortality assumptions include sufficient allowance for future improvements in mortality rates. The assumed life expectations on retirement at age 65 are:

	<b>2014</b>
<i>Current pensioners</i>	
Males	21.8
Females	25.2
<i>Future pensioners</i>	
Males	24.2
Females	27.4

The assumptions used by the actuary are best estimates chosen from a range of possible actuarial assumptions which, due to the timescales covered, may not necessarily be borne out in practice.

# UNIVERSITY OF WESTMINSTER

## NOTES TO THE FINANCIAL STATEMENTS (continued)

### 33. PENSION COSTS (continued)

The fair value of the University's share of the scheme assets, which are not intended to be realised in the short-term and may be subject to significant change before they are realised, were:

Assets (Active fund)	Long term rate 2014 % per annum	Fund value 2014 £'000	Long term rate 2013 % per annum	Fund value 2013 £'000	Long term rate 2012 % per annum	Fund value 2012 £'000
Equities	6.7	47,502	6.4	48,768	5.6	60,915
Target return funds	6.1	30,919	4.9	30,091	4.3	8,580
Alternative assets	n/a	n/a	5.4	8,301	4.6	13,727
Cash	3.2	14,966	0.5	1,038	0.5	2,574
Infrastructure		3,609	n/a	-	n/a	-
Property	5.6	2,963				
Commodities	6.1	1,151				
Cashflow matching	3.4	6,601	3.4	15,564	n/a	-
<b>Total</b>		<b>107,711</b>		<b>103,762</b>		<b>85,796</b>

The University's net pension assets were as follows:

Net pension assets as at	2014 £'000	2013 £'000
Estimated asset share (a)	107,711	103,762
Present value of scheme liabilities	(177,430)	(161,684)
Present value of unfunded liabilities	(4,524)	(4,378)
Total value of liabilities (b)	(181,954)	(166,062)
<b>Deficit in the scheme (a) – (b)</b>	<b>(74,243)</b>	<b>(62,300)</b>

#### Analysis of amounts charged to income and expenditure account:

	2014 £'000	2013 £'000
Current service cost	5,928	4,812
Past service cost	-	-
Impact of curtailments and settlements	69	-
<b>Total operating charge</b>	<b>5,997</b>	<b>4,812</b>
Financing:		
- expected return on pension assets	(5,645)	(4,469)
- interest on pension scheme liabilities	8,057	6,276
<b>Net return</b>	<b>2,412</b>	<b>1,807</b>

# UNIVERSITY OF WESTMINSTER

## NOTES TO THE FINANCIAL STATEMENTS (continued)

### 33. PENSION COSTS (continued)

<b>Analysis of amount recognised in Statement of Total Recognised Gains and Losses (STRGL):</b>	<b>2014 £'000</b>	<b>2013 £'000</b>
Actual return less expected return on pension scheme assets	(3,886)	11,840
Experience gains/(loss) on the scheme liabilities	14,393	(25)
Changes in assumptions underlying the present value of the scheme liabilities	(19,028)	(12,832)
<b>Total actuarial (loss) recognised</b>	<b>(8,521)</b>	<b>(1,017)</b>

Analysis of the movements in the present value of the scheme liabilities

	<b>2014 £'000</b>	<b>2013 £'000</b>
<b>Opening defined benefit obligation</b>	<b>166,062</b>	<b>145,003</b>
Current service cost	5,928	4,812
Interest cost	8,057	6,276
Contributions by members	1,908	1,700
Actuarial losses	4,267	12,857
Past service costs	69	-
Estimated unfunded benefits paid	(443)	(430)
Estimated benefits paid	(3,894)	(4,156)
<b>Closing defined benefit obligation</b>	<b>181,954</b>	<b>166,062</b>

Analysis of movement in the market value of the scheme assets

	<b>2014 £'000</b>	<b>2013 £'000</b>
<b>Opening fair value of employer assets</b>	<b>103,762</b>	<b>85,796</b>
Expected return on assets	5,645	4,469
Contributions by members	1,908	1,700
Contributions by the employer including unfunded benefits	4,987	4,543
Actuarial gains	(4,254)	11,840
Estimated benefits paid including unfunded benefits	(4,337)	(4,586)
<b>Closing fair value of employer assets</b>	<b>107,711</b>	<b>103,762</b>

# UNIVERSITY OF WESTMINSTER

## NOTES TO THE FINANCIAL STATEMENTS (continued)

### 33. PENSION COSTS (continued)

The Group pays contributions to the Fund at rates determined by the Fund's actuaries based on regular actuarial reviews of the financial position of the Fund. Prior to 1 April 1990, the Fund was liable only for non-increasing pensions with increases to these pensions being recharged separately to the participating employers on an annual basis.

Subsequent amending regulations have transferred to the Fund liability for pension increase payments falling after 1 April 1990 but only 75% of the overall liabilities were to be funded. From 1 April 1993, 100% of the liabilities have to be funded. Employer's contribution rates reflect this liability and funding requirement.

The employer's contribution was reduced from 17.30% to 16.80% with effect from 1 April 2011.

The experience gains and losses for the year ended 31 July were as follows:

	2014 £'000	2013 £'000	2012 £'000	2011 £'000	2010 £'000
<b>Difference between the expected and actual return on scheme assets</b>	<b>(4,254)</b>	<b>11,840</b>	<b>(4,239)</b>	<b>2,989</b>	<b>1,963</b>
Value of assets	107,711	103,762	85,796	82,783	71,556
Percentage of assets	(3.9%)	11.4%	(4.9)%	3.6%	2.7%
<b>Experience gains/(losses) on liabilities</b>	<b>14,761</b>	<b>(25)</b>	<b>(139)</b>	<b>14,432</b>	<b>1,719</b>
Present value of liabilities	(181,954)	(166,062)	(145,003)	(134,393)	(127,013)
Percentage of the present value of liabilities	8.1%	(0.0)%	(0.1)%	10.7%	1.4%
<b>Actuarial gain/(loss) recognised in the STRGL</b>	<b>(8,521)</b>	<b>(1,017)</b>	<b>(5,517)</b>	<b>6,134</b>	<b>(1,514)</b>
Percentage of the present value of liabilities	(4.7)%	(0.6)%	(3.8)%	4.6%	1.2%

In the year ending 31 July 2014, contributions by the Group to the scheme were £4.467 million (2013: £4.016 million).

#### Universities Superannuation Scheme (USS)

The institution 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 fund administered by the trustee, Universities Superannuation Scheme Limited.

The appointment of directors to the board of the trustee is determined by the trustee company's Articles of Association. Four of the directors are appointed by Universities UK; three are appointed by the University and College Union, of whom at least one must be a USS pensioner member; and a minimum of three and a maximum of five are independent directors appointed by the board. Under the scheme trust deed and rules, the employer contribution rate is determined by the trustee, acting on actuarial advice.

# UNIVERSITY OF WESTMINSTER

## NOTES TO THE FINANCIAL STATEMENTS (continued)

### 33. PENSION COSTS (continued)

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The latest actuarial valuation of the scheme was at 31 March 2011. This was the second valuation for USS under the scheme-specific funding regime introduced by the Pensions Act 2004, which requires schemes to adopt a statutory funding objective, which is to have sufficient and appropriate assets to cover their technical provisions. The actuary also carries out regular reviews of the funding levels. In particular, he carries out a review of the funding level each year between triennial valuations and details of his estimate of the funding level at 31 March 2014 are also included in this note.

The triennial 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 0.3% from the market-implied inflation on account of the historically high level of inflation implied by government bonds (particularly when compared to the Bank of England's target of 2% for CPI which corresponds broadly to 2.75% for RPI per annum).

To calculate the technical provisions, it was assumed that the valuation rate of interest would be 6.1% per annum, salary increases would be 4.4% per annum (with short-term general pay growth at 3.65% per annum and 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 3.4% per annum for 3 years following the valuation then 2.6% per annum thereafter.

Standard mortality tables were used as follows:

- Male members' mortality S1NA ['light'] YoB tables – no age rating
- Female members' mortality S1NA ['light'] YoB 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 CMI 2009 projections with a 1.25% pa long term rate were also adopted. The assumed life expectations on retirement at age 65 are:

- Males (females) currently aged 65 – 23.7 (25.6) years
- Males (females) currently aged 45 – 25.5 (27.6) years

At the valuation date, the value of the assets of the scheme was £32,433.5 million and the value of the scheme's technical provisions was £35,343.7 million indicating a shortfall of £2,910.2 million. The assets therefore were sufficient to cover 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 number of other bases as at the valuation date. On the scheme's historic gilts basis, using a valuation rate of interest in respect of past service liabilities of 4.4% per annum (the expected return on gilts) the funding level was approximately 68%. Under the Pension Protection Fund regulations introduced by the Pensions Act 2004 the Scheme was 93% funded; on a buy-out basis (i.e. assuming the scheme had discontinued on the valuation date) the assets would have been approximately 57% of the amount necessary to secure all the USS benefits with an insurance company; and using the FRS17 formula as if USS was a single employer scheme, using an AA bond discount rate of 5.5% per annum based on spot yields, the actuary estimated that the funding level at 31 March 2011 was 82%.

# UNIVERSITY OF WESTMINSTER

## NOTES TO THE FINANCIAL STATEMENTS (continued)

### 33. PENSION COSTS (continued)

As part of this valuation, the trustees have determined, after consultation with the employers, a recovery plan to pay off the shortfall by 31 March 2021. In 2011 the actuary estimated that if experience remained in line with the assumptions made, the shortfall at 31 March 2014 would be £2.2 billion, equivalent to a funding level of 95%.

However, changes in market conditions between March 2011 and March 2014 have had an impact on scheme funding. The next formal triennial actuarial valuation will take place as at 31 March 2014, and work is currently underway to update the actuarial assumptions and allow for any adjustments to the overall funding approach adopted by the trustee board in consultation with stakeholders.

As work on the 2014 valuation is not yet complete the trustee cannot provide the final figure however, an estimate has been provided using the assumptions used to deliver the 2011 actuarial valuation. On that basis, the actuary has estimated that the funding level under the scheme specific funding regime will have fallen from 92% at 31 March 2011 to 85% at 31 March 2014. This estimate is based on the results from the valuation at 31 March 2011 allowing primarily for investment returns and changes to market conditions.

The funding level has decreased mainly due to a decrease in real gilt yields, reducing the implied net discount rate and therefore placing a higher value on the schemes liabilities. This increase has been partially offset by a higher than expected investment return.

On the FRS17 basis, using an AA bond discount rate of 4.5% per annum based on spot yields, the actuary estimates that the funding level at 31 March 2014 was 75%. An estimate of the funding level measured on a historic gilts basis at that date was approximately 61%.

Surpluses or deficits which arise at future valuations 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 on a technical provisions basis as at the date of the last triennial actuarial valuation are set out below:

Assumption	Change in assumption	Impact on shortfall
Investment return (valuation rate of interest)	Decrease by 0.25%	Increase by £1.6 billion
The gap between RPI and CPI	Decrease by 0.25%	Increase by £1 billion
Rate of salary growth	Increase by 0.25%	Increase by £0.6 billion
Members live longer than assumed	1 year longer	Increase by £0.8 billion
Equity markets in isolation	Fall by 25%	Increase by £4.6 billion

The technical provisions relate essentially to the past service liabilities and funding levels, but it is also necessary to assess the ongoing cost of newly accruing benefits. The cost of future accrual was calculated using the same assumptions as those used to calculate the technical provisions but the allowance for promotional salary increases was not as high. Analysis has shown very variable levels of growth over and above general pay increases in recent years, and the salary growth assumption built into the cost of future accrual is based on more stable, historic, salary experience. However, when calculating the past service liabilities of the scheme, a cautionary reserve has been included, in addition, on account of the variability mentioned above.

# UNIVERSITY OF WESTMINSTER

## NOTES TO THE FINANCIAL STATEMENTS (continued)

### 33. PENSION COSTS (continued)

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As at the 2011 valuation the Scheme was still a fully Final Salary Scheme for future accruals and the prevailing employer contribution rate was 16% of salaries.

Following UK government legislation, from 2011 statutory pension increases or revaluations are based on the Consumer Prices Index measure of price inflation. Historically these increases had been based on the Retail Prices Index measure of price inflation.

Since the valuation effective date of 31 March 2011 there have been a number of changes to the benefits provided by the scheme although these became effective from October 2011. These include:

#### *New Entrants*

Other than specific, limited circumstances, new entrants are now provided on a Career Revalued Benefits (CRB) basis rather than a Final Salary (FS) basis.

#### *Normal pension age*

The normal pension age was increased for future service and new entrants to age 65.

#### *Flexible retirement*

Flexible retirement options were introduced.

#### *Member contributions increased*

Contributions were uplifted to 7.5% p.a. and 6.5% p.a. for FS Section members and CRB Section members respectively.

#### *Cost sharing*

If the total contribution level exceeds 23.5% of Salaries per annum, the employer will pay 65% of the excess over 23.5% and members would pay the remaining 35% to the fund as additional contributions.

#### *Pension increase cap*

For service derived after 30 September 2011, USS will match increases in official pensions for the first 5%. If official pensions increase by more than 5% then USS will pay half of the difference up to a maximum increase of 10%.

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 trustee's role is to set risk and return parameters which reflect the strength of the sponsoring employers and the nature of the scheme's liabilities. These parameters, taken together with the anticipated returns form the basis of the trustee's funding strategy. These parameters are informed by advice from its internal investment team, its investment consultant and the scheme actuary, as well as an independent assessment of the support available from the sponsoring employers. The trustee remains confident that it can continue to take a long-term view of scheme funding, backed as it is by a robust Higher Education sector.



# UNIVERSITY OF WESTMINSTER

## NOTES TO THE FINANCIAL STATEMENTS (continued)

### 33. PENSION COSTS (continued)

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The fund is invested in a wide range of asset classes, both publicly traded (including equities and fixed income) and private (including private equity, infrastructure, property and timberland). A diversified portfolio helps to spread investment risk across different asset classes and to boost the level of confidence in maintaining sufficient investment returns from the fund as a whole. This investment approach is innovative and responsible, and targeted at achieving returns required to meet the scheme's liabilities. Recently, the trustee has invested directly in infrastructure assets. These investments are typically illiquid, but can achieve attractive inflation-linked returns in ways often not available in the publicly traded markets and which can match the scheme's liabilities to a high degree.

At 31 March 2014 USS had over 162,000 active members and the University has 97 active members participating in the scheme.

The total pension cost for the institution was £788,742 (2013: £868,967). This includes £35,483 (2013: £61,483) outstanding contributions at the Balance Sheet date. The contribution rate payable by the institution was 16% of pensionable salaries.

### 34. RELATED PARTY TRANSACTIONS

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Up to November 2007, three separate charitable trusts existed for the benefit of the students of the University of Westminster.

The Trusts were: Quintin Hogg Trust, The Quintin Hogg Memorial Fund and the University of Westminster Prize and Scholarship Fund. The Trusts are individually registered charities.

In November 2007, following Charity Commission consent, the trustees of the University of Westminster Prize and Scholarship Fund used their power of amendment as contained in the Fund Scheme to appoint the University of Westminster as sole trustee of the Fund. Accordingly from 2008 the results for the year of the University of Westminster Prize and Scholarship Fund were consolidated into the Group.

Following the above amendment there are now two separate charitable trusts which exist for the benefit of the students and are treated as Related Parties. One of the five trustees of these trusts was also a governor and trustee of the University during the 2014 financial year (2013: one of the five trustees was also a governor of the University).

As well as the two charitable trusts, the University of Westminster Students' Union is a separate entity existing for the benefit of the students of the University of Westminster. It is not controlled by the University and has not been consolidated into the University Group financial statements. The sabbatical President of the Students' Union was also a governor and trustee of the University during the 2014 financial year, so the Students' Union is treated as a related party of the University.

# UNIVERSITY OF WESTMINSTER

## NOTES TO THE FINANCIAL STATEMENTS (continued)

### 34. RELATED PARTY TRANSACTIONS (continued)

The material transactions that have taken place during the financial year and the balances at the year end are as follows:

	2014 £'000	2013 £'000
<b>Quintin Hogg Trust:</b>		
Rent payable to Trust – academic buildings	(2,468)	(2,466)
Donations received by University recognised in the Income and Expenditure account	1,500	1,500
Deferred capital grants received – Regent Street Cinema	500	-
Amounts owed to the University – disclosed within debtors	(22)	(31)
<b>The Quintin Hogg Memorial Fund:</b>		
Rent payable to Trust	(161)	(195)
Amounts owed by the University – disclosed within creditors	-	(138)
<b>The Students' Union:</b>		
Subvention payable to Students' Union	(975)	(740)
Other expenditure payable and invoiced by the Students' Union	35	28
Salaries reimbursed and invoiced by the University	803	778
Other income receivable and invoiced by the University	12	4
Amounts owed to the University – disclosed within debtors	455	483

The members of the Court of Governors are also trustees of the University and have confirmed that they are not aware of any related party transactions between themselves and the University. Due to the nature of the University's operations and the composition of the Court of Governors (being drawn from both public and private sector organisations) it is inevitable that transactions will take place with organisations in which a member of the Court of Governors may have an interest. All transactions involving organisations in which a member of the Court of Governors may have an interest are conducted at arm's length and in accordance with the University's financial regulations and normal procurement procedures.

