



Roehampton University

**Annual Report and
Financial Statements**

31 July 2013

Company Registration Number
5161359 (England and Wales)

Table of Contents

Chair of Council's Statement	3
Operating and Financial Review	9
Introduction	9
1 Statement of Public Benefit	10
1.1 Object, Vision and Values	10
1.2 Outreach and Widening Participation	12
1.3 Community Engagement	13
1.4 Public Education	14
2 Strategy and Risk Analysis	14
2.1 Strategic Plan	14
2.2 Key Performance Targets	15
2.3 Looking Forward	17
2.4 Risk Analysis	17
3 Academic Review	19
3.1 Overview	19
3.2 Learning and Teaching	19
3.3 Research	20
3.4 Collaboration	21
4 Corporate Responsibility	21
4.1 Staff	21
4.2 Environmental Sustainability	22
4.3 Equality and Diversity	23
5 Financial	24
5.1 A Financial Strategy for Sustainability	24
5.2 Financial Review of the Year to July 2013	25
5.3 Investments	28
5.4 Payment of Creditors	28
5.5 Accounting Systems	28
5.6 Post Balance Sheet Events	28
6 Corporate Governance	28
6.1 Legal Status	28
6.2 Statement of Corporate Governance	28
6.3 Statement of Responsibilities of the Members of Council	29
6.4 Disclosure of Information to Auditors	30
6.5 Statement of the University's Structure of Corporate Governance	30
6.6 Internal Control	31
Independent Auditors' Report to the Members of Council of Roehampton University	34
Financial Statements	36

Chair of Council's Statement



The last year has seen many positive developments for Roehampton. In fact, the University has never been stronger than it is today and it is well-placed to deal confidently with the future. It has demonstrated the capacity to adapt to radical change.

Relationships with the four Providing Bodies are stronger than they have been for many years, following the establishment of a single, unified system of governance. As a result, the University's educational ethos is clearer than ever, while for the first time the University is able to plan the estate as a single campus, as well as integrate all services.

The College system had presented significant complications and risks in terms of good governance, financial stability and the quality of student services. Our Colleges now constitute an unalloyed strength, distinguishing the University from its competitors and encouraging student engagement.

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

- High quality teaching, with programmes that are challenging and up-to-date
- Providing our students with high levels of contact time with excellent teachers and researchers working at the cutting edge of their subject areas
- Strong student engagement at all levels of decision-making in the University, through the innovative 'Student Partnership' and Student Senate
- Excellent facilities for learning and teaching
- Multiple chances for students to get involved in extra-curricular activities, with 40 active and well-supported student societies, as well as many opportunities to volunteer and to play sport
- Accessible development and specialist support services, working closely with academic departments and across the University
- A diverse student body, with students from all walks of life, creating a friendly and cosmopolitan atmosphere on campus
- A beautiful, green campus conveniently located in the heart of south-west London
- A collegiate structure, drawing on over 170 years providing higher education

The Quality Assurance Agency for Higher Education (QAA) review in 2013 commended the excellent relationship we have with our students. Student satisfaction, as measured in the National Student Survey, has grown to its highest-ever level. Overall satisfaction has risen 7% over the last two years, to 86%. Degree results are also significantly improved on the previous year.

Despite a difficult economic climate nationally, the proportion of the University's graduates in employment and further study six months after graduation remains strong, especially in relation to other modern universities in London. The University aims to increase the proportion of these jobs which are at graduate level.

The University continues to develop a strong research profile and grow its reputation at home and overseas. Last year saw home/EU undergraduate applications up 17%. Finally, through its partnership with Laureate the University is building a significant online presence, with over 500 students enrolled in the first year of operation.


Sir David Bell
Chair of Council

Operating and Financial Review Year to 31 July 2013

Members of Council and Directors

Sir David Bell – Chair
Dr Susan Acheson
Robert Alexander (from 26 November 2012)
Nicholas Brookes – Vice-Chair
Canon Peter Bruinvels (until 11 October 2012)
John Constantine
Janet Cooper
Roger Dawe CB, OBE
Rev David Deeks
Clare Delmar
Noel Flannery
Terry Knight (from 2 May 2013)
Max Landsberg (until 25 November 2012)
David Lochtie (from 15 October 2012)
Stephen Ludlow
Rev James McKinney (from 12 October 2012)
Mark Neale CB
Brian Newey
Professor Paul O'Prey
Dr Julie Shaughnessy
Wade Tomlinson

Company Secretary and Clerk to the Council

Andrew Skinner (until 7 September 2012)
Laurence Benson (from 7 September 2012)

Audit Committee

Noel Flannery – Chair
John Constantine
Roger Dawe CB, OBE
Elaine Hutton
Brian Newey
Jeffery Onions QC

Operating and Financial Review Year to 31 July 2013

Finance & General Purposes Committee

Nicholas Brookes – Chair
Robert Alexander
Clare Delmar
Paul Fothergill (from 12 February 2013)
Terry Knight (from 2 May 2013)
Professor Paul O'Prey (ex officio)
Mark Neale CB
Wade Tomlinson

Remuneration Committee

Sir David Bell – Chair (ex officio)
Nicholas Brookes
Janet Cooper (from 26 November 2012)
Rev David Deeks
Max Landsberg (until 25 November 2012)
Professor Paul O'Prey (ex officio)

Employment Committee

Rev David Deeks – Chair
Janet Cooper (from 26 November 2012)
Professor Pat Corcoran
Janet Day (from 1 January 2013)
Stuart Hannan
Max Landsberg (until 25 November 2012)
Brian Newey
Professor Paul O'Prey (ex officio)
Wade Tomlinson (ex officio)

Operating and Financial Review Year to 31 July 2013

Estates Committee

Terry Knight – Chair (from 2 May 2013)
Group Captain Laurence Barnes
Nicholas Brookes
Professor Lynn Dobbs (ex officio)
Robert Erskine
Virginia Jordan
Stephen Ludlow (Acting Chair until 2 May 2013)
Rev Jim McKinney (from 8 October 2012)
David Noakes (until 30 September 2012)
Professor Paul O'Prey (ex officio)
Dean Sutton (until 28 February 2013)
Wade Tomlinson (ex officio)
Philip Wildman

Honorary Awards Committee

Professor Paul O'Prey - Chair (ex officio)
Sir David Bell (ex officio)
Canon Peter Bruinvels (until 11 October 2012)
Professor Michael Chanan
Profession Michael Day (from 1 October 2012)
Clare Delmar
Professor Lynn Dobbs (ex officio)
Professor Cecilia Essau
Dr Aisha Gill
Professor Garry Marvin
Andrew Masheter (ex officio, until 31 December 2012)
Rev Jim McKinney (from 11 October 2012)
Andrew Skinner (until 26 September 2012)
Wade Tomlinson (ex officio)
Rob Yeldham (from September 2012 to March 2013)

Operating and Financial Review Year to 31 July 2013

Health & Safety Committee

Laurence Benson – Chair (from 7 September 2012)
Dr Ghazwa Alwani-Starr
Reggie Blennerhassett
Dr Patrick Brady (UCU)
John Constantine
Professor Pat Corcoran
Simon Dorman
Dr Mark Garner
Irene Gerlach (GMB)
Professor Suzy Harris
Gary Jennings (ex officio)
David Lochtie (from 11 March 2013)
Dr Claire Ozanne
John Payne
Dr Christopher Stephens
Wade Tomlinson (ex officio)

Nominations & Governance Committee

Sir David Bell – Chair (ex officio)
Reggie Blennerhassett (from 1 January 2013)
Nicholas Brookes
Canon Peter Bruinvels (until 11 October 2012)
Terry Knight (from 2 May 2013)
Andrew Masheter (until 31 December 2012)
Professor Paul O'Prey (ex officio)
Wade Tomlinson (ex officio)

Operating and Financial Review Year to 31 July 2013

Company Registration Number	5161359
Registered Office	Grove House Roehampton Lane London SW15 5PJ
Auditors	BDO LLP 2nd Floor 2 City Place Beehive Ring Road Gatwick West Sussex RH6 0PA
Bankers	Barclays Bank PLC London SW18 2PR
Solicitors	SGH Martineau London EC3N 2SG

Operating and Financial Review Year to 31 July 2013

Operating and Financial Review

Introduction

This report reviews the University's activities in the year 2012/13 in the context of the opportunities, challenges and risks within which it operates.

As the University approaches its tenth anniversary the landscape in which it operates has changed substantially since its foundation in 2004. In addition to changes to the external environment, the institution itself has developed in many significant ways over that period. While remaining a collegiate University, proud of its tradition, huge strides have been made to improve the effectiveness and efficiency of the organisation and to build the reputation of the University both at home and overseas.

In 2012, the University established a single, unified system of governance, as Whitelands College became the last of the four constituent Colleges to merge with the University; the culmination of a long process that has seen new agreements reached between the University and all four Providing Bodies of the Colleges. Relationships with the four Providing Bodies are stronger than they have been for many years. As a result, the University's educational ethos is clearer than ever, while for the first time Roehampton is able to plan the estate as a single campus, as well as integrate all services. Our Colleges now constitute an unalloyed strength, distinguishing the University from its competitors and encouraging student engagement.

The University is today academically and financially stronger than it has ever been, with a confident sense of its own position in the UK higher education sector and a well-founded belief in its future prospects. The University's physical estate has benefitted from sustained investment and now has 91% of its non-residential space to be in functionality condition A or B against a sector mean of 77%. The shift to fee-based funding has led the University to sharpen the distinctiveness of its offering as a campus University in London, with a particular focus on high levels of student engagement. This distinctiveness has led to Home/EU applications to the University rising 17% in 2013, taking significant market share from its UCAS competitors. The University has registered 204 students with ABB or above at A-level (or equivalent), representing an 80% increase on last year. Overseas numbers are up 12% over three years, with growth coming from mature markets in the USA and Scandinavia.

The University is also diversifying its income streams. Study Abroad is emerging as an increasingly significant market, with numbers rising from 146 to 298 since 2010. The majority of these students come from the USA and spend six months at the University. In 2012 we launched an innovative partnership with Laureate to launch online degrees and are on track to see 5,000 students enrolled in the first five years. Also with Laureate, we now host a branch campus of Glion Institute of Higher Education, based in Switzerland. Glion UK has enrolled its first 50 students starting on August 2013 and plan to increase this to 450 students within the next five years.

The current success of the University makes it appropriate for us to invest in our future at this time. We have updated our campus master plan during 2012/13 to ensure we make best use of our estate. Our new partnerships with Laureate and others, particularly in the study abroad arena, increase the need for additional student accommodation and it is our intention to go some way to meet extra demand by developing student residency schemes on our Downshire House and Digby Stuart sites. In addition to the on-campus developments, we are looking at off-campus opportunities provided by third parties. This will not only increase the numbers of bedrooms available to Roehampton students but also the variety of choice of accommodation.

The shape and size of the University is changing as we develop the international opportunities that are becoming available to us, given the growing reputation of the University. Central to this strategy is the need to provide students with state of the

Operating and Financial Review Year to 31 July 2013

art facilities. Our existing library facilities fall short of our ambitions in this respect and for this reason we shall be investing in high quality new library services in the near future, which will make us more competitive in attracting well-qualified students from both the UK and abroad.

Building a new library also releases much needed space in the existing Harvey building. The successful growth of our two academic departments based at Whitelands College, Psychology and Life Sciences, will mean that we have to relocate one of them in the near future. The Harvey building will provide excellent academic office and teaching space for the department of Psychology and allow the department of Life Sciences to expand at Whitelands. In order to ensure we make the best use of our existing buildings we are carrying out a strategic review of space for the whole University which will include how we best use the Harvey building once it is vacated.

1 Statement of Public Benefit

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

1.1 Object, Vision and Values

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

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

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

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

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

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

- *We remain loyal to the values and traditions that form the core of our strength as an institution and which to a large extent draw inspiration from our collegiate foundations. These values and traditions include a fundamental belief in the power of education to transform lives and communities, a commitment to encouraging the personal potential and social awareness of individuals, and a passion for the highest quality of education and scholarship.*
- *We are committed to diversity and a global outlook as fundamental to an education that meets the needs of a society that is increasingly complex and fast-changing.*
- *The University offers the only traditional campus experience for students in London, with high-quality facilities and inspirational teaching by experts who are leaders in their fields. At Roehampton, every academic is engaged in teaching, including our top professors.*

Operating and Financial Review Year to 31 July 2013

- *A Roehampton degree is designed to help our students become the sort of graduate most valued by employers: a confident, critical thinker, open to new ideas, able to work well as a team with people from all walks of life, and with first-class communication skills.*
- *The University is committed to its students, helping them to reach their full potential and launch themselves on a successful graduate career. All students can count on the support and advice of dedicated advisers who will help them succeed in their studies, and they can turn to our careers service for advice at any time throughout their working life.*
- *The University works in partnership with its students and encourages them to share in the responsibility for determining the direction of their University.*

The University is committed to providing excellent teaching, as well as producing world-class research. Following an Institutional Review earlier this year, the Quality Assurance Agency (QAA), which reviews all UK higher education institutions, identified at Roehampton the highest number of positive examples of good practice of any university.

One of these was for the effective collaboration between the Students' Union and the University – an element of our Student Partnership, which involves the student voice at all levels of decision-making and encourages students to share in the responsibility for determining the direction of the University. The same review also commended the work undertaken at Roehampton to enhance learning and teaching and praised the University's academic standards and the quality of the learning opportunities we provide for students.

The University continues to produce world-class research, with a number of projects receiving significant media coverage at home and overseas over the last year and many having a positive impact on national debate and on wider society. During the year the University made a number of high quality appointments to key academic leadership positions.

These include appointments in the Department of Humanities where Professor Michael Edwards brings his considerable expertise in Athenian oratory and rhetoric to the Classical Civilisation team while Professor Glyn Parry, an early modern specialist and a Fellow of the Royal Historical Society, has joined colleagues in History. Professor Parry's recent book on the enigmatic Elizabethan magician/conjuror, John Dee, was voted runner-up for the Longman *History Today* prize in 2013. Two notable appointments in the Department of English and Creative Writing have further strengthened what was already an already impressive group of staff working in the field of contemporary poetry: Professor Fiona Sampson and Professor David Harsent are both distinguished, prize-winning poets who will extend the range of expertise on offer to our students and make Roehampton a focal point for contemporary poetic practice.

In the School of Education a prolific researcher in semiotics and the Philosophy of Education, Professor Andrew Stables, has joined the team along with Professor Debbie Epstein who brings additional strength to the research already being undertaken by colleagues looking into gender, sexuality, race and the cultural politics of Education. A further international dimension will be added to the work of the School through the appointment of Professor Mathias Urban, an expert in Early Childhood provision who has considerable experience of the European context and has worked with the European Commission.

The Department of Dance has secured the appointment of two extremely high profile academics who will further enhance the excellent research profile of the department: the renowned choreographer, Emilyn Claid, has been appointed Professor of Choreographic Practice while Professor Theresa Buckland as Professor of Dance History and Ethnography further develops the department's strength in dance as a socio-cultural practice. In the Business School, Professor Sabine Moeller has joined us from a post at the prestigious German business school, EBS in Wiesbaden. Last but far from least, Professor Mick Cooper was appointed Professor of Counselling Psychology earlier this year. He brings tremendous experience in

Operating and Financial Review Year to 31 July 2013

approaches to psychological therapies and will richly complement the existing research in the Department of Psychology. In addition to these very distinguished external appointments, the University is delighted to confirm the promotion of two internal candidates to professorial posts: Professor Graham White as Professor of Drama, Theatre and Performance and Professor Stuart Semple as Professor of Evolutionary Anthropology in the Department of Life Sciences.

Work in our School of Education has included research by Dr Peter Elfer on the ratio of nursery workers to babies required for emotional wellbeing, which has contributed to a current debate over Government policy in the area. Other projects in the School include research by Professor Adam Ockleford into early music development in children with multiple learning difficulties and a project by Dr Andrew Wilkins investigating how different types of schools engage with their stakeholders. Professor Penny Jane Burke in the School is leading a highly regarded research project exploring the ways that gender and other social identities shape the learning experiences of students and teachers in higher education.

Dr Sara Houston and Ashley McGill in our Department of Dance have collaborated with the English National Ballet in assessing how dance can improve the symptoms of those living with Parkinson's disease. Professor Adrian Heathfield in our Department of Drama, Theatre and Performance has received significant funding for Performance Matters, a project investigating the cultural value of performance and live art practices.

Two members of our Department of Life Sciences, Dr Lewis Halsey and Dr Chris Tyler, were selected to conduct research on the members of a team undertaking an unprecedented expedition across the Antarctic in winter. Another notable project, led by Dr Stuart Semple in Life Sciences and Professor Changiz Mohieddini in our Department of Psychology, has assessed the coping mechanisms of men and women in stressful situations, in particular interviews. Dr James Davies in the Department of Life Sciences has received widespread recent media coverage for a book entitled *Cracked: Why Psychiatry is Doing More Harm than Good*.

Dr Pablo Romero-Fresco in our Department of Media, Culture and Language has undertaken research that has led directly to a change in guidelines issued by OFCOM, and other international organisations, on the display of subtitles. The Department has also produced a number of highly regarded documentaries, including the *Act of Killing*, by Michael Uwedimmo, which has received awards at international film festivals.

Dr Stefan Visnjevac in our Department of Humanities has won a highly competitive three-year postdoctoral fellowship from the British Academy, the national body that supports the humanities and social sciences. This project will investigate the fifteenth-century preacher Leonardo Mattei and his world.

Dr Julie Hall, Director of our Learning & Teaching Enhancement Unit, has received a National Teaching Fellowship from the Higher Education Academy (HEA), the most prestigious award for excellence in higher education teaching and support for learning, bringing a total of seven such awards to staff in the University in recent years.

Other examples of the public benefit offered by the University include its widening participation programme, its community engagement particularly in sport and its public education programmes.

1.2 Outreach and Widening Participation

Roehampton has an historic mission to reach out to communities with traditionally low levels of university attendance and to create opportunities for students from diverse backgrounds to benefit from a high quality university education. In 2011 the University made a conscious decision to keep its headline tuition fee for home and EU undergraduate students as low as possible to encourage participation. The University also devotes significant resources to outreach activities as well as to its

Operating and Financial Review Year to 31 July 2013

scholarship and bursary programmes. These tuition fees will increase in line with the cost of living until they reach the £9,000 cap. Its student body reflects this commitment, as shown in the most recently available figures:

- 95.4% of young full-time undergraduate entrants to the University in 2011/12 were from state schools or colleges, substantially above the national average of 88.9%.
- 37.4% of young full-time undergraduates entering the University in 2011/12 were from National Statistics Social Economic Classifications 4 to 7, substantially above the national average of 30.7%.
- The University has been particularly successful at attracting Black and Minority Ethnic (BME) students: Roehampton has twice the average proportion of BME students (42% of students who declare their ethnicity are from BME backgrounds, compared to the national average of 21%).

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

- An academic mentoring programme through which Roehampton students work with secondary schools in the local region to offer academic support and act as role models for pre-GCSE students.
- Taster and progression days for schools in our region that are identified as having low progression to higher education.
- In the academic year 2012/13, the University introduced a Compact Scheme with local schools and colleges designed to support their students' transition to higher education. This scheme incorporates a range of activities for Year 12 and Year 13 students designed to familiarise them with academic study at, and study skills for, higher education level. It further introduces them to general student life issues.

Roehampton is also committed to ensuring that all students benefit from an excellent teaching and learning experience. The University has invested in providing additional academic support to students who are less well-prepared for the demands of a university programme. A wide range of extra-curricular activities is also available, including the opportunity to engage in community volunteering programmes. We provide an extensive student welfare programme which includes health services, counselling, support for disabled students, sport and exercise facilities, and careers and financial advice.

1.3 Community Engagement

The University continues to contribute to community engagement and regeneration with a particularly strong relationship with Wandsworth and Hammersmith and Fulham Borough Councils and a developing relationship with Merton. The University contributes to a number of vibrant networks including London First and West Focus. During the year, the University has reviewed all the networks to which it subscribes to ensure effective alignment with the strategic aim of 'positively contributing to the local economy through community regeneration and renewal activities'.

The University continues to focus its employer engagement activity on particular areas of strength and expertise and will seek to increase these in the coming year. A number of curriculum areas have developed particularly strong links with local employer organisations - the Business School with Wandsworth Chamber of Commerce for example, and Dance with local community groups around Roehampton. In 2013 Roehampton Business School sponsored Best Green Business in the Wandsworth Business Awards. An increased number of local employers are utilising the University Unitemps employment agency offering temporary posts to our students and graduates.

Operating and Financial Review Year to 31 July 2013

The University remains committed to serving the needs of the local community, contributing to the social and cultural life of the neighbourhood. The Students' Union has developed very strong links with local voluntary groups and a large and growing number of students are involved in voluntary work. The University is in negotiation with Groundwork London to reinstate an on-campus brokerage service since the Volunteer Centre Wandsworth lost its contract to deliver volunteering in the Borough of Wandsworth during the year.

University academic departments regularly offer public lectures and specialist events. The Roehampton Dance Festival for example offers free classes each year during the festival period. The Psychology Department and the School of Education run extensive specialist professional development programmes and short courses.

Much of the University's chaplaincy programme includes the local community. Throughout the term the chaplaincy host's a lecture series which attracts a large number of external guests. The local community are also invited to religious festivals organised on campus and we invite members from the local faith communities to join us for our annual interfaith celebrations. The advent carol services also include external preachers and a local choir from the Hammersmith Sacred Heart High School.

Sunday worship, both Methodist and Catholic, are open to the community and attract a number of local people. As well as week day services across the University. Muslim Friday prayers involve staff and patients from the local hospital. We have an active engagement with the Methodist Circuit including worship, concerts and community activities and we hosted an away day for a local Methodist church this year. The Catholic Chaplain says Mass at events organised by the Society of the Sacred Heart on campus and in their nursing home on Roehampton Lane. The Anglican chaplaincy links with the local Anglican Church in Roehampton for its Sunday services.

The chaplaincy is also involved in two volunteering outreach programmes into the community. The SVP1830's group support the Passage Soup Kitchen in central London and the Southlands Venture programme organise volunteer chaplains at Queen Mary's Hospital in Roehampton.

1.4 Public Education

The University offers a range of short courses and continuing professional development opportunities particularly in the areas of education, psychology and the therapies and media and communication. In 2012/13 the University welcomed almost 300 participants to such events, including an extensive training programme for Spanish teachers funded by the Madrid Ministry of Education. In addition the University hosted over 150 public lectures and seminars including a national event on widening participation in higher education with Professor Les Ebdon, Director of the Office for Fair Access, and representatives from the Higher Educational Funding Council.

2 Strategy and Risk Analysis

2.1 Strategic Plan

The University's Strategic Plan was approved by its Council in October 2011. This established a strategy for managing the rapid transition from direct government funding for the majority of undergraduate provision towards the new student fees system. The Plan was created to put in place the measures necessary to ensure the sustainability of the University. The current Plan runs until 2014 and the University is currently producing the 2014/2019 Strategic Plan.

Operating and Financial Review Year to 31 July 2013

The current Plan is focused on the following priorities:

- Positioning the University in the market
- Driving up non-regulated income and reducing the overall cost base
- Delivering high-quality student learning and enhancing student employability
- Improving the student and staff experience

2.2 Key Performance Targets

Progress against the Key Performance Indicators (KPI's) for each of the Strategic Plan priority areas and highlights of recent activity are listed below:

Positioning the University in the market

The University has put in place a number of measures to improve the processes that underpin student recruitment and admissions. This has included compact schemes with local schools, enhanced conversion activity with applicants, greater investment in advertising campaigns using social media as well as traditional outlets such as trains, buses and metro; innovative methods of engaging potential students, their teachers and parents, such as webinars; investment in a new geographically intelligent mobile and desktop website; a mobile app; and also software to assist the University to monitor its digital marketing activity. Applications to the University from UK and EU undergraduates rose 17% during the year, representing a 18% take of market share from our top six competitors. Traffic to the University's enhanced new website continues to grow, as does our presence on key social networking sites. The University's new Roehampton Online Facebook page attracted 132,000 'likes' in its first year of launch.

Driving up non-regulated income and reducing the overall cost base

The University has performed well against its KPIs related to financial sustainability over the past year. In 2012/13 the University achieved almost half its targeted increases in income from overseas (non-EU) tuition fees, in other operating income and in net liquidity days (Section 5.1).

The Conference Department continued to build on business secured in the previous season and increased the volume of corporate events, including many repeat bookings from delighted customers. A contract with a new summer school has been agreed and they have taken rooms on the campus this year. Overall, the expected income exceeds last year's totals.

This is the second year of the centralised Academic Conference team and this has been integrated well into the University's departmental operations. Academic Conferences are now either breaking even or returning a small surplus. In addition, the feedback from the academic staff running the conferences and the delegates attending has been extremely positive. The improvement of perception of these conferences was a key motivation for incorporating into a centralised department.

Delivering high-quality student learning and enhancing student employability

The University scored its best ever results in the 2013 National Student Survey (NSS), against which a number of KPIs in this priority area are measured.

As well as improving or maintaining its position in all question groups in the survey, including those related to student employability, the University scored 86% in Overall Satisfaction. It has exceeded its Strategic Plan targets in most areas of the NSS.

Operating and Financial Review Year to 31 July 2013

The University has increased the proportion of staff engaged in teaching that are recognised Higher Education Academy (HEA) Teaching Fellows from 23% to 32%, by focusing on more staff seeking recognition in this manner.

Indicator	Measure	Baseline	Target 2014	Status
Excellence in Teaching	% Teaching staff with recognised HE teaching qualification	2010 23%	50%	2013 32%
Quality of Teaching	% Agree Teaching section in NSS	NSS 2010 82%	85%	NSS 2013 87%
Quality of Learning and Teaching Resources	% Agree Learning Resources section in NSS	NSS 2010 77%	82%	NSS 2013 86%
Organisation and Management	% Agree Organisation and Management section in NSS	NSS 2010 67%	75%	NSS 2013 79%
Continuation of Students	HESA Performance Indicators on non-continuation (no longer in HE)	2008/09 entry 8.1%	7.9%	2010/11 entry 10.0%
Student Quality	Average tariff on entry for undergraduates	2010/11 276	300	2013/14 278
Employability	% Graduates employed or in further study	DLHE 2008/09 88.4%	90%	DLHE 2012/13 87%
Embedding Employability	% Agree they were satisfied in the NSS careers section	NSS 2010 60%	70%	NSS 2013 71%
Student Development	% Agree they were satisfied with the Personal Development section in NSS	NSS 2010 76%	80%	NSS 2013 80%
Research	Number of research grants and contract bids	2009/10 192	200	2011/12 155
Research	% Successful research grants and contracts bids	2009/10 25%	20%	2011/12 32%

Improving the student and staff experience

The University has launched a Student Life project designed to improve the student experience through collaboration between our staff, our Students' Union and the wider student body.

This project is part of a body of work supporting our unique Student Partnership a key part of our overall strategy to provide our students with a voice in decision-making at all levels in the University. It manifests itself in a number of ways, most notably our Student Senate, which provides students with opportunities to input directly into high-level University strategy and operations. Student Senate was commended in the 2013 QAA Institutional Review.

Operating and Financial Review Year to 31 July 2013

The project has led to numerous improvements in our student experience, including significant increases in student participation in sports and societies, major improvements in communication to and among the student body and significant increases in student volunteering.

Indicator	Measure	Baseline	Target 2014	Status
Academic Support	% Agree with the Academic Support section in NSS	NSS 2010 70%	77%	NSS 2013 79%
Student Feedback	% Agree with the Assessment and Feedback section in the NSS	NSS 2010 61%	70%	NSS 2013 71%

2.3 Looking Forward

The Strategic Plan's key aim has been to maintain the financial stability and sustainability of the University. Despite a challenging recruitment round for 2013/14, the efforts of the University in this area have ensured it is in a strong position to meet the challenges ahead.

The University has commenced the process of writing a new Strategic Plan, focussed on working towards its 2025 goals at the same time as building on the achievements of the current plan.

The eight 2025 goals, which were agreed by Council in January 2009, are:

- To establish an international reputation in learning and teaching in subject areas which combine excellence and critical mass
- To be ranked in the top third of UK universities for quality of research
- To be recognised as one of the top ten universities in the UK for student satisfaction
- To be regarded as one of the best universities to work for in the UK
- To prepare students to be responsible and confident citizens and leaders in a complex world, by offering all students the opportunity to engage with major issues of importance to contemporary society
- To be the top 'new university' in London for graduate employability
- To create a campus environment that is a stimulating and inspiring place in which to study, work and live, and which is environmentally efficient
- To establish significant and innovative partnerships with institutions and organisations in the UK and abroad which have world-class reputations

2.4 Risk Analysis

The University's Council has identified a number of high-level risks that it monitors on a regular basis. The Council is confident that these risks are well managed. The 2013 Risk Audit report, prepared by our internal auditors, made one recommendation regarding the provision for departmental plans to include commentary in respect of the risks associated with the achievement of stated objectives. This is being addressed in the annual planning process but with a slightly different emphasis. The Deputy Vice-Chancellor and the Deputy Provosts responsible for managing the Academic Departments use the University's risk register to identify core areas of work needed to be undertaken by Departments to

Operating and Financial Review Year to 31 July 2013

ensure adequate and effective risk management. The planning process focuses on these core areas of work. Departments map out their planned actions in relation to each of the core areas of work and are challenged in follow-up meetings involving the Deputy Vice-Chancellor and the Deputy Provosts and a number of Officers to ensure that actions mitigate against areas identified as a risk for the institution. This allowed the University to maintain a much greater level of control in relation to risk and to be more certain about the future direction of the University and the extent to which its mission can be achieved.

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

Future activities to continue to mitigate the risk of Government policy changes include:

- Maintaining the University's influence in sector-level discussions on emerging policy, and its lobbying activity especially in the run-up to the general election.
- A major focus on recruitment and marketing alongside a review of admissions processes to ensure they are sufficiently responsive and effective.
- Continuing to raise quality and invest in human and physical resources (including residential accommodation) via the University's new strategic plan to ensure that our offer is competitive.
- The launch of new subject areas, widening the University's offer for prospective students.

The University has staff in the Teachers' Pension Scheme, the Local Government Pension Scheme and the Universities Superannuation Scheme. The significant risk relates to the costs of supporting these pension schemes, due mainly to the lack of control that universities have over this. The University will:

- Continue to monitor closely developments in our two main schemes, the Teachers' Pension Scheme, the Local Government Pensions Scheme.
- Continue to monitor the new auto-enrolment arrangements to ensure the University remains compliant.

Failure to recruit to target for undergraduate and postgraduate taught students also affects the sustainability of the University. The University continues to take a number of important actions to reduce significantly the risk of under-recruitment, including:

- A portfolio review at undergraduate and postgraduate levels and the development of new programmes with emphasis on professional practice prioritised at both levels.
- A revised pricing strategy for postgraduate taught programmes.
- Further programme development and a review of postgraduate taught provision in the School of Education.
- A review of processes in admissions.
- Strengthening the Compact arrangements with feeder schools and the University's outreach activity.
- Increasing the number of international student.
- Developing a portfolio of programmes that reflects the breadth and quality needed to meet international demand.
- Reviewing all current programmes to ensure an international perspective.

Operating and Financial Review Year to 31 July 2013

- Building on and investing in international faculty links and student engagement in international recruitment.
- Developing an international network of higher education institutions that will support articulation arrangements.
- Developing efficient recruitment channels for direct applicants.

3 Academic Review

3.1 Overview

The academic objectives of the University rest on the need to achieve excellence and to be among the best at whatever we do. We are ambitious and continue to develop our strong research portfolio, consolidating research excellence in existing areas of strength and investing to build capacity elsewhere. We see excellence in learning and teaching as a core responsibility for all academic staff. The synergy between research and learning and teaching provides the foundation for developing the student experience. It is also the basis for building knowledge-transfer activity. The table below shows degree classifications achieved in 2012/13.

Degree Classification 2012/13	%
First Class Honours	11.9
Second Class Honours (Upper Division)	50.6
Second Class Honours (Lower Division)	33.4
Third Class Honours	4.1

3.2 Learning and Teaching

The University continues to make progress in its target to develop a national and international reputation for excellence in teaching and learning. The University's Learning, Teaching and Assessment Strategy continued to guide work in this area. A number of key indicators pointed to progress, including the National Student Survey, Postgraduate Survey and an extremely positive Quality Assurance Agency Institutional Review. Each department now has a Learning and Teaching Advisory Group and a range of opportunities to gather feedback from students. Although the University has improved retention in recent years, rates are slightly lower this year and this will be kept under careful review.

The Learning and Teaching Enhancement Unit successfully applied for three national grants to develop key areas of strategy across the University-embedding learning technologies, transforming assessment practices and ensuring the attainment of Black and Minority Ethnic students. All three projects built on enhancement activity that had already begun in the departments, involving almost 100 staff and students. The projects will report in 2013/14; however, interim findings have already been shared internally and externally at conferences and events at other universities.

Alongside the strategic projects, local enhancement initiatives responded to issues identified by individual academics, course leaders, national and local surveys, attainment rates, employability data and external examiner comments. A second programme representative's conference repeated the success of the previous year, sharing good practice across the representatives and highlighting actions required across the University. This kind of dialogue between academic staff and students was identified as good practice by the Quality Assurance Agency in its review and formed the basis of a number of invitations for the University to join national programmes to include students more fully in enhancement work. The University is now seen as a sector leader in this area.

Operating and Financial Review Year to 31 July 2013

The University was also invited to join the national Changing the Learning Landscape initiative to create a step change in technology-enhanced learning. Involving academic staff, senior leaders and students, the University focus is on e-assessment and will develop over two years. This will build on some of the good practice developed through the University's partnership with Laureate Online Education with whom we have developed a number of courses over the last year.

The University is ensuring that all staff engage with the UK Professional Standards for Learning and Teaching in HE. During the year, the University gained recognition from the HEA to offer an internal scheme to recognise teaching expertise, mapped to the Standards which are now embedded into the probation and promotion scheme. During the year, the University awarded its first professorial appointment for leadership in teaching. The University is making good progress in ensuring that all those who teach have met the benchmark standard, with many others seeking recognition at higher levels for leading teaching. This is important as numbers of staff with appropriate teaching qualification will be included as part of the Key Information Set. Tailored programmes are available for experienced staff, new lecturers, PhD students who teach, research supervisors and those who support the student learning experience including academic learning advisors and librarians.

During the year more than 250 academic staff took up opportunities to debate and review learning and teaching practices through workshops, seminars and the annual learning and teaching conference. All programmes now have an online presence on Moodle, our virtual learning environment, and we are making good progress in using the software more effectively for online learning and assessment.

3.3 Research

The University developed a new Research Strategy during the year which included a new structure to enhance research in departments through discipline-specific facilitators, and a small central office to ensure co-ordination and effective monitoring. The new structure was put in place in Autumn 2013. The new Strategy also includes plans to improve data collection, research dissemination and impact and to support research centres. The University continued to invest in research through professorial appointments, research scholarships and dedicated library support.

The priority for the year was preparation for November 2013 Research Excellence Framework (REF) submission and this has gone well. The University will make a strategic decision to maximise the impact of its submission based on analysis of grade point averages using the HEFCE criteria. This approach is in line with the rest of the sector and recognises the HEFCE aim that the 2013 REF will be more selective. The University is confident that we will have a strong submission.

A total of 122 research bids were made during the year to a range of funders including the Leverhulme Trust, the Arts and Humanities Research Board and the European Union (Marie Curie), 22 of these bids will successfully bring in almost £1.5 million in research funds to the University. An investment in new software which can provide tailored bidding information and advice to individual desktops will ensure the University builds institutional knowledge in this area. An internal audit in 2012/13 highlighted the need for more specialist support in research costing and this has been addressed during the year.

During the year a new template was developed to enhance the web presence of every University research centre. This is the start of an initiative to raise the profile of research and increase public engagement and as a result the University hosted an increased number of research centre events.

Operating and Financial Review Year to 31 July 2013

3.4 Collaboration

The University continues to collaborate with a number of public bodies and educational providers. The client relationship management system continues to be developed and most collaborations are developed through professional contacts, linked to research interests such as those in the Department of Education and the Creative Works Knowledge Exchange Hub which continues and which was described in last year's report.

West Focus, a local consortium of universities, continues to provide entrepreneurial opportunities for students including the Bright Futures scheme.

The University has launched two partnerships with Laureate Education Inc in the past twelve months. The University of Roehampton Online delivered in partnership with Laureate Online Education launched four Masters programmes from the Business School in September 2012. The latest enrolment numbers one year later confirm that 500 students are now studying for online degrees on the four programmes. We continue to develop programmes to be delivered online with four new programmes from our School of Education starting in May 2014.

The second partnership is with Glion Institute of Higher Education which was signed in October 2012. Glion is a world leading hospitality management school overlooking Lake Geneva in Switzerland. The University is hosting Glion HE UK and the first 50 students arrived in August 2013. This is a unique partnership for the University and Glion, with the intention of having 450 students on campus within the next five years.

A collaborative partnerships review group meets annually to oversee the quality of such partnerships and as a result a number of smaller, less effective collaborations have been closed.

4 Corporate Responsibility

4.1 Staff

The University depends on the contribution and quality of its workforce. Employment strategy is considered by the Employment Committee, a committee of the University Council. In addition, regular, independently chaired meetings are held between the University's management and the recognised trades unions (GMB and UCU) to discuss emerging staff issues.

The University has developed a suite of managerial behaviours called *CUE for Roehampton Managers and Academic Leaders*. CUE, which stands for Communicate, Understand and Ensure, is designed to support a positive and engaging work environment for staff at Roehampton. The University is committed to embedding these behaviours throughout the University, supported by the current Strategic Plan which supports the new Human Resources Strategy adopted during the year. The University engages with staff through a number of ways, including the Vice-Chancellor's attendance at Departmental meetings, as well as Vice-Chancellor Forums, staff focus groups, online comment forums, and departmental away days, involving staff in important decision-making. The dissemination of information and feedback on University business is supported through weekly newsletters, ad hoc all-staff emails and regular departmental committees and team meetings.

The University further invests in its staff by offering an appropriate mix of development and training activities for both academic and professional staff. These include informal development opportunities, for example mentoring or peer observation of academic colleagues, participation in academic conferences and attending formal training courses to support education and to maintain professional knowledge and expertise.

Operating and Financial Review Year to 31 July 2013

Staff well-being is central to the University's mission. As well as providing a range of rewards and benefits, the University subscribes to an employee assistance programme providing staff with access to free advice on a wide range of personal matters. The University also works with the Money Advice Service to provide financial planning advice to both students and staff. An annual wellbeing programme is in place incorporating flu-jabs in the autumn term and health screening sessions (height, weight, blood pressure, lung function, cholesterol) in the spring term. We support staff's work-life balance by offering flexible working and a tax-efficient childcare voucher scheme. An annual Sport and Wellbeing Day, the establishment of a running club, annual 15k and 10k runs, staff tennis, a campus cycle-hire scheme, a tax-efficient cycle purchase scheme and Total Wellbeing training are further initiatives supporting staff wellbeing.

The University's main pay and reward scheme was developed in conjunction with the trades unions and in line with the 2003 National Framework Agreement on pay equality. The University is committed to recognising high performance through its annual Academic Promotions Round and Professorial and Senior Staff Salary Reviews.

Salary costs currently equate to 59.2% of the University's income, increasing by 0.8% from 2011/12. Staff costs are still above the sector average of 52.6% (2011/12). In order to manage this, the University has implemented rigorous procedures with regard to all amendments to posts and vacancies. All new posts and amendments are reviewed by a senior management committee and now require sign-off from the Deputy Vice-Chancellor before they can be filled. Temporary staff hiring is managed through the University's Unitemps franchise which promotes students' access to work experience and enhances their employability.

4.2 Environmental Sustainability

The University continues its efforts to improve its environmental performance and good progress has been made in the year, with the University being awarded the EcoCampus Silver award following on from last year's Bronze. Roehampton was one of 21 out of 51 participating organisations to achieve Silver. A major priority for the University remains a reduction in carbon footprint through better energy management. The University identified 10 near-term projects which will make significant progress towards meeting its 40% target and has commenced implementation focusing on lighting and insulation works. The University ran the national Student Switch Off campaign again in partnership with the Roehampton Students' Union and has also continued to maintain its estate with refurbishment and improvement of teaching, social, catering and living accommodation.

The 50-strong Environmental Champions networks and the Roehampton Bicycle User Group (BUG) remain active, influencing sustainability awareness throughout the University. In Go Green Week (11–15 February) the University's Environment Team and Roehampton Students' Union (RSU) worked together to organise a wide range of green activities based on themed days of Growing, Transport, Food and Volunteering. Highlights included an Introduction to Permaculture course, a free bicycle repair workshop, a World's First Walk Meet and an Energy Olympics. A Feed the 1000 event, held in conjunction with Chartwells and Love Food Hate Waste, attracted over 600 attendees including staff, students and local residents. They were all fed on food that cost less than the food that an average UK family wastes each year. UR on Your Bike was one of two highly commended entries in the Best Workplace Initiative category of the 2013 London Cycling Awards. The entry was based on recent cycling promotion initiatives at the University, a partnership between the University's Environment Team and RSU.

The University became one of Kew Gardens' first organisational partners in their multimillion pound lottery-funded Grow Wild project. It's a mass audience campaign to engage young people nationwide in a five-year programme to raise awareness of biodiversity loss. It aims to target 30 million people and to actively involve 2 million young people in planting native species. Building on this and other biodiversity related partnerships, the University is working with RSU to develop

Operating and Financial Review Year to 31 July 2013

Growhampton, a project which aims to develop food growing areas at each College and a central Sustainability Hub with a café and food co-op.

4.3 Equality and Diversity

The University's core values are stated in its Strategic Plan 2011/2014 and include the promotion of equality, diversity, mutual respect and understanding. Diversity and equality matters within the University are overseen by the Diversity and Equal Opportunity Committee (D&EO) which meets termly to develop policies and strategies and monitor compliance. The Committee is responsible for setting the University's Equality Objectives and for the publication of the University's annual Equality Report which demonstrates how the University is meeting the Public Sector Equality Duty. The Equality Report and Equality Objectives are available on the University's website (<http://www.roehampton.ac.uk/Corporate-Information/Diversity-and-Equal-Opportunities/>).

The University's Learning, Teaching and Assessment strategy (2009/2014) includes as part of its underpinning rationale, a commitment to promoting equality, diversity, mutual respect and understanding. One of the underlying principles of the strategy is that it be informed by an active commitment to community engagement, social justice, diversity and inclusive practice at national and international level. Similarly, among the institutional objectives identified in the strategy is that of developing pedagogical approaches to support a more diverse student population.

The University has identified social justice and inclusivity as key core values that it seeks to promote. This commitment is evidenced both by overarching research projects, by the work of research centres (for example, the Centre for Education Research in Equalities, Policy and Pedagogy) and by the nature of much of its collaborative work, such as the Erasmus Mundus programme in Special and Inclusive Education.

The University's Learning and Teaching Enhancement Unit (LTEU) plays a significant role in advancing equality of opportunity. It is currently taking part in the project - Reimagining Attainment for All: Enabling the Success of BME Students, which is funded by the HEA. The purpose of the project is to support the higher education sector in implementing interventions that improve the attainment of BME students, and to contribute to the knowledge about effective approaches to improving the retention and success of BME students. The LTEU recently concluded a two-year research project entitled Formations of Gender and HE Pedagogies, which explored the ways that gender and other social identities shape the teaching and learning experience of students and teachers in higher education.

The University is committed to offering students from diverse backgrounds the opportunity to benefit from a university education, and provides a financial support package of up to £1,300 per year to students from groups that are under-represented in higher education. This includes both bursary and scholarship components. The University also delivers an extensive and well-established programme of targeted outreach activities designed to raise levels of attainment, aspiration and applications among under-represented groups.

In May 2012, the University's Buttle UK Quality Mark for Care Leavers was endorsed for a further two years on the basis of the progress made by the University towards improving the higher education chances for carerleavers.

The University has a dedicated Disability Service team that provide support and advice to enable disabled students to successfully complete their programme of studies alongside their peers. The types of services offered include: liaison with University staff about students' needs; assisting students in applying for Disabled Students Allowance; organisation of non-medical helpers such as notetakers and British Sign Language Interpreters; provision of examination adjustments; and provision of support in the Learning Resources Centre. The Disability Service also provides advice and support to students with specific learning difficulties including, dyslexia, dyspraxia and dyscalculia.

Operating and Financial Review Year to 31 July 2013

The Disability Service sets up annual focus groups which disabled students are encouraged to attend and voice any concerns they have. Disabled students are also encouraged to become representatives on steering groups such as the Disability and Estates Working Group, a sub-group of the Committee.

The University is a Disability Symbol Employer, guaranteeing an interview to all job applicants declaring a disability who meet the selection criteria.

The University requires all new staff to undertake diversity awareness training as part of their induction and completion of probation. This involves both a highly innovative approach to diversity awareness facilitated by actors using dramatic performance to challenge misconceptions and beliefs, and completion of an on-line self-assessment tool for refreshing awareness. The University requires all staff to complete at least one of these programmes every three years.

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

The University has a large chaplaincy team which supports students and staff from a range of faiths and beliefs. The team supports several activities and projects aimed at fostering good relations within the University and the wider community. Such projects include the Southlands Venture, which encourages students to engage with the local community through such activities as visiting patients in hospital and supporting children's reading in schools.

5 Financial

5.1 A Financial Strategy for Sustainability

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

Indicator	Measure	Baseline	Target 2014	July 2013
INCOME				
Overseas Recruitment	Income generated from non-EU course fees	2008/09 £3.3m	50% increase in revenue	2012/13 £5.6m (70% increase)
Other income	Other income generated (including residences, conferencing and catering)	2008/09 £10.1m	15% increase in revenue	2012/13 £13.9m (38% increase)
SUSTAINABILITY				
Staffing	Total income as a proportion of staff costs	2008/09 167%	175%	2012/13 169%
Liquidity	Net liquidity days	2008/09 59	90	2012/13 90
Historical cost surplus or deficit	Historical cost surplus or deficit	2008/09 1.6%	6.0%	2012/13 2.1%
Net cash flow from operating activities	Ratio of total net cash inflow from operating activities to total income	2008/09 6.5%	6.5%	2012/13 7.9%
Discretionary reserves	Reserves	2008/09 £18.5m	£25m	2012/13 £27.9m

Operating and Financial Review Year to 31 July 2013

5.2 Financial Review of the Year to 31 July 2013

The University's surplus retained within general reserves for the year to 31 July 2013 was £1.6m. This compares to a surplus of £2.2m in the previous financial year.

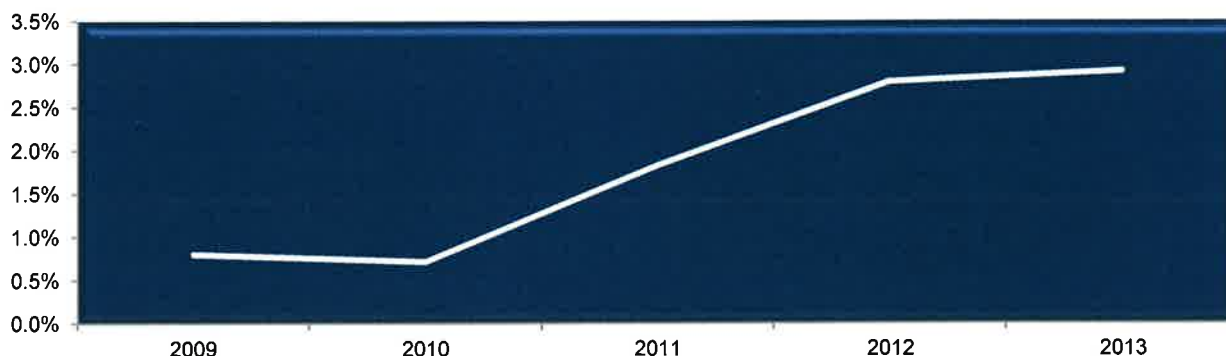
Surplus / (deficit) as a percentage of income for the past five years is illustrated in the table below:

Financial Year to 31 July	2009	2010	2011	2012	2013
Surplus / (deficit) as % of Income	0.0%	1.6%	3.7%	3.0%	2.1%

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

	2009	2010	2011	2012	2013
Aggregate surplus for past 3 years as % of income	0.8%	0.7%	1.8%	2.8%	2.9%

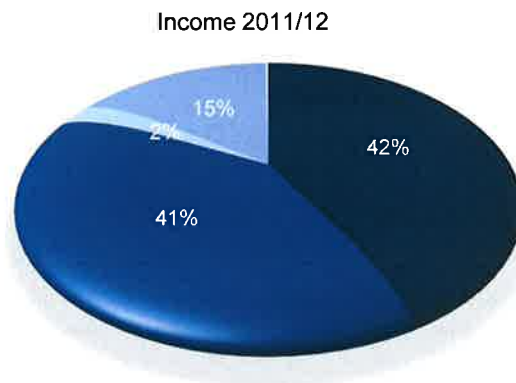
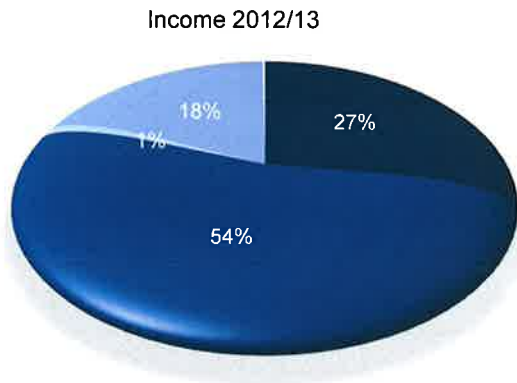
Aggregate Surplus / (Deficit) for Past 3 Years as % of Income



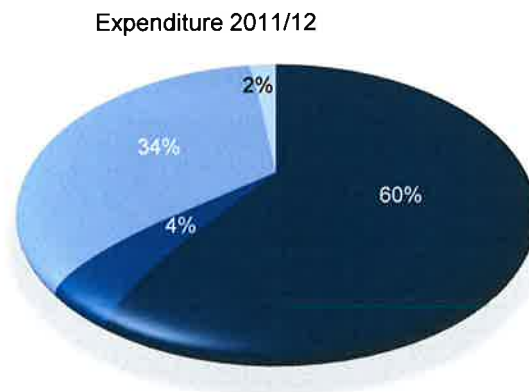
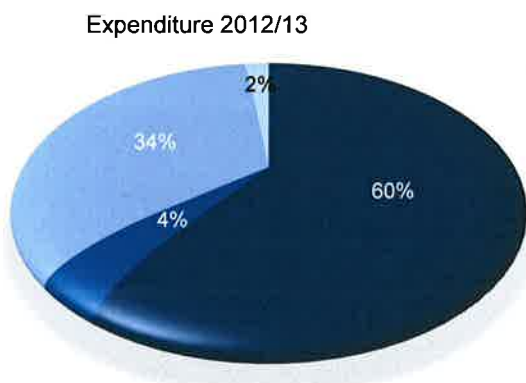
The University's income for 2012/13 increased by £4.2m (5.8%). Tuition fee income increased by £11.3m (38.3%) and income from Funding Council grants reduced by £9.2m (-30.5%), these large variances are due to national changes in the funding regime and which resulted in the removal of HEFCE teaching funding from a large majority of the University's undergraduate courses and saw new students who started their undergraduate course in September 2012 pay higher fees.

Income from research grants and contracts was £1.0m (57.7%) lower than the previous year. The reduction was a result of some larger research projects coming to an end. Other Operating Income increased by £3.1m (28.9%), due mainly to the additional accommodation that the University has acquired.

Operating and Financial Review Year to 31 July 2013



■ Funding Council grants ■ Academic fees and support grants ✕ Research grants and contracts ✕ Other operating income



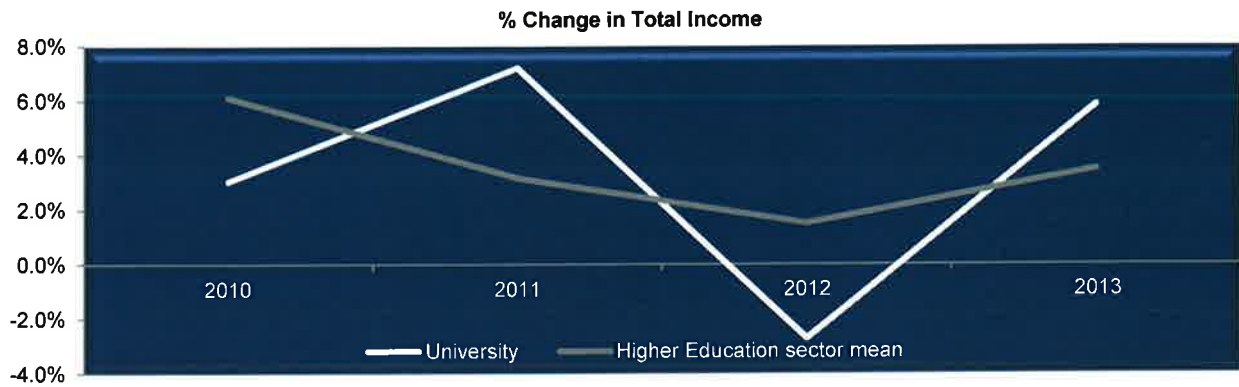
■ Staff costs ■ Depreciation/amortisation ✕ Other operating expenses ✕ Interest payable

Staff costs of £45.3m represent the most significant item of expenditure. Total staff costs increased by £3.1m (7.3%) the addition of temporary staff to the payroll, via the University Internal employment agency, resulted in a £1.0m increase in staff on temporary contracts. The pension costs element relating to FRS17 increased by £424k to £766k in 2012/13.

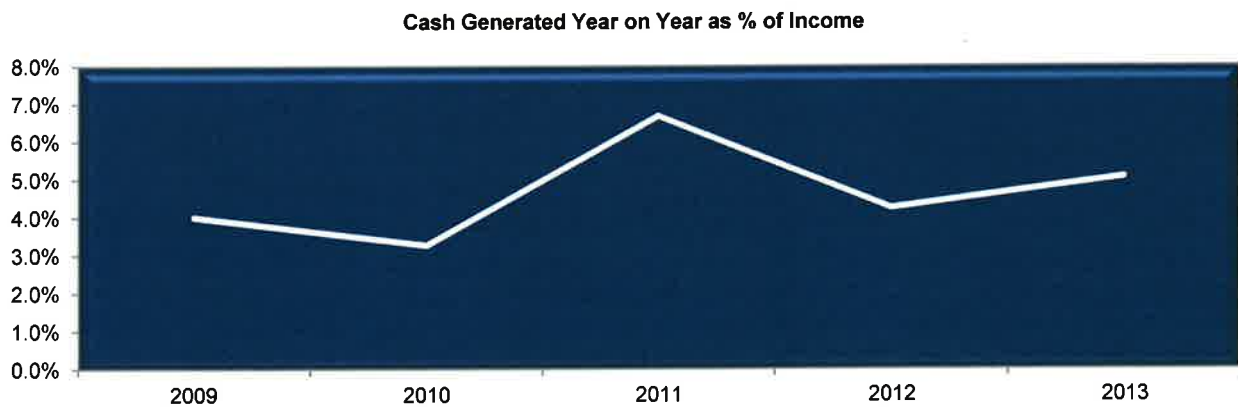
In 2013 Other Operating Expenses increased by £1.6m (6.8%). The increase in expenditure resulting from the additional accommodation the University has acquired. The Interest Payable remained by and large static, with the FRS17 interest adjustment remaining on par with the 2011/12 figure.

Income growth and diversity are key elements of the new Financial Strategy. The chart below illustrates growth in income for the past six years compared with the sector mean:

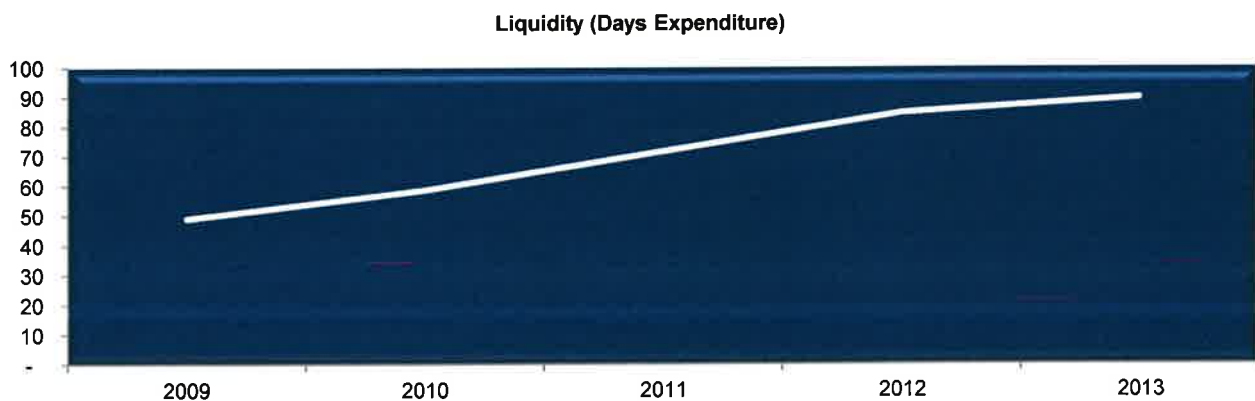
Operating and Financial Review Year to 31 July 2013



Cash generated is a useful measure of the financial headroom the institution is creating from its operations. It is calculated as historical surplus + pension financing costs + depreciation – capital grants released. Cash generated over the past six years is illustrated in the chart below:



The University aim has been to improve its liquidity ratio to 90 days' worth of expenditure. There has been an overall improvement in the ratio over the past five years and at the end of July 2013 the ratio of 90 days was achieved, as illustrated below:



Operating and Financial Review Year to 31 July 2013

5.3 Investments

The University uses predominantly a cash management service to manage its treasury activity. All surplus funds are invested for a maximum period of time to improve return. In October 2011 the University agreed an investment policy to ensure that funds are invested to maximise return, minimise risk and ethically. The policy was updated in September 2012 and now sets a maximum that can be invested in any one financial institution, and also ensures that the University does not invest more than 20% of its cash in financial institutions that are B-rated and that all other cash is invested in financial institutions that are rated A or above. The Dove Bowerman and the Gerhard Weiler endowment funds are invested directly with investment fund companies; both funds have a value as at the end of 31 July 2013 of £257k and £49k respectively.

5.4 Payment of Creditors

The University endeavours to abide by the payment terms negotiated with suppliers and to act in accordance with the relevant legislation.

5.5 Accounting Systems

The University's finance system Agresso will be upgraded in 2014 to version 5.6, the latest available. This will allow for additional functionality and reporting.

5.6 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.

6 Corporate Governance

6.1 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 member of the University, and by a 2012 seven year rolling Licence and Management Agreement which sets out the terms on which the University shall occupy and manage the College's residential property.

6.2 Statement of Corporate Governance

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

Operating and Financial Review Year to 31 July 2013

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

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

6.3 Statement of Responsibilities of the Members of Council

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

- Select suitable accounting policies and apply them consistently
- Make judgements and estimates that are reasonable and prudent
- State whether applicable accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements
- Prepare financial statements on the going-concern basis, unless it is inappropriate to assume that the University will continue in operation

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

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

Operating and Financial Review Year to 31 July 2013

6.4 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

6.5 Statement of the University's Structure of Corporate Governance

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

The University adopted a revised set of Articles of Association which were approved by the Privy Council on 2 May 2013 and by the Charity Commission. The new Articles provide for a reduction in the composition of Council, as recommended in the Copland Review.

The Council is now 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

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

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

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

Operating and Financial Review Year to 31 July 2013

The Remuneration Committee determines the remuneration and benefits of the Vice-Chancellor and other senior post-holders save for the initial terms and conditions for the Vice-Chancellor which are established by Council.

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

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

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

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

6.6 Internal Control

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

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

The Council has delegated to the Vice-Chancellor, as Chief Accountable Officer, the day-to-day responsibility for maintaining a sound system of internal control that supports the achievement of the University's policies, aims and objectives, whilst safeguarding the public funds and assets for which he is personally responsible, in accordance with the

Operating and Financial Review Year to 31 July 2013

responsibilities assigned to him in the Financial Memorandum between the University and HEFCE. He is also responsible for reporting to Council any material weaknesses or breakdowns in internal control.

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

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

The Council has reviewed the key risks to which the University is exposed together with the operating, financial and compliance controls that have been implemented to mitigate those risks. The Council is of the view that there is a formal ongoing process for identifying, evaluating and managing the University's high-level risks that has been in place for the period ended 31 July 2013 and up to the date of approval of the Annual Report and Financial Statements. This process is regularly reviewed by the 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 Accountability and Audit: HEFCE 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 processes. The internal audit plan includes an annual opinion on governance informed by the programme of work.

Operating and Financial Review Year to 31 July 2013

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

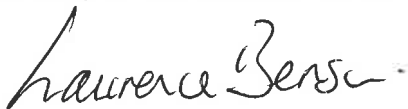
- The work of the internal auditors
- The work of the executive Officers within the University who have responsibility for the development and maintenance of the internal control framework
- Comments made by the University's external auditors and the Funding Council auditors in their management letters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

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

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

The emphasis is on obtaining the relevant degree of assurance and not merely reporting by exception. At its November 2013 meeting, the Council carried out the annual assessment of risk for the year ended 31 July 2013 by considering reports from the Senior Management team, internal audit and Audit Committee and taking account of events since 31 July 2013.

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 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.



Signed on behalf of the Council

Laurence Benson
Company Secretary and Clerk to the Council

Independent Auditors' Report Year to 31 July 2013

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

We have audited the Financial Statements of Roehampton University for the year ended 31 July 2013 which comprise the Consolidated Income and Expenditure Account, the Consolidated Statement of Total Recognised Gains and Losses, the Balance Sheets for the Group and the University, the Consolidated Cash Flow Statement and the related notes. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

This report is made solely to the University's Council Members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006 and paragraph 124B of the Education Reform Act 1988. Our audit work has been undertaken so that we might state to the Council Members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the University and the Council Members as a body, for our audit work, for this report, or for the opinions we have formed.

Respective Responsibilities of the University's Council and Auditors

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

Our responsibility is to audit and express an opinion on the Financial Statements in accordance with applicable law, regulatory requirements and International Standards on Auditing (UK and Ireland) and the Audit Code of Practice issued by the Higher Education Funding Council for England. Those standards require us to comply with the Auditing Practices Board'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 Financial Reporting Council's website at www.frc.org.uk/auditscopeukprivate.

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

Opinion on the Financial Statements

In our opinion, the Financial Statements:

- give a true and fair view of the state of the Group's and the University's affairs as at 31 July 2013 and of the Group's surplus of income over expenditure for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice;
- have been prepared in accordance with the requirements of the Companies Act 2006, the Education Reform Act 1988 and the Statement of Recommended Practice: Accounting for Further and Higher Education Institutions.

Independent Auditors' Report Year to 31 July 2013

Opinion on other matters prescribed by the Companies Act 2006

In our opinion, the information given in the Annual Report for the financial year for which the Financial Statements are prepared is consistent with the Financial Statements.

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

In our opinion, in all material respects:

- income from the Higher Education Funding Council for England, grants and income for specific purposes and from other restricted funds administered by the University have been applied only for the purposes for which they were received; and
- income has been applied in accordance with the University's statutes and where appropriate with the applicable Financial Memorandum with the Higher Education Funding Council for England.

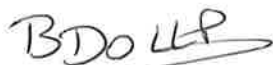
Matters on which we are required to report by exception

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 Members of Council's remuneration specified by law are not made; or
- we have not received all the information and explanations required for our audit.

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

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

BDO LLP

James Aston (Senior Statutory Auditor)
For and on behalf of BDO LLP, Statutory Auditor
Gatwick, West Sussex
United Kingdom

Date: 26 November 2013

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

Consolidated Income and Expenditure Account Year to 31 July 2013

	Notes	2013 £'000	2012 £'000
Income			
Funding Council grants	1	20,882	30,043
Academic fees and support grants	2	40,787	29,491
Research grants and contracts	3	766	1,812
Other operating income	4	13,858	10,749
Interest receivable and endowment income	5	144	128
Total income		76,437	72,223
Expenditure			
Staff costs	6	45,264	42,182
Depreciation/amortisation	7,9,10	3,218	3,069
Other operating expenses	7	25,076	23,476
Interest payable	8	1,392	1,393
Total expenditure		74,950	70,120
Surplus on continuing operations after depreciation of assets, disposal of assets and tax		1,487	2,103
Transfer from accumulated income within expendable endowments		81	75
Surplus for the year retained within general reserves	19	1,568	2,178

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

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

Consolidated Statement of Total Recognised Gains and Losses Year to 31 July 2013

	2013 £'000	2012 £'000
Surplus on continuing operations after deprecation of asset/ disposal of assets and tax	1,487	2,103
Appreciation of endowment asset investments	29	4
Actuarial gain / (losses) in respect of pension scheme	6,117	(7,487)
Total recognised gains / (losses) relating to the year	7,633	(5,380)
Total recognised gains / (losses) since last Annual Report	7,633	(5,380)
Reconciliation		
Opening reserves and endowments	2,359	7,739
Total recognised gains / (losses) for the year	7,633	(5,380)
Closing reserves and endowments	9,992	2,359

Balance Sheets as at 31 July 2013

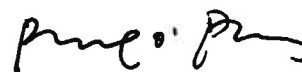
	Notes	Group 2013 £'000	Group 2012 £'000	University 2013 £'000	University 2012 £'000
Fixed assets					
Tangible assets	9	111,713	102,328	111,713	102,328
Intangible assets					
Goodwill	10	113	121	113	121
Negative goodwill	10	(64,919)	(62,677)	(64,919)	(62,677)
Investments	11	-	-	129	29
		<u>46,907</u>	<u>39,772</u>	<u>47,036</u>	<u>39,801</u>
Endowment assets	12	725	777	725	777
Current assets					
Stocks and stores in hand		117	107	117	107
Debtors due within one year	13	3,217	3,403	3,443	3,678
Cash at bank and in hand		17,609	15,532	17,152	15,011
		<u>20,943</u>	<u>19,042</u>	<u>20,712</u>	<u>18,796</u>
Current liabilities					
Current liabilities within one year	14	(9,497)	(8,100)	(9,408)	(7,896)
Net current assets		11,446	10,942	11,304	10,900
Total assets less current liabilities		59,078	51,491	59,065	51,478
Creditors: Amounts falling due after one year	15	(19,535)	(13,522)	(19,535)	(13,522)
Provisions for liabilities and charges	16	(1,993)	(1,960)	(1,993)	(1,960)
Net assets excluding pension liability		37,550	36,009	37,537	35,996
Net pension liability	25	(17,729)	(22,660)	(17,729)	(22,660)
Net assets including pension liability		19,821	13,349	19,808	13,336
Represented by:					
Deferred capital grants	17	9,829	10,990	9,829	10,990
Endowments					
Restricted expendable endowments	18	725	777	725	777
Reserves					
Income and Expenditure Account excluding pension reserve		27,930	25,137	27,917	25,124
Pension reserve		(18,663)	(23,555)	(18,663)	(23,555)
Income and Expenditure Account including pension reserve	19	9,267	1,582	9,254	1,569
		<u>19,821</u>	<u>13,349</u>	<u>19,808</u>	<u>13,336</u>

The financial statements on pages 36 to 62 were approved and authorised for issue by Roehampton University Council on 25 November 2013 and signed on its behalf by:

SIR DAVID BELL, Chair of Council



PROF PAUL O'PREY, Vice-Chancellor



MR NICHOLAS BROOKES, Chair of Finance & General Purposes Committee



Consolidated Cash Flow Statement Year to 31 July 2013

	Notes	2013 £'000	2012 £'000
Net cash inflow from operating activities	20	6,022	4,518
Returns on investments and servicing of finance	21	(678)	(624)
Capital expenditure and financial investments	22	(3,025)	(1,239)
Net cash inflow arising from acquisition	10	263	-
Cash inflow / (outflow) before financing		2,582	2,655
Financing	23	(583)	(576)
Increase in cash		1,999	2,079

Reconciliation of Net Cash Flow to Movement in Net Debt Year to 31 July 2013

	Notes	2013 £'000	2012 £'000
Increase in cash in the year		1,999	2,079
Change in net debt resulting from cash flows	23	583	576
Movement in net debt resulting from cash flows	24	2,582	2,655
Inception of finance lease on acquisition	10	(6,859)	-
Movement in net debt		(4,277)	2,655
Net debt at 1 August	24	1,852	(803)
Net debt at 31 July		(2,425)	1,852

Principal Accounting Policies Year to 31 July 2013

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

Accounting Convention

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

Basis of Consolidation

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

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

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

Recognition of Income

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

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

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

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

Going Concern

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

Principal Accounting Policies Year to 31 July 2013

Pension Schemes

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

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

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

Enhanced Pensions

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

Foreign Currencies

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

Goodwill

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

Principal Accounting Policies Year to 31 July 2013

Negative Goodwill

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

Land and Buildings

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

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

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

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

Equipment

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

Telephone equipment	7 years
General equipment purchased	3 years

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

Stocks

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

Principal Accounting Policies Year to 31 July 2013

Cash Flows and Liquid Resources

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

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

Leases

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

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

Maintenance of Premises

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

Taxation

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

Provisions

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

Agency Arrangements

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

Notes to the Financial Statements Year to 31 July 2013

1 Funding Council grants

	HEFCE £'000	NCTL £'000	2013 Total funds £'000	2012 Total funds £'000
Recurrent grants	15,778	2,769	18,547	27,206
Non-recurrent grants				
Higher Education Innovation Fund	402	-	402	438
Research Capital Investment Fund	144	-	144	141
Capital teaching and research grants	179	-	179	110
JISC	-	-	-	67
Capital teaching and research grants to deferred capital grants (Note 17)	(323)	-	(323)	(251)
Other NCTL grants	-	489	489	627
Release of deferred capital grants (Note 17)	1,444	-	1,444	1,705
	<u>17,624</u>	<u>3,258</u>	<u>20,882</u>	<u>30,043</u>

2 Academic fees

	2013 £'000	2012 £'000
Full-time students	30,496	20,684
Full-time students from European Union excluding UK	1,629	1,459
Full-time students charged overseas fees	5,649	4,989
Part-time fees	1,918	1,726
Short course fees	1,095	633
	<u>40,787</u>	<u>29,491</u>

3 Research grants and contracts

	2013 £'000	2012 £'000
Research Councils	377	365
UK-based charities	166	451
European Commission	84	368
Other grants and contracts	139	628
	<u>766</u>	<u>1,812</u>

Notes to the Financial Statements Year to 31 July 2013

4 Other operating income

	2013 £'000	2012 £'000
Residences, conferencing and catering	9,332	6,845
Other income- generating activities	3,428	3,275
Other grant income	964	446
Other income	94	143
Release of deferred capital grants (Note 17)	40	40
	13,858	10,749

5 Interest receivable

	2013 £'000	2012 £'000
Income from short-term investments	133	109
Endowment income	11	19
	144	128

6 Staff

	2013 £'000	2012 £'000
Wages and salaries	36,567	34,561
Social security costs	3,153	2,958
Other pension costs including FRS 17 adjustments (Note 25)	5,228	4,554
Restructuring costs	316	109
	45,264	42,182

Analysis of staff costs by activity	2013 £'000	2012 £'000
Academic departments	23,345	22,527
Academic services	8,670	7,787
Research grants and contracts	386	501
Residences, catering and conferences	1,067	651
Premises	3,335	2,963
Administration	8,461	7,753
	45,264	42,182

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

These costs also include the additional staffing costs relating to the trading activities of the new leasehold buildings acquired and of Whitelands College.

Notes to the Financial Statements Year to 31 July 2013

Analysis of staff costs by type of contract	2013 £'000	2012 £'000
Employment costs for staff on permanent contracts	43,302	41,522
Employment costs for staff on temporary contracts	1,646	551
Staff restructuring costs	316	109
	45,264	42,182

Total emoluments of staff Members of Council

The total emoluments of all staff Members of Council in the year amounted to £356,334 (2012: £338,104). Employer pension contributions in respect of the staff Members of Council totalled £47,951 (2012: £42,505) and were paid on behalf of three staff Members of Council (2012: three staff members).

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

Vice-Chancellor	2013 £'000	2012 £'000
Salary costs	215	202
Pension	63	32
Taxable benefits	1	1
	279	235

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 2013 they amounted to £34,259 (2012: £32,090). 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 2012/13 is £29,000 (2012: nil) (Note 16). The Vice-Chancellor accrued pension as at 31 July 2013 is £45,101 gross per annum and the accrued tax-free lump sum total is £134,432.

Remuneration of other senior staff	2013 No	2012 No
£110,001 - £120,000	1	1
£120,001 - £130,000	-	2
£130,001 - £140,000	1	2
£140,001 - £150,000	2	-
£150,001 - £160,000	1	-
	5	5

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

Staff numbers by major category (full-time equivalent)	2013 No	2012 No
Academic	427	399
Administrative and clerical	384	372
Other including technical and manual	147	146
	958	917

The staff FTE total in 2013 includes temporary staff recruited through Unitemps.

Notes to the Financial Statements Year to 31 July 2013

7 Other operating expenses

	2013 £'000	2012 £'000
Residences, conferencing and catering	1,810	1,250
Consumables and laboratory expenditure	2,417	2,638
Books and periodicals	1,327	1,267
Heat, light, water and power	1,328	1,108
Repairs and general maintenance	1,600	1,165
Grants to Students' Union	366	358
Property lease rentals	1,204	455
Auditors' remuneration (internal)	53	47
Auditors' remuneration (external)		
Audit of the University annual Financial Statements	42	40
Audit of subsidiary company financial statements	6	3
Audit of pension scheme and funding body statements	10	5
Tax and other services	19	11
Operating leases	46	89
Provision for doubtful debts	383	106
Travel, subsistence, catering and entertaining	1,698	983
Infrastructure	2,610	2,651
Printing, stationery and postage	626	612
Temporary Staff	1,727	2,322
Consultancies	223	454
Professional fees	914	561
Management fees	756	127
Scholarships and bursaries	3,036	3,406
Staff training	537	585
Advertising	507	597
Other student-related expenditure	1,321	2,013
Other expenses	510	623
	25,076	23,476

The University has a lease over the Mount Clare property, owned by Southlands College, which expires in 2026. The rental paid in the year was £400,000 (2012: £400,000).

As detailed in Note 10, in February 2013 the University acquired a finance lease on student accommodation.

The property lease rental figure also includes £767,000 paid to Whitelands College as part of the new licence and management agreement.

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

Members of Council and Directors

No Member of Council has received any remuneration or waived payment from the University during the year in their capacity as a Member of Council. Emoluments received by Council Members in their capacity as employees are included in Note 6. The total expenses paid to or on behalf of 20 Members of Council were £1,338 (2012: £1,183). These represent travel and subsistence expenses incurred in attending Council Committee meetings and other events in their official capacity.

Notes to the Financial Statements Year to 31 July 2013

Analysis of expenditure (less staff costs) by activity

	Other operating expenses £'000	Depreciation /amortisation £'000	Interest payable £'000	2013 Total funds £'000	2012 Total funds £'000
Academic departments	2,345	59	-	2,404	1,821
Academic services	3,911	905	-	4,816	4,658
Research grants and contracts	505	-	-	505	1,701
Residences, catering and conferences	5,513	54	-	5,567	5,073
Premises	3,853	1,806	822	6,481	5,177
Administration	8,949	394	570	9,913	9,508
	25,076	3,218	1,392	29,686	27,938

Funding of depreciation charge	2013 £'000
Deferred capital grants released (Note 17)	1,484
General income	1,734
	3,218

8 Interest payable

	2013 £'000	2012 £'000
Loans not wholly repayable within five years	717	752
Finance lease interest payments	105	-
LPFA pension finance costs (Note 25) and enhanced pension finance cost	570	641
	1,392	1,393

Notes to the Financial Statements Year to 31 July 2013

9 Tangible fixed assets Group and University

	Work in progress £'000	Leasehold land £'000	Leasehold buildings £'000	Freehold buildings £'000	Equipment £'000	Total £'000
Cost or valuation						
At 1 August 2012	55	22,900	90,944	3,279	17,945	135,123
Additions	711	-	760	-	1,880	3,351
Disposals	-	-	-	-	(8)	(8)
Acquisition (Note 10)	-	4,250	6,625	-	-	10,875
Transfer	(55)	-	42	-	13	-
At 31 July 2013	711	27,150	98,371	3,279	19,830	149,341
Depreciation						
At 1 August 2012	-	376	16,263	563	15,593	32,795
Charge for year	-	124	2,928	87	1,702	4,841
Disposals	-	-	-	-	(8)	(8)
At 31 July 2013	-	500	19,191	650	17,287	37,628
Net book values						
At 31 July 2013	711	26,650	79,180	2,629	2,543	111,713
At 1 August 2012	55	22,524	74,681	2,716	2,352	102,328
Financed by						
Capital grant	-	-	8,809	-	1,705	10,514
Other	711	26,650	70,371	2,629	838	101,199
	711	26,650	79,180	2,629	2,543	111,713

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

Included in the acquisition of leasehold buildings are four buildings funded by finance leases: the total value of the buildings is £6,450,000 with accumulated depreciation of £67,187.

10 Goodwill

Group and University

On 27 February 2013 the Froebel Trust granted the University a lease of three student accommodation buildings and an auditorium which form part of the Grove House Estate, Roehampton Lane, SW15. The lease is for a term of 999 years commencing 1 January 2006 and was granted at a peppercorn rent. The total assets, liabilities, activities and undertakings of the buildings were transferred to the University.

The buildings have been accounted for as an acquisition under the terms of FRS 6. Under the terms of the HE SORP the buildings were valued at £10.7 million, a significant surplus over book value. The valuation was carried out by Gerald Eve LLP and the buildings have been valued on an Existing Use Basis having regard to evidence derived from market transactions.

Notes to the Financial Statements Year to 31 July 2013

The difference between the fair value of the net assets acquired and the £nil consideration paid on the granting of the lease has been accounted for as negative goodwill. Set out below is a comparison of the book cost, as reflected in the College's accounts immediately before the granting of the lease, and their fair value.

	Book value £'000	Fair value £'000
Assets		
Tangible fixed assets	175	10,875
Current assets		
Debtor	184	184
Sinking fund	251	251
Cash	12	12
Liabilities		
Creditors	(590)	(590)
Finance lease		(6,859)
Net assets acquired and negative goodwill arising	32	3,873
		£'000
Consideration		-
Cash balances acquired		263
Net inflow of cash arising on acquisition		263

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

Total goodwill	Positive Goodwill £'000	Negative Goodwill £'000
Cost		
At 1 August 2012	173	(67,227)
Additions		(3,873)
At 31 July 2013	173	(71,100)
Amortisation		
At 1 August 2012	(52)	4,550
Charge for year	(8)	1,631
At 31 July 2013	(60)	6,181
Net book values		
At 31 July 2013	113	(64,919)

Notes to the Financial Statements Year to 31 July 2013

11 Subsidiary undertakings

Roehampton Corporate Initiatives Limited (RCIL) is a wholly owned subsidiary of the University. The results of RCIL have been consolidated into the Financial Statements of the University. Separate audited Financial Statements have been prepared for the company to 31 July 2013. The company provides media and consultancy services to external clients. The investment in RCIL is £29,003. The University owns 100% of the ordinary shares of RCIL. In 2012/13 RCIL made a profit of £260,194, all of which was gift aided to the University.

Roehampton Hosting Services Limited (RHSL) is a wholly owned subsidiary of the University. The results of RHSL have been consolidated into the Financial Statements of the University. Separate audited Financial Statements have been prepared for the company to 31 July 2013. 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.

12 Endowment assets

Group and University	2013 £'000	2012 £'000
Balance at 1 August	777	848
Net (disposals)	(81)	(75)
Appreciation on revaluation	29	4
Balance at 31 July	725	777
Represented by		
Market value		
Fixed interest stocks	134	150
Equities	164	122
	298	272
Cash	427	505
Total	725	777
Fixed interest and equities at cost	240	240

13 Debtors: Amounts falling due within one year

	Group 2013 £'000	Group 2012 £'000	University 2013 £'000	University 2012 £'000
Debtors	1,995	1,792	1,793	1,352
Amount owed subsidiary undertakings	-	-	428	715
Prepayments and accrued income	908	445	908	466
College debtors	88	880	88	859
Roehampton Students' Union loan	226	286	226	286
	3,217	3,403	3,443	3,678

The policy for calculating the bad debt provision is based on a sector-wide bench-marking exercise. The debtors figure includes a bad debt provision of £1,023k (2012: £724k) for student-related debt.

Notes to the Financial Statements Year to 31 July 2013

14 Creditors: Amounts falling due within one year

	Group 2013 £'000	Group 2012 £'000	University 2013 £'000	University 2012 £'000
Secured loans	738	663	738	663
Finance leases	188	-	188	-
University creditors	2,016	1,547	2,013	1,527
Taxation and social security	1,481	1,554	1,481	1,554
Accruals and deferred income	5,074	4,336	4,988	4,152
	9,497	8,100	9,408	7,896

15 Creditors: Amounts falling due after one year

Secured loans	Group 2013 £'000	Group 2012 £'000	University 2013 £'000	University 2012 £'000
Between one and two years	737	695	737	695
Between two and five years	2,479	2,350	2,479	2,350
In five years or more	9,717	10,477	9,717	10,477
	12,933	13,522	12,933	13,522

Finance lease	Group 2013 £'000	Group 2012 £'000	University 2013 £'000	University 2012 £'000
Between one and two years	180	-	180	-
Between two and five years	688	-	688	-
In five years or more	5,734	-	5,734	-
	6,602	-	6,602	-

Lender	Type of loan	Date drawn down	Total drawn at inception £'000	Period of loan	Interest rate
Barclays	Term loan	Apr 2005	4,625	25 years	Fixed
Lloyds TSB	Term loan	Aug 2006	4,600	20 years	Fixed
Lloyds TSB	Term loan	Nov 2003	1,441	20 years	Fixed
Lloyds TSB	Term loan	Oct 2004	6,500	25 years	Fixed
Salix	Term loan	Jan 2011	237	4 years	Interest-free
Salix	Term loan	Jan 2011	35	4 years	Interest-free
Salix	Term loan	Jan 2012	48	4 years	Interest-free
Salix	Term loan	Dec 2012	170	4 years	Interest-free

The borrowing from Barclays Bank is secured by a charge over the freehold interest in Downshire House and the leasehold interest in the Molly Davies PE and Dance building. Interest has been fixed at 5.14% per annum for the duration of the loan period.

Notes to the Financial Statements Year to 31 July 2013

The borrowing from Lloyds TSB 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 £4.6 million drawn-down loan has interest at 4.935%, the £1.44 million drawn-down loan has interest at 5.495% and the £6.5 million drawn-down loan has interest at 5.661%.

With effect from midnight on 31 July 2008, the liability to repay the bank loans was transferred from Digby Stuart College to the University in accordance with a novation agreement. Given the nature of the lease agreements over the land and buildings, the Digby Stuart College Trust continues to offer a mortgage of the freehold of the main College site as ultimate security for these loans.

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

The new finance leases relate to the acquisition of the London and Quadrant building (Note 10).

16 Provisions for liabilities and charges Group and University

	Enhanced pension provision	Kingston City Group pension provision	Vice- Chancellor unfunded pension provision
	£'000	£'000	£'000
At 1 August 2012	1,956	4	-
Utilised in year	(150)	-	-
Transfer from Income and Expenditure Account	111	4	29
Loss in respect of pension scheme recognised in the STRGL	39	-	-
At 31 July 2013	1,956	8	29

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 2012/13, actual payments of £150,249 (2011/12: £149,186) 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.

Notes to the Financial Statements Year to 31 July 2013

In addition to the enhanced pensions which are being provided above, the University also provides enhanced pension contributions to a further 50 former employees. HEFCE is providing the University with additional funds each year to meet these contributions. Although HEFCE does not have a legal obligation to continue making these payments, the University expects them to do so. As the costs of these payments have been recognised as a liability in the Financial Statements of HEFCE (indicating HEFCE's expectation that they will be meeting these costs in the future) they have not been recognised as a liability in the University's Balance Sheet. Were the position to change, the estimated cost to the University of meeting these pension payments was £1.2 million as at 31 July 2013 (2012: £1.2 million).

17 Deferred capital grants

	Funding Council £'000	Other grants £'000	Total £'000
At 1 August 2012			
Buildings	7,744	404	8,148
Equipment	2,842	-	2,842
	10,586	404	10,990
Cash received			
Buildings			
Equipment	323	-	323
	323	-	323
Release to Income and Expenditure Account			
Buildings	(608)	(40)	(648)
Equipment	(836)	-	(836)
	(1,444)	(40)	(1,484)
At 31 July 2013			
Buildings	7,136	364	7,500
Equipment	2,329	-	2,329
	9,465	364	9,829

18 Restricted permanent and expendable endowments

	Gerhard Weiler £'000	Honora Naughton £'000	Dove Bowerman £'000	The Ebb and Flow Fund £'000	
At 1 August 2012	50	5	225	22	
Appreciation in endowment asset for year	(3)	-	32	-	
Income for year	5	-	-	-	
Expenditure for year	(3)	-	-	(1)	
At 31 July 2013	49	5	257	21	
	Society of the Sacred Heart Fund (RUSH) £'000	Jewish Resource Centre £'000	Society of the Sacred Heart Fund £'000		Total £'000
At 1 August 2012	450	23	2		777
Appreciation in endowment asset for year	-	-	-		29
Income for year	-	6	-		11
Expenditure for year	(85)	(3)	-		(92)
At 31 July 2013	365	26	2		725

Notes to the Financial Statements Year to 31 July 2013

19 Reserves

a) Income and Expenditure Account	Group 2013 £'000	Group 2012 £'000	University 2013 £'000	University 2012 £'000
At 1 August 2012	1,582	6,891	1,569	6,878
Net surplus after depreciation of assets, disposal of assets and tax	1,568	2,178	1,568	2,178
Actuarial gain/(loss) in respect of pension scheme	6,117	(7,487)	6,117	(7,487)
At 31 July 2013	9,267	1,582	9,254	1,569
Balance represented by				
Pension reserve	(18,663)	(23,555)	(18,663)	(23,555)
Income and Expenditure Account excluding pension reserve	27,930	25,137	27,917	25,124
	9,267	1,582	9,254	1,569

b) Total Reserves	Income and Expenditure Account £'000	Pension reserve £'000	Total £'000
Group			
At 1 August 2012	25,137	(23,555)	1,582
Net surplus /(deficit) after depreciation of assets, disposal of assets and tax	2,793	(1,225)	1,568
Actuarial gain in respect of pension scheme	-	6,117	6,117
At 31 July 2013	27,930	(18,663)	9,267

University	Income and Expenditure Account £'000	Pension reserve £'000	Total £'000
At 1 August 2012	25,124	(23,555)	1,569
Net surplus /(deficit) after depreciation of assets, disposal of assets and tax	2,793	(1,225)	1,568
Actuarial gain in respect of pension scheme	-	6,117	6,117
At 31 July 2013	27,917	(18,663)	9,254

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

	2013 £'000	2012 £'000
Net surplus / (deficit) on continuing operations	1,487	2,103
Depreciation/amortisation (Notes 9 & 10)	3,218	3,069
Deferred capital grants released to income (Note 17)	(1,484)	(1,745)
Interest receivable (Note 5)	(144)	(128)
Interest payable (Note 8)	822	752
Pension cost less contributions payable	1,225	794
Decrease / (Increase) in stocks	(10)	(33)
Decrease / (Increase) in debtors	370	(282)
Increase / (Decrease) in creditors	544	(52)
(Decrease) / Increase in provisions	(6)	40
Net cash inflow from operating activities	6,022	4,518

Notes to the Financial Statements Year to 31 July 2013

21 Return on investments and servicing of finance

	2013 £'000	2012 £'000
Interest received from short-term investments	144	128
Interest paid	(822)	(752)
	(678)	(624)

22 Capital expenditure and financial investment

	2013 £'000	2012 £'000
Tangible assets acquired (Note 9)	(3,351)	(1,490)
Net movement on endowments	3	-
Deferred capital grants received (Note 17)	323	251
Net cash outflow from capital expenditure and financial investment	(3,025)	(1,239)

23 Analysis of changes in finance during the year

	Loans £'000	Total £'000
At 1 August 2012	14,185	14,185
New loans	170	170
Finance lease repayments	(69)	(69)
Loan capital repayment	(684)	(684)
Net amount (repaid) in year	(583)	(583)
Finance lease acquired with acquisition (Note 10)	6,859	6,859
At 31 July 2013	20,461	20,461

24 Analysis of changes in net debt

	At 1 August 2012	Cash flows £'000	Non-cash changes £'000	At 31 July 2013 £'000
Cash at bank and in hand	15,532	2,077	-	17,609
Cash held within endowments	505	(78)	-	427
Debt due within one year	(663)	663	(738)	(738)
Debt due after one year	(13,522)	(149)	738	(12,933)
Finance leases		69	(6,859)	(6,790)
	1,852	2,582	(6,859)	(2,425)

25 Pensions

The University's employees belong to three principal pension schemes, the Teachers' Pensions Scheme (TPS), the Universities Superannuation Scheme (USS) and the Local Government Pension Scheme (LGPS). All are defined benefit schemes. The total pension cost for the year ended 31 July 2013 was £5.2m (2012: £4.5m): this includes an amount of £111,000 (2012: £185,000) being notional interest in respect of enhanced pension entitlements for staff who have taken early retirement. The calculation of the cost of early retirement provisions charged to the Income and Expenditure 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.

Notes to the Financial Statements Year to 31 July 2013

Teachers' Pension Scheme

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

The University has set out below the information available on the Scheme and the implications for the University in terms of the anticipated contribution rates. The employers' contribution rates for the University's academic staff were 14.1% of pensionable salaries from 1 August 2012 to 31 July 2013.

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

The last valuation of the TPS related to the period 1 April 2001 to 31 March 2004. The Government Actuary's report of October 2006 revealed that the total liabilities of the Scheme (pensions currently in payment and the estimated cost of future benefits) amounted to £166,500m. The value of the assets (estimated future contributions together with the proceeds from the notional investments held at the valuation date) was £163,240m. The assumed real rate of return is 3.5% in excess of prices and 2% in excess of earnings. The rate of real earnings growth is assumed to be 1.5%. The assumed gross rate of return is 6.5%.

The 2006 interim actuarial review, published in June 2007, concluded, as at 31 March 2006, and using the above assumptions, that the Scheme's total liabilities amounted to £176,600m.

The government has announced the 2008 valuation of this Scheme has been suspended, pending the introduction of a reformed Scheme in 2015.

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 2013 was £2.4m (2012: £2.4m) of which employer's contributions totalled £1.7m (2012: £1.7m) and employees' contributions totalled £0.7m (2012: £0.7m).

The employer's contribution rate for administrative and manual staff for the period 1 August 2012 to 31 July 2013 was 16%. The employer contributions expected to be paid into the scheme during the year ending 31 July 2014 amount to £1.8m.

Financial Reporting Standard (FRS) 17 - Retirement Benefits

The following information is based upon a full actuarial valuation of the Fund at 31 March 2007 updated to 31 July 2013 by a qualified independent actuary.

Notes to the Financial Statements Year to 31 July 2013

The major assumptions used by the actuary were:

	2013 %	2012 %
Retail price index increases	3.4	2.6
Consumer price index increases	2.6	1.8
Salary increases	4.3	3.5
Pension increases	2.6	1.8
Discount rate	4.8	3.9
Expected return on assets		
Equities	6.4	5.6
Target return portfolio	4.9	4.3
Alternative assets	5.4	4.6
Cash	0.5	0.5
Cashflow matching	3.4	n/a

The assumed life expectancies from age 65 were:

Life Expectancy from 65 (years)	31 July 2013	31 July 2012
Retiring Today		
Males	20.7	20.6
Females	24.0	23.9
Retiring in 20 years		
Male	22.7	22.6
Female	25.9	25.8

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

	Value at 31 July 2013 £'000	Proportion %	Value at 31 July 2012 £'000	Proportion %
Equities	19,668	47%	24,544	71%
Target return portfolio	12,135	29%	3,457	10%
Alternative assets	3,348	8%	5,531	16%
Cash	418	1%	1,037	3%
Bonds	6,277	15%	-	0%
Total market value of assets	41,846	100%	34,569	100%

The following amounts, at 31 July 2013, were measured in accordance with the requirements of FRS 17:

Analysis of the amount shown in Roehampton University's Balance Sheet	31 July 2013 £'000	31 July 2012 £'000
Estimated asset share	41,846	34,569
Present value of funded liabilities	(59,307)	(56,914)
Present value of unfunded liabilities	(268)	(315)
Net pension deficit	(17,729)	(22,660)

Notes to the Financial Statements Year to 31 July 2013

Analysis of amounts charged to staff costs in the Income and Expenditure Account	31 July 2013 £'000	31 July 2012 £'000
Employer service cost (net of employee contributions)	2,397	2,045
Losses on curtailments	203	-
Total operating charge	2,600	2,045
Analysis of the amount that is credited to interest payable in the Income and Expenditure Account	31 July 2013 £'000	31 July 2012 £'000
Expected return on pension scheme assets	1,802	2,086
Interest on pension liabilities	(2,261)	(2,542)
Net return on pension scheme	(459)	(456)
The actual return on assets during the year was £2,520,000.		
Analysis of the amount recognised in the Statement of Total Recognised Gains and Losses (STRGL)	31 July 2013 £'000	31 July 2012 £'000
Actual return less expected return on pension fund assets	4,772	(2,044)
Experience gains	31	(6)
Change in financial and demographic assumptions underlying the fund liabilities	1,353	(5,494)
Actuarial gain / (loss) recognised in the STRGL	6,156	(7,544)
Analysis of movement in the present value of the scheme liabilities	31 July 2013 £'000	31 July 2012 £'000
Opening present value of the defined benefit obligation	(57,229)	(47,529)
Movement in the period		
Current service cost	(2,397)	(2,045)
Interest cost	(2,261)	(2,542)
Contributions by members	(705)	(715)
Actuarial gains/ (losses)	1,384	(5,500)
Losses on curtailments	(203)	-
Estimated unfunded benefits paid	25	25
Estimated benefits paid	1,811	1,077
Closing present value of the defined-benefit obligation	(59,575)	(57,229)
Analysis of the movement in the fair value of the scheme assets	31 July 2013 £'000	31 July 2012 £'000
Opening fair value of employer assets	34,569	33,207
Movement in the period		
Expected return on assets	1,802	2,086
Contributions by members	705	715
Contributions by the employer	1,834	1,707
Actuarial gains/ (losses)	4,772	(2,044)
Estimated benefits paid	(1,836)	(1,102)
Closing fair value of employer assets	41,846	34,569

Notes to the Financial Statements Year to 31 July 2013

Projected Pension Expense for the year to 31 July 2014	31 July 2014 £'000
Service cost	2,318
Interest cost	2,888
Return on assets	(2,268)
Total	2,938
Employer contributions	1,680

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

	2013 £'000	2012 £'000	2011 £'000	2010 £'000	2009 £'000
Defined benefit obligation	(59,575)	(57,229)	(47,529)	(44,463)	(41,190)
Plan assets	41,846	34,569	33,207	28,453	24,557
Deficit	(17,729)	(22,660)	(14,322)	(16,010)	(16,633)
Experience adjustment on plan liabilities	31	(6)	5,588	137	-
Experience adjustment on plan assets	4,772	(2,044)	723	779	(3,415)

Universities Superannuation Scheme

The University participates in the Universities Superannuation Scheme (USS), a defined-benefit scheme which is contracted out of the State Second Pension (S2P). The assets of the Scheme are held in a separate trustee-administered fund. Because of the mutual nature of the Scheme, the Scheme's assets are not linked to individual institutions and a scheme-wide contribution rate is set. The University is therefore exposed to actuarial risks associated with other institutions' employees and is unable to identify its share of the underlying assets and liabilities of the Scheme on a consistent and reasonable basis and therefore, as required by FRS 17 Retirement Benefits, accounts for the Scheme as if it were a defined-contribution scheme. As a result, the amount charged to the Income and Expenditure Account represents the contributions payable to the Scheme in respect of the accounting period.

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

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

Standard mortality tables were used as follows:

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

Notes to the Financial Statements Year to 31 July 2013

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

Males (females) currently aged 65 23.7 (25.6) years

Males (females) currently aged 45 25.5 (27.6) years

At the valuation date, the value of the assets of the Scheme was £32,433.5m and the value of the Schemes' technical provisions was £35,343.7m indicating a shortfall of £2,910.2m. The assets therefore were sufficient to cover 92% of the benefits which had accrued to members after allowing for expected future increases in earnings.

The actuary also valued the Scheme on a number of other bases as at the valuation date. On the Scheme's historic gilts basis, using a valuation rate of interest in respect of past service liabilities of 4.4% per annum (the expected return on gilts), the funding level was approximately 68%. Under the Pension Protected Fund regulations introduced by the Pensions Act 2004, the Scheme was 93% funded; and on a buy-out basis (i.e. assuming the Scheme had discontinued on the valuation date) the assets would have been approximately 57% of the amount necessary to secure all the USS benefits with an insurance company.

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

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

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

The next formal triennial actuarial valuation is due as at 31 March 2014. The contribution rate will be reviewed as part of each valuation and may be reviewed more frequently.

26 Financial Commitments

Commitments in respect of annual commitments for land and buildings, on leases expiring:	2013 £'000	2012 £'000
Over five years	1,522	1,340
Balance at 31 July 2013	1,522	1,340

Notes to the Financial Statements Year to 31 July 2013

27 Access to learner support funds

	2013 £'000	2012 £'000
Balance at 1 August 2012	11	13
Funding Council grants	176	181
Interest earned	-	-
	187	194
Disbursed to students	179	(182)
Audit fees	-	(1)
Balance at 31 July 2013	8	11

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

28 Froebel Trust

	2013 £'000	2012 £'000
Total accommodation income collected	463	684
Total expenditure	(434)	(741)
Balance at 27 February 2013	29	(57)

The income and expenditure shown relates to student accommodation owned by the Froebel Trust. These figures are therefore excluded from the University's Income and Expenditure Account.

Prior to 27 February 2013 the University had provided management services for the Trust in relation to these buildings. On 27 February 2013 the University signed an agreement with the Froebel Trust and as a result this student accommodation has now been transferred to the University (Note 10).

29 The National College for Teaching and Learning training salaries

	2013 £'000	2012 £'000
Total payment received from the NCTL excluding VAT	2,238	624
Disbursed to students	(2,159)	(644)
Administration fee	-	(11)
Balance at 31 July 2013	79	(31)

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

30 The National Scholarship Programme (NSP)

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

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

Notes to the Financial Statements Year to 31 July 2013

31 Related party disclosures

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

During the financial year 2012/13 Wade Tomlinson was a member of University Council and President of Roehampton Students' Union. In 2012/13 the University gave Roehampton Students' Union £366,000 as a block grant.

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



University of Roehampton
Erasmus House
Roehampton Lane
London
SW15 5PU
Telephone +44 (0)20 8392 3000
www.roehampton.ac.uk