

**Roehampton University**  
**Annual Report and Financial Statements**  
**31 July 2016**



**Company Registration Number 5161359 (England and Wales)**

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## Chair of Council's Statement for the year ended 31 July 2016



In a year in which the University celebrated the 175th anniversary of the foundation of its oldest College, Whitelands, Roehampton has demonstrated considerable resilience in an uncertain external environment.

Demand for places at Roehampton remains strong. The University recorded a 6.1% market share in the main cycle of undergraduate applications for 2015 entry, ahead of the target it has set in its 2014-19 Strategic Plan. Postgraduate UK applications have also performed well. The University has seen a mixed picture with regards to applications from outside the UK, with demand from the European Union increasing, but falling among those from outside the EU.

The quality of teaching that Roehampton provides can be measured by the performance of our students, who come from a diverse range of backgrounds. In 2016, 68% of undergraduates received a 2:1 or 1<sup>st</sup> class honours degree.

The most recent survey of graduate employment, the Destination of Leavers of Higher Education (DLHE) survey, found that 93% of our graduates are in work or study six months after leaving us, a 2% increase on last year, which is the best performance the University has had in the survey. Roehampton has also recorded its strongest-ever figures for the

proportion of its graduates in professional-level jobs, at 72.7%.

These results contribute to the three major 2016 league tables, the Guardian University Guide, the Sunday Times Good University Guide, and the Complete University Guide, which ranked Roehampton as the best modern university in London.

This success has been achieved at the same time as the proportion of Roehampton students from lower income backgrounds and from state schools has risen. The most recent data shows 43% of our students come from the lowest socio-economic groups and 97% from state schools, significantly above the national averages of 33% and 90% respectively.

The last year saw considerable successes for the University in teaching and research and new academic subjects were introduced into the Roehampton curriculum. This included the official launch of the Roehampton Law School, which welcomed its first cohort of students in September 2015. Roehampton Online is continuing to perform well, with over 6,000 students enrolled worldwide.

The University is in its third year of a major building programme, designed to address the needs of future students. September 2015 saw 210 new student residences in Chadwick Hall, as part of a refurbishment of Downshire House. Work has also been completed on Elm Grove Hall on the Digby Stuart campus, which is providing over 350 new student bedrooms, a modern conferencing centre and a new University Welcome Centre from the beginning of the 2016-17 academic year.

The University has invested an additional £1 million in learning and teaching facilities across its campus. New computer suites have opened in Whitelands, teaching rooms in Southlands have been refurbished and new study spaces created in the Library. The forthcoming year will see further rooms refurbished, equipment upgraded and specialist facilities enhanced. The University is also making excellent progress towards creating its first purpose-built library, scheduled to open in 2017.

In consultation with students, new social spaces have been created all over campus. Whitelands college bar has been redesigned into a sports café and the Digby diner has also been refurbished to create a more modern and student friendly space.

The 2015/16 financial year also presented a range of challenges for the University. The results of the 2016 National Student Survey, in line with a number of other London universities, saw a small decline on 2015. Improving student satisfaction with assessment and feedback will be an area of particular focus over the coming year.

Retention of students is also a focus for improvement. The University has implemented a range of initiatives, including a substantial investment into technology to support learning and teaching.

One of the most significant external challenges this year was the vote in June 2016 by the UK to leave the European Union (EU). The University has devised and is implementing a Brexit Action Plan and the Vice-Chancellor and other senior colleagues are ensuring that the voice of Roehampton and the wider university sector is heard as negotiations between the UK and EU progress.

The forthcoming Teaching Excellence Framework and the vote for the UK to leave the EU, despite the government's commitment to maintaining the rights of EU students in the short term, are likely to lead to challenges. This means Roehampton will have to continue to build upon its successes in 2015-16 and address new challenges.

Sir David Bell, Chair of Council

# Strategic Report for the year ended 31 July 2016

## Introduction

The report below provides a summary of the notable achievements of the University in the 2015-16 financial year, and also identifies a number of challenges that will be addressed in 2016-17.

One of the most notable events during this report was the beginning of a series of events to recognise the 175th anniversary of the foundation of Whitelands College. The centerpiece of this was a service of thanksgiving held at Westminster Abbey on 24 May. The service, led by the University of Roehampton's Pro-Chancellor and Dean of Westminster the Very Reverend John Hall, was attended by 1,900 guests including staff, alumni, students and distinguished guests.

During the year, the University continued to launch new subjects, enhance the curriculum of its existing programmes and build new partnerships:

- We successfully launched four new extended degrees in Business Management, Education and Early Childhood Studies. For 2016-17, new extended degree programmes have been created in Sociology, Criminology, Psychology and in the Life Sciences. Students taking these extended degree programmes will be part of a new Centre for Foundation Studies. The Centre has been established to support students to develop and thrive in their foundation years before moving into their main degree programmes.
- Following the launch of the Law School, a Graduate Diploma in Law has been introduced, with the first cohort of students starting in September 2016. The undergraduate LLB in Law has had a successful first year and has recruited well for 2016-17.
- Programmes in the Business School have been relaunched with a greater focus on ensuring students become "business ready". The School is central to the partnership with QA, which delivers Business programmes accredited by Roehampton in central London and Birmingham.
- Roehampton Online is growing strongly. As of 31 July 2016 the partnership with Laureate had 6,176 students registered on online postgraduate degrees.

## Enhancing the student experience

Roehampton is focused on producing the kind of graduate that employers value: a critical thinker, able to adapt to a changing world, and with an ongoing passion for their subject. The University is also committed to ensuring that the student voice is central to shaping student experience, through our Student Partnership.

Students continued to play a vital role in shaping the academic learning environment at Roehampton in 2015-16. The well-established Student Senate provides a valuable forum for gaining detailed feedback on specific proposals aimed at enhancing aspects of the student experience. In response to a recommendation from the most recent Institutional Audit by the Quality Assurance Agency, the University and Roehampton Students' Union (RSU) have given our Student Partnership greater prominence in core communications.

2015 saw the election of a new student officer role; RSU Vice President Education, creating the opportunity to strengthen the student voice in academic quality assurance, for example, through a better trained cohort of student programme representatives on Programme Boards and review and Validation Panels. In order to enhance student voice and feedback, the University introduced Unitu, a platform which provides an opportunity for structured and supported student discussion and feedback on all aspects of students' studies at Roehampton.

The last year saw significant improvements in the careers support provided to students. This support now includes:

- a comprehensive online careers portal offering e-learning courses, a jobs database, career assessments, CV builder, interview support and videos, podcasts and articles
- an online mentoring scheme which partners existing students with a network of alumni and employers for coaching and career advice
- a paid internship scheme, supported by Santander Bank, providing 30 three-month internships and 7 one-month internships with SMEs across the region
- a leadership development programme, Frontrunner. Frontrunner is a leadership development programme for university students, designed to develop their leadership skills, employability and networks.

## Strategic Report for the year ended 31 July 2016

- a new Chancellor's award has been launched which will encourage students to complete career related activities

The commitment of the Roehampton Students' Union to environmental activities, particularly through the Growhampton project, has continued to generate significant positive response from students, staff and members of the wider University community. The Hive Café, opened in May 2014 with a grant from HEFCE's NUS Sustainability Fund, secured a further £15,000 grant from Wandsworth Council. The new funding will pay for a roadshow and delivering free growing, sustainability and healthy eating sessions at local schools. The Hive has also expanded in size, supported through a Crowdfunding campaign.

In our efforts to enhance support for commuting students, Roehampton Students' Union is launching a Student Mentor scheme for 2016 entry. Student mentors are current students who volunteer to help first-years living off-campus discover more about student life at the University. They will introduce students to societies, sports teams and other students and will help make sure they make the most out of their first few weeks at Roehampton.

The University has also approved the purchase of new Student Records and Attendance Monitoring systems. These new systems will improve data management and the student experience.

### Campus developments



An artist's impression of the new library building

In 2015-16, work started to create the University's brand new purpose-built library, which will act as a symbol of Roehampton's commitment to providing the best possible learning resources and environment for all students. The £34 million four-storey building will provide a stimulating and inspiring place to study. It will have a range of learning spaces, from individual quiet spaces to larger areas for group working.

## Strategic Report for the year ended 31 July 2016

The library will also be home to the University's extensive range of books and special collections, such as the Froebel archive, Richmal Compton Collection and Ann Hutchinson Guest Collection. It will also house other specialist collections such as The Centre for Marian Studies, the Queen's Archive and the Jewish Resource Centre Collection. A reading room will be designated specifically to our special collections and the library will host a series of exhibitions to make its collections accessible to students, staff and the public. The library is due to be completed in July 2017.

Elm Grove Hall, the University's new purpose-built halls of residence and conference centre, was completed just after the period covered in this report. The five-storey building has over 350 rooms featuring ensuite bathrooms and a new reception area for the University.

The addition of Chadwick Hall, which opened in autumn 2015, and a new hall of residence, Elm Grove Hall, which opened in autumn 2016, means that the University can now offer student accommodation for 2,066 students.

A project to re-instate The Watchers sculpture, to its original location in the grounds of Downshire House, was completed in 2016, following permission from the estate of Lynn Chadwick to allow us to re-cast one of the figures. The new figure and the remaining two have been re-installed in their original location.

The University named the new hall of residences Chadwick Hall, in honour of the sculptor's work. Examples of Chadwick's conceptual artwork and photographs of him constructing sculptures have been displayed in the entrance of the new hall of residence.



*The Watchers, Downshire House*

The University also invested in additional prayer facilities for Muslim students and staff in Froebel College and in upgrading the Roehampton Medical Centre. Refurbishment of student social spaces was carried out including Southlands College café area, Digby Stuart College diner, Whitelands College bar and Monte Hall in Froebel.

The Students' Union facilities have also been significantly enhanced to accommodate additional student activities on campus in the newly refurbished Olive Garnet building on Froebel College. This will provide extensive space for student societies and other RSU activities.

## Strategic Report for the year ended 31 July 2016

In terms of environmental sustainability, work continues on replacing the University lighting with LED lights to reduce consumption with the lighting in Whitelands College replaced this year. The focus last year shifted to the University achieving its strategic target of full compliance with BS14001 by 2020. This work is well underway and environmental management systems are being developed to enable the achievement of the target on schedule.

### Learning and teaching

Over the past year Roehampton has been preparing for the new Teaching Excellence Framework (TEF). Following the publication of the most recent Learning and Teaching Strategy in autumn 2014, the University has undertaken a number of strategic initiatives to enhance learning and teaching across all programmes.

The first initiative has been to invest in the quality of academic staff both through new appointments and through academic staff development. A campaign to encourage academic staff to gain professional teaching qualifications has been a success with over 90% of academic teaching staff gaining a Higher Education Academy (HEA) qualification.

The second important strategic enhancement over the past year has been to launch a new curriculum review in a wide range of subject areas. As part of the curriculum review, the University has established a set of key framework documents to shape curriculum design into the future. The first of these, the Roehampton Graduate Attributes, focuses attention on the ambitions and aspirations of students and ensuring our graduates have what it takes to be successful. Student engagement played a central role in the curriculum reviews. Over the past year, the University, working closely with the Students' Union, has sought to strengthen student participation in academic affairs through a better trained student-led programme representative system.

A third initiative in the strategic enhancement of learning and teaching in 2015-16 has been around student achievement. Since 2014, the University has sought to improve delivery of student assessment and feedback by going online. Improvements to the timeliness of feedback subsequent to students undertaking exams and other assessments have been put in place, although the results of the 2016 National Student Survey highlighted the need to build on this work in 2016-17.

As part of the University's focus on student achievement, 2015-16 saw two major investments in the learning environment – digital attendance monitoring and lecture capture; and a major review of the academic calendar to enhance the student experience for students across all programmes. The new attendance systems, going live in September 2016, will provide a powerful tool to promote student engagement, address concerns with retention and support student achievement.

The University's commitment to enhancing the learning environment around student achievement in 2015-16 also focused on inclusive practices in learning and teaching, in particular, with the changes to the Disabled Students' Allowance. Lecture capture launching in 2016 has been one response. Enhanced support to students with disabilities also includes a new student buddy system and standardised and enhanced online learning environments.

Measuring the learning gain of students during their time at university is a key concern for government and policy-makers. In 2015-16, Roehampton joined two multi-institution HEFCE-funded projects on how to understand and measure learning gain. Both projects will provide insights for the University in how best to support our students to develop as people and become the successful graduates Roehampton wants them to be.

### Research

The standard of research continues to grow in stature and influence and has an increasing impact nationally and internationally. The University recognised £1.5 million of research funding which included the following notable successful bids:

- Professor Mick Cooper from the Department of Psychology received funding of £835,000 from the Economic and Social Research Council (ESRC) for research into benefits of professional school counsellors. Professional counselling services are being established in 18 secondary schools to test whether pupils in need of support improve more after receiving counselling from a professional counsellor, measured against other in-need pupils who use the school's existing pastoral care provision. Professor Cooper has carried out research which informed new government guidance sent to schools nationwide on how to recognise pupils who may have mental health issues.



## Strategic Report for the year ended 31 July 2016

- Michael Brown, from the Department of Humanities, secured a £570,000 grant from the Wellcome Trust to study emotions of surgeons in the 19<sup>th</sup> century. The extensive project will challenge the conventional view of surgeons, including those in the Napoleonic Wars and First World War, who were viewed as being dispassionate about their patients - now known as clinical detachment.
- Dr Robert Busch, Senior Lecturer in Molecular Immunology, received approximately £90,000 in funding from the Multiple Sclerosis (MS) Society for a two-year project identifying how Vitamin D protects against the disease. If taken in sufficient amounts, vitamin D protects against MS, but its specific role is unclear. Dr Busch's group will be examining how vitamin D influences the production, and fate of tissue antigens that have been implicated in genetic risk of MS.
- Dr Shelley Trower of the Department of English and Creative Writing, in collaboration with Royal Holloway, was awarded £356,000 by the Arts and Humanities Research Council. The funding was given for the project 'Memories of Fiction: An Oral History of Reader's Life Stories'. The project investigates readers' memories of the fiction they have read since childhood. The funding has allowed Dr Trower to recruit a research assistant and two PhD students.
- Professor Adam Ockelford from the School of Education has expanded the work of his children's music charity Soundabout to over 2,500 children's centres in the UK. The University and the charity have worked in partnership to develop a framework to help practitioners and parents engage with children with complex and special needs through music. A £177,000 grant was secured in October 2015 to fund the development and creation of new musical learning resources for visually impaired children with learning difficulties.
- Dr Susana Castro and Dr Olympia Palikara from the School of Education are part of a multi-national team developing a new method of analysing the best way to support children with special educational needs. The team is working alongside colleagues in Germany, Austria, Italy, Turkey and Macedonia to develop a new website tool based on the World Health Organisation's classifications for disability and impairments. The project has received €380,000 in funding from the European Commission.

Contributions to policy and national debate by Roehampton staff included the following:

- Dr Aisha Gill, a criminologist in the Department of Social Sciences, played a key role in shaping new laws on forced marriage and has spoken about her work to the BBC and Sky news. She was also one of a group of international experts invited to the USA in 2015 to advise the United Nations on gender perspectives on torture and ill-treatment.
- Senior Law Lecturer Dr Katie Boyle from the Department of Social Sciences undertook research for the Scottish Human Rights Commission that set out potential models that could be adopted in Scotland for a more robust human rights structure, and was invited by the Scottish Government to present these in late 2015.
- Dr Andrew Rogers, Principal Lecturer in Practical Theology, launched the AHRC funded Faith and Place Network policy briefing at the House of Commons. The network exists to address the issues at the interface of faith, place and planning, especially for minority faith groups in the UK. It has brought together, for the first time, many groups with a strong interest in these issues, namely faith group representatives, planners, policy makers, local and national government representatives and civil society organisations.

Roehampton staff were also recognised for the quality of their work, including:

- Angela Colvert, Senior Lecturer in the School of Education, received a Children's BAFTA nomination for a computer game that supports children to learn to read. Angela is a member of a team behind 'Teach Your Monster to Read', a series of computer games which support children's early reading. The third game in the series has had hundreds of thousands of downloads and teacher resources to support the use of the game are distributed internationally.
- Dr Kathryn Tempest, Senior Lecturer in Latin Literature and Roman History in the Department of Humanities, produced the first-ever English language translation of 2,000 year-old letters, once believed to have been written by Marcus Brutus. She was awarded a prestigious 12-month Leverhulme Fellowship to work on the project, entitled 'The Pseudepigraphs of Marcus Junius Brutus'.
- Professor Zachary Leader, from the Department of English and Creative Writing, produced a high profile biography of Saul Bellow, one of the greatest 20<sup>th</sup> century American writers. *The Life of Saul Bellow* was published to mark 100 years since Bellow was born and was the first biography since the author's death in 2005 and the first to discuss his life and work in its entirety. It was named as 'Literature Book of the Year' by the Sunday Times in November 2015.

### Key Performance Indicators and Risk Analysis

The University's Strategic Plan 2014-19 aims to ensure that by 2019 we will be:

## Strategic Report for the year ended 31 July 2016

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

### Key performance targets

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

Recruiting High-Quality Students				
Indicator	Measure	Baseline 2012	Target 2019	2016
Portfolio	New subject areas launched	n/a	3 new subjects launched	2 new subject areas launched, in addition to one online programme
Applications	Market share (competitor group)*	5.7%	6.0%	6.1%
Student quality	Average tariff on entry	281	300	273

The University has worked hard to set and achieve realistic enrolment targets that maintain both financial stability and the quality of the student intake. Throughout the 2015/16 academic year, the Planning department monitored applications and provided forecasts of recruitment. Based on the progress of applications, targets were revisited and revised as appropriate. The department provided sector data on average tariff of our peers and the sector by different subject areas to assist in the setting of targets and carried out internal audit checks of our HESA data to ensure that we are recording students accurately. Despite all of these initiatives, the average tariff entry of students that started in the last academic year was 273. This is short of the 2019 target by 27 points. The University has accepted a higher proportion of high tariff applicants, during August 2016 clearing and throughout the main cycle which indicates that average tariff on entry is likely to improve for 2016-17 entry.

Helping Students to Achieve Their Potential				
Indicator	Measure	Baseline 2012	Target 2019	2016
Overall satisfaction	% satisfaction in the National Student Survey (NSS)	85%	88%	82%
Quality of teaching	% satisfaction in NSS	86%	89%	85%
Assessment and feedback	% satisfaction in NSS	71%	73%	69%

Our overall satisfaction score has dropped by one percentage point to 82% on last year's result. There were some strong subject-level results (over 90%) notably in Anthropology, English & Creative Writing, Drama, Ministerial Theology and Sport & Exercise Science. With the Teaching Excellence Framework in mind, attention now focuses on ensuring those subject areas with lower NSS scores improve and that all subject areas reach their benchmark scores.

At 85%, student satisfaction with the quality of teaching on their course remained the same as the previous year. This is 2 percentage points below the sector.

Over the last academic year the University has implemented an online marks project to deliver timely feedback to students. The 69% score for assessment and feedback is 4% below the 2019 target. Analysis of the results indicates the main barrier to improving this score is in making the criteria used in marking clear in advance as well as the clarity of assessment expectations. Student feedback demonstrates that the structure of academic timetables can have a significant impact upon their learning experiences. Extensive activity has been undertaken

\* The University's competitor group is the six institutions to which our applicants most commonly also apply. These are; Brunel University, University of Greenwich, Kingston University, Middlesex University, St Mary's University Twickenham and the University of Westminster.

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to appraise the way in which academic timetables are designed for students. A new framework has been established, with the Business School the first to implement a new approach to programme delivery.

The table below shows degree classifications achieved in 2015/16 compared to the previous two years.

Degree Classification	2013/14 %	2014/15 %	2015/16 %
First Class Honours	13.5	17.1	16.0
Second Class Honours (Upper Division)	56.4	53.4	52.2
Second Class Honours (Lower Division)	27.5	26.1	28.8
Third Class Honours	2.6	3.4	3.0

### Supporting Staff

The University has developed an annual staff engagement survey to measure progress and ensure that staff satisfaction improves during the lifetime of the Strategic Plan. This will be launched in October 2016.

### Creating and Disseminating World-Class Ideas

Indicator	Measure	Baseline	Target 2019	2016
Research	Ranked in the top third of institutions by grade point average in the Research Excellence Framework (REF)	2008 Research Assessment Exercise (RAE) 2.2	2.5	2014 REF 2.8
	Value of successful research bids and grants	2013 £0.85m	£1.7m	2016 £1.5m

### Helping Students to Achieve Their Potential

Indicator	Measure	Baseline 2012	Target 2019	2016
Employability	% of students in employment or further study according to DLHE statistics	88%	90%	93%
Student satisfaction	% agree Personal Development section in NSS	80%	90%	79%
Graduate mentoring scheme	Number of students engaged with scheme	n/a	250	84
'Roehampton Friends'	Number of alumni actively engaged in activity, strong advocates of Roehampton	900	2,500	2,993

The most recent figures from the Destination of Leavers of Higher Education (DLHE), which measures whether graduates are in work or study six months after leaving the University, show an improvement of 4.4 percentage points on 2012, exceeding the 2019 target. Of those in work, 72.7% were in graduate level employment, a small increase from the previous year's 72.5% and the highest proportion of graduates in graduate level jobs in the University's history.

### Creating a World Class Campus

Indicator	Measure	Baseline 2012	Target 2019	2016
Learning resources	% satisfaction in NSS	81%	86%	82%
Organisation and management	% satisfaction in NSS	78%	80%	76%

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Student satisfaction with learning recourses has seen an improvement of 2 percentage points on last year's result. In the breakdown of the questions, student satisfaction with their ability to access general IT recourses and their satisfaction with specialised equipment and facilities were areas of particular concern in 2015. Both have seen improvements this year with satisfaction in accessing general IT resources rising 5 percentage points to 88% and satisfaction in accessing specialised equipment rising 2 percentage points to 77%. During 2015-16 significant enhancements were made to improve student experience, including to group study areas, power availability and furniture. Furthermore, additional printed copies of academic texts were purchased to address gaps in provision.

Maintaining Financial Stability				
Indicator	Measure	Baseline 2013	Target 2019	2016
Financial stability	Liquidity	90 days	100 days	69 days
	Earnings before interest, taxes, depreciation and amortisation (EBITDA)	8.0%	10%	15.8%

The liquidity days reduction from prior year is as a result of an increased investment in the physical infrastructure and University systems, both funded from cash reserves.

### Risk analysis

The University's Council has identified a number of high-level risks which it monitors on a regular basis. The Council is confident that these risks are well managed. The University maintains a fully scored and prioritised Strategic Risk Register, with each risk linked to one or more of the University's strategic objectives. The Finance Strategy Group (FSG) is responsible for the review of the Strategic Risk Register on a regular basis throughout the academic year as set out in the risk management policy. During 2015-16, the revised Strategic Risk Register was presented to all Audit Committee meetings and to subsequent Council meetings.

Additionally, the University has promoted greater involvement at academic and administrative department level in the risk management process to ensure that risks are identified and managed at the appropriate level within the organisation.

The Head of each academic department and the Deputy Provost Academic Development are responsible for identifying and managing the risks specific to their areas in accordance with the Risk Policy. The Deputy Provost Academic Development maintains a risk register using the University-wide risk register template and consults the academic Departmental Heads during this process.

The Director/Head of each administrative support department is responsible for identifying and managing the risks specific to their areas in accordance with the risk policy. During the 2015-16 department business planning process they were asked to consider risk by providing an up-to-date risk register. Members of FSG were able to consider this risk when updating the High-Level Risk Register.

Both make use of the University's risk register to identify core areas of work needed to be undertaken to ensure adequate and effective risk management. Departments map out their planned actions in relation to each of these key areas of work. This enables the University to maintain a greater level of control in relation to risk and to be more certain about its future direction and, crucially, the extent to which its mission can be achieved.

### Top priority high-level risks

As of 31 July 2016, the University had identified four risks with the highest priority:

- changes in Government policy on future funding or places
- the cost of supporting the pension schemes
- disruption to IT infrastructure and information systems
- British de-accession from the EU

## Strategic Report for the year ended 31 July 2016

### Changes in Government policy on future funding or places

The current political climate has caused a significant amount of uncertainty within the Higher Education sector, but also directly to Roehampton. In order to mitigate this risk, the Vice-Chancellor and senior staff maintain the University's influence in sector-level discussions on emerging policy by engaging in a number of activities, including the Vice-Chancellor's continued membership of the UUK Board, which engages with senior Government officials.

The University undertakes regular financial forecasting and scenario planning.

### The cost of supporting the pension schemes

The University has staff in the Teachers' Pension Scheme, the London Pensions Fund Authority (LPFA – part of the Local Government Pensions Scheme) and the Universities Superannuation Scheme. There is a significant financial risk to supporting these pension schemes. In order to monitor this risk the University has created a Pensions Working Group (PWG) chaired by the PVC and Director of Finance. The Group is responsible for:

- closely monitoring developments in the three main schemes
- monitoring auto-enrolment arrangements to make sure the University remains compliant
- encouraging participation in the LPFA Employers Forum to ensure that its interests are aired and to help them better understand the sector
- instructing external advisors to help with the process of negotiating a further settlement with the LPFA
- ensuring the University's budget includes adequate provision to support the costs of the pension schemes during the budget setting process

### Disruption to IT infrastructure and information systems

A successful IT infrastructure supports students to achieve their academic goals and staff to undertake their roles efficiently and effectively. Disruption to IT infrastructure and information systems would have implications for the sustainability of the University. Over the past year the University has undertaken significant enhancements to its digital framework to enable the high demands on the network to be effectively met.

The University continues to undertake a range of initiatives to reduce the risk of disruptions:

#### Updating of core business systems

Updates have allowed for twenty four hour and service level monitoring being possible on all core business systems to be achieved, generating excellent insight to support network maintenance.

#### Updating the technology our students and staff use

Through the procurement process the University has implemented a new system with Microsoft which will improve both the sustainability and reliability of our systems whilst significantly reducing operational costs over the next decade.

#### Improving the education of our staff and students

Through improving the education of our users, we hope to prevent issues from happening – for example regarding Phishing.

#### Implementing rigid project frameworks and controls

To ensure that the implementation of new systems such as our new student attendance monitoring system and new student record system help prevent disruptions.

Due to an increased level of control it was decided that this risk should become a medium level risk for 2016-17.

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### United Kingdom de-accession from the European Union

The impact of the United Kingdom exiting the European Union was added to the High-Level Risk Register in June 2016 prior to the Referendum. It was a significant new risk which was given a high risk scoring.

An impact assessment was conducted in 2015-16 to understand the potential impact on the University of leaving the EU. It was thought that it could have a detrimental impact on EU student numbers, income and EU staff recruitment.

Following on from the decision to leave the EU, an Action Plan designed to address possible consequences was approved, outlining actions to mitigate any potential negative impacts from the UK leaving the EU. This will be implemented in 2016-17. The decision by the Government to guarantee student funding for EU students commencing study in 2017/18 has provided some more certainty in the short-term. As a result of this increased control, it has been decided to reduce the priority of the risk of British de-accession from the EU to a medium level risk for 2016-17.

### Student satisfaction

The University experienced a small fall in student satisfaction scores in 2016, according to the results of the latest National Student Survey (NSS). This included overall satisfaction dropping from 83% to 82%. This follows on from a decline in overall satisfaction in the 2015 NSS. The falls coincide with a major programme of building work which, as expected, caused significant disruption on campus.

An action plan put in place by the Deputy Vice-Chancellor & Provost in 2015 is ongoing and has been adapted in response to the 2016 results. The plan includes continuing the work carried out in 2015-16 to improve the quality and availability of academic space, including specialist facilities and study spaces. Satisfaction with learning resources showed an improvement on 2015 and further investment will be made in 2016-17 to ensure this continues.

Academic departments will continue to share best practice and a new structure is being put in place to ensure a focus on addressing issues around assessment and feedback, programme management and associated communications.

### University Responsibility

#### Outreach and participation

The University is committed to widening participation and ensuring fair access to Higher Education. With a strong history of attracting students from a wide range of social and cultural traditions, Roehampton continues to recruit large numbers of students from diverse backgrounds and under-represented groups and is committed to their success as evidenced by our excellent degree classifications and employment outcomes. The University is committed to consistently out-performing the national average on a range of indicators:

- ethnicity, state school attendance, percentage of students from socioeconomic groups 4, 5, 6 and 7
- non-continuation rate
- graduate employment rates

For 2015-16 entrants:

- 97% of young, full-time first-degree entrants to Roehampton came from state schools and colleges, substantially above the national average of 89.8% and our benchmark of 94.4%
- the proportion of young, full-time first degree entrants from the NS socioeconomic groups classification 4, 5, 6 or 7 at Roehampton was 43%, substantially above the sector figure of 33% and our benchmark of 41.2%
- the University's recruitment and marketing activities have led to successes in recruiting students from black and minority ethnic (BME) backgrounds. Roehampton has more than twice the average proportion of BME students; 52% of students who declare their ethnicity are from BME backgrounds, compared to the national average of 23%
- 18.9% of full-time first-degree entrants were mature students, with the majority having no previous experience of higher education
- 51% of the undergraduate first-year intake qualified for a full maintenance grant (having a household income below £25k)

## Strategic Report for the year ended 31 July 2016

Roehampton works with its partners on a variety of outreach activities. For the 2015-16 academic year these included taster workshops, personal statement workshops, student life presentations, information about studying abroad, attendance at Higher Education fairs. Other initiatives included:

- COMPASS (the University of Roehampton Compact Scheme). The scheme aims to help students to develop the skills, knowledge and confidence to progress to higher education. Over 1,000 Year 12 students registered for the scheme in 2015-16.
- The University continued to work collaboratively through Aimhigher London South (AHLS). As part of the AHLS network collaboration with Linking London and AccessHE, Roehampton is supporting the enhanced provision of impartial information, advice and guidance across London, to close the gaps and improve the flow of information to schools. In 2015-16 Roehampton was involved in projects targeting care leavers and young people in care as well as parents who have limited or no experience of HE.
- In conjunction with Putney High School, the *Cool to be Clever* programme was launched in July 2015. The programme targets approximately 50 Year 4 gifted and talented children from Wandsworth primary schools who, if they went to university, would be the first in their family to do so. The aim, by the end of the 3-year project, is that the children's aspirations will have been raised, parents will have confidence in university as a realistic option for their children, and the attainment levels of these children will have improved.
- As part of its 175th Anniversary celebrations, Roehampton launched Class of 2020 in partnership with BT. The programme, which began in October 2016, aims to enhance the ambitions of 175 young women through the power of education.
- Roehampton was also successful in its bid to join phase 4 of the Sutton Trust's Pathways to Law scheme, a two-year legal access programme which provides students with the information, advice and guidance needed to succeed in a career in law.

### Community engagement

In 2015-16 we have continued our outward and public-facing engagement with the local community and businesses. Key projects include:

- Building upon our relationships with almost 400 schools through our School of Education, through which we remain one of the largest providers of teacher education in the country.
- Working with the Booker Prize Foundation to expand the University's Prison Reading Groups (PRG). Run by staff in our Department of English and Creative Writing, the scheme promotes the spread of reading groups in prisons and provides funding and support for those who run them. The project now supports over 45 groups in more than 30 prisons.
- New partnerships with Battersea Arts Centre and Barnes Children's Literature Festival. These build upon the existing partnership with Wimbledon Bookfest. These provide paid and voluntary work experience opportunities for Roehampton students and allow the University to enhance the contribution it makes to south-west London's cultural life.
- A thriving calendar of events open to the public, including the Ruskin Lecture, professorial lectures and the annual Hopkins Lecture, organised in memory of the poet Gerard Manley Hopkins.
- Providing continued support in 2015-16 for the Wandsworth Guardian Young Supporters Scheme, including sponsorship and Roehampton students acting as paid interns for the newspaper.
- Providing a range of volunteering and sustainability initiatives through our Students' Union, including the expansion of the Growhampton project to include free growing, sustainability and healthy eating sessions in schools and youth groups in Wandsworth.

### Equality and diversity

The promotion of equality, diversity, mutual respect and understanding are part of the University's core values, and its commitment to implementing these values is evidenced in its day-to-day operations and is set out in its Strategic Plan 2014-2019.

The Equality and Diversity Committee (EDC) is responsible for the development of the University's equality and diversity strategy and for ensuring that the University has appropriate policies and procedures in place to meet its legal obligations. Over the last year, EDC, together with other stakeholders across the University, pursued a range of equality and diversity initiatives and activities including:

## **Strategic Report for the year ended 31 July 2016**

### **Publication of the Annual Equality Report and progression of Equality Objectives**

EDC published the University's Annual Report which demonstrates how the University is meeting the aims of the Equality Duty and how it is progressing its Equality Objectives.

### **Review and revision of policies and procedures**

Building on an agreed review process for the Diversity & Equal Opportunities Policy feedback from a consultation which had been undertaken across staff and students and other stakeholders was reviewed. The consultation was used in teaching sessions and comments derived from such sources were particularly welcomed. Feedback and comment was extensive and wide ranging and provided useful insight for the re-drafting process.

After a series of meetings, and consideration of draft revisions, a final version of the revised Equality and Diversity Policy was approved.

### **Provision of equality and diversity training and equality awareness-raising**

Equality awareness training for all members of staff is mandatory and during the Policy review process, a suggestion to extend equality awareness training to students was raised and will be pursued.

A number of training events were offered in 2015 including workshops on: diversity, dignity and respect; mental health awareness; working with students with dyslexia, bullying and harassment awareness for managers; bullying & harassment support for staff. The Students' Union also held awareness and action campaigns and events including: 'Let's Stop Homophobia, Sexism, Racism, Sexual Harassment, Anti-Religion, Labelling and Ableism' which aimed to raise awareness of heightened issues but also to challenge discourses and stigmas in our community. A well attended focus group arranged as part of the University's Stonewall membership initiative was held and UR Pride was established as a result.

### **Advancement of equality through student support and outreach**

The University's Disability Service provides support and advice to students with specific learning difficulties and disabilities to enable them to complete their programmes of studies. Support offered includes: one-to-one appointments and drop in sessions; assistance in applying for funding and accessing equipment; note-taking services, campus and library support, mentoring and specialist tuition; screening and diagnostic assessment; and digitisation services. Specialist staff advise on reasonable adjustments and support colleagues to implement these effectively. DDS also provides awareness training and works collaboratively to support inclusion of disabled students in all aspects of University life.

The University's Learning, Teaching & Quality Committee continues to lead on how best to support students with disabilities and learning difficulties following the announcement of changes to the Disabled Students' Allowance, and a series of disability related workshops for staff have been run by the University's Disability Service.

Research by the Learning and Teaching Office on the achievement of black and minority ethnic students informed the externally-accredited higher education teaching training that is available to all staff – and which all new staff without an HE qualification have to attend.

The University continues to encourage applications from groups under-represented within the University and guarantees an interview to all job applicants declaring a disability who meet the minimum selection criteria. The University has gained membership of Athena Swan, demonstrating its commitment to advancing womens' academic careers in STEMM (Science, Technology, Engineering, Mathematics and Medicine).

The University reviewed its maternity pay provision and significantly increased pay provision for staff. Staff will now receive the equivalent of 18 weeks at 100% of their salary and 8 weeks at 50% of their salary (inclusive of Statutory Maternity Pay).

We continue to undertake equality monitoring to highlight any inequalities, investigate their underlying causes and identify actions that can be taken to remove any unfairness or disadvantage. During the last year, the University also commenced use of an eRecruitment system which captures data on protected characteristics. It is anticipated that this will facilitate greater



## Strategic Report for the year ended 31 July 2016

understanding, analysis and monitoring of the University's workforce. The University continued to benchmark against approximately 80 other higher education institutions through the DLA Workforce Performance Indicators Questionnaire submitted annually.

### Modern slavery and human trafficking

The University supports the UK government's objectives to eradicate modern slavery and human trafficking and continues to take action to promote ethical business practices and policies to protect workers from being abused and exploited in its business and its supply chain. The University has published a Slavery and Human Trafficking Statement on its website pursuant to Section 54 of the Modern Slavery Act 2015 which sets out the steps taken by the University during the year ending 31 July 2016 to ensure that slavery and human trafficking are not taking place in its supply chains or in any part of its business.

### Financial Review

The University has applied the accounting requirements as set out in Financial Reporting Standard (FRS) 102. FRS 102 provides a basis for financial reporting requirements. In March 2014 a new Statement of Recommended Practice: Accounting for Further and Higher Education (SORP) was published. As the standard came into effect for the year ended 31 July 2016, the 31 July 2015 figures have been restated for comparative purposes.

The main impact on our financial position of these changes include the revaluation of freehold land and buildings and leasehold land increasing fixed assets by £31.8m at the date of transition (1 August 2014). The other changes included an employee annual leave accrual of £2.6m as of the date of transition and the creation of a pension liability arising from the need to recognise the deficit recovery plan for the University Superannuation Scheme (USS) of £0.6m (note 29).

### Strategy for sustainability

The primary purpose of the University's Financial Strategy is to ensure that the University remains financially viable and that long-term success and sustainability are achieved in line with the 2025 goals. The current Financial Strategy contains a number of targets to be achieved within the life of the strategy; one of these targets is net liquidity of 100 days. As at 31 July 2016, net liquidity days stood at 69 days, which is mainly because of an increase in capital investment in both systems and academic space across the campus, funded from cash reserves.

The progress against all targets in the University's Financial Strategy is provided in the table below; the July 2015 measures have been recalculated under the requirements of FRS 102:

Indicator	Measure	July 2015 (Restated)	July 2016
Staffing	Staff costs as a % of Income	57.7%	51.5%
Liquidity	Net liquidity days	152	69
Historical cost surplus or deficit	Historical cost surplus or deficit as a % of income	(0.5)%	8.3%
Net cash flow from operating activities	Ratio of total net cash inflow from operating activities to total income	10.2%	13.1%
Discretionary reserves	Reserves as a % of income (excluding pension provision)	71.2%	70.5%
Earnings before interest, taxes, depreciation and amortisation (EBITDA)	EBITDA as % of turnover	6.5%	15.8%

The University achieved a consolidated surplus for 2015/16 of £8.8m. This compares to a restated loss of £0.5m in the previous financial year. The total of the comprehensive income was -£7.0m compared to -£6.8m in 2014/15. The total comprehensive income includes the effects of the actuarial loss in respect of the LGPS pension scheme, which because of market conditions has increased to £15.7m from £6.3m, this figure is a snapshot of the funds deficit valued as at 31 July 2016.

## Strategic Report for the year ended 31 July 2016

The income for 2015/16 increased by £15.9m (18%) to £105.5m. Tuition fee income increased by £11.5m (19%) and income from Funding Council grants increased by £0.5m (5%). Income from Home/EU students rose by £11.1m (22%) from £50.1m to £61.2m. The additional fees are as a result of an increase in the 2015/16 student intake and additional students recruited via the University's collaboration with QA Limited. In contrast, income from international students only modestly increased by £0.4m (7%) to £6.8m.

Income from research grants and contracts increased by £0.07m (5%) to £1.6m. The rise was a result of some new research projects beginning during the year. Other Operating Income increased by £3.6m (21%), due mainly to the additional student accommodation in Chadwick Hall and continued additional success with partnerships.

Staff costs of £54.3m represent the most significant item of expenditure. Total staff costs increased by £2.7m. This figure also includes pension scheme adjustment costs for the London Government Pension Scheme (LGPS) (FRS 102 post-employment benefits) of £1.3m (2015: £0.8m) and restructuring costs of £0.9m (2015: £0.6m). The cost of living increase in 2015/16 comprised a 1.1% increase on basic pay.

In 2015/16 other operating expenses increased by £2.9m. The increase in expenditure resulted from payments to our external partner for the delivery of our courses, which also resulted in an increase in income. Interest Payable has increased to £2.8m which reflects the additional loan funding received in 2015/16. The FRS 102 post-employment benefits interest adjustment reduced by £0.6m compared to 2014/15.

### Balance sheet

Tangible fixed assets total £202m, this figure includes assets in the course of construction cost of £52m (for the construction of Elm Grove Hall and the Library project) and as at the date of transition to FRS 102 the University revalued freehold land and buildings, which resulted in a total increase in the fixed asset value of £31m.

The increase in Pension fund liability of £17.7m to £57.2m is primarily due to reduction in return on assets held with the LGPS and a corresponding increase in the liability. The fall in corporate bond yields over the last few months, particularly in the period following the European Union referendum, has driven down discount rates and therefore increased the defined benefit obligation significantly. Discount rates have reduced from 3.8% at 31 July 2015 to 2.6% at 31 July 2016.

### Investments

The University predominantly uses a cash management service to manage its treasury activity. All surplus funds are invested for a maximum period to improve return. In June 2016, the University agreed an investment policy to ensure that funds are invested under an ethical policy to maximise returns and minimise risks within appropriate investments. This policy is regularly reviewed. In order to promote best practice the University has formed an Investment Subcommittee to be responsible for monitoring and assessing all University investments. The Dove Bowerman and the Gerhard Weiler endowment funds are invested directly with investment fund companies; these funds had a value as at 31 July 2016 of £327,241 and £59,948 respectively.

### Post balance sheet events

Post balance sheet events may have a significant effect on the values shown in the accounts, and occur after the balance sheet date but prior to the date on which the accounts are approved by Council. The Council has no post balance sheet events to report.

Approved by and signed on behalf of the Council



Nicholas Brookes  
Director of the University and Chair of Finance and Estates Committee

## **Statement of Public Benefit for the year ended 31 July 2016**

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

### **Object, vision and values**

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

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

Our vision is that we are committed to ensuring that all of our students, regardless of their background, fulfil their potential. They become the kind of graduate that employers value: a confident, critical thinker; adaptable; able to work well with people from all walks of life and with an ongoing passion for learning.

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

- We provide a personal learning experience, helping our students grow as individuals and become responsible citizens and leaders.
- We are focused on creating new knowledge and ideas that help us to understand our world and make it a better place.
- Our Student Partnership offers our students a say in how we run the University. We provide a wide range of opportunities for them to get involved, through volunteering, playing sport, music, or joining one of our many active student societies.
- We have a proud history stretching back 175 years through our four Colleges. Our history informs our ethos, built on community and partnership.

As outlined in our Strategic Report, the University is focused on working with our students, staff and the local community to achieve our vision.

## Members of Council Report for the year ended 31 July 2016

### Council and Committee Membership

Members of Council present this report and the financial statements for the year ended 31 July 2016. The names of the current members of Council and those who served during the year in question are listed below. All held office throughout the year unless otherwise indicated.

<b>Members of Council and Directors</b>	<p>Sir David Bell – Chair            Robert Alexander            Sister Lorna Brockett (from 15 May 2016)            Nicholas Brookes – Vice-Chair            Jonathan Carter (from 12 October 2015)            John Constantine            Janet Cooper            Dr Ann David            Roger Dawe CB, OBE            Rev David Deeks (until 31 July 2016)            Clare Delmar            Noel Flannery            Rev Margaret Jones (from 1 August 2016)            Siobhan Kelly (<i>ex officio</i>, until 1 July 2016)            David Lochtie (until October 2015)            Stephen Ludlow            Rev James McKinney            Mark Neale CB            Brian Newey            Professor Laura Peters            Professor Paul O'Prey CBE (<i>ex officio</i>)            Jack Wilcock (<i>ex officio</i>, from 4 July 2016)</p>	<b>Employment Committee</b>	<p>Rev David Deeks – Chair (until 31 July 2016)            Janet Cooper            Janet Day            Siobhan Kelly (<i>ex officio</i>, until 1 July 2016)            Brian Newey            Professor Paul O'Prey CBE (<i>ex officio</i>)            Jack Wilcock (<i>ex officio</i>, from 4 July 2016)</p>
		<b>Audit Committee</b>	<p>Noel Flannery – Chair            John Constantine            Roger Dawe CB, OBE            Elaine Hutton (until 30 April 2016)            Brian Newey            Jeffery Onions QC (until 30 November 2015)</p>
		<b>Remuneration Committee</b>	<p>Sir David Bell – Chair (<i>ex officio</i>)            Nicholas Brookes            Janet Cooper            Rev David Deeks (until 31 July 2016)            Professor Paul O'Prey CBE (<i>ex officio</i>)</p>
		<b>Health &amp; Safety Committee</b>	<p>John Constantine (Chair)            Dr Ghazwa Alwani-Starr (<i>ex officio</i>)            Reggie Blennerhassett (<i>ex officio</i>)            Joanna Brooks (<i>ex officio</i>, from 29 February 2016)            Jackie Brown (<i>ex officio</i>)            Dr Patrick Brady (UCU)            Jonathan Carter (from 12 October 2015)            Simon Dorman (<i>ex officio</i>)            Dr Stephen Driver (<i>ex officio</i>)            Dr Mark Garner (<i>ex officio</i>)            Irene Gerlach (GMB)            Siobhan Kelly (<i>ex officio</i>, until 1 July 2016)            David Lochtie (until October 2015)            Paul MacCourt (<i>ex officio</i>)            Professor Ann MacLarnon (<i>ex officio</i>)            John Payne (<i>ex officio</i>, until 31 December 2015)            Andrew Skinner            Dr Christopher Stephens (<i>ex officio</i>)            Jack Wilcock (<i>ex officio</i>, from 4 July 2016)</p>
<b>Company Secretary and Clerk to the Council</b>	<p>Andrew Skinner</p>		
<b>Finance &amp; Estates Committee</b>	<p>Nicholas Brookes – Chair            Robert Alexander            Mark Allen            Clare Delmar            Robert Erskine            Paul Fothergill            Dennis Hone CBE            Siobhan Kelly (<i>ex officio</i>, until 1 July 2016)            Stephen Ludlow            Mark Neale            Professor Paul O'Prey CBE (<i>ex officio</i>)            Jack Wilcock (<i>ex officio</i>, from 4 July 2016)</p>		
		<b>Nominations &amp; Governance Committee</b>	<p>Sir David Bell – Chair (<i>ex officio</i>)            Reggie Blennerhassett            Nicholas Brookes            Roger Dawe (from October 2015)            Siobhan Kelly (<i>ex officio</i>, until 1 July 2016)            Professor Paul O'Prey CBE (<i>ex officio</i>)            Jack Wilcock (<i>ex officio</i>, from 4 July 2016)</p>

## Members of Council Report for the year ended 31 July 2016

### Corporate Governance

#### Legal status

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

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

#### Statement of Corporate Governance

The University is committed to exhibiting best practice in all aspects of corporate governance and is planning to conduct an internal review of the effectiveness of its governance before undertaking an independent review to complement the last independent review conducted in 2011.

The latest HE Governance Code was published by the Committee of University Chairs (CUC) (the "HE Code") in 2014. The HE Code comprises a series of seven primary elements supported by: "must" statements prescribing essential components within each element; "should" statements that illustrate activities that would normally achieve the "must" statements; and "could" statements outlining examples of positive governance practices.

The HE Code states that reporting on its adoption is a valuable source of assurance to stakeholders who need to have confidence in the governance arrangements of organisations within the sector. It further states that the primary elements are the hallmarks of effective governing bodies operating in the UK HE sector and 'apply or explain' means that in order to report that an institution has applied the Code a governing body needs to:

- be confident that it has in place all of the primary elements. In order to do so it will be necessary for a governing body to meet or exceed the requirements of the supporting 'must' statements that prescribe essential components within the element; or
- explain where it considers a whole primary element or supporting 'must' statements inappropriate. In such cases the rationale should be clearly noted and the alternative arrangements summarised.

It was reported last year that the University's governance structures are already largely in line with the good practice outlined by the HE Code. The University's Nominations & Governance Committee and the 2015 audit of the University's governance by the Internal Auditors identified three areas of improvement in order to achieve full compliance with all of the "must" statements.

The status of the Action Plan to address the areas for improvement is outlined below.

#### Academic Effectiveness

Recommendation: to establish an academic effectiveness review process covering Senate and its committees.

Status: the University Secretary has established a working group to determine parameters for a Senate Effectiveness Review. A questionnaire was sent to Senators in the autumn term and the results will be submitted to Senate for discussion in the new year. The outcome will be reported in next year's Annual Report.

## **Members of Council Report for the year ended 31 July 2016**

### **Council Members' induction and training**

Recommendation: the University Secretariat should consider the quality, frequency, completeness and timeliness of information provided to Council members during the academic year, and training and development as part of the review of Council induction processes.

Status: the University Secretariat engaged the services of the Leadership Foundation for Higher Education (LFHE) to review its induction processes. A revised induction programme was recommended to include: an introduction to the University's governance structure including the challenges faced by Council; overview of the strategic plan and associated KPIs; overview of national HE governance context; introduction to learning, teaching and the student experience; and an online self-assessment module. The revised Induction programme will be given to new governors in the autumn term and their feedback will be solicited in order to make future improvements.

### **Council and Committee membership**

Recommendation: To increase diversity of Council and Committee membership by using more focused recruitment advertising, to encourage diversity in gender and ethnicity within appropriate skills requirements (also being considered in the light of retiring members).

Status: There are no current vacancies for Council members and the University Secretariat is in the process of recruiting two external members for the Audit Committee advertised via the volunteer website, Reach.

The University is also considering participation in London Higher's Board Apprentice initiative to allow young candidates to act as a shadow governor in order to increase their experience.

Apart from the exceptions above, the University has complied with the CUC Code throughout 2015/16.

### **2016 HEFCE Assurance Review**

A HEFCE Assurance Review was undertaken in January 2016, the aim of which was to examine how the institution exercises accountability for the public funding which it receives. HEFCE's overall conclusion was that they "are able to place reliance on the accountability information provided". The report highlighted a number of examples of good practice and identified the following actions to be taken in order to achieve best practice:

- when disclosing the value of expenses paid to trustees, to disclose also the number of trustees in receipt of expenses;
- to submit the annual assurance return to the governing body prior to signature in order to enable clear authorisation of the signature of Part 2 on behalf of all trustees;
- approval of future TRAC (T) returns by the Vice-Chancellor rather than the Pro Vice-Chancellor & Director of Finance;
- to undertake a governing body effectiveness review, at the earliest opportunity.

### **Statement of responsibilities of Members of Council**

The members of the Council, who are also the directors of the University for the purposes of company law are responsible for preparing the strategic report, the annual report and the financial statements in accordance with applicable law and regulations.

Company law requires the members of the Council to prepare financial statements for each financial year. Under that law the members of the Council have elected to prepare the group and University financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). Under company law, the members of the Council must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the University and of the surplus of income over expenditure of the group and University for that period.

In preparing these financial statements, the members of the Council are required to:

- Select suitable accounting policies and then apply them consistently

## Members of Council Report for the year ended 31 July 2016

- Make judgements and accounting estimates that are reasonable and prudent
- State whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements
- Prepare the financial statements on the going concern basis unless it is inappropriate to presume that the University will continue in operation.

The members of the Council are also required to give a report, which includes the legal and administrative status of the University. The members of the Council are responsible for keeping adequate accounting records that are sufficient to show and explain the University's transactions and disclose with reasonable accuracy at any time the financial position of the company and enable them to ensure that the financial statements comply with the Companies Act 2006, its Articles of Association, the Accounts Direction as issued by the Higher Education Funding Council for England (HEFCE) and the Statement of Recommended Practice: Accounting for Further and Higher Education. They are also responsible for safeguarding the assets of the University and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

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

Financial statements are published on the University's website in accordance with legislation in the United Kingdom governing the preparation and dissemination of financial statements, which may vary from legislation in other jurisdictions. The maintenance and integrity of the University's website is the responsibility of the members of Council. Their responsibility also extends to the ongoing integrity of the financial statements contained therein.

### Disclosure of information to Auditors

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

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

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

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

The Council is composed of up to 20 members:

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

## Members of Council Report for the year ended 31 July 2016

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

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

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

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

The Finance & Estates Committee oversees the management and development of University property, in conjunction with the Providing Bodies of the constituent Colleges and on behalf of the University in accordance with the University's Strategic Plan and Campus Strategy. It also recommends to Council the University's annual revenue and capital budgets and receives updated forecasts during the course of the year. It also monitors investment and financing relating to capital developments.

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

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

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

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

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

### Internal Control

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

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



## Members of Council Report for the year ended 31 July 2016

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

The University has a Risk Management Policy which was revised in 2016. The Council's role as defined under this policy is to:

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

The Council has reviewed the key risks to which the University is exposed together with the operating, financial and compliance controls that have been implemented to mitigate those risks. The Council is of the view that there is a formal ongoing process for identifying, evaluating and managing the University's high-level risks that has been in place for the period ended 31 July 2016 and up to the date of approval of the Annual Report and Financial Statements. This process is regularly reviewed by Council.

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

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

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

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

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

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

## Members of Council Report for the year ended 31 July 2016

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

The emphasis is on obtaining the relevant degree of assurance and not merely reporting by exception. At its November 2016 meeting, the Council carried out the annual assessment of risk for the year ended 31 July 2016 by considering reports from the Senior Management team, internal audit and Audit Committee and taking account of events since 31 July 2016.

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



Approved by and signed on behalf of the Council  
Nicholas Brookes  
Director of the University and Chair of Finance and Estates Committee

# **Independent Auditors' Report to Members of Council for the year ended 31 July 2016**

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

We have audited the financial statements of Roehampton University for the year ended 31 July 2016 which comprise the Consolidated and University Statement of Comprehensive Income, Consolidated Statement of Changes in Reserves, the Consolidated and University Balance Sheets, the Consolidated Cash Flow Statement and the related notes. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

This report is made solely to the 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 company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company and the company's members as a body, for our audit work, for this report, or for the opinions we have formed.

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

As explained more fully in the Statement of Responsibilities of the Members of Council, the members of the Governing Body (who are also the directors of the charitable company for the purposes of company law) are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view.

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

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

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

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

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

In our opinion, the financial statements:

- give a true and fair view of the state of the Group's and the University's affairs as at 31 July 2016 and of the Group and University's income and expenditure, gains and losses and reserves, and of the Group's cash flows for the year;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the Companies Act 2006 and the Statement of Recommended Practice: Accounting for Further and Higher Education.

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

#### **Code of Practice**

In our opinion, in all material respects:

- Funds from whatever source administered by the University for specific purposes have been properly applied to those purposes and, if relevant, managed in accordance with relevant legislation;
- Funds provided by HEFCE have been applied in accordance with the Memorandum of Assurance and Accountability and any other terms and conditions attached to them; and
- The requirements of the HEFCE's Accounts Direction have been met.

## Independent Auditors' Report to Members of Council for the year ended 31 July 2016

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

In our opinion the information given in the Report of the Governing Body and the Strategic Report for the financial year for which the financial statements are prepared is consistent with the financial statements.

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

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

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



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

Date: 28 November 2016

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

## Statement of Comprehensive Income for year ended 31 July 2016

	Notes	Group 2016 £'000	University 2016 £'000	Group 2015 £'000	University 2015 £'000
<b>Income</b>					
Tuition fees and education contracts	1	72,468	72,468	60,953	60,953
Funding body grants	2	10,266	10,266	9,755	9,755
Research grants and contracts	3	1,562	1,562	1,494	1,494
Other income	4	20,775	20,754	17,146	17,126
Investments	5	82	77	107	106
<b>Total income before endowments and donations</b>		<b>105,153</b>	<b>105,127</b>	<b>89,455</b>	<b>83,434</b>
<b>Endowments and donations</b>	6	<b>338</b>	<b>338</b>	<b>104</b>	<b>104</b>
<b>Total income</b>		<b>105,491</b>	<b>105,465</b>	<b>89,559</b>	<b>89,538</b>
<b>Expenditure</b>					
Staff costs	7	54,356	54,356	51,641	51,641
Other operating expenses	9	34,633	34,607	31,657	31,636
Depreciation	10,11,12	3,921	3,921	3,565	3,565
Interest and other finance costs	8	3,832	3,832	3,211	3,211
<b>Total expenditure</b>		<b>96,742</b>	<b>96,716</b>	<b>90,074</b>	<b>90,053</b>
<b>Surplus/ (deficit) before other gains losses and share of operating surplus/ (deficit) of joint ventures and associates</b>		<b>8,749</b>	<b>8,749</b>	<b>(515)</b>	<b>(515)</b>
Gain on investments	20	40	40	23	23
<b>Surplus / (deficit)</b>		<b>8,789</b>	<b>8,789</b>	<b>(492)</b>	<b>(492)</b>
<b>Actuarial (loss) in respect of pension schemes</b>	26	<b>(15,795)</b>	<b>(15,795)</b>	<b>(6,389)</b>	<b>(6,389)</b>
<b>Total comprehensive income for the year</b>		<b>(7,006)</b>	<b>(7,006)</b>	<b>(6,881)</b>	<b>(6,881)</b>
Represented by					
Unrestricted comprehensive income for the year		(7,006)	(7,006)	(6,881)	(6,881)
		<b>(7,006)</b>	<b>(7,006)</b>	<b>(6,881)</b>	<b>(6,881)</b>
<b>Surplus / (deficit) for the year attributable to:</b>					
University		<b>8,789</b>	<b>8,789</b>	<b>(492)</b>	<b>(492)</b>
<b>Total comprehensive income for the year attributable to University</b>		<b>(7,006)</b>	<b>(7,006)</b>	<b>(6,881)</b>	<b>(6,881)</b>

All items of income and expenditure relate to continuing activities and is attributed to activity in the UK.

**Consolidated and University Balance Sheets** as at 31 July 2016  
Company registration number 5161359 (England and Wales)

	Notes	Group 2016 £'000	University 2016 £'000	Group 2015 £'000	University 2015 £'000
<b>Non-current assets</b>					
Goodwill	10	86	86	95	95
Negative goodwill	12	(60,026)	(60,026)	(61,657)	(61,657)
<b>Net amount of goodwill and negative goodwill</b>		<b>(59,940)</b>	<b>(59,940)</b>	<b>(61,562)</b>	<b>(61,562)</b>
Fixed assets	11	202,132	202,132	163,301	163,301
Investments	13	-	2,130	-	2,129
		<b>142,192</b>	<b>144,322</b>	101,739	103,868
<b>Current assets</b>					
Stocks	14	104	104	128	128
Trade and other receivables	15	7,824	8,811	5,488	5,401
Investments	16	658	658	642	642
Cash and cash equivalents	21	17,532	15,154	35,911	33,076
		<b>26,118</b>	<b>24,727</b>	42,169	39,247
<b>Less: Creditors amounts falling</b>					
Due within one year	17	(18,440)	(19,192)	(18,608)	(17,828)
<b>Net current assets/ (liabilities)</b>		<b>7,678</b>	<b>5,535</b>	23,561	21,419
<b>Total assets less current liabilities</b>		<b>149,870</b>	<b>149,857</b>	125,300	125,287
<b>Creditors: amounts falling due after more than one year</b>	18	<b>(75,456)</b>	<b>(75,456)</b>	(61,567)	(61,567)
<b>Provisions</b>					
Pension provisions	19	(57,211)	(57,211)	(39,524)	(39,524)
<b>Total net assets</b>		<b>17,203</b>	<b>17,190</b>	24,209	24,196
<b>Restricted reserves</b>					
Restricted endowments	20	658	658	642	642
<b>Unrestricted reserves</b>					
Income and Expenditure Account excluding pension reserve		16,545	16,532	23,567	23,554
<b>Total reserves</b>		<b>17,203</b>	<b>17,190</b>	24,209	24,196

The financial statements were approved and authorised for issue by Roehampton University Council on 28 November 2016 and signed on its behalf by:

  
SIR DAVID BELL, Chair of Council

  
PROF PAUL O'PREY, Vice-Chancellor



MR NICHOLAS BROOKES, Chair of Finance & Estates Committee

## Consolidated and University Statement of Changes in Reserves Year ended 31 July 2016

Group	Income and expenditure account		Total excluding non Controlling Interest	Total
	<i>Endowment</i>	<i>Unrestricted</i>		
	£'000	£'000	£'000	£'000
<b>Balance at 1 August 2014</b>	704	30,386	31,090	31,090
Surplus/(deficit) from the income and expenditure statement	(85)	(430)	(515)	(515)
Other comprehensive income	23	(6,389)	(6,366)	(6,366)
<b>Total comprehensive income for the year</b>	<b>(62)</b>	<b>(6,819)</b>	<b>(6,881)</b>	<b>(6,881)</b>
<b>Balance at 1 August 2015</b>	642	23,567	24,209	24,209
Surplus/(deficit) from the income and expenditure statement	(24)	8,773	8,749	8,749
Other comprehensive income	40	(15,795)	(15,755)	(15,755)
<b>Total comprehensive income for the year</b>	<b>16</b>	<b>(7,022)</b>	<b>(7,006)</b>	<b>(7,006)</b>
<b>Balance at 31 July 2016</b>	<b>658</b>	<b>16,545</b>	<b>17,203</b>	<b>17,203</b>

  

University	Income and expenditure account		Total excluding non Controlling Interest	Total
	<i>Endowment</i>	<i>Unrestricted</i>		
	£'000	£'000	£'000	£'000
<b>Balance at 1 August 2014</b>	704	30,373	31,077	31,077
Surplus/(deficit) from the income and expenditure statement	(85)	(430)	(515)	(515)
Other comprehensive income	23	(6,389)	(6,366)	(6,366)
<b>Total comprehensive income for the year</b>	<b>(62)</b>	<b>(6,819)</b>	<b>(6,881)</b>	<b>(6,881)</b>
<b>Balance at 1 August 2015</b>	642	23,554	24,196	24,196
Surplus/(deficit) from the income and expenditure statement	(24)	8,773	8,749	8,749
Other comprehensive income	40	(15,795)	(15,755)	(15,755)
<b>Total comprehensive income for the year</b>	<b>16</b>	<b>(7,022)</b>	<b>(7,006)</b>	<b>(7,006)</b>
<b>Balance at 31 July 2016</b>	<b>658</b>	<b>16,532</b>	<b>17,190</b>	<b>17,190</b>

## Consolidated Statement of Cash Flow Year ended 31 July 2016

	Notes	31 July 2016 £'000	31 July 2015 £'000
<b>Cash flow from operating activities</b>			
Surplus/(deficit) for the year		8,749	(515)
<b>Adjustment for non-cash items</b>			
Depreciation	11	5,543	5,187
Amortisation goodwill	10	9	9
Benefit of acquisition of Colleges released to income	12	(1,631)	(1,631)
Decrease/(increase) in stock	14	24	(8)
Decrease/(increase) in debtors	15	(2,336)	(2,698)
Increase/(decrease) in creditors	17	(129)	4,996
Increase/(decrease) in pension provision	19	1,882	3,290
Increase/(decrease) in other provisions	19	11	11
<b>Adjustment for investing or financing activities</b>			
Investment income	5	(82)	(107)
Interest payable	8	3,110	1,973
Capital grant income		(1,237)	(1,306)
<b>Net cash inflow from operating activities</b>		<b>13,913</b>	<b>9,201</b>
<b>Cash flow from investing activities</b>			
Capital grant receipts		644	1,063
Investment income		82	107
Payments made to acquire fixed assets		(44,374)	(22,021)
		<b>(43,648)</b>	<b>(20,851)</b>
<b>Cash flow from financing activities</b>			
Interest paid		(2,834)	(1,730)
Interest element of finance lease and service concession payments		(276)	(243)
Endowment cash received		39	(3)
New secured loans		15,000	30,000
New unsecured loans		211	498
Repayments of amounts borrowed		(572)	(585)
Capital element of finance lease		(196)	(224)
		<b>11,372</b>	<b>27,713</b>
<b>(Decrease)/ increase in cash and cash equivalents in the year</b>		<b>(18,363)</b>	<b>16,063</b>
<b>Cash and cash equivalents at beginning of the year</b>	20, 21	<b>36,222</b>	20,159
<b>Cash and cash equivalents at end of the year</b>	20, 21	<b>17,859</b>	36,222



## **Principal Accounting Policies** Year ended 31 July 2016

### **Significant judgements and estimates**

Preparation of the financial statements requires management to make significant judgements and estimates. There are no items not described below in these financial statements where these judgements and estimates have been made.

### **Basis for preparation**

These financial statements have been prepared in accordance with the accounting policies set out below, the Statement of Recommended Practice (SORP): Accounting for Further and Higher Education 2015 and in accordance with Financial Reporting Standards (FRS 102). The University is a public benefit entity and therefore has applied the relevant public benefit requirements of FRS 102. The financial statements are prepared in accordance with the historical cost convention (modified by the revaluation of fixed assets).

### **Basis of consolidation**

The consolidated financial statements include the University and all its subsidiaries, Roehampton Corporate Initiatives Limited, Roehampton Hosting Services and Roehampton Construction Services Limited for the financial year to 31st July 2016. Intra-group transactions are eliminated on consolidation.

The consolidated financial statements do not include the income and expenditure of Roehampton Students' Union (RSU) as the University does not exert control or dominant influence over policy decisions.

Associated companies and joint ventures are accounted for using the equity method. The University accounts for its share of transactions from joint operations and jointly controlled assets in the Statement of Comprehensive Income.

### **Income recognition**

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

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

Investment income is credited to the Statement of Comprehensive Income on a receivable basis.

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

### **Grant funding**

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

## **Principal Accounting Policies** Year ended 31 July 2016

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

### **Endowments and donations**

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

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

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

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

1. Restricted donations - the donor has specified that the donation must be used for a particular objective.
2. Unrestricted permanent endowments - the donor has specified that the fund is to be permanently invested to generate an income.
3. Restricted expendable endowments - the donor has specified a particular objective other than the purchase or construction of tangible fixed assets, and the University has the power to use the capital and any income streams.
4. Restricted permanent endowments - the donor has specified that the fund is to be permanently invested to generate an income stream to be applied to a particular objective.

### **Capital grants**

Government capital grants are recognised in income over the expected useful life of the asset. Other capital grants are recognised in income when the University is entitled to the funds subject to any performance related conditions being met.

### **Going concern**

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

## **Principal Accounting Policies** Year ended 31 July 2016

### **Accounting for retirement benefits**

The two principal pension schemes for the University's staff are the Teachers' Pension Scheme (TPS) and the Local Government Pension Scheme (LGPS). In addition, a small number of staff are members of the Universities Superannuation Scheme (USS).

The schemes are defined benefit schemes which are externally funded and were contracted out of the State Second Pension (S2P). Each fund is valued every three years by professionally qualified independent actuaries.

The USS and TPS are multi-employer schemes for which it is not possible to identify the assets and liabilities to University members due to the mutual nature of the schemes and therefore these schemes are accounted for as a defined contribution retirement benefit schemes. A liability is recorded within provisions for any contractual commitment to fund past deficits within the schemes.

### **Defined contribution plan**

A defined contribution plan is a post-employment benefit plan under which the University pays fixed contributions into a separate entity and will have no legal or constructive obligation to pay further amounts. Obligations for contributions to defined contribution pension plans are recognised as an expense in the Statement of Comprehensive Income in the periods during which services are rendered by employees.

### **Defined benefit plan**

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

### **Enhanced benefits**

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

### **Employment benefits**

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

## Principal Accounting Policies Year ended 31 July 2016

### Service concession arrangement

Members of Council deem there to be no service concession arrangements as there is not sufficient certainty about final ownership of the relevant assets, and accordingly these arrangements are not accounted for as fixed assets.

### Foreign currency

Transactions in foreign currencies are translated to sterling at the foreign exchange rate ruling at that date of receipt. Foreign exchange differences arising on translation are recognised in surplus or deficit.

### Intangible assets and goodwill

Goodwill arises on consolidation and is based on the difference between the fair value of the consideration given for the undertaking acquired and the fair value of its separable net assets at the date of acquisition. Goodwill is amortised over 20 years representing the remaining estimated economic lives of the long life assets to which the goodwill relates.

Intangible assets are amortised over the remaining estimated economic life of the assets. Goodwill and intangible assets are subject to periodic impairment reviews as appropriate.

### Negative goodwill

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

### Fixed assets

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

Where parts of a fixed asset have different useful lives, they are accounted for as separate items of fixed assets.

Costs incurred in relation to land and buildings after initial purchase or construction, and prior to valuation, are capitalised to the extent that they increase the expected future benefits to the University. Freehold land is not depreciated as it is considered to have an indefinite useful life. Freehold buildings are depreciated on a straight line basis over their expected useful lives as follows:

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

## Principal Accounting Policies Year ended 31 July 2016

Leasehold land is depreciated over the life of the lease up to a maximum of 125 years.

No depreciation is charged on assets in the course of construction.

### Equipment

Equipment, including computers and software, costing less than £5,000 per individual item is recognised as expenditure. All other equipment is capitalised.

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

Telephone equipment	7 years
General equipment purchased	3 years

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

### Borrowing Costs

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

### Stocks

Stock is held at the lower of cost and net realisable value, and is measured using an average cost formula.

### Investments

Fixed asset investments in subsidiaries are held on the Balance Sheet at cost less impairment.

### Cash and cash equivalents

Cash includes cash in hand, deposits repayable on demand and overdrafts. Deposits are repayable on demand if they are in practice available within 24 hours without penalty.

Cash equivalents are short term, highly liquid investments that are readily convertible to known amounts of cash with insignificant risk of change in value.

### Finance leases

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

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

## **Principal Accounting Policies** Year ended 31 July 2016

### **Operating leases**

Costs in respect of operating leases are charged on a straight-line basis over the lease term. Any lease premiums or incentives are spread over the minimum lease term.

### **Maintenance of premises**

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

### **Taxation**

The University is an exempt charity within the meaning of Part 3 of the Charities Act 2011, It is therefore a charity within the meaning of Para 1 of schedule 6 to the Finance Act 2010 and accordingly, the University is potentially exempt from taxation in respect of income or capital gains received within categories covered by section 478-488 of the Corporation Tax Act 2010 (CTA 2010) or section 256 of the Taxation of Chargeable Gains Act 1992, to the extent that such income or gains are applied to exclusively charitable purposes.

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

The University's subsidiaries are liable to Corporation Tax in the same way as any other 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 more likely than not to be recovered. Deferred tax assets and liabilities are not discounted.

### **Provisions, contingent liabilities and contingent assets**

Provisions are recognised in the financial statements when:

- A. the University has a present obligation (legal or constructive) as a result of a past event;
- B. it is probable that an outflow of economic benefits will be required to settle the obligation; and
- C. a reliable estimate can be made of the amount of the obligation.

The amount recognised as a provision is determined by discounting the expected future cash flows at a pre-tax rate that reflects risks specific to the liability.

A contingent liability arises from a past event that gives the University a possible obligation whose existence will only be confirmed by the occurrence or otherwise of uncertain future events not wholly within the control of the University. Contingent liabilities also arise in circumstances where a provision would otherwise be made but either it is not probable that an outflow of resources will be required or the amount of the obligation cannot be measured reliably.

A contingent asset arises where an event has taken place that gives the University a possible asset whose existence will only be confirmed by the occurrence or otherwise of uncertain future events not wholly within the control of the University.

## **Principal Accounting Policies** Year ended 31 July 2016

Contingent assets and liabilities are not recognised in the Balance Sheet but are disclosed in the notes.

### **Reserves**

Reserves are classified as restricted or unrestricted. Restricted endowment reserves include balances which, through endowment to the University, are held as a permanently restricted fund which the University must hold in perpetuity.

Other restricted reserves include balances where the donor has determined a specific purpose and therefore the University is restricted in the use of these funds.

## Notes to the Financial Statements Year ended 31 July 2016

### 1 Tuition fees and education contracts

	Group 2016 £'000	University 2016 £'000	Group 2015 £'000	University 2015 £'000
Full-time home and EU students	61,238	61,238	50,147	50,147
Full-time international students	6,849	6,849	6,403	6,403
Part-time students	4,381	4,4381	4,403	4,403
	<u>72,468</u>	<u>72,468</u>	<u>60,953</u>	<u>60,953</u>

### 2 Academic fees

	Group 2016 £'000	University 2016 £'000	Group 2015 £'000	University 2015 £'000
<b>Recurrent grants</b>				
Higher Education Funding Council	8,611	8,611	7,777	7,777
National College for Teaching and Leadership	98	98	204	204
Capital grants	1,237	1,237	1,306	1,306
<b>Specific grants</b>				
Higher Education Collaborative Outreach	30	30	-	-
Higher Education Innovation Fund	290	290	461	461
National College for Teaching and Leadership	-	-	7	7
	<u>10,266</u>	<u>10,266</u>	<u>9,755</u>	<u>9,755</u>

There are no unfulfilled conditions and other contingencies associated with the above grants, and no other forms of government assistance have directly benefitted the group.

### 3 Research grants and contracts

	Group 2016 £'000	University 2016 £'000	Group 2015 £'000	University 2015 £'000
Research council	650	650	627	627
Research charities	414	414	54	54
Government (UK and overseas)	371	371	636	636
Industry and commerce	55	55	12	12
Other	72	72	165	165
	<u>1,562</u>	<u>1,562</u>	<u>1,494</u>	<u>1,494</u>

### 4 Other operating income

	Group 2016 £'000	University 2016 £'000	Group 2015 £'000	University 2015 £'000
Residence, catering and conferences	14,035	14,022	12,560	12,547
Other income-generating activities	5,237	5,229	3,530	3,523
Other revenue grants	1,013	1,013	1,044	1,044
Other income	490	490	12	12
	<u>20,775</u>	<u>20,754</u>	<u>17,146</u>	<u>17,126</u>



## Notes to the Financial Statements Year ended 31 July 2016

### 5 Investment income

	Group 2016 £'000	University 2016 £'000	Group 2015 £'000	University 2015 £'000
Investment income on endowments	3	3	14	14
Other investment income	79	74	93	92
	<b>82</b>	<b>77</b>	107	106

### 6 Endowments and donations

	Group 2016 £'000	University 2016 £'000	Group 2015 £'000	University 2015 £'000
Unrestricted donations	338	338	104	104
	<b>338</b>	<b>338</b>	104	104

### 7 Staff

	Group 2016 £'000	University 2016 £'000	Group 2015 £'000	University 2015 £'000
Staff costs				
Salaries	42,164	41,164	40,299	40,299
Social security costs	3,861	3,861	3,482	3,482
Movement on USS provision	30	30	1,306	1,306
Other pensions costs	7,376	7,376	5,946	5,846
Restructuring costs	925	925	608	608
	<b>54,356</b>	<b>54,356</b>	51,641	51,641

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

<b>Vice-Chancellor</b>	<b>2016 £'000</b>	2015 £'000
Salary	262	238
Pension contributions	78	72
Taxable benefits	2	2
	<b>342</b>	312

The University's pension contributions to the Universities Superannuation Scheme (USS) for the Vice-Chancellor are paid at the same rates as all scheme members and in 2016 they amounted to £41,382 (2014: £37,806). The University makes a separate provision of 0.575% of his pensionable salary for each year of service after 1 August 2012. This pension is being provided on an unfunded basis and the actuarial provision for 2015/16 is £37,438 (2015: £34,311) (Note 19). The Vice-Chancellor accrued pension as at 31 July 2016 is £58,581 (2015: £53,949) gross per annum and the accrued tax-free lump sum total is £175,743 (2015: £161,848).

## Notes to the Financial Statements Year ended 31 July 2016

Remuneration of other higher paid staff	2016 No	2015 No
£100,000 - £109,999	2	2
£110,001 - £119,999	1	2
£120,001 - £129,999	1	1
£130,001 - £139,999	1	1
£140,001 - £149,999	-	1
£150,001 - £159,999	-	1
£160,001 - £169,999	1	-
£170,001 - £179,999	1	-

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

Staff numbers by major category (full-time equivalent)	2016 No	2015 No
Academic	523	466
Administrative	423	424
Other including technical and manual	120	147
	1,066	1,037

The staff FTE total includes temporary staff recruited through Unitemps.

### Key management personnel

Key management personnel are those persons having authority and responsibility for planning, directing and controlling the activities of the University. Staff costs includes compensation paid to key management personnel.

	2016 £'000	2015 £'000
Key management personnel compensation	703	638

### Total emoluments of staff Members of Council

No Member of Council has received any remuneration or waived payment from the University during the year in their capacity as a Member of Council. Emoluments received by Council Members in their capacity as employees are included in this note. The total expenses paid to or on behalf of 4 (2015: 6) Members of Council were £1,159 (2015: £1,305). These represent travel and subsistence expenses incurred in attending Council Committee meetings and other events in their official capacity.

## 8 Interest and other finance costs

	Group 2016 £'000	University 2016 £'000	Group 2015 £'000	University 2015 £'000
Loan interest	2,834	2,834	1,730	1,730
Finance lease interest	276	276	243	243
Net charge on pension scheme	722	722	1,238	1,238
	3,832	3,832	3,211	3,211

## Notes to the Financial Statements Year ended 31 July 2016

### 9 Analysis of other operating expenses by activity

	Group 2016 £'000	University 2016 £'000	Group 2015 £'000	University 2015 £'000
Academic departments	8,272	8,272	5,022	5,022
Academic services	4,627	4,627	4,361	4,361
Administration and central services	9,884	9,884	10,153	10,152
Premises	4,810	4,810	5,669	5,669
Residences, catering and conferences	6,375	6,375	5,976	5,956
Research grants and contracts	665	639	476	476
	<b>34,633</b>	<b>34,607</b>	<b>31,657</b>	<b>31,636</b>

	Group 2016 £'000	University 2016 £'000	Group 2015 £'000	University 2015 £'000
Other operating expenses include:				
Residences, conferencing and catering	1,778	1,778	1,631	1,631
Consumables and laboratory expenditure	1,706	1,706	1,747	1,747
Books and periodicals	1,489	1,489	1,320	1,320
Heat, light, water and power	1,335	1,355	1,531	1,531
Repairs and general maintenance	1,749	1,749	1,564	1,564
Grants and payments to the Students' Union	501	501	367	367
Property lease rentals	3,509	3,509	3,482	3,482
Auditors' remuneration (internal)	55	55	61	61
Auditors' remuneration (external)				
Audit of the University annual Financial Statements	45	45	48	48
Audit of subsidiary companies Financial Statements	10	10	11	11
Audit of pension scheme and funding body statements	1	1	1	1
Tax and other services	12	12	12	12
Operating leases	129	129	126	126
Provision for doubtful debts	878	878	229	229
Travel, subsistence, catering & entertaining	1,101	1,101	1,521	1,521
Infrastructure	3,200	3,200	3,558	3,558
Printing, stationery & postage	482	482	522	522
Temporary staff	1,729	1,729	1,679	1,679
Consultancies	624	624	564	564
Professional fees	1,143	1,117	1,270	1,249
Management fees	215	215	308	308
Scholarships and bursaries	3,648	3,648	4,476	4,476
Staff training	704	704	680	680
Advertising	948	948	766	766
Other expenses	1,139	1,139	1,315	1,315
Other student related expenditure	6,503	6,503	2,681	2,681
Loan arrangement fee	-	-	187	187
	<b>34,633</b>	<b>34,607</b>	<b>31,657</b>	<b>31,636</b>

The property lease rentals figure includes £667,000 (2015: £667,000) paid to Whitelands College as part of the licence and management agreement, £400,000 (2015: £400,000) for the lease over the Mount Clare property owned by Southlands College, which expires in 2026 and payments made for the Spring Mews students' accommodation in Vauxhall.

## Notes to the Financial Statements Year ended 31 July 2016

### 10 Intangible assets

	Group £'000	University £'000
<b>Opening balance</b>	<b>95</b>	95
Amortisation charge for the year	<b>(9)</b>	(9)
<b>Closing balance</b>	<b>86</b>	86

### 11 Tangible fixed assets

<b>Group</b>						
	Freehold land and buildings £'000	Leasehold land £'000	Leasehold buildings £'000	Equipment £'000	Buildings under construction £'000	Total £'000
<b>Cost or valuation</b>						
At 1 August 2015	6,790	54,204	98,840	23,299	26,514	<b>209,647</b>
Additions	1,876	-	150	3,043	39,305	<b>44,374</b>
Transfer	13,570	-	-	139	(13,709)	-
Disposals	-	-	-	(10)	-	<b>(10)</b>
At 31 July 2016	<b>22,236</b>	<b>54,204</b>	<b>98,990</b>	<b>26,471</b>	<b>52,110</b>	<b>254,011</b>
<b>Depreciation</b>						
At 1 August 2015	37	300	25,488	20,521	-	<b>46,346</b>
Charge for year	315	300	3,062	1,866	-	<b>5,543</b>
Disposals	-	-	-	(10)	-	<b>(10)</b>
At 31 July 2016	<b>352</b>	<b>600</b>	<b>28,550</b>	<b>22,377</b>	<b>-</b>	<b>51,879</b>
<b>Net book values</b>						
At 31 July 2016	<b>21,884</b>	<b>53,604</b>	<b>70,440</b>	<b>4,094</b>	<b>52,110</b>	<b>202,132</b>
At 31 July 2015	<b>6,753</b>	<b>53,904</b>	<b>73,352</b>	<b>2,778</b>	<b>26,514</b>	<b>163,301</b>
<b>University</b>						
	Freehold land and buildings £'000	Leasehold land £'000	Leasehold buildings £'000	Equipment £'000	Buildings under construction £'000	Total £'000
<b>Cost or valuation</b>						
At 1 August 2015	6,790	54,204	98,840	23,299	26,514	<b>209,647</b>
Additions	1,876	-	150	3,043	39,305	<b>44,374</b>
Transfer	13,570	-	-	139	(13,709)	-
Disposals	-	-	-	(10)	-	<b>(10)</b>
At 31 July 2016	<b>22,236</b>	<b>54,204</b>	<b>98,990</b>	<b>26,471</b>	<b>52,110</b>	<b>254,011</b>
<b>Depreciation</b>						
At 1 August 2015	37	300	25,488	20,521	-	<b>46,346</b>
Charge for year	315	300	3,062	1,866	-	<b>5,543</b>
Disposals	-	-	-	(10)	-	<b>(10)</b>
At 31 July 2016	<b>352</b>	<b>600</b>	<b>28,550</b>	<b>22,377</b>	<b>-</b>	<b>51,879</b>
<b>Net book values</b>						
At 31 July 2016	<b>21,884</b>	<b>53,604</b>	<b>70,440</b>	<b>4,094</b>	<b>52,110</b>	<b>202,132</b>
At 31 July 2015	<b>6,753</b>	<b>53,904</b>	<b>73,352</b>	<b>2,778</b>	<b>26,514</b>	<b>163,301</b>

Freehold land and buildings and leasehold land were revalued as at 31 July 2014 by Gerald Eve using depreciated replacement costs for specialist buildings and existing use market value for other non-specialist buildings.

## Notes to the Financial Statements Year ended 31 July 2016

### 12 Negative Goodwill

#### Group and University

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

	Negative Goodwill £'000
<b>Cost</b>	
At 1 August 2015	(71,100)
Additions	-
At 31 July 2016	<u>(71,100)</u>
<b>Released to income and expenditure account</b>	
At 1 August 2015	9,443
Release for year	1,631
At 31 July 2016	<u>11,074</u>
<b>Net book values</b>	
At 31 July 2016	<u>(60,026)</u>
At 31 July 2015	<u>(61,657)</u>

### 13 Non-Current Investments

University	£'000
At 1 August 2015	2,129
Additions	1
<b>At 31 July 2016</b>	<u>2,130</u>

### 14 Stock

	Group 2016 £'000	University 2016 £'000	Group 2015 £'000	University 2015 £'000
General consumables	104	104	128	128

### 15 Trade and other receivables

	Group 2016 £'000	University 2016 £'000	Group 2015 £'000	University 2015 £'000
Amount falling due within one year:				
Research grants receivables	451	451	694	694
Other trade receivables	5,021	4,615	3,022	1,663
Other receivables	256	173	104	104
Prepayments and accrued income	2,096	2,017	1,668	1,559
Amounts due from subsidiary companies	-	1,555	-	1,381
	<u>7,824</u>	<u>8,811</u>	<u>5,488</u>	<u>5,401</u>

## Notes to the Financial Statements Year ended 31 July 2016

### 16 Current Investments

	Group 2016 £'000	University 2016 £'000	Group 2015 £'000	University 2015 £'000
Short term investment in shares	331	331	331	331
Short term deposits	327	327	311	311
	<b>658</b>	<b>658</b>	642	642

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

	Group 2016 £'000	University 2016 £'000	Group 2015 £'000	University 2015 £'000
Secured loans	660	660	572	572
Obligations under finance leases	229	229	204	204
Trade payables	1,724	1,599	4,437	3,297
Other creditors	613	611	660	660
Amounts owed to subsidiary companies	-	1,550	-	1,131
Social security and other taxations payable	2,000	2,000	1,785	1,785
Deferred government capital grants	1,084	1,084	1,237	1,237
Accruals and deferred income	12,130	11,459	9,713	8,942
	<b>18,440</b>	<b>19,192</b>	18,608	17,828

#### Deferred Income

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

	Group 2016 £'000	University 2016 £'000	Group 2015 £'000	University 2015 £'000
Donations	157	157	-	-
Research grants received on account	473	473	591	591
Grant income	419	342	263	218
Other income	822	595	842	664
	<b>1,871</b>	<b>1,567</b>	1,696	1,473

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

	Group 2016 £'000	University 2016 £'000	Group 2015 £'000	University 2015 £'000
Deferred government capital grants	6,143	6,143	6,584	6,584
Obligations under finance leases	5,979	5,979	6,200	6,200
Secured loans	63,334	63,334	48,783	48,783
	<b>74,456</b>	<b>75,456</b>	61,567	61,567

## Notes to the Financial Statements Year ended 31 July 2016

Analysis of secured and unsecured loans:	Group 2016 £'000	University 2016 £'000	Group 2015 £'000	University 2015 £'000
Due within one year or on demand (note 17)	660	660	572	572
Due between one and two years	760	760	635	635
Due between two and five years	7,108	7,108	3,988	3,988
Due in five years or more	55,466	55,466	44,160	44,160
Due after more than one year	63,334	63,334	48,783	48,783
<b>Total secured and unsecured loans</b>	<b>63,994</b>	<b>63,334</b>	49,355	49,355
<b>Secured loans repayable by 2034</b>	<b>63,334</b>	<b>63,334</b>	48,783	48,783

Lender	Total drawn at inception £'000	Date drawn down	Term	Interest rate %	Borrower
Lloyds	10,000	April 2016	18 years	Fixed	University
Lloyds	45,000	Aug 2014	20 years	Fixed	University
Lloyds	4,600	Aug 2006	20 years	Fixed	University
Lloyds	1,441	Nov 2003	20 years	Fixed	University
Lloyds	6,500	Oct 2004	25 years	Fixed	University
Salix	708	July 2015	6 years	Interest-free	University
Salix	170	Dec 2012	4 years	Interest-free	University
Salix	48	Jan 2012	4 years	Interest-free	University

The borrowing from Lloyds is secured as part of a general charge over the property that is owned by the Providing Body of Digby Stuart College. Interest has been fixed on all of these loans for the duration of the loan period.

The University signed a term loan facility with Lloyds for £75 million on 7th August 2014. The first £45 million is fixed at a rate of 5.22% on 7th August 2014. The second trench of £30m is fixed at a rate of 4.719% on 29 April 2016.

The University was successful in receiving £708,000 in funding from the HEFCE/Salix Revolving Green Fund. The Fund is intended to provide repayable grants for the University to undertake specific projects that will reduce carbon emission. The financial savings made as a result of these projects are used to replenish the Fund. The loan is a long-term grant and only repayable once reinvestment in relevant carbon management projects ceases.

## Notes to the Financial Statements Year ended 31 July 2016

### 19 Provisions for liabilities and charges

Group	Obligation to fund deficit on USS Pension £'000	Enhanced Pension £'000	Defined Benefit Obligations (note 26) £'000	Kingston Group Pension Provision £'000	Vice-Chancellor's Pension Provision £'000	Total Pensions Provisions £'000
<b>At 1 August 2015</b>	1,987	1,901	35,521	21	94	<b>39,524</b>
Utilised in year	(164)	(156)	-	-	-	<b>(320)</b>
Addition in 2015/16	34	123	17,809	4	37	<b>18,007</b>
<b>At 31 July 2016</b>	<b>1,857</b>	<b>1,868</b>	<b>53,330</b>	<b>25</b>	<b>131</b>	<b>57,211</b>

  

University	Obligation to fund deficit on USS Pension £'000	Enhanced Pension £'000	Defined Benefit Obligations (note 26) £'000	Kingston Group Pension Provision £'000	Vice-Chancellor's Pension Provision £'000	Total Pensions Provisions £'000
<b>At 1 August 2015</b>	1,987	1,901	35,521	21	94	<b>39,524</b>
Utilised in year	(164)	(156)	-	-	-	<b>(320)</b>
Addition in 2015/16	34	123	17,809	4	37	<b>18,007</b>
<b>At 31 July 2016</b>	<b>1,857</b>	<b>1,868</b>	<b>53,330</b>	<b>25</b>	<b>131</b>	<b>57,211</b>

#### USS deficit

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

#### Enhanced Pension

The University pays enhanced pension entitlements (EP) to staff who took early retirement after 1 April 1989 under the reorganisation programme which ended in 1993/94. The calculation of the cost of early retirement provisions charged to the Income and Expenditure Account in the year of retirement is based on the total capital cost of providing enhanced pensions with allowance for future investment returns at 4% in excess of price inflation. During 2015/16, actual payments of £155,985 (2015: £156,742) have been charged to the provision. The provision will be released against the cost to the University of enhanced pension entitlements over the estimated life expectancy of relevant employees.

In addition to the enhanced pensions which are being provided above, the University also provides enhanced pension contributions to a further 41 former employees. HEFCE is providing the University with additional funds each year to meet these contributions. Although HEFCE does not have a legal obligation to continue making these payments, the University expects them to do so. As the costs of these payments have been recognised as a liability in the Financial Statements of HEFCE (indicating HEFCE's expectation that they will be meeting these costs in the future) they have not been recognised as a liability in the University's Balance Sheet. Were the position to change, the estimated cost to the University of meeting these pension payments was £1.2 million as at 31 July 2016 (2015: £1.2 million).



## Notes to the Financial Statements Year ended 31 July 2016

### 20 Endowment Reserves

#### Group and University

Restricted net assets relating to endowments are as follows:

	Restricted permanent endowments £'000	Restricted Expendable endowments £'000	2016 Total £'000	2015 Total £'000
<b>Balance at 1 August 2015</b>				
Capital	239	-	239	239
Accumulated income	111	292	403	465
	<b>350</b>	<b>292</b>	<b>642</b>	<b>704</b>
Investment income	3	-	3	15
Expenditure	(1)	(26)	(27)	(100)
(Decrease)/ increase in market value of investments	40	-	40	23
Total endowment comprehensive income for the year	42	(26)	16	(62)
<b>Balance at 31 July 2016</b>	<b>392</b>	<b>266</b>	<b>658</b>	<b>642</b>
<b>Represented by:</b>				
Capital	279	266	545	552
Accumulated income	113	-	113	90
	<b>392</b>	<b>266</b>	<b>658</b>	<b>642</b>
<b>Analysis by type of purpose:</b>				
Scholarships and bursaries	327	238	565	533
Prize funds	65	-	65	64
General	-	28	28	45
	<b>392</b>	<b>266</b>	<b>658</b>	<b>642</b>
<b>Analysis by assets</b>				
Current and non-current asset investments			331	331
Cash & cash equivalents			327	311
			<b>658</b>	<b>642</b>

### 21 Cash and cash equivalents

Group	At 1 August 2015 £'000	Cash Flow £'000	At 31 July 2016 £'000
Cash and cash equivalents	35,911	(18,379)	17,532
<b>University</b>			
	At 1 August 2015 £'000	Cash Flow £'000	At 31 July 2016 £'000
Cash and cash equivalents	33,076	(17,922)	15,154

## Notes to the Financial Statements Year ended 31 July 2016

### 22 Capital and other commitments

Provision has not been made for the following capital commitments at 31 July 2016

	Group 2016 £'000	University 2016 £'000	Group 2015 £'000	University 2015 £'000
Commitments contracted for	<u>20,887</u>	<u>19,157</u>	41,290	30,079

### 23 Lease obligations

	31 July 2016 Land and Buildings £'000	31 July 2015 Land and Buildings £'000
Total rentals payable under operating leases:		
<b>Payable during the year</b>	<b>2,754</b>	2,767
<b>Future minimum leases payments due:</b>		
Within one year	3,347	2,754
Between one and 5 years	10,721	10,721
More than five years	8,841	11,521
<b>Total lease payments due</b>	<b>22,909</b>	24,996

### 24 Subsidiary undertakings

Roehampton Corporate Initiatives Limited (RCIL) is a UK incorporated company, a wholly owned subsidiary of the University. The results of RCIL have been consolidated into the Financial Statements of the University. Separate audited financial statements have been prepared for the company to 31 July 2016. The company provides media and consultancy services to external clients. The investment in RCIL is £29,000. The University owns 100% of the ordinary shares of RCIL. In 2015/16 RCIL made a profit of £304,678, all of which is gift aided to the University.

Roehampton Hosting Services Limited (RHSL) is a UK incorporated company, is a wholly owned subsidiary of the University. The results of RHSL have been consolidated into the Financial Statements of the University. Separate audited Financial Statements have been prepared for the company to 31 July 2016. The company provides hosting and support services to external clients. The investment in RHSL is £100,000. The University owns 100% of the ordinary shares of RHSL. In 2015/16 RHSL made a profit of £89,751, all of which is gift aided to the University.

Roehampton Construction Services Limited (RCSL) is a UK incorporated company, is a wholly owned subsidiary of the University. The results of RCSL have been consolidated into the Financial Statements of the University. Separate audited Financial Statements have been prepared for the company to 31 July 2016. The company provides facility and management to the construction of student accommodation. The investment in RCSL is £2,000,000. The University owns 100% of the ordinary shares of RCSL. In 2015/16 RCSL made a profit of £448,010, all of which is gift aided to the University.

Roehampton Pathway Campus Limited (RPCL) was set up in May 2015 in partnership with QA Higher Education – a UK pathway provider to provide International Foundation Programmes and Pre-Masters courses. The University holds 50.1% of the ordinary shares of RPCL and this is accounted for as a joint venture.

## Notes to the Financial Statements Year ended 31 July 2016

### 25 Connected charitable institutions

The Catherine of Siena Education Trust is administered by or on behalf of the University and has been established for its special purposes. As a result, under paragraph 28 of Schedule 3 to the Charities Act 2011, these connected institutions are exempt from registration with the Charity Commission. In 2015/16 there were no activities in this charity.

### 26 Pensions

The University's employees belong to three principal pension schemes, the Teachers' Pension Scheme (TPS), the Universities Superannuation Scheme (USS) and the Local Government Pension Scheme (LGPS). All three are defined benefit schemes. The total pension cost for the year ended 31st July 2016 was £7.3m (2015: £5.9m) this includes an amount of £156,000 (2015: £160,000) being notional interest in respect of enhanced pensions entitlements for staff who have taken early retirement. The calculation of the cost of early retirement provisions charged to the Statement of Comprehensive Income in the year of retirement is based on the total capital cost of providing enhanced pensions with allowances for future investment returns of 4% in excess of price inflation.

#### Teachers' Pension Scheme

As the Teachers' Pension Scheme (TPS) is underwritten by central government and the University has no future obligation to make contributions to the scheme, this is effectively a defined contribution scheme in so far as it affects the University. As a result, contributions to this scheme are accounted for as if the scheme was a defined contribution scheme.

The University has set out below the information available on the Scheme and the implications for the University in terms of the anticipated contribution rates. The employers' contribution rates for the University's academic staff were 16.48% of pensionable salaries from 1 August 2015 to 31 July 2016.

The Teachers' Pension Scheme is a statutory, contributory, unfunded, defined benefit scheme, governed by the Teachers' Pensions Regulations 2010, and the Teachers' Pension Scheme Regulations 2014. Contributions are credited to the Exchequer on a "pay as you go" basis under arrangements governed by the Superannuation Act 1972. A notional asset value is ascribed to the Scheme for the purposes of determining contribution rates.

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

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

#### Universities Superannuation Scheme

The University participates in the Universities Superannuation Scheme (the scheme). Throughout the current and preceding periods, the scheme was a defined benefit only pension scheme until 31 March 2016 which was contracted out of the State Second Pension (S2P). The assets of the scheme are held in a separate trustee-administered fund. Because of the mutual nature of the scheme, the scheme's assets are not hypothecated to individual institutions and a scheme-wide contribution rate is set. The University is therefore exposed to actuarial risks associated with other institutions'

## Notes to the Financial Statements Year ended 31 July 2016

employees and is unable to identify its share of the underlying assets and liabilities of the scheme on a consistent and reasonable basis and therefore, as required by Section 28 of FRS 102 "Employee benefits", accounts for the scheme as if it were a defined contribution scheme. As a result, the amount charged to the income and expenditure account represents the contributions payable to the scheme in respect of the accounting period. Since the institution has entered into an agreement (the Recovery Plan that determines how each employer within the scheme will fund the overall deficit), the institution recognises a liability for the contributions payable that arise from the agreement to the extent that they relate to the deficit and the resulting expense in the income and expenditure account.

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

The total cost charged to the profit and loss account is £0.8m (2015: £0.7m) as shown in note 7. The latest available full actuarial valuation of the scheme was at 31 March 2014 ("the valuation date"), which was carried out using the projected unit method. Since the institution cannot identify its share of scheme assets and liabilities, the following disclosures reflect those relevant for the scheme as a whole.

The 2014 valuation was the third 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. At the valuation date, the value of the assets of the scheme was £41.6 billion and the value of the scheme's technical provisions was £46.9 billion indicating a shortfall of £5.3 billion. The assets therefore were sufficient to cover 89% of the benefits which had accrued to members after allowing for expected future increases in earnings.

Defined benefit liability numbers have been produced for the using the following assumptions:

	2016	2015
Discount rate	3.6%	3.3%
Pensionable salary growth	n/a	3.5% in the first year and 4.0% thereafter
Price inflation (CPI)	2.2%	2.2%

The main demographic assumption used relates to the mortality assumptions. Mortality in retirement is assumed to be in line with the Continuous Mortality Investigation's (CMI) S1NA tables as follows:

Male members' mortality	98% of S1NA ["light"] YoB tables – No age rating
Female members' mortality	99% of S1NA ["light"] YoB tables – rated down 1 year

## Notes to the Financial Statements Year ended 31 July 2016

Use of these mortality tables reasonably reflects the actual USS experience. To allow for further improvements in mortality rates the CMI 2014 projections with a 1.5% pa long term rate were also adopted. The current life expectancies on retirement at age 65 are:

	2016	2015
Males currently aged 65 years	24.3	24.2
Females currently aged 65 years	26.5	26.4
Males currently aged 45 years	26.4	26.3
Females currently aged 45 years	28.6	28.7
	2016	2015
<b>Scheme assets</b>	<b>£49.8bn</b>	£49.1bn
Total scheme liabilities	£58.3bn	£60.2bn
FRS 102 total scheme deficit	£8.5bn	£11.1bn
FRS 102 total funding level	85%	82%

### Local Government Pension Scheme (LGPS)

The Local Government Pension Scheme (LGPS) is a funded defined-benefit scheme, with the assets held in separate trustee-administered funds. The total contribution made for the year ended 31 July 2016 was £3.5m (2015: £2.7m) of which employer's contributions totalled £2.6m (2015: £2.0m) and employees' contributions totalled £0.9m (2015: £0.7m). The employer's contribution rate for administrative and manual staff for the period 1 August 2015 to 31 July 2016 was 15.5%.

The following information is based upon a full actuarial valuation of the Fund at 31 March 2007 updated to 31 July 2016 by a qualified independent actuary.

The major assumptions used by the actuary were:

	2016 %	2015 %
Retail price index increases	3.1	3.5
Consumer price index increases	2.2	2.6
Salary increases	4.0	4.4
Pension increases	2.2	2.6
Discount rate	2.6	3.8

The assumed life expectancies from age 65 were:

<b>Life Expectancy from 65 (years)</b>	2016	2015
<b>Retiring Today</b>		
Males	21.8	21.7
Females	25.4	25.2
<b>Retiring in 20 years</b>		
Male	24.2	24.1
Female	27.7	27.6

The estimated asset allocation for Roehampton University as at 31 July 2016 is as follows:

## Notes to the Financial Statements Year ended 31 July 2016

	Value at 31 July 2016 £'000	Proportion %	Value at 31 July 2015 £'000	Proportion %
Equities	26,691	44%	21,245	44%
LDI / Cashflow matching	4,534	15%	6,946	15%
Target return portfolio	12,615	19%	9,334	19%
Infrastructure	3,665	6%	2,579	6%
Commodities	277	0%	216	0%
Property	1,940	3%	1,508	3%
Cash	2,158	13%	6,201	13%
<b>Total market value of assets</b>	<b>51,880</b>	<b>100%</b>	<b>48,029</b>	<b>100%</b>

<b>Analysis of the amount shown in Roehampton University's statement of comprehensive income</b>	31 July 2016 £'000	31 July 2015 £'000
Service cost	3,717	2,882
Net interest on the defined liability (assets)	1,310	1,183
Administration expenditure	72	67
<b>Total loss (profit)</b>	<b>5,099</b>	<b>4,132</b>

The following amounts, at 31 July 2016, were measured in accordance with the requirements of FRS 102:

<b>Analysis of the amount shown in Roehampton University's balance sheet</b>	31 July 2016 £'000	31 July 2015 £'000
Fair value of Fund assets (bid value)	51,880	48,029
Present value of the defined benefit obligation	(104,905)	(83,248)
Present value of unfunded obligations	(305)	(302)
<b>Net pension deficit</b>	<b>(53,330)</b>	<b>(35,521)</b>

<b>Re-measurement in other comprehensive income</b>	31 July 2016 £'000	31 July 2015 £'000
Return on fund assets in excess of interest	742	93
Change in financial assumptions	(15,798)	(6,415)
Experience gain/(loss) on defined benefit obligation	1	(3)
	<b>(15,055)</b>	<b>(6,325)</b>

<b>Reconciliation of opening &amp; closing balances of the present value of the defined benefit obligation</b>	31 July 2016 £'000	31 July 2015 £'000
<b>Opening defined benefit obligation</b>	<b>83,550</b>	<b>71,779</b>
<b>Movement in the period</b>		
Current service cost	3,462	2,882
Interest cost	3,160	3,133
Changes in financial assumptions	15,798	6,415
Experience loss/(gain) on defined benefit obligation	(1)	3
Estimated benefits paid net of transfers in	(1,882)	(1,490)
Past service costs including curtailments	255	-
Contributions by Scheme participants and other employers	894	854
Unfunded pensions payments	(26)	(26)
<b>Closing defined-benefit obligation</b>	<b>105,210</b>	<b>83,550</b>

## Notes to the Financial Statements Year ended 31 July 2016

	31 July 2016 £'000	31 July 2015 £'000
<b>Reconciliation of Opening balances of the fair value of fund assets</b>		
<b>Opening fair value of employer assets</b>	<b>48,029</b>	44,640
<b>Movement in the period</b>		
Interest on assets	1,850	1,950
Return on assets less interest	-	93
Administration expenses	(72)	(67)
Contributions by employer including unfunded	2,345	2,075
Contributions by scheme participants and other employers	894	854
Estimated benefits paid plus unfunded net of transfers in	(1,908)	(1,516)
<b>Closing fair value of employer assets</b>	<b>51,138</b>	48,029
<b>Projected Pension Expense for the year to 31 July 2017</b>		
		31 July 2017 £'000
Service cost		4,345
Net interest on the defined liability (asset)		1,358
Administration expenses		78
<b>Total</b>		<b>5,781</b>
Employer contributions		2,162

### 27 Related party disclosures

The following disclosure is required under FRS 102, 33.3 Related Party Transactions.

During the financial year 2015/16 Siobhan Kelly was a member of University Council and President of Roehampton Students' Union. In 2015/16 the University gave Roehampton Students' Union £367,000 as a block grant.

The University has taken advantage of the exemption available in FRS 102, Related Party Transactions not to disclose transactions with its wholly owned subsidiaries.

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

	2016 £'000	2015 £'000
<b>Balance at 31 July 2015</b>	<b>(327)</b>	(213)
Total payment received from the NCTL excluding VAT	2,197	2,143
Disbursed to students	(1,891)	(2,257)
<b>Balance at 31 July 2016</b>	<b>(21)</b>	(327)

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

## Notes to the Financial Statements Year ended 31 July 2016

### 29 Transition to FRS102 and the 2015 SORP

As explained in the accounting policies, these are the University's first financial statements prepared in accordance with FRS 102 and the 2015 SORP. The accounting policies have been applied in preparing the financial statements for the year ended 2016, the comparative information presented in these financial statements for the year ended 2015 and in the preparation of an opening FRS 102 Statement of Financial Position at 1 August 2014. In preparing its FRS 102, SORP based Statement of Financial Position, the University has adjusted amounts reported previously in financial statements prepared in accordance with its old basis of accounting (2007 SORP).

An explanation of how the transition to FRS 102 and the SORP has affected the University's financial position, financial performance and cash flows is set out in the following tables.

	1 August 2014			31 July 2015		
	2007 SORP £'000	Effect of transition to 2015 SORP £'000	2015 SORP £'000	2007 SORP £'000	Effect of transition to 2015 SORP £'000	2015 SORP £'000
<b>Non-current assets</b>						
Intangible assets and goodwill	104	-	104	95	-	95
Negative goodwill	(63,288)	-	(63,288)	(61,657)	-	(61,657)
Fixed Assets	114,666	31,801	143,467	131,626	31,675	163,301
	<u>51,482</u>	<u>31,801</u>	<u>83,283</u>	<u>70,064</u>	<u>31,675</u>	<u>101,739</u>
<b>Endowment assets</b>	704	(704)	-	642	(642)	-
<b>Current assets</b>						
Stock	120	-	120	128	-	128
Trade and other receivables	2,790	-	2,790	5,488	-	5,488
Investments	-	704	704	-	642	642
Cash and cash equivalents	19,760	-	19,760	35,911	-	35,911
	<u>22,670</u>	<u>704</u>	<u>23,374</u>	<u>41,527</u>	<u>642</u>	<u>42,169</u>
Less: Creditors: amounts falling due within one year	(9,868)	(3,803)	(13,671)	(14,825)	(3,783)	(18,608)
<b>Net Current assets/ (liabilities)</b>	<u>12,802</u>	<u>(3,099)</u>	<u>9,703</u>	<u>26,702</u>	<u>(3,141)</u>	<u>23,561</u>
<b>Total assets less current liabilities</b>	64,988	27,998	92,986	97,408	27,892	125,300
Creditors: amounts falling due after more than one year	(25,305)	(6,757)	(32,062)	(54,983)	(6,584)	(61,567)
<b>Provisions</b>						
Pension provision	(29,173)	(661)	(29,834)	(37,538)	(1,986)	(39,524)
<b>Total net assets</b>	<u>10,510</u>	<u>20,580</u>	<u>31,090</u>	<u>4,887</u>	<u>19,322</u>	<u>24,209</u>
<b>Deferred capital grants</b>	8,386	(8,386)	-	8,102	(8,102)	-
<b>Restricted Reserves</b>						
Restricted endowments	704	-	704	642	-	642
<b>Unrestricted Reserves</b>						
Income and Expenditure account excluding pension reserve	1,420	28,966	30,386	(3,857)	27,424	23,567
<b>Total Reserves</b>	<u>10,510</u>	<u>20,580</u>	<u>31,090</u>	<u>4,887</u>	<u>19,322</u>	<u>24,209</u>



## Notes to the Financial Statements Year ended 31 July 2016

### 29 Transition to FRS102 and the 2015 SORP

Financial position	1 August 2014		31 July 2015	
	Group £'000	University £'000	Group £'000	University £'000
<b>Total reserves under 2007 SORP</b>	1,420	1,407	(3,857)	(3,870)
USS pension provision	(661)	(661)	(1,966)	(1,966)
Revaluation of land and additional depreciation	31,801	31,801	31,675	31,675
Grant income	10	10	10	10
Donations	440	440	442	442
Employee leave accrual	(2,624)	(2,624)	(2,717)	(2,717)
Endowments	704	704	642	642
<b>Total effect of transition to FRS 102</b>	<b>29,670</b>	<b>29,670</b>	<b>28,066</b>	<b>28,066</b>
<b>Total reserves under 2015 SORP</b>	<b>31,090</b>	<b>31,077</b>	<b>24,209</b>	<b>24,196</b>
<b>Financial performance</b>			<b>Year ended 31 July 2015</b>	
			<b>Group £'000</b>	<b>University £'000</b>
<b>Surplus for the year under 2007 SORP</b>			1,761	1,761
USS pension provision			(1,325)	(1,325)
LGPS			(648)	(648)
Employee leave accrual			(93)	(95)
Depreciation			(126)	(126)
Donations			44	44
Deferred Capital grant			(41)	(41)
<b>Total effect of transition to FRS 102</b>			<b>(2,191)</b>	<b>(2,191)</b>
<b>Surplus for the year under 2015 SORP</b>			<b>(430)</b>	<b>(430)</b>

#### Cash flows

The only impact of the transition to FRS 102 on the cash flows of the University or the Group is the reclassification of some short term investments to cash and cash equivalents.

## Notes to the Financial Statements Year ended 31 July 2016

### 29 Transition to FRS102 and the 2015 SORP

	2007 SORP £'000	STRGL* Items £'000	Effect of transition to 2015 SORP £'000	2015 SORP £'000
<b>Income</b>				
Tuition fees and education contracts	60,953	-	-	60,953
Funding body grants	9,755	-	-	9,755
Research grants and contracts	1,494	-	-	1,494
Other income	17,247	-	(101)	17,146
Investments	107	-	-	107
<b>Total income before endowments and donations</b>	<b>89,556</b>	<b>-</b>	<b>(101)</b>	<b>89,455</b>
<b>Endowments and donations</b>	<b>-</b>	<b>-</b>	<b>104</b>	<b>104</b>
<b>Total income</b>	<b>89,556</b>	<b>-</b>	<b>3</b>	<b>89,559</b>
<b>Expenditure</b>				
Staff costs	50,242	-	1,399	51,641
Other operating expenses	31,590	-	67	31,657
Depreciation	3,439	-	126	3,565
Interest and other finance costs	2,609	-	602	3,211
<b>Total expenditure</b>	<b>87,880</b>	<b>-</b>	<b>2,194</b>	<b>90,074</b>
<b>Surplus/ (deficit) before other gains losses and share of operating surplus/deficit of joint ventures and associates</b>	<b>1,676</b>	<b>-</b>	<b>(2,191)</b>	<b>(515)</b>
Gain on investments	85	23	(85)	23
<b>Surplus / (deficit)</b>	<b>1,761</b>	<b>23</b>	<b>(2,276)</b>	<b>(492)</b>
<b>Actuarial (loss) in respect of pension schemes</b>	<b>-</b>	<b>(7,038)</b>	<b>649</b>	<b>(6,389)</b>
<b>Total comprehensive income for the year</b>	<b>1,761</b>	<b>(7,038)</b>	<b>(1,627)</b>	<b>(6,881)</b>
Represented by				
Unrestricted comprehensive income for the year	1,761	(7,038)	-	(6,881)
	1,761	(7,038)	(1,677)	(6,881)
<b>Surplus / (deficit) for the year attributable to:</b>				
University	1,761	23	(2,276)	(492)
<b>Total comprehensive income for the year attributable to University</b>	<b>1,761</b>	<b>(7,015)</b>	<b>(1,627)</b>	<b>(6,881)</b>

\* This column represents items that were previously recorded within the Statement of Total Recognised Gains and Losses (STRGL) and are now recorded within the Statement of Comprehensive Income (SoCI).