

**Kingston  
University**  
London



**Strategic Review and  
Financial Statements  
2019/20**



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Town House, interior

## Welcome

For the third year in a row Kingston University has continued to improve its academic and financial results.

This year was, in fact, the finale of Plan 2020, set in motion three years ago to improve the institution's academic and financial performance. We're delighted to announce that the ambitious goals we set at the start have been exceeded, and we're now embarked on the next stage of improving our performance with a new strategic plan.

Our achievements have been recognised by some of the most respected awards, league tables and organisations. In the 2021 edition of The Guardian University Guide league table, Kingston now ranks #40 in the country, out of 121 institutions. And we moved up two places, to 104 out of 131 institutions, in the 2021 edition of The Times and Sunday Times Good University Guide ranking, showing a steady climb of 18 places in the last five years.

In the same Guardian league table for subjects, Kingston is top in the country for design and crafts and is third nationally, and best in London, for education and fashion and textiles. Other strong subject performances are pharmacy and pharmacology, sport science, journalism, publishing and public relations, which all secure seventh place in their respective national rankings and top their tables for London. Plus, Kingston is highest in the capital for nursing and midwifery, and biosciences.

Our commitment to fair access and equality of opportunity, and a belief in the value of diversity for learning and working, remains as fundamental as ever. For instance, our award-winning Inclusive Curriculum Framework helps faculty staff identify and address disparities by letting students recognise themselves in the curriculum. The University's approach was recognised by the 2019 UN Social Mobility Awards, received an Athena SWAN bronze award, and our Pharmaceutical Science degree is shortlisted for a Guardian award, winner to be announced autumn 2020.

In our research, preparation was made for the upcoming national Research Excellence Framework submission (REF). As a result, we identified more than 400 individuals across the institution as having significant responsibility for research and whose work will be entered in the REF. Of note was award funding to study how to improve Covid-19 health communications to UK black, Asian and minority ethnic communities, and award funding to provide psychosocial support for frontline health care workers.

We're committed to engaging with businesses and assisting recovery in the region, and continue to develop work opportunities for our students and graduates. This year, the number of degree apprenticeships doubled, we launched 58



new internships which are funded by Santander Universities, together with a new Santander partnership that will create more internships, enterprise schemes and bursaries for our students.

Kingston remained steadfast in its community membership and leadership role in many of the borough's projects and organisations including The Kingston Academy, the Kingston Educational Trust, Kingston Chamber of Commerce and representation on numerous bodies. We completed two major capital projects this year- with the opening of our multi-million pound building of Townhouse on Penrhyn Road and the renovation of Kingston School of Art's Mill Street building. Both buildings are designed to improve the student experience, with Townhouse in particular welcoming in the local community. These buildings have now been recognised for excellence by the Royal Institute of British Architects and other bodies.

Despite the pandemic the University reached financial close in July on a £100m project to upgrade our halls of residence at Seething Wells and Kingston Hill. This upgraded accommodation will boast top of the range facilities in an energy efficient environment and demonstrates our commitment to continually improving students' experience.

In sustainability our efforts to reduce carbon dioxide emissions (CO<sub>2</sub>), how we manage energy, and our work to develop biodiversity on campus, continues unabated. To date, the University has exceeded its (CO<sub>2</sub>) reduction target, Town House has achieved a \*BREEAM excellent rating, and the renovation of Mill Street has achieved a \*BREEAM outstanding rating. Alongside this, both these buildings, and many other areas, have 'green' and 'brown' roofs and there is much activity taking place to improve pollinator habitats.

But, this was also the year of the devastating Covid-19 global pandemic which hit us mid-way through the academic year. As government policy moved in a matter of weeks from the first evidence to lockdown we responded to unprecedented challenges and demands to ensure our staff and students were safe, and that our students' education could continue. This required an extraordinary effort by our staff, and we're proud of the resilience and fortitude they, and our students, have demonstrated.

The University entered the pandemic crisis in a financially sustainable position, due to the hard work of the previous three years. There is no doubt, however, that the pandemic will affect income. In spite of this we are confident in our mission and that we can sustain our momentum.



## Year in Review

### Strategic plan and buildings projects

Higher education as a sector faced plenty of challenges this year—a hostile political and press environment, flat tuition fee levels and the global pandemic.

In spite of these demands however, the University continued to improve its academic and financial performance as it successfully reached the finishing line of its three year improvement plan, known as Plan 2020. In fact, it was the outcomes of this strategic work, which meant the University was resilient enough to navigate what was to come later in the year.

#### Some of Kingston's performance highlights of the year include:

- Kingston has risen 8 places to #40 in The Guardian University Guide, published September 2020, and now ranks in the top 40 - an increase of 48 places since 2017.
- The Guardian also made Kingston the top ranked institution in the country for Design and Craft, and is the highest ranked institution in London for Nursing and Midwifery.
- Kingston has risen 2 places to #104 in The Times and Sunday Times Good University Guide, published September 2020 - an increase of 18 places since 2017.
- Kingston School of Art's fashion course was rated by Fashionista as one of the best in world.
- In the National Student Survey, Kingston's overall satisfaction rate was 80.8 per cent, with a moderate improvement in 'teaching on my course' from 81.26 per cent last year to 81.92 per cent.
- The number of applicants for courses in year 20/21 increased by 3.3%.

#### The next three years

In early 2020 the Vice Chancellor and senior leadership team presented the University's priorities for the next three years in a new strategic plan. Named KU22, this strategic plan was, and is, the start of a new, exciting phase for the University's ambitions. Focused on five key areas for both students and staff, this plan aims to deliver:

1. the best prospects for all our students;
2. an attractive and relevant portfolio;
3. a step-change in business engagement;
4. advancing knowledge and impact;
5. a culture of high performance.

Only a few short weeks after announcing the plan however, Covid-19 was beginning to take grip across Europe with national lockdowns, soon followed by the UK's own nationwide lockdown. Kingston then, like every institution in the country, was suddenly faced with a crisis. With more than 17,000 students and 2,000 staff, all efforts were turned to making fast and ever-changing operational and health and safety decisions as the situation unfolded.



Town House, from Penrhyn Road

In fact, one of the components of the University's KU22 plan – to increase digital capability – was urgently accelerated as a result of hundreds of staff working at home and thousands of students studying online to make sure they were provided with the right technology.

*Read more about how the University responded to the pandemic on page 5.*

#### Kingston's new flagship buildings unveiled

Also in 2020, the University proudly opened the doors to its new flagship, multi-million pound Town House building, a civic beacon for the whole community. And, completed a major renovation of Kingston School of Art's Mill Street Building, now housing world-class workshops and learning spaces. Both of these building projects earned recognition as finalists in the Royal Institute of British Architects' annual awards for the London region, which celebrate the best new architecture across the capital. Town House has already achieved a \*BREEAM excellent rating and Mill Street is on course to achieve a \*BREEAM outstanding rating for sustainability, as well as delivering a 49 per cent reduction in carbon emissions.

*Read more about the new Town House building in the Civic Engagement section on page 12.*

#### Changes to senior management team and leadership

Professor Anne Boddington, Pro-Vice-Chancellor RBI, retired on 31 May. She returns on a fractional appointment to finish the REF submission and implementation of academic domains. Professor Simon Wortham, Pro-Vice-Chancellor, will cover her brief until the Provost takes up his or her post. The roles of Provost, Pro-Vice-Chancellor and Dean of Kingston School of Arts, and Director of Human Resources were shortlisted with final interviews in July.

*\*Building Research Establishment Environmental Assessment Method – BREEAM website*

## Kingston's response to the pandemic

From March onwards, the University, like all institutions across the country, was extraordinarily affected by the Covid-19 crisis.

Kingston's staff and students demonstrated immense skill, perseverance and stamina as they dealt with incredible pressure and uncertainty. Many times, there seemed no slowing down of the pace of information, change, and demands.

From the start of the crisis, the University followed government and sector body guidance and consulted with national and local government and stakeholders, including its University counterparts, trade unions and through working with the Royal Borough of Kingston. Guiding principles were to provide a comparable learning experience for students, as well as the flexibility to move from one scenario to another.

Scenario-planning took place from the beginning, together with project groups assigned to key areas including teaching and learning, physical space and estate, digital learning and working, and creating policies for our people to work within. Risks were managed and plans implemented to address what our students and staff were allowed, able and willing to do.

Three scenarios were planned for: a) campus able to open in the summer but with social distancing; b) campus able to open in September but with social distancing; c) campus not able to open until January and then with social distancing. By July, scenario b) was decided on, with priority access to workshops, labs and libraries. The format of courses was planned to be a combination of online and on-campus teaching, providing students with a blend of learning experiences. Alongside this, the University aimed to provide as much of the broader student experience as possible.

### Staff wellbeing during, and beyond, lockdown

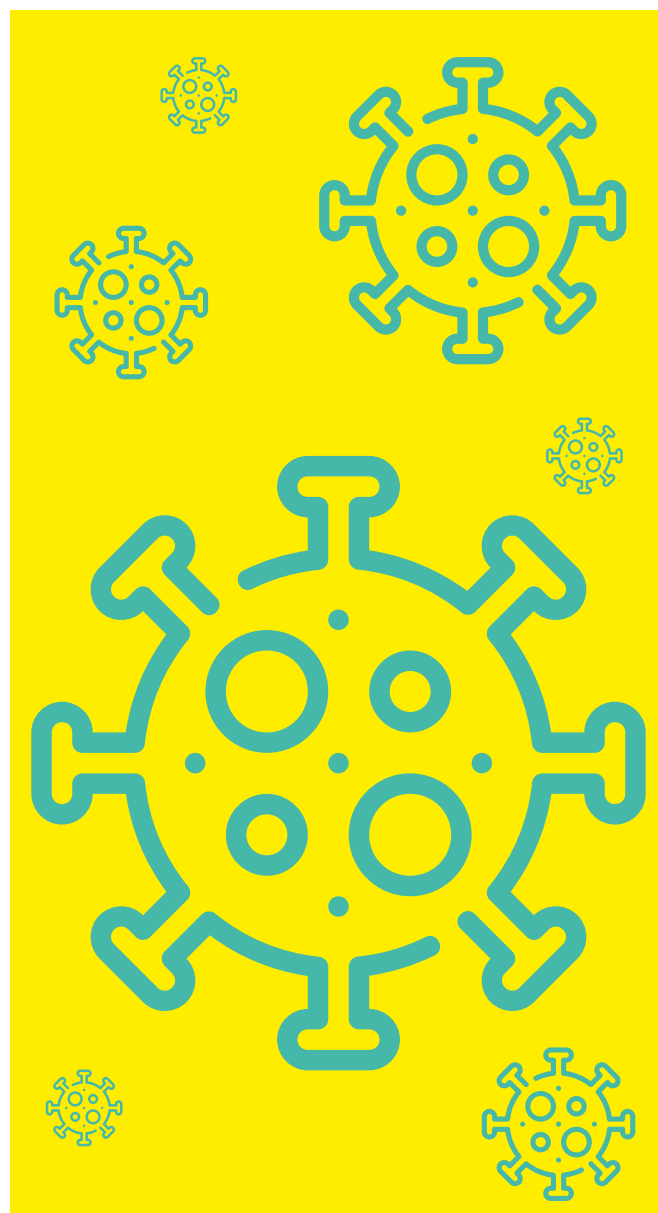
More than 900 members of staff completed the University's first staff wellbeing survey in June, to gain insight into how they were dealing with changes in lockdown-related working arrangements. Issues and concerns identified were then addressed through specific actions. Results showed that, on the whole, colleagues were coping well with remote working, and many would be content to continue for some time. Despite the challenges faced over the last four months, this gave confidence that colleagues were supported and felt able to continue to deliver.

The survey highlighted areas where actions were needed, for example, support with managing childcare while working, and managing workload and physical work space at home. The survey was repeated monthly, so the University could continue to build a picture of progress and make sure suitable support was in place.

### Support for students in difficult circumstances

Many Kingston students live with disadvantaged circumstances and many of these individuals were negatively impacted by having to study at home, instead of on campus. The University implemented extra measures to ensure these students were supported. This included weekly contact from the KU Cares team, emergency funding, remote work opportunities, digital equipment provision, and counselling, fitness, development coaching and pre-enrolment support online.

*Read more about how the University supported disadvantaged students during the pandemic in the Access and Participation section on page 7.*



## Financial position

The University entered the pandemic crisis in a financially sustainable position due to the hard work of Plan 2020. Indeed, as part of the KU22 strategic plan, there is intention to invest to enhance performance, financed through cash reserves, cash generated through operations and strategic projects and disposals. A reasonable and manageable level of debt, a financially sustainable cost base, an upturn in recruitment, and less of a reliance on overseas student growth than many others in the sector puts our University in a strong position to weather the crisis.

There is no doubt, however, that this crisis will impact income. Funds from halls fees for the latter part of the academic year were reduced and there were significant costs in providing a Covid-secure campus. These costs included extra cleaning, investments in technology for online learning, and supporting staff and students with equipment and facilities. During the first months of the 2020-21 academic year, it will be seen whether the predicted reduction in international recruitment becomes a reality. To reduce the impact as far as possible, capital spend is being reprofiled and the cost base is being reviewed, to redirect resources where needed. There is a need to continue to manage resources carefully through this crisis so that jobs and livelihoods are protected, and to prepare for a world beyond the current Covid-19 crisis.

## Kingston's positive contribution during the pandemic

From research to business and community support, Kingston University staff and students made vital contributions to the fight against Covid-19. The University is committed to working together with partners that include Kingston Council and the Kingston Chamber of Commerce, to reduce the impact of coronavirus across communities and provide support planning for the future.

### University's professor led rehabilitation of Covid-19 patients

Dr Jackie McRae, a University speech and language specialist, was asked by Health Education England to help lead the rehabilitation of Covid-19 patients at London's Nightingale Hospital. Along with other health professionals, Dr McRae, Director of Kingston's Research and Enterprise for the School of Allied Health, Midwifery and Social Care, helped patients who suffered with coughing and breathing problems to eat and drink normally again so they could return home.

### Student nurses learn drama skills to cope on the frontline

To help the University's nursing degree students manage the pressure of deployment to the Covid-19 NHS frontline, they were taught drama skills through a partnership with the Guildhall School of Music & Drama. This online training, adapted from Guildhall's acting programme, helped students handle unexpected situations, cope with a new environment, learn new routines fast and build relationships with colleagues quickly. All vital skills for crisis response in a clinical setting. The workshops are now part of the core curriculum.

### Kingston made hundreds of protective face shields for NHS and key workers

Three hundred face shields were produced every week, by Kingston University technicians, to protect coronavirus frontline workers. Gloves, safety glasses and lab coats from the University laboratory stockpile had already been distributed earlier in the pandemic to Kingston Hospital and Kingston Health Centre. These face shields were donated to the NHS and public organisations in the local area – from GP surgeries to care homes, food banks, schools and charities. The University worked with Kingston's Borough Resilience Forum to identify further groups in need of the protective equipment.

### University psychologist presents to Cabinet Office on how to engage people from black, Asian and minority ethnic communities at risk of COVID-19

A health psychologist from Kingston University, Dr Tushna Vandrevala, was invited along with her research partners, by the government's Cabinet Office to present findings to 140 civil servants on why people from black, Asian and minority ethnic (BAME) communities may be disproportionately affected by Covid-19 – and how targeted health messaging could help mitigate that impact. "We know that Covid-19 is disproportionately represented in minority groups. The recent figures show that even when socio-economic deprivation is taken into account, Black and South Asian people who live in the UK are more likely to die from Covid-19 and that is a really serious issue," Dr Vandrevala said. At the presentation, the research team suggested that the government needs to have engagement strategies for building trust and that BAME communities should feel Covid-19 related messages are for them and about them.



## Improving University access and participation for all students

Central to Kingston's ethos is a commitment to fair access and equality of opportunity. The University views diversity as a key strength, taking active steps to ensure that students from all backgrounds can participate fully, in all aspects of university life.

In fact, our new access and participation plan, approved by the Office for Students (OfS), sets challenging targets to significantly reduce degree awarding gaps over the next five years for black students, mature students and students from disadvantaged backgrounds. The access and participation dataset published by the Office for Students shows Kingston is already making faster progress in closing these gaps than the sector as a whole.

The University's award-winning Inclusive Curriculum Framework is central to our approach. The framework is a key measure of academic quality that aims to ensure all students see themselves, their experiences and backgrounds, reflected in the curriculum. Data dashboards help faculty staff identify progression and attainment differences at course and module level, then apply the Framework to help address these disparities.

## Kingston supports students through Covid-19 challenges

The University made sure students were supported to manage their individual circumstances during the pandemic, particularly those in the most difficult situations.

- An emergency fund was created, with donations from alumni, staff and friends of the University, to alleviate the financial hardship suffered by many students due to the pandemic. At the time of writing more than £600k had been paid in emergency grants to students.
- Students employed by the University had their pay honoured for hours committed pre-lockdown and have been offered remote work opportunities including virtual open days, online learning and teaching, academic mentoring and transitional support.
- Information and Technology Services (I&TS) delivered equipment, such as laptops, internet dongles, headsets and phones to support students experiencing digital disadvantage. The team also set-up remote desktop access and specialist software to enable students to work and study from home.
- The Health and Wellbeing Service moved online, offering counselling and a "listening" service to provide a solution-focused, empathic and confidential space for support and signposting.
- The University partnered with Fika to help students 'cope with remote' and 'bounce back' through its emotional fitness platform.



- Equality mentoring and careers and employability services were moved online and students signposted to virtual events and activities through the KU Extra platform.
- Development and coaching support was delivered online for final year students and graduates without a confirmed graduate job, or further study offer.
- Anticipating that students from disadvantaged and underrepresented groups would find starting University particularly challenging during the pandemic, we moved our Head Start pre-enrolment programme online for the first time.

## Kingston's support of students deemed "exemplary"

Our KU Cares scheme was an essential source of support for our most vulnerable students during lockdown. Students who have spent time in the UK care system, or become estranged from their families, often live alone with no family support. The scheme also supports young people who have grown up with caring responsibilities for a parent and/or sibling. During lockdown, many young carers had to juggle remote study with looking after 'shielding' family members, with no respite care available.

As a result, the KU Cares team experienced an increased volume of enquiries from students who needed support with mental health, accommodation and financial hardship.

Staff from the KU Cares team made sure students received weekly contact and ongoing support over the phone and online. With generous support from donors, a KU Cares emergency grants fund was set up and bursaries were awarded to successful KU Cares graduates who found themselves job-hunting in an unexpectedly challenging market.

This outstanding work through KU Cares was referenced as exemplary practice in a sector briefing published by the Office for Students on supporting the needs of students without family support.

**Kingston University shortlisted for social justice award**

The University was recognised for its work when it was shortlisted for the University of the Year category at the 2019 UK Social Mobility Awards, and featured in the Roll of Honour for its ongoing commitment to social justice.

**School of Engineering and the Environment received Athena SWAN bronze award**

Kingston University's School of Engineering and the Environment has become the third department to receive an Athena SWAN bronze award for its commitment to gender equality and inclusivity. This latest accreditation from Advance HE means all three schools in the Faculty of Science, Engineering and Computing now hold department awards, following recognition for the School of Computer Science and Mathematics as well as the School of Life Sciences, Pharmacy and Chemistry by the government-funded organisation.

**Pharmaceutical Science degree shortlisted for Guardian Award**

Kingston's undergraduate Pharmaceutical Science degree programme is shortlisted for The Guardian's Course Design, Retention and Student Outcomes Award. Amongst only two other courses shortlisted in the country, this award recognises forward thinking interventions that support students at risk of underperforming. Amongst these interventions was a peer mentoring scheme, where second year Pharmaceutical Science students were paid to mentor first years: individuals who participated achieved 20 per cent higher than those who did not. In fact, the combined work to improve student attainment in the Pharmaceutical Science programme resulted in a National Student Survey Overall Satisfaction score which exceeds 90 per cent. The award winner is announced in autumn 2020.



Student taking part in Head Start event



## Research, business engagement and innovation

### Using the academic career development framework

Focus was placed this year on the University's new integrated Academic Careers Framework, which is led by Professor Anne Boddington. This framework is a tool which lays out for all of Kingston's academic staff what is required for career progression, the routes open to them, and explains options available if they wish to progress. It covers academic areas such as business and international, research, teaching and learning, leadership and management, and professional practice. The framework is assisting the University's Research and Business Engagement support teams to assess how much time and resource is dedicated to these areas and thus capacities.

In spite of the pandemic causing delays to many scheduled projects, the University's research, business and engagement teams were as productive as ever.

### Research

This year was a time of rigorous preparation for the Research Excellence Framework (REF), which is how academic research, across all UK universities, is assessed for its quality and impact on the world around every seven years. Due to lockdown, the upcoming submission deadline was put back to March 2021, from November 2020.

For Kingston's REF submission, the University ran a mock exercise as part of the preparatory work. All staff with both teaching and research responsibilities were included in the process, to ensure that a robust, fair and equitable model of decision-making was practiced.

The process outcome identified 414 individuals as having significant responsibility for research, and who were notified of the University intent to include them in the submission. The first stage of an opportunity to appeal was completed. And, the first round of prioritising outputs for submission was completed.

### Impact of pandemic on Kingston's research

The impact of the Covid-19 pandemic affected many of the University's scheduled research projects for the year, especially those requiring laboratories or studios. Like all University staff, Kingston's research staff could only work at home, which restricted, changed or temporarily stopped their projects.

However, projects which could be adapted and conducted online, were, such as social science interviews; as was the University's annual Festival of Research for students and staff.



Several funding bodies released new funding streams for Covid-19 projects, which caused a surge in Kingston's research staff making bids. In fact, bids submitted increased by approximately 50-60 per cent compared with other quarters, and to around twice that for 2018/19.

Some of the researchers who received Covid-19 funding:

- the Faculty of Business and Social Science's Dr Tushna Vandrevala, received award funding from the National Institute for Health Research. Her project is studying how to improve health communication strategies to mitigate the risk of Covid-19 among UK black, Asian and minority ethnic communities. Insights will be shared with community leaders and policy makers including NHS England and the National Institute for Health Protection.
- Kingston School of Art's Professor Margaret Jensen was awarded funding to provide psychosocial support for front line health care workers, through expressive writing in therapeutic situations, during and after the COVID-19 outbreak. Funded through Viaro Investment Ltd, this project supports people to express their emotions and provides post-trauma recovery. A website, handbook, and training film on expressive writing will be produced with a space on the site to share their stories in confidence. All materials will be free and available in English, Italian and Arabic.

Further projects were started including a public survey designed by the University's health psychologists and microbiologists. The aim is to increase understanding of the public's, and health professionals, beliefs about Covid-19 tests and how effective communication on the subject of testing has been. Findings from the study will shape how the topic of testing is conveyed in the future.

The University was also proud to support the NHS when its nursing research staff were called-up to join the frontline healthcare response.

## Research students

To support postgraduate research students, regulations were put in place to enable them to take their viva voce exams, despite the lockdown.

Kingston is a member of a group of nine universities, known as the Techne Consortium, which has funding from the Arts and Humanities Research Council for studentships. This membership resulted in 12 studentships awarded this year to Kingston, to the value of £911,064. The consortium explored ways to continue working together, in areas such as building capacity overseas, which would complement the new International PhD Programme Framework, finalised in Sri Lanka and India for 2020-21.

## Further research updates

- 15 University-funded postgraduate studentships were awarded, some of which were reserved for students from black, Asian and minority ethnic backgrounds
- the value of external awards increased 20 per cent in quarter three
- a successful ethics pilot with an external provider was concluded which has now been rolled out offering staff and students a central, standardised and online system
- principles on research assessment were adopted and the San Francisco Declaration of Research Assessment (DORA) was signed-up to
- improved tools for research and business costing and pricing will improve management information and enable trends analysis and strategic decision-making
- postgraduate researchers benefited from an improved format of structured training from this year
- REF skills training and consolidation was provided to those leading the REF submission in how to avoid bias and how to conduct peer-assessment of outputs
- self-assessment training was provided more widely; training will be rolled out to research graduate students and staff.

## Innovation

- a US patent for rapid diagnosis of Staphylococcus Aureus was granted and an EU patent for gonorrhoea prevention was disclosed.

## Business engagement

As was the case globally, the Covid-19 pandemic hit Kingston's local and regional businesses hard, with potential to impact the University's business engagement activity. In its commitment to support regional business recovery, and sustain work opportunities for Kingston's students and graduates, the University continued to adapt and provide services.

- Kingston's Partnerships and Business Engagement and Careers and Employability Service jointly launched an internship programme for one hundred graduates to address the challenges faced by both the business community, which the University serves, and graduates entering the job market at a time of profound instability. This was made possible by Research England Industrial Strategy Uplift Funding and Santander Universities. To deliver the internships, the University partnered with small and medium sized businesses across south London with the aim to support business resilience, recovery and growth in the region.
- The University made sure that degree apprentices, who were furloughed from their work placement, were still able to continue their education at Kingston.
- Degree apprentices were given the option to pause studies if needed. Certainly, this was the case for the University's nurse apprentices, called-up to work on the NHS frontline.
- Many of Kingston's in-person summer school courses were postponed, although some courses, such as English for international students, were transferred online.

One of the University's key business projects is the funded South London Knowledge Exchange Programme, which was delayed starting due to the pandemic. However, it is going ahead with the aim to enable business growth in five council areas across south London – Croydon, Kingston, Merton, Richmond and Sutton. This work will provide essential and timely support to business recovery post-lockdown.

## External knowledge-sharing evaluated

This year a new framework was established in the higher education sector, called the Knowledge Exchange Framework (KEF). This framework assesses the efficiency and effectiveness of how public funding is used for knowledge exchange between universities and charities, local councils, businesses, community groups and other organisations. Kingston submitted its knowledge sharing activity for assessment to the framework in time for the October 2020 deadline.

## Degree apprenticeship updates

The total number of apprenticeships doubled this year and four new degree apprenticeship courses were supported towards achieving external validation; these include the integrated social work degree, for which Kingston has been selected as the main provider for London and surrounding regions. The University also maintained the number of students who progressed into the next year of their apprenticeships.

**New Santander Universities partnership**

Kingston signed an important, new three-year partnership with Santander Universities, which will create more opportunities for Kingston's students to access internship scholarships, enterprise education schemes and bursaries. Donations from the partnership also funded the University's HackCentre, which enabled students to participate in hack events with industry partners and pitch ideas for funding to local entrepreneurs and the county council. Santander's funding also created internships for graduates entering a precarious job market due to Covid-19. Santander also awarded a prestigious STEMship to one of Kingston's engineering students to boost her space ambitions.

**Nine-hour hackathon**

Two hundred Kingston students from nursing, computer science, digital media, mathematics and UX design, together with health professionals and technology enthusiasts, participated in a nine-hour robot hackathon in the University's Santander-funded HackCentre. The aim was to use artificial intelligence to improve access to NHS patient records and save vital time for hospital ward staff. The final, winning team designed an app that provides real-time automated updates to patients and loved ones about scans, consultant visits and doctor updates. The hackathon was sponsored by Automation Anywhere and hosted by AI experts Alphalake Ai.



Degree apprenticeship student



### Kingston's role in the community

Kingston University was proud to play an integral role in the life of our local and regional communities this year. By working in partnership, and in collaboration, with other organisations and people across the borough, we aimed to enhance the community's culture, economy and social character.

### Flagship building opens to all

This was the year the University unveiled its new flagship, multi-million pound Town House building on Penrhyn Road campus. The building is designed to act as a civic beacon for the area and is open for use by any Kingston student, graduate, employee, resident, local organisation and people working in, or visiting, the area. Because there are no access barriers, any person can take advantage of its facilities, which include a new library, event and exhibition spaces, cafes, roof top terrace and an outdoor reading garden. Vice-Chancellor Professor Steven Spier said: "We hope Town House will act as a front door and gateway for people to come and be a part of what we are delivering for the borough and wider society."

### Leadership and contribution to the local community

In its role as a community leader and facilitator, the University continued as a patron member of Kingston Chamber of Commerce, had board representation at organisations such as Kingston First, and the Skills and Employment Board on the South London Partnership. As Board member for Kingston First, the University's role was to lend expertise to support the re-opening of Kingston town centre during the pandemic, essential for regenerating the local economy and businesses.

The University also continued to co-sponsor The Kingston Academy, a local secondary school. And is a founding member of the Kingston Educational Trust which manages the academy, in partnership with Kingston College and the Royal Borough of Kingston Upon Thames. The academy opened to Year seven pupils in 2015 and was found to be outstanding in all categories following its first OFSTED inspection in May 2018.

The re-imagining of Kingston Town Centre's Spaces and Places project came to fruition this year, in which the University played a leading role. Together with Kingston Council, Kingston First and the Greater London Authority. The project involved extensive community engagement to develop a framework for the future of Kingston's town centre. Since its publication the strategy has been endorsed by the Kingston Strategic Partnership as an example of best practice and has been adopted as policy by Kingston Council.

Kingston University played an essential role during the Covid-19 pandemic, by galvanising its resources to fight the pandemic and support the response.

- 450 of our student nurses volunteered to support regional NHS frontline services
- 300 protective face shields were produced every week and donated to NHS services, care homes, GP surgeries, food banks, schools, charities and local businesses
- One of Kingston's leading professors spearheaded the rehabilitation of Covid-19 patients at a major London hospital
- Student nurses learned drama skills to cope on the Covid-19 frontline



Eadweard's Café, Town House

### Further community updates

- works of pioneering and world-renowned Kingston photographer, Eadweard Muybridge, will be housed in the Town House archive, which opens up new opportunities for research and community engagement
- this year's KU Big Read novel, *The Unlikely Pilgrimage of Harold Fry* by Rachel Joyce, was offered to all staff and current students and in local libraries
- award-winning broadcaster, Emily Maitlis, was chosen as the next Kingston University Big Read with her book *Airhead*
- discounted book loans from the University's libraries are offered to local residents and new plans for performances and exhibitions will be reinstated as soon as its safe

### Sustainability and ethics

The University is committed to reducing its carbon dioxide emissions (CO<sub>2</sub>) through how it manages the consumption of energy across its buildings and estate. Its target is to reduce CO<sub>2</sub> emissions by 35 per cent from a 2005-6 baseline, by academic year 2020/21. This is an amount of 4,506 tonnes of carbon – equivalent to the quantity of carbon produced by 1,200 UK homes.

What's more, reduction of carbon emissions is a fundamental aspiration of every project. Carbon reduction is a core component in how the Estates and Facilities team delivers projects across the University. In fact, Kingston's carbon management plan works to improve building management system controls, educate people to use less energy, improve building fabric and use low and zero-carbon technologies.

- To date\* Kingston University has reduced its annual operational CO<sub>2</sub> by 59 per cent from its 2005/6 baseline. This is the equivalent to 7,629t CO<sub>2</sub>e exceeding the Institutes 2020/21 target of 35 per cent by 24 per cent.
- Town House, the University's new landmark building, has already achieved a \*BREEAM excellent rating and the major renovation of Mill Street, is on course to achieve a \*BREEAM outstanding rating and delivered a 49 per cent reduction in carbon emissions, compared with its pre-refurbishment performance.

Moreover, this year, the University joined the first aggregate Power Purchase Agreement (PPA) with 19 other universities. This ten year agreement will supply 30 per cent of the University's electrical demand from 100 per cent renewable energy, sourced from UK windfarms. The PPA will provide 411MW of electricity each year, offsetting circa 1096t CO<sub>2</sub>/annum, the equivalent of the emissions associated with the entire Knights Park campus\*\*. In addition, the PPA will result in predicted financial savings exceeding several hundreds of thousands of pounds for the duration of the contract term.



The University has a zero waste to landfill policy and works continuously to prevent waste production. In addition, Kingston's waste is either recycled, anaerobically digested or incinerated to generate energy from waste.

This year the University:

- generated 618 tonnes of waste – a 26 per cent reduction in waste generation when compared to the previous year, predominantly due to the temporary closure of the campus during the pandemic
- recycled 35.7 per cent of total waste generated and is actively working to improve its recycling rate.

Kingston's biodiversity on campus, and connected habitats, are all monitored, managed and improved all year round. While the pandemic had an impact on what could be done physically, 498 volunteers were still engaged in work across 67 events and monitoring sessions, amounting to a total of 1,316 volunteer hours. The University's biodiversity volunteers worked on projects which included:

- the pollinator project which improves and enhances pollinator habitats and increases awareness through initiatives like the beehives at Kingston Hill,
- removal of invasive plants from habitats at Kingston Hill and the Hogsmill River, including Knights Park and Middle Mill sites,
- and monthly monitoring of the river for pollution impacts.

In addition, both Town House and Mill Street building have increased biodiversity on campus with 'green' and 'brown' roofs, roof gardens and terraces.

\*August 2020

\*\*Knights Park consumption for academic year 2018/19, using tCO<sub>2</sub> emissions factors 18/19





Kingston students playing lacrosse

## Public benefit statement

Kingston University's legal status is that of a higher education corporation but it is also an exempt charity under the Higher Education and Research Act 2017 and subject to monitoring by the Office for Students (OFS) in its role as principal regulator under the terms of the Charities Act 2011, section 25. These acts require the University to demonstrate clearly the public benefits it provides and that these are related to the aims of the University. The University has had due regard to the Charity Commission's guidance on public benefit. As both a charity and a higher education corporation, the University makes a significant contribution to several of the charitable purposes set out in the Charities Act 2011, s3. In addition to the advancement of education, these include:

- the advancement of the arts, culture, heritage or science;
- the advancement of health or the saving of lives;
- the advancement of citizenship or community development;
- the advancement of amateur sport;
- the advancement of environmental protection or improvement;
- the relief of those in need by reason of age, ill health, disability, financial hardship, or other disadvantage;
- the prevention or relief of poverty.

The governing body is aware of its responsibilities in relation to charitable purposes in making decisions on the University's educational character and mission and in relation to the effective and efficient use of resources.



## Financial strategy

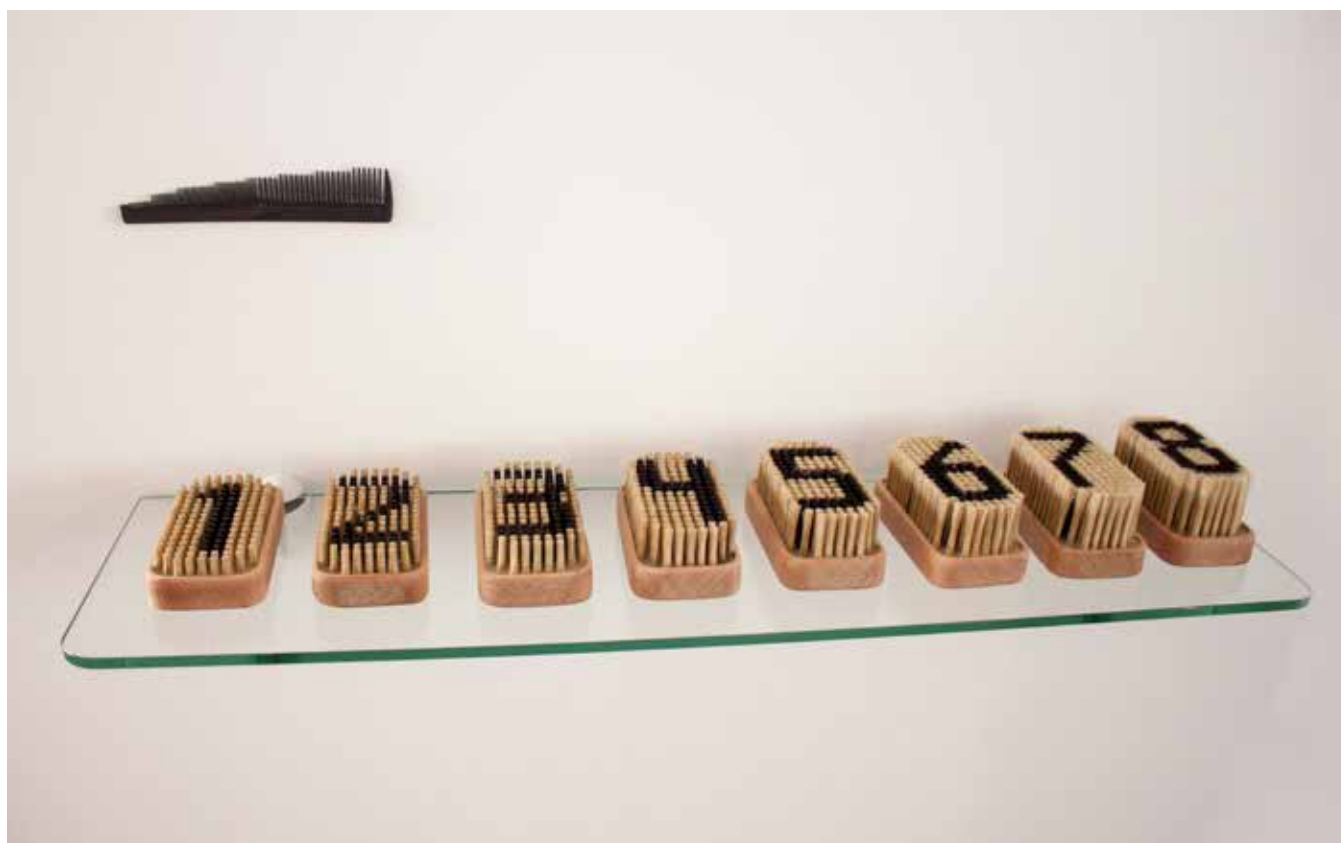
The financial strategy supports Plan 2020 by ensuring that the University's costs are covered by its income, that sufficient reserves are maintained and that the liquidity position will meet its operating requirements. The substantial cash reserve of £82.9m (including current asset investments) together with cash generated from operations is used to invest in estates and infrastructure to support student experience.

The strategy defines four key performance measures which are used as front-line mandatory ratios in determining success in achieving the financial strategy:

- Net liquidity of at least 60 days
- Borrowings not to exceed 30% of net assets excluding pension reserve
- Annual cash generated from operations before exceptional items
- Three year rolling cash generated from operations before exceptional items (current year +two year projection).

Three of the four measures are met for 2019/20 and the increase in annual cash generated and liquidity reflects the improvement in annual surplus and completion of the residences project which resulted in a capital receipt of £23.6m in July 2020. The KPI for the 3 year cash generated from operations (excluding exceptional items) is not met. This KPI measures the current year and a two year forward projection and the impact of COVID on the next two years results in the KPI not being met.

	Target	2019/20	2018/19
Cash Generated from operations (excluding exceptional items); annual	18m	44.1m	32.7m
Cash Generated from operations (excluding exceptional items); 3 yr	18m	16.5m	26.9m
Net Liquidity (days)	> 60	165.8	135.3
Borrowings as % net assets excluding pension liabilities	< 30%	21.2%	22.3%



## Summary of Financial Performance for the year

The reported deficit of £0.5m (2018/19: deficit £6.9m) is stated after pension charges of £4.9m (2018/19: restructuring costs £3.3m and pension charges £6.7m). Therefore the underlying result is a surplus of £4.4m (2018/19: surplus £3.1m) which is an improvement of £1.3m (2018/19: improvement 6.8m) on the previous year. Cash generated from operations is reported at £44.1m (2018/19: £32.7m) (excluding exceptional items) for the year which exceeds the University KPI of £18m (2018/19: £18m) for both annualised and 3 years rolling measures. The liquidity position remains strong with a year-end cash balance of £82.9m (2018/19: £67.6m).

The cash balance includes the capital receipt of £23.6m on 29 July from the completion of an outsourcing transaction to Kingston Student Living LLP for the refurbishment and operation of halls of residence at Seething Wells and Kingston Hill (referred to as the residences project). Following the construction period of two years, the concession term is 50 years with an option for the University to break after 40 years. In the operating phase the University has an annual nomination arrangement with the LLP; the value of the annual nominations will be included in the balance sheet and then unwound in the Statement of Comprehensive income in the following year.

The total comprehensive income for the year is stated after charging an actuarial loss of £46.0m where last year there was a loss of £19.5m. This adjustment reflects the increase in the pension liability resulting from a reduction in the discount rate in the Local Government Scheme (RBK) from 2.1% to 1.4%. This adjustment has no impact on the cash generated from operations nor the liquidity of the University.

The 2019/20 results demonstrate the positive financial impact of Plan 2020 where costs are being effectively controlled during a year where income has increased by £7.4m. This result demonstrates that cost control measures implemented as part of Plan 2020 continue to ensure financial sustainability for the University.

These financial statements are prepared under the accounting standard FRS102 and represent the consolidated position to include the wholly-owned subsidiary companies Kingston University Service Company Limited (KUSCO), Kingston University Campus Enterprises Limited (KUCEL), Kingston University Enterprises Limited (KUEL), KU Student Living Limited and KU Holding Limited. The statements also include share of the revenue, costs, assets and liabilities from a joint venture arrangement in health and social care education with St George's, University of London.

### Statement of Comprehensive Income

	2019/20 £m	2018/19 £m
Income	199.1	191.7
Expenditure	199.6	198.6
Deficit for the year	(0.5)	(6.9)

### Balance Sheet

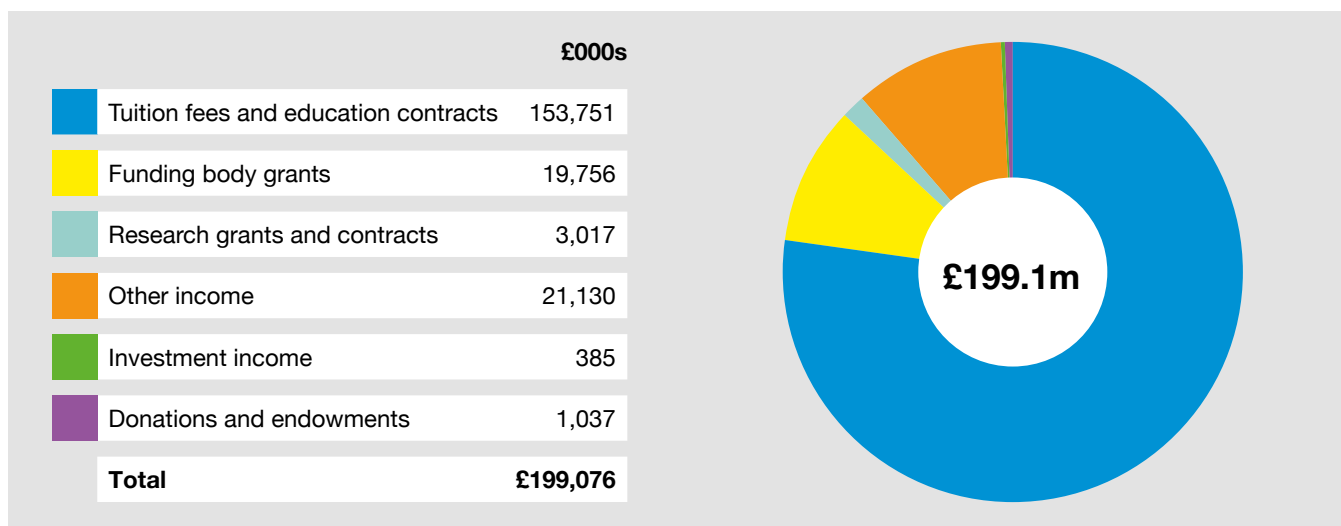
Fixed assets	437.8	460.8
Current assets	111.2	83.9
Creditors falling due within 1 year	(42.4)	(44.1)
Net current assets	68.8	39.8
Creditors falling due after 1 year	(106.5)	(97.5)
Pension provision	(139.2)	(86.3)
Net assets	260.9	316.8
Cash balance (including current asset investments)	82.9	67.6
Cash generated from operating activities	43.4	27.5



## Financial highlights for the year

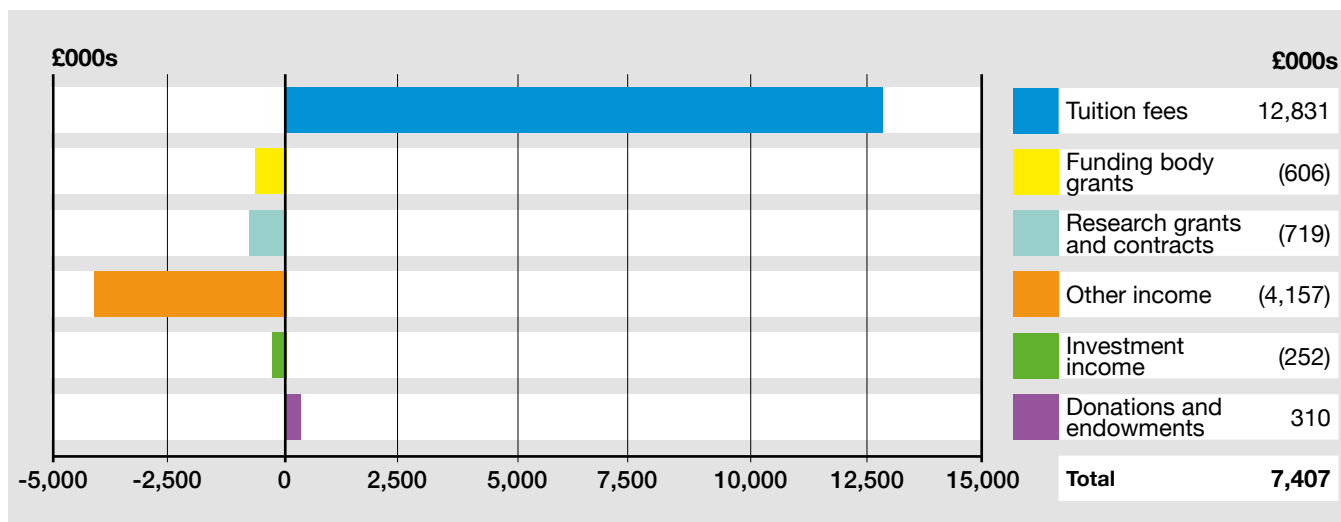
### Income

The total income of £199.1m is received mainly from two sources: funding body grants and tuition fees. An analysis of the income is shown in the chart below:



### Movement in income

The total income increased by £7.4m from 2018/19 as shown in the chart below:

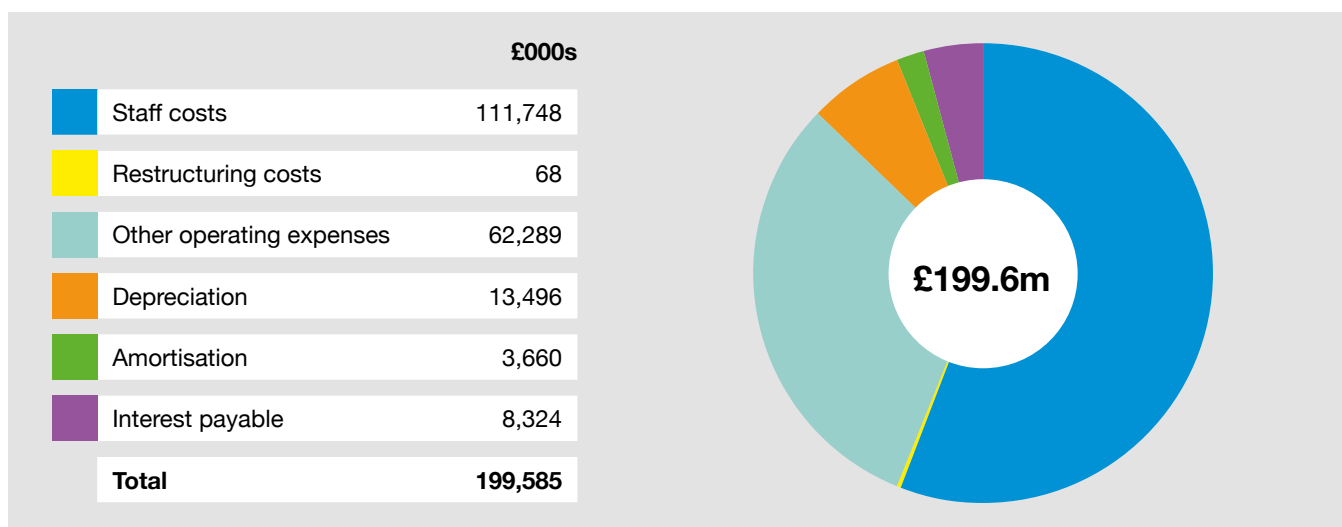


The increase in tuition fees of £12.8m mainly relates to overseas students where there was a very strong recruitment campaign for postgraduate taught students who started in January 2020. There was an increase of £4.7m in undergraduate home fees for the third year nursing and midwifery students previously funded by the NHS. The reduction in other income represents credits made to students for accommodation charges from April 2020 due to COVID 19.



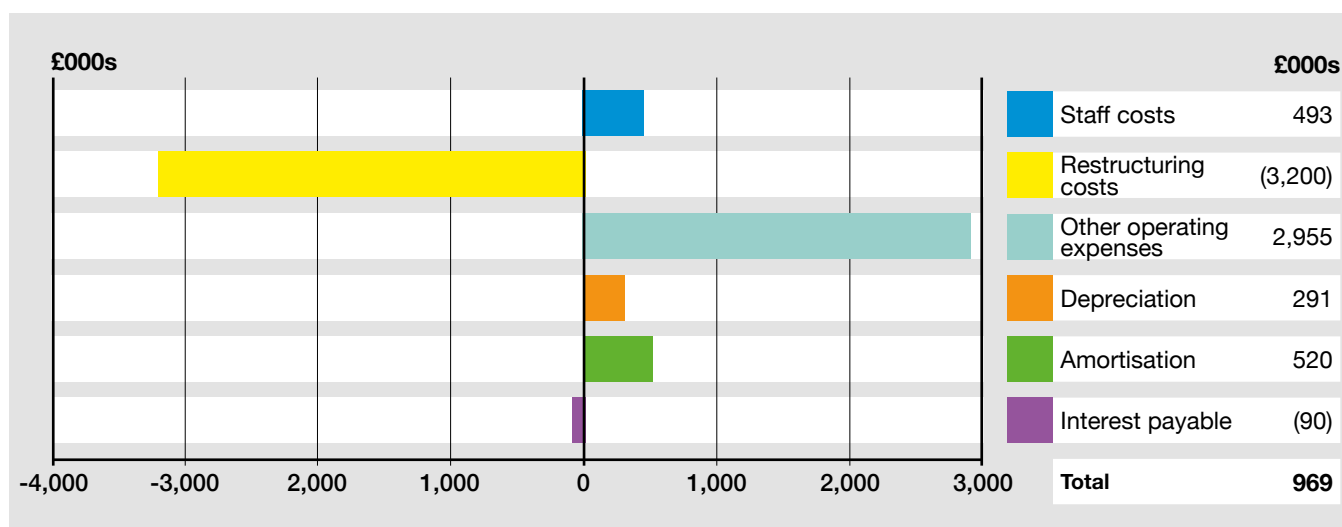
## Expenditure

Total expenditure of £199.6m is categorised as follows:



## Movement in expenditure

Total expenditure increased by £1m as shown in the table below:



There is a small increase in payroll costs of £0.5m. After adjusting for an increase in pension costs of £3.2m for the Teachers' Pension Scheme, there is a real reduction of £5.0m resulting from staff reductions of 87. Other operating expenditure is increased by £2.9m including increases for overseas agency costs of £3.8m resulting from increased international recruitment and doubtful debt charge of £1.4m to reflect additional provisioning arising from COVID 19. These increases are offset by reductions in travel and subsistence (£1.0m), student maintenance grants (£0.5m) and agency / contractor resources (£0.5m).

### Capital expenditure

Expenditure on fixed assets totalled £19.2m including freehold buildings and assets under construction £15.8m, and £3.4m on plant, machinery and equipment. The freehold buildings and assets under construction included completion of the Town House development (£9.8m) and the new extension at Knights Park (£5.6m). Additions to intangible assets included software development of £1.9m.

### Treasury management

The cash generated from operating activities totalled £44.1m (2018/19: £27.5m) (excluding exceptional items). This improvement includes an increase in the underlying surplus of £1.3m and an improvement in the working capital movements of £9.2m.

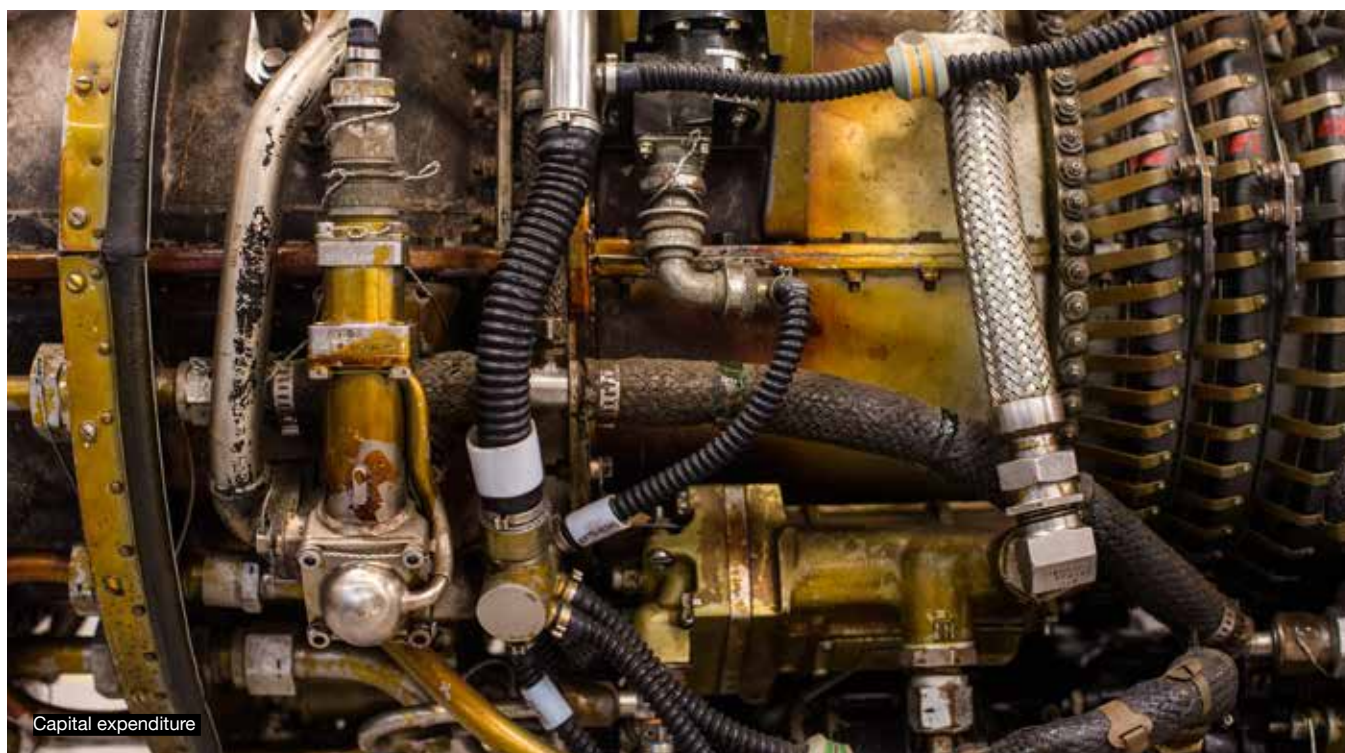
The year-end cash balance increased by £15.3m to £82.9m (including current asset investments). Surplus funds are invested with the main UK and European banks on term deposits. Interest earned on these deposits amounted to £0.4m in the year at an average rate of 0.6%.

The cash balance includes the receipt from the residences transaction (£23.6m), and payments for fixed asset additions of £19.2m. Total loans outstanding at the year-end include bank loans to Barclays Bank (£62.9m), the creditor in relation to Clayhill Service Concession arrangement (£20.7m), and obligations under finance leases (£1.0m).

### Future Prospects

The University established a number of task groups and governance structure to manage the impact of COVID 19 on the institution. The groups cover infrastructure, HR, IT and student related activities. The current financial forecast assumes an increased level of student withdrawals and no further enrolments for this year. This plan has been stress tested against a number of reduced income scenarios. In each of these scenarios it is demonstrated that the University remains solvent with sufficient cash reserves to operate. This work has supported the successful completion of the residences transaction where funds have been raised totalling £102m from capital markets in the middle of the pandemic.

Given the above factors and the successful completion of the Town House and Knights Park projects, the University is in a strong position to consolidate and grow in future years in a post COVID environment.



Capital expenditure

## Modern Slavery Act 2015

### Introduction

This Statement is designed to satisfy the requirements of Part 6 Section 54 of the Modern Slavery Act (2015) (the Act).

The University's Ethics Statement, states our commitment to the highest standards of ethical conduct in all our activities, along with making continuous improvements in this area. The University does not engage in, or condone, the practices of human trafficking, slavery or forced labour.

### Structure of the business and supply chains

The University's supply chains mainly fall within the following 'top level' categories:

- Estates and Facilities Management (works, services and goods)
- ICT equipment and services
- Professional services
- Teaching materials

The University is a member of the London Universities Purchasing Consortium (LUPC) which has published its own Modern Slavery Statement and through whom the University has membership of Electronics Watch which works to protect the rights of electronics workers globally. Our membership of Electronics Watch via the LUPC means we can collaborate to minimise the risks of modern slavery.

The University undertakes in excess of 17% of the value of our addressable spend through the London Universities Purchasing Consortium and other public sector collaborative agreements.

The particular business and supply chains which may pose particular risks in terms of slavery are in facilities management, ICT & AV equipment, construction, and partnerships with overseas institutions in some jurisdictions. Our due diligence processes (below) minimise these risks.

### Due diligence

Our due diligence process for the validation of new institutional partners, and arising agreements, includes requirements for compliance with the Act.

Our procurement process for new suppliers submitting EU level tenders, requires participants, through the standard selection questionnaire, to comply with the Act. We also use a supplier engagement tool (Net Positive Futures) to engage suppliers requesting that they review and confirm the arrangements they have in place to comply with the Act across supply chains. All members of the procurement team have received training on use of the tool. Through

our involvement with the LUPC and other organisations, the team share and keep up-to-date with best practice to identify and assess risks within supply chains.

Our facilities management services are provided by our wholly owned subsidiary, which pays the London Living Wage and does not employ unpaid interns.

### Policies

The University has put in place a number of measures to ensure compliance with the Modern Slavery Act 2015. Our Corporate Social Responsibility Policy and Ethics Statement embeds Modern Slavery considerations, alongside other ethical business practices. The University Guide to Good Research Practice incorporates reference to the Ethics Statement and Modern Slavery.

Work will continue during 2020/21 to ensure compliance with the Act.

## Trade Union (Facility Time Publication Requirements) Regulations 2017

The Trade Union (Facility Time Publication Requirements) Regulations came into force on the 1st April 2017. These regulations place a legislative requirement on the University to collate and publish, on an annual basis, a range of data on the amount and cost of facility time within the organisation. The relevant data for 2018/19 is as follows:

- The percentage of total salary costs spent on facility time totalled 0.1%
- Of the total facility time spent there was no paid trade union activity incurred.
- The number of employees who acted as trade union officials during the year totalled 19 staff;
- The percentage of their time spent on trade union activity was as follows:

Percentage of Time	Number of Employees
0% – 50%	19
51% – 99%	0
100%	0



## Principal risks and uncertainties

The financial environment for Higher Education Institutions (HEIs) remains challenging, bringing with it volatility in a period of significant uncertainty. The University recognises that it faces a number of inherent risks and uncertainties resulting from both sector-specific factors and arising from wider economic environmental issues. Risks include those associated with external market conditions, the global pandemic, an increasingly uncertain political environment, high volumes of regulatory change and a substantial increase in cyber criminality.

Effective risk management is critical to the success of delivering Kingston University's strategic objectives and corporate plan. The University has in place a formal risk management programme that proactively identifies, monitors, manages and mitigates against risk, promoting a mature, robust and proactive approach and culture towards both risk management and governance. The Strategic Risk Register (SRR) has been revised in order to reflect the aims and objectives of the KU22 strategic plan.

The SRR continues to remain a dynamic and fluid document comprised of both current and emerging risks. It not only informs both management and the Board of the key risks that are being faced by the University, but also highlights the actions and control measures that are being adopted in order to mitigate against those significant risks. Deliberations include: the nature and extent of the risk, the likelihood of the risk materialising and the University's ability to reduce the impact of the risk. The SRR also informs the internal audit plan for the forthcoming academic year.

Each of the risks recorded on the SRR are owned by a member of the Senior Leadership Team (SLT) and are informed by the University's operational risk registers. Each SLT member has responsibility for ensuring that their specific risks are regularly reviewed and revised. Each strategic risk is assigned to the most appropriate committee in order to ensure consistency and provide additional resilience and assurance that the risks are being appropriately reviewed, updated and monitored accordingly. The SRR is presented to the Risk and Business Continuity Committee (RBCC), the SLT and the Audit and Risk Assurance Committee (ARAC) three times a year and annually to the Board of Governors.

The University's principal risks and uncertainties are detailed within the University's SRR. These are the most significant risks that may adversely affect the University's strategy, financial position, performance and/or its sustainability. The risk assessment process evaluates the probability of these principal risks materialising and the financial and strategic impact that they may have on staff, students and/or stakeholders. Among the key risks (based upon the level of residual risk after mitigating actions and control measures have been implemented) are those risks resulting from the global pandemic, failure to meet student recruitment and Clearing targets.

The Higher Education sector continues to remain a very competitive market. Failure to meet student number targets subsequently remains a growing concern across the sector. Whilst the University is somewhat less reliant upon the international market than many fellow providers, a substantial change to the international profile has the potential to adversely impact student numbers and result in a significant loss of income. The University has implemented a number of control measures in order to mitigate against the risks attached to student recruitment with an emphasis having been placed upon the student experience and graduate outcomes in the new university strategy. Furthermore, it has implemented a more systematic metrics driven focus to the quality enhancement of its course portfolio and continues to invest, with a particular focus upon the development of its IT provisions, virtual infrastructure and physical learning environments.

At a time of increased economic constraint, significant political uncertainty and ever heightened competition, the continuation of a robust and mature risk management framework is paramount in ensuring that the University's financial health and sustainability prevails. The University will continue to monitor risks, threats and uncertainties resulting from the global pandemic, the evolving political landscape and the continually changing economic environment, whilst continuing to deliver high quality teaching and academic provisions.

**OF KINGSTON UNIVERSITY  
FOR THE YEAR ENDED 31 JULY 2020 AND THE PERIOD TO 25 NOVEMBER 2020**

As the governing body of Kingston University, we have responsibility for maintaining a sound system of control that supports the achievement of policies, aims and objectives, while safeguarding the public and other funds and assets for which we are responsible, in accordance with the responsibilities assigned to the governing body in the instrument of Governance for 'Kingston University Higher Education Corporation' which provides for Kingston University's Articles of Governance and the Office for Students (OFS) ongoing conditions of registration. The constitution of the Board and its sub committees (including terms of reference) and the Senior Leadership Team are published on the University website. In this way we demonstrate the transparency over our corporate governance arrangements. The system of internal control is based on identifying the principal risks to the achievement of policies, aims and objectives, to evaluate the nature and extent of those risks and to manage them efficiently, effectively and economically. This process has been in place during the year ended 31 July 2020 and up to the date of approval of the financial statements in accordance with OFS guidance.

As the governing body, we have responsibility for reviewing the effectiveness of the system of internal control. The following processes have been established to ensure the adequacy over the arrangements for corporate governance, risk management and oversight of statutory and other regulatory responsibilities.

- a. We meet at regular intervals four times a year and consider the plans and strategic direction of the institution.
- b. We receive periodic reports from the Audit and Risk Assurance Committee (ARAC) concerning internal control, governance, value for money, risk management and data quality.
- c. ARAC met three times during the year and receives regular reports from the Head of Internal Audit (Managing director of KCG – Internal Audit Consortium), which include an independent opinion on the adequacy and effectiveness of the institution's system of internal control, together with recommendations for improvement. ARAC also reports to the Senior Management Team.
- d. We have a Finance Committee which regularly reviews the annual plan, monitors progress against the plan, and ensures that the University is managed as a going concern.
- e. A regular programme of review exists to keep up-to-date the record of risks facing the organisation at both strategic and operational levels.
- f. A robust risk prioritisation methodology based on risk ranking has been established in the identification and evaluation of risks.
- g. A series of organisation-wide risk registers is maintained by nominated risk managers across the institution.
- h. A programme of risk awareness training continues as part of the annual Risk Management programme.
- i. A system of key performance and risk indicators has been developed and incorporated in detailed strategic and operational monitoring modules, which derive from risk registers across the institution; these modules track the progress made with implementing agreed actions for the mitigation of identified risks.
- j. The process of risk management is fully embedded and integrated within the institution's planning processes, at both strategic (institutional) and operational (Faculty and Directorate) levels.
- k. the Governance Compliance and Legal office monitors the completion for returns required for OFS and other regulatory bodies to ensure adequate oversight. This ensures that the ongoing conditions of registration are maintained.
- l. The University operates Financial Regulations which are reviewed annually by the Audit and Risk Management Committee. These regulations cover financial and management control over the University which have to be followed by all members of staff. The operation of these regulations ensures regularity and propriety in the use of public funding.

Our review of the effectiveness of the system of internal control is informed by our internal auditor, KCG, which operates to standards defined in the OFS Audit Code of Practice. The external auditor has a primary responsibility for auditing the financial statements and providing an audit opinion. In conducting this role the external auditor provides an audit completion statement which is considered by the

Audit and Risk Management Committee. This report includes recommendations to address any weaknesses in the control environment with corrective action taken by management. Our review is also informed by executive managers who develop and maintain the internal control framework, and external auditors who report and attend Audit and Risk Assurance Committee meetings, as necessary.

#### **RESPONSIBILITIES OF THE BOARD OF GOVERNORS**

In accordance with the Higher Education and Research Act 2017, the Board of Governors is responsible for the administration and management of the affairs of Kingston University and its subsidiaries, including ensuring an effective system of internal control, and is required to present audited financial statements for each financial year.

The Board of Governors is responsible for ensuring that proper accounting records are kept that disclose at any time and with reasonable accuracy the financial position of the University and its subsidiaries, to enable it to ensure that the financial statements are prepared in accordance with the Higher Education and Research Act 2017, applicable law and United Kingdom Generally Accepted Accounting Practice. In addition, within the OFS ongoing conditions of registration, the Board of Governors, through its designated office holder, is required to prepare financial statements for each financial year that give a true and fair view of the state of affairs of Kingston University and its subsidiaries, and of the surplus or deficit and cash flows for that year.

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

In relation to the preparation of the 2019/20 financial statements, the Board of Governors has ensured that:

- suitable accounting policies are selected and applied consistently;
- judgements and estimates are made that are reasonable and prudent;
- applicable accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements; and
- Kingston University has adequate resources to continue in operations for the foreseeable future.

The Board of Governors has taken reasonable steps to:

- ensure that funds from the OFS, Research England, Education Funding Agency and Teaching Regulation Agency are used only for the purpose for which they have been given and in accordance with the terms and conditions of funding with OFS and Research England;
- ensure that income has been applied in accordance with the Higher Education and Research Act 2017;
- ensure that there are appropriate financial and management controls in place to safeguard public funds and funds from other sources;
- safeguard the assets of Kingston University and its subsidiaries and prevent and detect fraud; and
- secure the economic, efficient and effective management of the resources and expenditure of Kingston University and its subsidiaries.

As far as each member of the Board of Governors is aware:

- a) there is no relevant audit information of which the University's auditor is not aware; and
- b) each member has taken all the steps that he or she ought to have taken to be aware of any relevant audit information and to establish that the university's auditor is aware of that information.

## LIST OF BOARD OF GOVERNORS

### OF KINGSTON UNIVERSITY

Dr Ali AL-KINANI	Appointed 01/09/19
Mr Steven BASTOW	Tenure ended 19/09/19
Mrs Sandra CAMPOPIANO	
Mr Imran CHUGHTAI	
Mr Paul CLEAL	Tenure ended 21/10/20
Mrs Nancy COGSWELL	Tenure ended 13/08/20
Mr. David EDMONDS	Tenure ended 18/07/20
Mr Amr ELSHAER	Appointed 04/10/19
Mr Feisal HAJI	Appointed 01/08/19
Ms Gill HALL	
Professor Jenny HIGHAM	
Mr Dirk KAHL	
Ms Aranee MANOHARAN	
Miss Caroline MAWHOOD	
Mr. Peter MAYHEW-SMITH	
Mrs Alison OSBORNE	
Mr Andrew PEARCE	
Mr Francis SMALL	
Mr Tom SMYTH	
Professor Steven SPIER	
Mr Mick WILLIAMS	



# INDEPENDENT AUDITOR'S REPORT

## TO THE BOARD OF GOVERNORS OF KINGSTON UNIVERSITY

### Opinion

We have audited the financial statements of Kingston University ("the University") and its subsidiaries ("the Group") for the year ended 31 July 2020 which comprise the Consolidated and University Statement of Comprehensive Income, the Consolidated and University Balance Sheets, the Consolidated and University Statement of Changes in Reserves, Consolidated Cash Flow Statement and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 *The Financial Reporting Standard applicable in the UK and Republic of Ireland* (United Kingdom Generally Accepted Accounting Practice).

In our opinion, the financial statements:

- give a true and fair view of the state of the Group's and of the University's affairs as at 31 July 2020 and of the Group's and the University's income and expenditure, gains and losses, changes in reserves and of the Group's and the University's cash flows for the year then ended; and
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice.

### Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) ("ISAs (UK)") and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the Group and University in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

### Conclusions relating to going concern

We have nothing to report in respect of the following matters in relation to which the ISAs (UK) require us to report to you where:

- the Board of Governors use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the Board of Governors have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the Group's or the University's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

### Other information

The Board are responsible for the other information. Other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information including the Strategic Report, Statement of Corporate Governance and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information we are required to report that fact.

We have nothing to report in this regard.

### Opinion on other matters required by the Office for Students ("OfS") and Research England

In our opinion, in all material respects:

- Funds from whatever source administered by the University for specific purposes have been properly applied to those purposes and managed in accordance with relevant legislation.
- Funds provided by the OfS, UK Research and Innovation (including Research England), the Education and Skills Funding Agency and the Department for Education have been applied in accordance with the relevant terms and conditions
- The requirements of the OfS's Accounts Direction (OfS 2019.41) have been met.

We have nothing to report in respect of the following matters in relation to which the OfS requires us to report to you if, in our opinion:

- The University's grant and fee income, as disclosed in the note to the accounts, has been materially misstated.
- The University's expenditure on access and participation activities for the financial year has been materially misstated.

# INDEPENDENT AUDITOR'S REPORT

TO THE

## BOARD OF GOVERNORS OF KINGSTON UNIVERSITY

### Responsibilities of Board of Governors

As explained more fully in the Board of Governors statement, the Board of Governors is responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the Board of Governors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the Board of Governors are responsible for assessing the Group and the University's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Board of Governors either intend to liquidate the Group or the University or to cease operations, or have no realistic alternative but to do so.

### Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists.

Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at: [www.frc.org.uk/auditorsresponsibilities](http://www.frc.org.uk/auditorsresponsibilities). This description forms part of our auditor's report.

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 Terms and Conditions of Funding with the OfS and Research England.

### Use of our report

This report is made solely to the University Board of Governors, as a body, in accordance with Section 75 of the Higher Education and Research Act 2017. Our audit work has been undertaken so that we might state to the University's Board of Governors those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the University and the Board of Governors members as a body, for our audit work, for this report, or for the opinions we have formed.

*BDO LLP*

Paula Willock (Senior Statutory Auditor)  
For and on behalf of BDO LLP, Statutory Auditor  
Gatwick

30 November 2020

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

# STATEMENT OF ACCOUNTING POLICIES

FOR THE YEAR ENDED 31 JULY 2020

## 1. Basis of preparation

Kingston University is a Higher Education Institution incorporated in England under the Education Reform Act 1988 (as amended by the Further and Higher Education Act 1992). These financial statements have been prepared in accordance with the Statement of Recommended Practice (SORP): Accounting for Further and Higher Education in 2019 and in accordance with Financial Reporting Statements (FRS102) and the OFS Accounts Direction to Higher Education Providers. The University is a public benefit entity and therefore has applied the relevant public benefit requirement of FRS102.

In preparing the separate financial statements of the parent University, advantage has been taken of the following disclosure exemptions available in FRS102:

- No cash flow statement has been presented for the parent University;
- No disclosure has been given for the aggregate remuneration of the key management personnel of the parent University as their remuneration is included in the totals for the group as a whole.

### *Going concern*

The Board of Governors has carried out an assessment of the University's ability to continue as a going concern by reviewing financial forecasts to 31 July 2022. Those forecasts are based on the actual recruitment for the 2020/21 academic year. The forecast assumes no further enrolments this year and has been stress tested against a number of reduced income scenarios. Even the most extreme combination of scenarios demonstrates that the University continues to have sufficient cash balances over the forecast period.

A revised banking covenant has been agreed with Barclays for 2020/21 which is forecast to be met with substantial headroom. Based on the review of forecasts the Board of Governors has concluded that the University is a going concern as this analysis reveals no material uncertainty for a period of 12 months from the date of approval by the Board. Therefore, the financial statements are prepared on this basis.

## 2. Judgements in applying accounting policies and key sources of estimation uncertainty

In preparing these financial statements the Board of Governors have made the following judgements:

- Determine whether leases entered into by the University either as a lessor or a lessee are operating or finance leases. These decisions depend on an assessment of whether the risks and rewards of ownership have been transferred from the lessor to the lessee on a lease by lease basis.
- Determine whether there are indicators of impairment of the University's tangible and intangible assets. Factors taken into consideration in reaching such a decision include the economic viability and expected future financial performance of the asset and where it is a component of a larger cash-generating unit, the viability and expected future performance of that unit.
- FRS 102 makes the distinction between a group plan and a multi-employer scheme. A group plan consists of a collection of entities under common control typically with a sponsoring employer. A multi-employer scheme is a scheme for entities not under common control and represents (typically) an industry-wide scheme such as Universities Superannuation Scheme. The accounting for a multi-employer scheme where the employer has entered into an agreement with the scheme that determines how the employer will fund a deficit results in the recognition of a liability for the contributions payable that arise from the agreement (to the extent that they relate to the deficit) and the resulting expense in profit or loss in accordance with section 28 of FRS 102. The Governors are satisfied that Universities Superannuation Scheme meets the definition of a multi-employer scheme and has therefore recognised the discounted fair value of the contractual contributions under the recovery plan in existence at the date of approving these financial statements.
- Determine whether the agreements entered into with GH Clayhill Ltd and Kingston Student Living LLP meet the definition of a service concession arrangement. Factors taken into consideration in reaching a decision include whether the asset is an infrastructure asset, who has control of the services provided and the provisions relating to the asset at the end of the life of the agreement.
- Determine in relation to the Kingston Student Living LLP agreement three further judgements:
  - The split between the land and buildings. This has been based on an external valuation by Gerald Eve LLP.
  - The calculation of the deferred consideration. This has been based on expected income in the initial phase of the agreement discounted to present value.
  - Post construction period there is a judgement to calculate the future minimum payments recognised yearly. This is based on the rooms that the University has nominated.



# STATEMENT OF ACCOUNTING POLICIES

## FOR THE YEAR ENDED 31 JULY 2020

Other key sources of estimation uncertainty:

- *Tangible fixed assets (see note 13)*

Tangible fixed assets are depreciated over their useful lives taking into account residual values, where appropriate. The actual lives of the assets and residual values are assessed annually and may vary depending on a number of factors. In re-assessing asset lives, factors such as technological innovation, product life cycles and maintenance programmes are taken into account. Residual value assessments consider issues such as future market conditions, the remaining life of the asset and projected disposal values.

- *Investment property (see notes 13 and 14)*

The investment property has been recorded in the balance sheet at fair value which is reflective of current market value.

- *Investments (see notes 17)*

The most critical estimates, assumptions and judgements relate to the determination of carrying value of unlisted investments. In determining this amount, the Group applies the overriding concept that fair value is the amount for which an asset can be exchanged between knowledgeable willing parties in an arm's length transaction. The nature, facts and circumstance of the investment drives the valuation methodology.

- *Trade debtors (see note 18)*

The estimate for receivables relates to the recoverability of the balances outstanding at year end. A review is performed on an individual debtor basis to consider whether each debt is recoverable.

- *Defined benefit pension scheme (see note 30)*

The critical underlying assumptions in relation to the estimate of the pension defined benefit scheme obligation include standard rates of inflation, mortality, discount rate and anticipated future salary increases. Variations in these assumptions have the ability to significantly influence the value of the liability recorded and annual defined benefit expense.

The underlying assumptions in relation to the estimate of the present value of the obligation in respect of the funding deficit plan for the USS pension scheme include salary inflation over the period of the funding deficit plan and the discount rate to be used.

### 3. Basis of consolidation

The consolidated financial statements include the University and its subsidiaries for the financial year to 31 July 2020. The results of subsidiaries acquired or disposed of during the period are included in the consolidated statement of income and expenditure from the date of acquisition or up to the date of disposal. Intra-group transactions are eliminated on consolidation.

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

The University has a jointly controlled operation with St Georges Hospital Medical School for the provision of Healthcare education. Under the terms of the agreement, assets and liabilities are shared equally, income and expenditure is apportioned according to the underlying activity attributed to each institution.

### 4. Income recognition

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

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

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

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

## STATEMENT OF ACCOUNTING POLICIES

FOR THE YEAR ENDED 31 JULY 2020

### Grant funding

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

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

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

### Donations and Endowments

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

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

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

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

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

### 5. Accounting for retirement benefits

The University has four principal defined benefit pension schemes; Local Government Pension Scheme (LGPS), Universities Superannuation Scheme (USS), Teachers Pension Scheme (TPS) and The London Pension Fund Authority (LPFA) Pension Scheme. The schemes are defined benefit schemes, which are externally funded and contracted out of the state Second Pension (S2P). Each fund is valued every three years by professionally qualified independent actuaries. The London Pension Fund Authority (LPFA) Pension Scheme was closed in March 2019.

The institution participates in Universities Superannuation Scheme. The scheme is a hybrid pension scheme, providing defined benefits (for all members), as well as defined contribution benefits. The assets of the scheme are held in a separate trustee-administered fund. Because of the mutual nature of the scheme, the assets are not attributed to individual institutions and a scheme-wide contribution rate is set. The institution is therefore exposed to actuarial risks associated with other institutions' employees and is unable to identify its share of the underlying assets and liabilities of the scheme on a consistent and reasonable basis. As required by Section 28 of FRS 102 "Employee benefits", the institution therefore accounts for the scheme as if it were a wholly defined contribution scheme. As a result, the amount charged to the profit and loss account represents the contributions payable to the scheme. Since the institution has entered into an agreement (the Recovery Plan) that determines how each employer within the scheme will fund the overall deficit, the institution recognises a liability for the contributions payable that arise from the agreement (to the extent that they relate to the deficit) and therefore an expense is recognised.

## STATEMENT OF ACCOUNTING POLICIES

FOR THE YEAR ENDED 31 JULY 2020

### 5. Accounting for retirement benefits (*continued*)

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

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 in so far as it affects the University, and is accounted for as such.

Contributions to the pension schemes are charged to the Statement of Comprehensive Income in the year in which they become payable.

#### Defined Benefit Plan

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

### 6. Employment benefits

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

### 7. Leases

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

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

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

### 8. Service concession arrangements

Fixed assets held under service concession arrangements are recognised on the Balance Sheet at the present value of the minimum payments when the assets are bought into use with a corresponding financial liability.

Payments under the service concession arrangements are allocated between service costs, finance charges and financial liability repayments to repay the financial liability to nil over the life of the arrangement.



# STATEMENT OF ACCOUNTING POLICIES

FOR THE YEAR ENDED 31 JULY 2020

## 9. Fixed assets

Fixed assets are stated at cost or deemed cost less accumulated depreciation and accumulated impairment losses. Certain items of fixed assets that had been revalued on or prior to the date of transition to FRS102 are measured on the basis of deemed cost, being the fair value at the date of revaluation.

### Land and buildings

Cost incurred in relation to the land and buildings after initial purchase or construction, and prior to valuation, are capitalised to the extent that they increase the expected future benefits to the University.

Freehold land is not depreciated as it is considered to have an indefinite useful life. Freehold buildings are depreciated on straight line basis over their expected useful lives.

New builds	50 years
Refurbishments	10-50 years

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

### Equipment

Capitalised equipment is stated at cost and depreciated over its expected useful life of between 4 – 10 years.

### Impairment of fixed assets

Assets that are subject to depreciation or amortisation are assessed at each reporting date to determine whether there is any indication that the assets are impaired. Where there is any indication that an asset may be impaired, the carrying value of the asset (or cash-generating unit which the asset has been allocated) is tested for impairment. An impairment loss is recognised for the amount by which the assets carrying amount exceeds its recoverable amount. The recoverable amount is the higher of the assets (or CGU's) fair value less costs to sell and value in use. For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash flows (CGU's). Non-financial assets that have been previously impaired are reviewed at each reporting date to assess whether there is any indication that the impairment losses recognised in prior periods may no longer exist or may have decreased.

## 10. Finance costs

Finance costs are charged to the Statement of Comprehensive Income over the term of the debt using the effective interest method in the period in which they are incurred.

Issue costs are initially recognised as reduction in the proceeds of the associated financial instrument.

## 11. Heritage assets

Works of art and other artefacts have been capitalised and recognised at cost or value at acquisition, where such a cost or valuation is reasonably obtainable. Heritage assets are not depreciated as their long economic life and high residual value mean that any depreciation would not be material.

Buildings which form part of a heritage asset have been capitalised and recognised at cost or value of acquisition, where such a cost or valuation is reasonably obtainable. Heritage buildings are depreciated over their useful life.

## 12. Investment property

Investment property is land and buildings held for rental income or capital appreciation. Investment properties are measured initially at cost and subsequently at fair value with movements recognised in the Statement of Comprehensive Income. Properties are not depreciated but are revalued annually according to market conditions at 31 July each year.

## 13. Intangible assets

Intangible assets are amortised over their useful life of between 4 to 10 years. Intangible assets relate to software development costs that have future economic benefit to the University.

## 14. Investments

Non-current asset investments are held on the Balance Sheet at cost less impairment. Investments in subsidiaries are carried at cost less impairment in the University's accounts.

Current asset investments are term deposits which are carried at transaction price.

## STATEMENT OF ACCOUNTING POLICIES

FOR THE YEAR ENDED 31 JULY 2020

### 15. Cash and cash equivalents

Cash and cash equivalents includes cash in hand, current accounts and overdrafts. It also includes deposits which have maturity of less than three months and deposits which have maturity of greater than three months but for which notice of withdrawal has been given before the year end.

### 16. Jointly controlled operations

The University accounts for its joint arrangement with St Georges Medical School as a jointly controlled operation. The University accounts for its share of transactions from joint operations in the Statement of Comprehensive Income and for its share of assets and liabilities in the Balance Sheet.

### 17. Taxation

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

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

The University subsidiaries are liable to Corporation Tax in the same way as any other commercial organisation.

Deferred tax is provided in full on timing differences which results in an obligation at the balance sheet date to pay more tax, or a right to pay less tax, at a future date, at rates expected to apply when they crystallise based on current rates and law. Timing differences arise from the inclusion of items and expenditure in taxation computations in periods different from those in which they are included in financial statements.

### 18. Reserves

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

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

### 19. Financial assets

Financial assets are initially measured at transaction price (including transaction costs) and subsequently held at amortised cost, less any impairment.

### 20. Financial liabilities and equity

Financial liabilities are classified according to the substance of the financial instrument's contractual obligations, rather than the financial instrument's legal form. Financial liabilities are initially measured at transaction price (including transaction costs) and subsequently held at amortised cost.

**STATEMENT OF COMPREHENSIVE INCOME**

**FOR THE YEAR ENDED 31 JULY 2020**

	Notes	2019/20	2019/20	2018/19	2018/19
		£000s	£000s	£000s	£000s
		Consolidated	University	Consolidated	University
<b>INCOME</b>					
Tuition fees and education contracts	1	153,751	153,751	140,920	140,920
Funding body grants	2	19,756	19,756	20,362	20,362
Research grants and contracts	3	3,017	2,823	3,736	3,367
Other income	4	21,130	20,269	25,287	25,996
Investment income	5	385	337	637	589
Donations and endowments	6	1,037	1,037	727	727
<b>Total income</b>		<b>199,076</b>	<b>197,973</b>	<b>191,669</b>	<b>191,961</b>
<b>EXPENDITURE</b>					
Staff costs	8	111,748	104,335	111,255	104,670
Fundamental restructuring costs	8	68	37	3,268	3,230
Other operating expenses		62,289	69,321	59,334	67,706
Amortisation	12	3,660	3,660	3,140	3,140
Depreciation	13	13,496	13,496	13,205	13,205
Interest and other finance costs	9	8,324	8,255	8,414	8,335
<b>Total expenditure</b>	10	<b>199,585</b>	<b>199,104</b>	<b>198,616</b>	<b>200,286</b>
<b>Deficit before other gains/(losses)</b>		<b>(509)</b>	<b>(1,131)</b>	<b>(6,947)</b>	<b>(8,325)</b>
Loss on disposal of fixed assets	12,13	(9,417)	(9,417)	(8)	(8)
<b>Deficit before qualifying charitable donations</b>		<b>(9,926)</b>	<b>(10,548)</b>	<b>(6,955)</b>	<b>(8,333)</b>
Qualifying charitable donations		-	811	25	25
<b>Deficit for the year</b>		<b>(9,926)</b>	<b>(9,737)</b>	<b>(6,930)</b>	<b>(8,308)</b>
Actuarial loss in respect of pension schemes	23	(46,038)	(44,647)	(19,509)	(18,857)
<b>Total comprehensive expenditure for the year</b>		<b>(55,964)</b>	<b>(54,384)</b>	<b>(26,439)</b>	<b>(27,165)</b>
Endowment comprehensive income for the year		-	-	-	-
Restricted comprehensive income for the year		50	50	5	5
Unrestricted comprehensive income for the year		(56,014)	(54,434)	(26,444)	(27,170)
		<b>(55,964)</b>	<b>(54,384)</b>	<b>(26,439)</b>	<b>(27,165)</b>

All amounts included within the statement of comprehensive income are in respect of continuing activities.

The notes on pages 37-56 form part of the financial statements.



**BALANCE SHEETS**

**FOR THE YEAR ENDED 31 JULY 2020**

Consolidated	University	Consolidated	University
2019/20	2019/20	2018/19	2018/19
£000s	£000s	£000s	£000s

**Notes**

**Fixed assets**

Intangible assets	12	10,863	10,863	12,028	12,028
Tangible assets	13	421,958	421,958	446,683	446,683
Heritage assets	13	1,953	1,953	1,998	1,998
Investments	17	3,028	9,129	135	6,236
		<u>437,802</u>	<u>443,903</u>	<u>460,844</u>	<u>466,945</u>

**Current assets**

Stock		142	124	139	139
Debtors	18	28,249	28,076	16,156	15,739
Current asset investment	19	6,013	1,005	11,138	11,138
Cash at bank and in hand		76,838	74,586	56,446	49,200
		<u>111,242</u>	<u>103,791</u>	<u>83,879</u>	<u>76,216</u>

Creditors: amounts falling due within one year	20	(42,413)	(41,779)	(44,112)	(43,374)
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**Net current assets**

		<u>68,829</u>	<u>62,012</u>	<u>39,767</u>	<u>32,842</u>
<b>Total assets less current liabilities</b>		506,631	505,915	500,611	499,787

Creditors: amounts falling due after more than one year	21	(106,507)	(106,507)	(97,491)	(97,491)
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<b>Net assets excluding pension liability</b>		<u>400,124</u>	<u>399,408</u>	<u>403,120</u>	<u>402,296</u>
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**Provisions for liabilities**

Pension provisions	23	(139,235)	(134,405)	(86,267)	(82,909)
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<b>Total net assets</b>		<u>260,889</u>	<u>265,003</u>	<u>316,853</u>	<u>319,387</u>
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The notes on pages 37-56 form part of the financial statements.

**BALANCE SHEETS (continued)**  
**FOR THE YEAR ENDED 31 JULY 2020**

Consolidated	University	Consolidated	University
2019/20	2019/20	2018/19	2018/19
£000s	£000s	£000s	£000s

**Notes**

**Restricted reserves**

Income & expenditure reserve - endowment fund	24	1,225	1,225	1,225	1,225
Income & expenditure reserve - restricted reserve	24	1,434	1,434	1,384	1,384

**Unrestricted reserves**

Income & expenditure account - unrestricted		31,528	35,642	84,577	87,111
Revaluation reserve		226,702	226,702	229,667	229,667
		<u>260,889</u>	<u>265,003</u>	<u>316,853</u>	<u>319,387</u>

The financial statements were approved and authorised for issue by the Governing Body on 25 November 2020 and signed on its behalf by:



Francis Small  
 Chairman of the Board of Governors



Professor Steven Spier  
 Vice Chancellor

**CONSOLIDATED STATEMENT OF CHANGES IN RESERVES**

**FOR THE YEAR ENDED 31 JULY 2020**

<b>Consolidated</b>	<b>Income and expenditure reserve</b>			<b>Revaluation</b>	<b>Total</b>
	<b>Endowment</b>	<b>Restricted</b>	<b>Unrestricted</b>	<b>reserve</b>	
	<b>£'000</b>	<b>£'000</b>	<b>£'000</b>	<b>£'000</b>	<b>£'000</b>
<b>Balance as at 1 August 2019</b>	1,225	1,384	84,577	229,667	316,853
(Deficit)/surplus from income & expenditure account	-	50	(9,976)	-	(9,926)
<i>Other comprehensive income</i>					
Actuarial loss on pension scheme	-	-	(46,038)	-	(46,038)
Transfer	-	-	2,965	(2,965)	-
<b>Total comprehensive (expenditure)/ income for the year</b>	<b>-</b>	<b>50</b>	<b>(53,049)</b>	<b>(2,965)</b>	<b>(55,964)</b>
<b>Balance as at 31 July 2020</b>	<b>1,225</b>	<b>1,434</b>	<b>31,528</b>	<b>226,702</b>	<b>260,889</b>

<b>University</b>	<b>Income and expenditure reserve</b>			<b>Revaluation</b>	<b>Total</b>
	<b>Endowment</b>	<b>Restricted</b>	<b>Unrestricted</b>	<b>reserve</b>	
	<b>£'000</b>	<b>£'000</b>	<b>£'000</b>	<b>£'000</b>	<b>£'000</b>
<b>Balance as at 1 August 2019</b>	1,225	1,384	87,111	229,667	319,387
(Deficit)/surplus from income & expenditure account	-	50	(9,787)	-	(9,737)
<i>Other comprehensive income</i>					
Actuarial loss on pension scheme	-	-	(44,647)	-	(44,647)
Transfer	-	-	2,965	(2,965)	-
<b>Total comprehensive (expenditure)/ income for the year</b>	<b>-</b>	<b>50</b>	<b>(51,469)</b>	<b>(2,965)</b>	<b>(54,384)</b>
<b>Balance as at 31 July 2020</b>	<b>1,225</b>	<b>1,434</b>	<b>35,642</b>	<b>226,702</b>	<b>265,003</b>

<b>Consolidated</b>	<b>Income and expenditure reserve</b>			<b>Revaluation</b>	<b>Total</b>
	<b>Endowment</b>	<b>Restricted</b>	<b>Unrestricted</b>	<b>reserve</b>	
	<b>£'000</b>	<b>£'000</b>	<b>£'000</b>	<b>£'000</b>	<b>£'000</b>
<b>Balance as at 1 August 2018</b>	1,225	1,379	108,056	232,632	343,292
(Deficit)/surplus from income & expenditure account	-	5	(6,935)	-	(6,930)
<i>Other comprehensive income</i>					
Actuarial loss on pension scheme	-	-	(19,509)	-	(19,509)
Transfer	-	-	2,965	(2,965)	-
<b>Total comprehensive (expenditure)/ income for the year</b>	<b>-</b>	<b>5</b>	<b>(23,479)</b>	<b>(2,965)</b>	<b>(26,439)</b>
<b>Balance as at 31 July 2019</b>	<b>1,225</b>	<b>1,384</b>	<b>84,577</b>	<b>229,667</b>	<b>316,853</b>

<b>University</b>	<b>Income and expenditure reserve</b>			<b>Revaluation</b>	<b>Total</b>
	<b>Endowment</b>	<b>Restricted</b>	<b>Unrestricted</b>	<b>reserve</b>	
	<b>£'000</b>	<b>£'000</b>	<b>£'000</b>	<b>£'000</b>	<b>£'000</b>
<b>Balance as at 1 August 2018</b>	1,225	1,379	111,316	232,632	346,552
(Deficit)/surplus from income & expenditure account	-	5	(8,313)	-	(8,308)
<i>Other comprehensive income</i>					
Actuarial loss on pension scheme	-	-	(18,857)	-	(18,857)
Transfer	-	-	2,965	(2,965)	-
<b>Total comprehensive (expenditure)/ income for the year</b>	<b>-</b>	<b>5</b>	<b>(24,205)</b>	<b>(2,965)</b>	<b>(27,165)</b>
<b>Balance as at 31 July 2019</b>	<b>1,225</b>	<b>1,384</b>	<b>87,111</b>	<b>229,667</b>	<b>319,387</b>



**CONSOLIDATED STATEMENT OF CASH FLOWS**  
**FOR THE YEAR ENDED 31 JULY 2020**

	Notes	2019/20 £000s	2018/19 £000s
<b>Cash flow from operating activities</b>			
Deficit before tax		(9,926)	(6,930)
<b>Adjustment for non-cash items</b>			
Depreciation and impairment of tangible assets	13	13,496	13,205
Amortisation of intangible assets	12	3,660	3,140
(Increase) in stocks		(3)	(54)
(Increase)/decrease in debtors	18	(1,664)	6,832
Increase/(decrease) in creditors		17,243	(428)
(Decrease)/increase in provisions		(1,422)	1,516
Difference between net pension expense and liability	23	6,482	4,290
<b>Adjustment for investing or financing activities</b>			
Interest receivable	5	(385)	(637)
Interest payable	9	8,324	8,414
Loss on disposal of fixed assets		9,417	12
Capital grants utilised in the year		(1,816)	(1,830)
<b>Net inflow from operating activities</b>		<b>43,406</b>	<b>27,530</b>
<b>Cash flows from investing activities</b>			
Capital grants received		936	1,464
Proceeds from sale of fixed assets		9,976	-
Payments to acquire fixed assets		(25,043)	(42,290)
Payments to acquire fixed asset investments		(2,893)	-
Other interest received	5	385	637
Withdrawal of deposits	19	5,125	16,650
		<b>(11,514)</b>	<b>(23,539)</b>
<b>Cash flows from financing activities</b>			
Interest paid	9	(6,454)	(6,706)
Repayments of amounts borrowed	22	(3,392)	(3,162)
Capital element of finance lease rental payments	22	(1,654)	(1,348)
		<b>(11,500)</b>	<b>(11,216)</b>
<b>Increase in cash and cash equivalents in the year</b>		<b>20,392</b>	<b>(7,225)</b>
<b>Cash and cash equivalents at beginning of the year</b>		<b>56,446</b>	<b>63,671</b>
<b>Cash and cash equivalents at the end of the year</b>		<b>76,838</b>	<b>56,446</b>

The capital receipt from the residential transaction is included in the cash flow statement as follows:

Increase in creditors - long lease of land	12,906
Proceeds on sale of fixed assets - sale of residential buildings*	10,767
	<b>23,673</b>

\*Professional fees of £791k have been deducted from this figure in the cash flow statement

**NOTES TO THE ACCOUNTS**  
Year ended 31 July 2020

**1 TUITION FEES AND EDUCATION CONTRACTS**

	2019/20 Consolidated £000s	2019/20 University £000s	2018/19 Consolidated £000s	2018/19 University £000s
Full-time UK and EU students	99,758	99,758	95,030	95,030
Part-time UK and EU students	5,243	5,243	5,410	5,410
Overseas full-time students	44,614	44,614	31,884	31,884
Overseas part-time students	935	935	1,222	1,222
Short course fees	2,500	2,500	2,658	2,658
NHS teaching contracts	701	701	4,716	4,716
	153,751	153,751	140,920	140,920

**2 FUNDING COUNCIL GRANTS**

	2019/20 Consolidated £000s	2019/20 University £000s	2018/19 Consolidated £000s	2018/19 University £000s
Recurrent grant (including research element)	15,535	15,535	17,163	17,163
OFS specific grants	627	627	865	865
Education funding agency	1,778	1,778	504	504
Deferred capital grants released in year	1,816	1,816	1,830	1,830
	19,756	19,756	20,362	20,362

**3 RESEARCH GRANTS AND CONTRACTS**

	2019/20 Consolidated £000s	2019/20 University £000s	2018/19 Consolidated £000s	2018/19 University £000s
Research Councils	924	924	900	900
UK based charities	618	608	755	727
Other research grants and contracts	1,475	1,291	2,081	1,740
	3,017	2,823	3,736	3,367

**4 OTHER INCOME**

	2019/20 Consolidated £000s	2019/20 University £000s	2018/19 Consolidated £000s	2018/19 University £000s
Residencies and catering	13,964	13,786	19,070	18,271
Income from UK public bodies	850	850	850	850
Course validation fees/teaching contracts	2,441	2,441	1,714	1,714
Other income	3,875	3,192	3,653	5,161
	21,130	20,269	25,287	25,996

**NOTES TO THE ACCOUNTS**  
(continued)  
Year ended 31 July 2020

**5 INVESTMENT INCOME**

	2019/20 Consolidated £000s	2019/20 University £000s	2018/19 Consolidated £000s	2018/19 University £000s
Interest receivable	385	337	637	589

**6 DONATIONS AND ENDOWMENTS**

	2019/20 Consolidated £000s	2019/20 University £000s	2018/19 Consolidated £000s	2018/19 University £000s
Unrestricted donations	1,037	1,037	727	727

**7 GRANT & FEE INCOME**

	2019/20 Consolidated £000s	2019/20 University £000s	2018/19 Consolidated £000s	2018/19 University £000s
Grant income from the OfS	17,099	17,099	19,858	19,858
Grant income from other bodies	2,876	2,438	504	504
Fee income for taught awards	151,250	151,250	138,262	138,262
Fee income for research awards	3,017	2,823	3,736	3,367
Fee income from non-qualifying courses	2,500	2,500	2,658	2,658
	176,742	176,110	165,018	164,649

**NOTES TO THE ACCOUNTS**  
(continued)  
Year ended 31 July 2020

**8 STAFF**

	2019/20 Consolidated £000s	2019/20 University £000s	2018/19 Consolidated £000s	2018/19 University £000s
<b>Staff Costs</b>				
Wages and salaries	83,015	76,701	82,518	76,420
Restructuring costs	68	37	3,268	3,230
Social security costs	8,688	8,169	8,824	8,325
Movement on USS pension	(1,421)	(1,421)	1,515	1,515
Other pension costs	21,466	20,886	18,398	18,410
	111,816	104,372	114,523	107,900

**Vice-Chancellor and Chief Executive**

2019/20 £000s	2018/19 £000s
------------------	------------------

*The emoluments of the Vice-Chancellor serving in the year were as follows:*

**Current Vice Chancellor**

Basic salary	270	265
Performance-related pay and other bonuses	-	-
Salary sacrifice arrangements	-	-
Compensation for loss of office	-	-
Total before pension costs	270	265
Pension contributions	59	49
Payments in lieu of pension contributions	-	-
Total after pension costs	329	314

No other payments were made to the Vice Chancellor in relation to dividends, benefits (taxable or non-taxable) or any other remuneration.

**Justification of VCs salary**

**The University context**

Kingston University is a modern University based in London operating across four campuses. It has recruited over 16,500 students including just under 3,800 international students from over 140 countries. The academic provision is provided by four faculties including; Science Engineering and Computing, Business and Social Sciences, the Kingston School of Art, and Health, Social Care and Education. The total income for the university was over £199m for the year and therefore the University is a large, broadly based complex organisation working in an increasingly competitive environment.

**University reputation**

Kingston University has been named one of the top 40 institutions in the country in the newly released Guardian University Guide league tables for 2021. The University has jumped eight places to be ranked 40 out of 121 institutions featured in the national newspaper's annual listings. Its continued improvement in the rankings follows a rise of 10 places in last year's Guardian tables, which saw it join the listing of the top 50 institutions for the first time, up 23 places on the previous year. The University once again leads the national rankings for design and crafts with education and fashion and textiles holding third place nationally and the best in London.

Kingston University has moved up two places in The Sunday Times and Times Good University Guide 2021 league table. The University is now positioned at joint 104 out of 131 institutions in the annual rankings – an increase from 106 last year and 110 the previous year. The latest improvement builds on the sustained progress made in the past four years, with Kingston rising 18 places all told during this period.

**Process adopted for assessing performance**

The Vice-chancellor's salary and performance are annually reviewed in accordance with The Higher Education Senior Staff Remuneration code published by the Committee of University Chairs (CUC).

The Vice-Chancellor is set objectives by the Chair of the Board, which are shared with the Remuneration Committee. The Vice-Chancellor's pay is determined by the Remuneration Committee after considering:

- the Chair's report on performance;
- detailed salary benchmarking data against similar sized new universities;
- the rate of increase of the average remuneration of all other staff.

The Vice-chancellor is appraised by the Chair against his objectives and the organisational performance.



**NOTES TO THE ACCOUNTS**  
(continued)  
Year ended 31 July 2020

**8 STAFF (continued)**

Higher Paid Employees (including Vice Chancellor)	2019/20 No.	2018/19 No.
£265,001 - £270,000	1	1
£150,001 - £155,000	2	-
£145,001 - £150,000	1	2
£135,001 - £140,000	1	-
£130,001 - £135,000	1	1
£125,001 - £130,000	1	2
£120,001 - £125,000	1	2
£115,001 - £120,000	2	1
£110,001 - £115,000	-	1
£105,001 - £110,000	4	-
£100,001 - £105,000	1	1

**Compensation for loss of office:**

	£000s	£000s
Staff costs include compensation payable to 50 employees (2019:147)	68	3,268

**The average number of persons employed by the University, expressed as full-time equivalents was:**

	2019/20 Consolidated	2019/20 University	2018/19 Consolidated	2018/19 University
Executive, senior and academic staff	781	781	784	784
Research, language and teaching assistants	34	34	43	43
General and professional staff	1,010	799	1,085	868
	1,825	1,614	1,912	1,695

**Pay ratios**

	2019/20 £000s	2018/19 £000s
Basic salary ratio	6.5	6.5
Total remuneration ratio	6.5	6.5

The basic salary ratio is calculated as the ratio of the Vice Chancellor's basic salary to the median basic salary for all staff who are required to be included in real-time reporting to HMRC, expressed as full-time equivalent. The remuneration ratio is calculated as the ratio of the Vice Chancellor's total remuneration to the median total remuneration (excluding agency and contractor costs) for all staff, expressed as full-time equivalent.

**Key management personnel**

Key management personnel are those persons having authority and responsibility for planning, directing, and controlling the activities of the University. For Kingston University this is deemed to be the Board of Governors, and the University's Senior Management Team. Staff costs include compensation paid to key personnel.

	2019/20 £000s	2018/19 £000s
Key management personnel costs	2,364	3,016

The total sum of £2,437 (2019: £8,375) was claimed as expenses by six (2019: five) members of the Board of Governors during 2019/2020. All of the expenses were in respect of travel, subsistence, training and professional subscriptions. No remuneration is provided to governors for services provided as governors, or for any other services.

**NOTES TO THE ACCOUNTS**  
(continued)  
Year ended 31 July 2020

**9 INTEREST & OTHER FINANCE COSTS**

	2019/20 Consolidated £000s	2019/20 University £000s	2018/19 Consolidated £000s	2018/19 University £000s
On loans	2,912	2,843	3,025	3,025
On service concession arrangement	3,063	3,063	3,012	3,012
On finance leases	548	548	668	668
	6,523	6,454	6,705	6,705
Net interest on net defined benefit liability	1,801	1,801	1,709	1,630
	8,324	8,255	8,414	8,335

**10 ANALYSIS OF TOTAL EXPENDITURE BY CATEGORY**

	2019/20 Consolidated £000s	2019/20 University £000s	2018/19 Consolidated £000s	2018/19 University £000s
Academic and related expenditure	104,106	104,105	106,827	106,827
Administration and central services	39,500	39,500	34,559	34,559
Premises (including service concession cost)	28,623	29,102	25,364	25,833
Residences, catering and conferences	10,012	10,385	15,275	15,773
Research grants and contracts	3,017	3,017	3,688	3,688
Other expenses	14,327	12,995	12,903	13,606
	199,585	199,104	198,616	200,286
Other operating expenses include:				
External auditors remuneration - audit services	105	89	84	69
External auditors remuneration - non-audit services	12	12	12	12
Operating lease rentals:				
Land and buildings	1,837	1,837	1,838	1,838

**11 ACCESS & PARTICIPATION PLAN EXPENDITURE**

	2019/20 Consolidated £000s	2019/20 University £000s
Access investment	783	783
Financial support provided to students	1,655	1,655
Support for disabled students	424	424
Research and evaluation	132	132
	2,994	2,994

Included above are staff costs of £779,171 which are already reflected in the overall staff costs figures included in the financial statements (see note 8).

The total approved expenditure in the University's published Access and Participation Plan for the year ended 31 July 2020 was £2,448,555. Actual spend was higher than planned expenditure due to student emergency grants arising as a direct result of Covid-19. Details of the approved plan may be viewed at [www.kingston.ac.uk/undergraduate/access/](http://www.kingston.ac.uk/undergraduate/access/).

As set out in the Accounts Direction (OfS 2019.41), no comparatives have been provided as the prior year expenditure relates to the Widening Participation Plan and the amounts are not comparable.

**NOTES TO THE ACCOUNTS**  
(continued)  
Year ended 31 July 2020

**12 INTANGIBLE ASSETS**

**CONSOLIDATED & UNIVERSITY**

**Software**

<b>2019/20</b>
<b>Consolidated</b>
<b>£000s</b>

**Cost**

Balance as at 31 July 2019	19,661
Additions	1,915
Disposals	(2)
Transfer from tangible assets	582

**Balance as at 31 July 2020** 22,156

**Amortisation**

Balance as at 31 July 2019	7,633
Amortisation	3,660

**Balance as at 31 July 2020** 11,293

**Net Book Value**

**Balance as at 31 July 2020** 10,863

**Balance as at 31 July 2019** 12,028

**13 TANGIBLE ASSETS**

**CONSOLIDATED & UNIVERSITY**

	Freehold Land	Freehold Buildings	Service Concession Arrangement Land & Buildings	Plant, Machinery, Equipment	Assets Under Construction Total	Heritage Assets Total	Investment property (Note 14)	Total
	£000s	£000s	£000s	£000s	£000s	£000s	£000s	£000s
<b>Cost or Valuation</b>								
Balance as at 31 July 2019								
Cost	138,780	240,456	7,668	35,010	82,020	2,348	5,000	511,282
Additions	-	5,862	-	3,415	9,920	-	-	19,197
Disposals	-	(33,657)	-	(245)	(740)	-	-	(34,642)
Transfer to freehold buildings	-	91,187	-	-	(91,187)	-	-	-
Transfer to intangible assets	-	-	-	(569)	(13)	-	-	(582)
<b>Balance as at 31 July 2020</b>	<b>138,780</b>	<b>303,848</b>	<b>7,668</b>	<b>37,611</b>	<b>-</b>	<b>2,348</b>	<b>5,000</b>	<b>495,255</b>

**Consisting of valuation:**

Pre 1 August 1996	32,874	37,875	-	-	-	-	-	70,749
31 July 2014	105,906	84,129	5,180	-	-	837	-	196,052
Cost	-	181,844	2,488	37,611	-	1,511	5,000	228,454
	<b>138,780</b>	<b>303,848</b>	<b>7,668</b>	<b>37,611</b>	<b>-</b>	<b>2,348</b>	<b>5,000</b>	<b>495,255</b>

**Depreciation**

Balance as at 31 July 2019	-	35,208	767	26,238	38	350	-	62,601
Charge in year	-	8,839	153	4,459	-	45	-	13,496
Disposals	-	(4,486)	-	(245)	(22)	-	-	(4,753)
Transfer	-	16	-	-	(16)	-	-	-
<b>Balance as at 31 July 2020</b>	<b>-</b>	<b>39,577</b>	<b>920</b>	<b>30,452</b>	<b>-</b>	<b>395</b>	<b>-</b>	<b>71,344</b>

**Net Book Value**

**Balance as at 31 July 2020** 138,780 264,271 6,748 7,159 - 1,953 5,000 423,911

**Balance as at 31 July 2019** 138,780 205,248 6,901 8,772 81,982 1,998 5,000 448,681

*Reconciliation of Net Book Value to historic cost method*

Net Book Value	Balance as at 31 July 2020	423,911
Revaluation reserve		226,702
Historic cost NBV	Balance as at 31 July 2020	<u>197,209</u>

Heritage Assets comprise Dorich House Museum which is located on Kingston Hill. This is a fully accredited museum which is open to the public and holds an extensive collection of Dora Gordines paintings. It is the University's intention to preserve this collection and to be a specialist cultural resource.

**NOTES TO THE ACCOUNTS**  
(continued)  
Year ended 31 July 2020

**14 INVESTMENT PROPERTY**

The University investment property has been recorded in the balance sheet at fair value which is reflective of its current market value.

**15 SERVICE CONCESSION ARRANGEMENTS**

The University has two service concession arrangements one of which is recognised on the Balance Sheet where service delivery has commenced.

**(i) Clayhill Campus**

In May 2002 Kingston University entered into a contract with Grosvenor for the construction of halls of residence at Clayhill. Payments made into the arrangement, are linked to RPI. The numbers below are based on that based on estimates. Unitary payments of £2,195,000 inflate by RPI over the 35 years of the arrangement.

Service commenced on November 2003 and the contract will finish on November 2038, at which point the building reverts to the University.

The assets and liabilities relating to this scheme are recognised on the University's Balance Sheet.

**Movement in service concession arrangement assets and liabilities**

The net book value of the service concession included in the Balance Sheet as at 31 July 2020 is £6,747,840 (2019 £6,900,560). The movement in depreciation in the year is £153,360 (2019: £153,360).

The total liabilities relating to the service concession included in the Balance Sheet as at 31 July 2020 were £20,671,571 (2019 £20,403,099). The value of the movement in liability for 2019/20 was £268,472.

**Future commitments**

The following table analyses the University's future commitments in relation to service concession arrangements.

	<b>Payable in 1 year £'000s</b>	<b>Payable in 2-5 years £'000s</b>	<b>Payable after 5 years £'000s</b>	<b>Total £'000s</b>
Liability repayments	(225)	(261)	21,157	20,671
Finance Charge	3,103	12,664	30,955	46,722
Service charge	750	3,231	13,574	17,555
	<u>3,628</u>	<u>15,634</u>	<u>65,686</u>	<u>84,948</u>

**(ii) Kingston Hill and Seething Wells Campuses**

The University entered into an agreement with Kingston Student Living LLP in July 2020 for the refurbishment, redevelopment and operation of its halls of residences at Kingston Hill and Seething Wells. The concession term consists of the construction period and a 50-year operational period (subject to an early break clause of 40 years by Kingston University). The Project agreement expiry is the year 2072. The finance for this development is provided by third-party wrapped fixed rate and index linked Bonds (82%) and LLP capital contributions (18%).

The University's subsidiary KU Student Living Limited is a 15% investor in the LLP. The demand risk will be borne by the LLP post completion. In the first two academic years the LLP has an obligation to make the rooms available to the University and the University will retain any rental income arising from occupation.

Capital consideration of £23.7m represents an upfront payment received by the University from the LLP for the disposal of buildings and the operating lease of the land during the term of 40 years. Consideration also includes the future income that the University is receiving during the construction period, and this is included in the measurement of the loss on the disposal of the buildings. The future income retained by the University is accounted for at fair value as a deferred compensation debtor.

Post construction, the University has an annual nomination arrangement with LLP, where it may nominate rooms for students at its Kingston Hill and Seething Wells sites. The University will account for this reflecting the values of these nominations within the Balance Sheet at year end with the annual nominations recognised in the Statement of Comprehensive Income the following year.



**NOTES TO THE ACCOUNTS**  
(continued)  
Year ended 31 July 2020

**16 INVESTMENT IN JOINT VENTURE**

The University has a jointly controlled operation with St Georges Hospital Medical School for the provision of Healthcare education. Under the terms of the agreement, assets and liabilities are shared equally, income and expenditure is apportioned in relation to the award granted to each institution. The amounts included within the financial statements from the jointly controlled operation are:

	Year ended 31 July 2020		Year ended 31 July 2019	
	£'000s	£'000s	£'000	£'000
<b>Income and expenditure account</b>				
Income		16,035		16,100
Surplus		<u>2,577</u>		<u>2,164</u>
<b>Balance sheet</b>				
Fixed assets	878		984	
Current assets	<u>4,817</u>		<u>3,961</u>	
		<u>5,695</u>		<u>4,945</u>
Creditors: amounts due within one year	(1,872)		(1,534)	
Creditors: amounts due after more than one year	<u>-</u>		<u>-</u>	
		<u>(1,872)</u>		<u>(1,534)</u>
<b>Share of net assets</b>		<u><u>3,823</u></u>		<u><u>3,411</u></u>

**NOTES TO THE ACCOUNTS**  
(continued)  
Year ended 31 July 2020

**17 INVESTMENTS**

Shares in Subsidiary Undertakings £000s	Other Investments £000s	Total £000s
	135	135
	2,893	2,893
	3,028	3,028

**CONSOLIDATED**

At 1 August 2019

Additions in year

At 31 July 2020

**UNIVERSITY**

At 1 August 2019

Additions in year (note 15)

At 31 July 2020

6,101	135	6,236
2,893	-	2,893
8,994	135	9,129

The investments consist of shares in the University's subsidiaries listed below, together with other unlisted investments.

Subsidiary	Main Business	% owned	Direct/indirect
Kingston University Enterprises Ltd	Trading & consultancy	100%	Direct
Kingston University Campus Enterprises Ltd	Vacation letting	100%	Direct
Kingston University Service Company Ltd	Residences management & property services	100%	Direct
KU Holding Ltd	Holding company	100%	Direct
KU Student Living Ltd	Educational support services	100%	Indirect

All the above entities are incorporated in England and Wales.

Kingston University Enterprises is registered at Hind Court, 106-114 London Rd, Kingston upon Thames, Surrey, KT2 6TN

Kingston University Campus Enterprises Ltd and Kingston University Service Company Ltd are registered at Kings' Stone House, 12 High St, Kingston upon Thames, Surrey, KT1 1HD

KU Holding Ltd and KU Student Living Ltd were incorporated on 7 January 2020 and have their registered office at 53-57 High St, Kingston upon Thames, Surrey, KT1 1LQ.

**NOTES TO THE ACCOUNTS**  
(continued)  
Year ended 31 July 2020

**18 DEBTORS**

	Consolidated	University	Consolidated	University
	2019/20	2019/20	2018/19	2018/19
	£000s	£000s	£000s	£000s
Amounts falling due within one year:				
Trade and student receivables	5,575	5,539	4,886	4,759
Accrued income	1,465	1,368	1,617	1,596
Other debtors	52	51	62	56
Prepayments	6,143	6,104	6,754	6,491
	13,235	13,062	13,319	12,902
Amounts falling due after more than one year:				
Other debtors (recoverable pension asset)	4,801	4,801	2,837	2,837
Other debtors (deferred consideration-note 15)	10,213	10,213	-	-
	15,014	15,014	2,837	2,837
	28,249	28,076	16,156	15,739

**19 CURRENT ASSET INVESTMENTS**

	Consolidated	University	Consolidated	University
	2019/20	2019/20	2018/19	2018/19
	£000s	£000s	£000s	£000s
Term deposits	6,013	1,005	11,138	11,138

These are cash deposits with a term exceeding three months for which no notice of withdrawal has been given before the year end.

**20 CREDITORS - AMOUNTS FALLING DUE WITHIN ONE YEAR**

	Consolidated	University	Consolidated	University
	2019/20	2019/20	2018/19	2018/19
	£000s	£000s	£000s	£000s
Obligations under finance leases (note 22)	497	497	812	812
Bank loans (note 22)	2,046	2,046	3,390	3,390
Trade creditors	3,292	3,125	5,318	5,186
Amounts owed to subsidiary undertakings	-	-	-	38
Other creditors including tax and social security	12,364	12,177	12,120	11,921
Accruals	9,300	9,054	13,695	13,324
Tuition fees in advance	8,143	8,143	1,936	1,936
Deferred income	5,161	5,127	5,123	5,049
Deferred capital grants	1,610	1,610	1,718	1,718
	42,413	41,779	44,112	43,374

**Deferred income**

Included within deferred income are the following items of income which have been deferred until specific performance related conditions have been met:

	Consolidated	University	Consolidated	University
	2019/20	2019/20	2018/19	2018/19
	£000s	£000s	£000s	£000s
Deferred grant income	1,725	1,725	1,043	1,043

**NOTES TO THE ACCOUNTS**  
(continued)  
Year ended 31 July 2020

**21 CREDITORS - AMOUNTS FALLING**

**DUE AFTER MORE THAN  
ONE YEAR**

	Consolidated	University	Consolidated	University
	2019/20	2019/20	2018/19	2018/19
	£000s	£000s	£000s	£000s
Obligations under finance leases (note 22)	518	518	1,857	1,857
Service concession arrangements (note 15)	20,672	20,672	20,403	20,403
Bank loans (note 22)	60,938	60,938	62,985	62,985
Deferred capital grants	11,148	11,148	11,920	11,920
Deferred income	13,231	13,231	326	326
	106,507	106,507	97,491	97,491

**22 BANK LOANS & FINANCE LEASES**

	Consolidated	University	Consolidated	University
	2019/20	2019/20	2018/19	2018/19
	£000s	£000s	£000s	£000s

**Bank loans**

Due within one year or on demand	2,046	2,046	3,390	3,390
Due between one and two years	1,633	1,633	2,046	2,046
Due between two and five years	5,432	5,432	3,345	3,345
Due in five years or more	53,873	53,873	57,594	57,594
Due after more than one year	60,938	60,938	62,985	62,985
Total unsecured bank loans	62,984	62,984	66,375	66,375

**Obligations under finance leases**

Due within one year or on demand	665	665	1,201	1,201
Due between one and two years	688	688	1,217	1,217
Due between two and five years	-	-	1,258	1,258
Due after more than one year	688	688	2,475	2,475
Total obligations under finance leases	1,353	1,353	3,676	3,676
Less finance charges allocated to future periods	(338)	(338)	(1,007)	(1,007)
Total secured obligations under finance leases	1,015	1,015	2,669	2,669

**Analysis of terms of repayment and rates of interest**

Lender	Amount outstanding £000s	Term	Interest rate
Roodhill Leasing (Middle Mill)	1,015	01/04/2022	7.50%
Barclays	501	30/09/2020	5.57%
Barclays	22,483	31/07/2031	6.09%
Barclays	40,000	31/07/2030	3.31%

The University has secured a £20m revolving credit facility with Barclays repayable by May 2023. The facility is secured, and at 31 July 2020, no amounts had been drawn down.



**NOTES TO THE ACCOUNTS**  
(continued)  
Year ended 31 July 2020

**23 PROVISIONS FOR LIABILITIES**

**Consolidated**

	Pension Provision		Obligations to fund deficit on pension	Total Pensions Provisions
	LGPS £'000	LPFA £'000	USS £'000	£'000
At 1 August 2019	80,387	3,358	2,522	86,267
Charged to statement of comprehensive income:	8,270	81	(1,421)	6,930
Actuarial loss	44,647	1,391	-	46,038
<b>At 31 July 2020</b>	<b>133,304</b>	<b>4,830</b>	<b>1,101</b>	<b>139,235</b>

**University**

	Pension Provision		Obligations to fund deficit on pension	Total Pensions Provisions
	LGPS £'000	LPFA £'000	USS £'000	£'000
At 1 August 2019	80,387	-	2,522	82,909
Charged to statement of comprehensive income:	8,270	-	(1,421)	6,849
Actuarial loss	44,647	-	-	44,647
<b>At 31 July 2020</b>	<b>133,304</b>	<b>-</b>	<b>1,101</b>	<b>134,405</b>

Refer to note 30 for pension scheme details.

**24 ENDOWMENT & RESTRICTED RESERVES**

	2019/20 £000s	2018/19 £000s
Heritage assets	1,175	1,175
Cash	1,484	1,434
	<b>2,659</b>	<b>2,609</b>

**NOTES TO THE ACCOUNTS**  
(continued)  
Year ended 31 July 2020

**25 OPERATING LEASE COMMITMENTS**

	2019/20 Land and Buildings £000s	2018/19 Land and Buildings £000s
Total rentals payable under operating leases:		
Payable during the year:	1,932	2,035
Future minimum lease payments due:		
Not later than 1 year	1,837	1,883
Later than 1 year and not later than 5 years	4,042	4,747
Later than 5 years	15,587	15,659
	21,466	22,289
	23,398	24,324

**26 CAPITAL COMMITMENTS - CONSOLIDATED & UNIVERSITY**

	2019/20 £000s	2018/19 £000s
Capital expenditure contracted that has not been provided for	574	9,310
Capital expenditure that has been authorised by the Governing Body but has not yet been contracted for	-	12,424
	574	21,734

**27 OTHER FUNDING**

The University received additional funds from the funding councils (OFS and Teaching Regulation Agency (TRA)) which it holds and distributes to either students or other educational partners.

	GTP £000s	TRA bursaries £000s	Nursery Placement Bursary £000s
At 1 August 2019	200	38	2
Income	-	777	154
Amounts repaid	-	(53)	(2)
Amounts disbursed	-	(744)	(150)
At 31 July 2020	200	18	4

The unspent balance is held with creditors within deferred income and other creditors.

**NOTES TO THE ACCOUNTS**  
(continued)  
Year ended 31 July 2020

**28 RELATED PARTY TRANSACTIONS**

**Board of Governors**

During the year grants of £1,061k were paid to the Union of Kingston Students (UKS), an organisation in which Mr Feisal Haji, a member of the Kingston University Governing Body, served as President. In the prior year, Mr Kamal Mohamed held this position when total grants of £1,035k were paid.

Professor Steven Spier and Professor Jenny Higham, both members of the Kingston University Governing Body, are also Board members of St. Georges Hospital Medical School (Professor Higham is Principal) to which payments of £495k (2019: £516k) were made during the year in relation to franchised arrangements.

**Senior Management Team**

The University holds a 5% interest in the Kingston Theatre LLP.

Payments in respect of services provided to the University totalling £274k (2019: £380k) were made to the Kingston Theatre Trust, an organisation in which the Deputy Vice-Chancellor is a trustee.

**29 CONSOLIDATED RECONCILIATION OF NET DEBT**

	2019/20 £'000	
<b>Net debt 1 August 2019</b>	33,001	
Movement in cash and cash equivalents	(20,392)	
Cash movement in borrowings	(5,046)	
Other non cash changes	270	
<b>Net debt 31 July 2020</b>	<u>7,833</u>	
<b>Change in net debt</b>	<u>(25,168)</u>	
<b>Analysis of net debt:</b>		
	2019/20 £'000	2018/19 £'000
<b>Cash and cash equivalents</b>	<u>76,838</u>	<u>56,446</u>
<b>Borrowings: amounts falling due within one year</b>		
Unsecured loans (Note 22)	2,046	3,390
Obligations under finance leases (Note 22)	497	812
	<u>2,543</u>	<u>4,202</u>
<b>Borrowings: amounts falling due after more than one year</b>		
Service concession liabilities due after one year (note 15)	20,672	20,403
Obligations under finance lease (Note 22)	518	1,857
Unsecured loans (Note 22)	60,938	62,985
	<u>82,128</u>	<u>85,245</u>
<b>Net debt</b>	<u>7,833</u>	<u>33,001</u>

**NOTES TO THE ACCOUNTS**  
(continued)  
Year ended 31 July 2020

**30 PENSION SCHEMES**

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). These are defined benefit schemes. The TPS is a national scheme for which it is not possible to identify the University's share of underlying assets and liabilities.

On 28 February 2019 the participation of KUSCO, a wholly-owned subsidiary, in the London Pension Fund Authority (LPFA) Pension Scheme ceased. An exit deficit liability of £6.8m was calculated at that date. On 21 October 2019 a Funding Agreement was entered into with the LPFA whereby KUSCO continues to be treated as if it was an admission body in the fund and will repay the deficit repayment amount over a period of 17 years. The deficit repayment amount and the deficit repayment period will be reassessed following each triennial review of the pension scheme. The repayment for the year ending 31 July 2021 will be £310k (31 July 2020: £367k). Under the agreement, the parent entity, Kingston University, has provided the following assets as security for this liability:

- Princess Mews, Horace Road, Kingston upon Thames, KT1 2SL
- River House, 53-57 High Street, Kingston upon Thames, KT1 1LQ

Pension charges for the year (covering all schemes):

	<b>2019/20</b> <b>£000s</b>
TPS	9,093
USS	(945)
LGPS	11,667
LPFA	12
Legal & General	218
Total pension cost	20,045

**(i) The Universities Superannuation Scheme**

The institution participates in Universities Superannuation Scheme. The assets of the scheme are held in a separate trustee-administered fund. Because of the mutual nature of the scheme, the assets are not attributed to individual institutions and a scheme-wide contribution rate is set. The institution is therefore exposed to actuarial risks associated with other institutions' employees and is unable to identify its share of the underlying assets and liabilities of the scheme on a consistent and reasonable basis.

As required by Section 28 of FRS 102 "Employee benefits", the institution therefore accounts for the scheme as if it were a defined contribution scheme. As a result, the amount charged to the profit and loss account represents the contributions payable to the scheme.

Since the institution has entered into an agreement (the Recovery Plan) that determines how each employer within the scheme will fund the overall deficit, the institution recognises a liability for the contributions payable that arise from the agreement (to the extent that they relate to the deficit) with related expenses being recognised through the profit and loss account.

**Deficit Recovery Liability**

The total amount credited to the income and expenditure account is £944,878 (2019: charge £2,034,000).

Deficit recovery contributions due within one year for the institution are £44,700 (prior year: £44,263).

The latest available complete actuarial valuation of the Retirement Income Builder is at 31 March 2018 (the valuation date), which was carried out using the projected unit method. A valuation as at 31 March 2020 is underway but not yet complete.

Since the institution cannot identify its share of USS Retirement Income Builder (defined benefit) assets and liabilities, the following disclosures reflect those relevant for those assets and liabilities as a whole.

The 2018 valuation was the fifth valuation for the scheme under the scheme-specific funding regime introduced by the Pensions Act 2004, which requires schemes to adopt a statutory funding objective, which is to have sufficient and appropriate assets to cover their technical provisions. At the valuation date, the value of the assets of the scheme was £63.7 billion and the value of the scheme's technical provisions was £67.3 billion indicating a shortfall of £3.6 billion and a funding ratio of 95%.

**NOTES TO THE ACCOUNTS**  
(continued)  
Year ended 31 July 2020

**30 PENSION SCHEMES (continued)**

**(i) The Universities Superannuation Scheme (continued)**

The key financial assumptions used in the 2018 valuation are described below. More detail is set out in the Statement of Funding Principles.

Pension increases (CPI)	Term dependent rates in line with the difference between the Fixed Interest and Index Linked yield curves, less 1.3% p.a.
Discount rate (forward rates)	Years 1-10: CPI + 0.14% reducing linearly to CPI – 0.73% Years 11-20: CPI + 2.52% reducing linearly to CPI + 1.55% by year 21 Years 21 +: CPI + 1.55%

The main demographic assumption used relates to the mortality assumptions. These assumptions are based on analysis of the scheme's experience carried out as part of the 2018 actuarial valuation. The mortality assumptions used in these figures are as follows:

<u>Mortality base table</u>	<b>2018 valuation</b>
	<u>Pre-retirement:</u> 71% of AMC00 (duration 0) for males and 112% of AFC00 (duration 0) for females
	<u>Post retirement:</u> 97.6% of SAPS S1NMA "light" for males and 102.7% of RFV00 for females
<u>Future improvements to mortality</u>	CMI_2017 with a smoothing parameter of 8.5 and a long term improvement rate of 1.8% pa for males and 1.6% pa for females

The current life expectancies on retirement at age 65 are:

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

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

	<b>2020</b>	<b>2019</b>
Discount rate	2.59%	2.44%
Pensionable salary growth	4.20%	2.11%



**NOTES TO THE ACCOUNTS**  
(continued)  
Year ended 31 July 2020

**30 PENSION SCHEMES (continued)**

**(ii) Local Government Pension Scheme (LGPS)**

**Retirement Benefits Disclosure for the accounting period ending 31 July 2020**

**Kingston University Pension Scheme**

A defined benefit pension scheme (LGPS) is operated on behalf of the employees of Kingston University, the figures disclosed below have been derived from the actuarial valuations carried out by Hymans Robertson LLP as at 31 July 2020. The date of the last triennial valuation was 31 March 2019.

**Assumptions**

The financial assumptions used to calculate scheme liabilities under FRS102 are:

	At 31 July 2020	At 31 July 2019
	%pa	%pa
Rate of increase in salaries	2.5	2.8
Rate of increase of pensions	2.1	2.4
Discount rate	1.4	2.1

The most significant non-financial assumption is the assumed level of longevity. The table below shows the life expectancy assumptions used in the accounting assessments based on the life expectancy of male and female members at age 65.

<b>Pensioner</b>	<b>Males</b>	<b>Females</b>
Current pensioners	21.7 years	23.9 years
Future pensioners	22.6 years	25.5 years

**Reconciliation of movement in the fair value of plan assets**

	At 31 July 2020	At 31 July 2019
	£000s	£000s
Opening position	269,032	244,548
Interest on plan assets	5,682	6,886
Plan participants' contributions	2,170	2,233
Employer contributions	7,354	7,720
Contributions in respect of unfunded benefits	2	2
Benefits paid	(7,575)	(6,810)
Unfunded benefits paid	(2)	(2)
Return on assets excluding amounts included in net interest	(22,693)	14,455
Closing position	253,970	269,032

**Reconciliation of the present value of the defined benefit obligation**

	At 31 July 2020	At 31 July 2019
	£000s	£000s
Opening position	349,418	299,510
Current service cost	13,754	11,459
Past service cost (including curtailments)	112	1,223
Interest cost on defined benefit obligation	7,442	8,493
Plan participants contributions	2,170	2,233
Benefits paid	(7,575)	(6,810)
Unfunded benefits paid	(2)	(2)
Changes in demographic assumptions	8,455	(18,197)
Change in financial assumptions	30,858	51,508
Other experience	(17,359)	1
Closing position	387,273	349,418

**NOTES TO THE ACCOUNTS**  
(continued)  
Year ended 31 July 2020

**30 PENSION SCHEMES (continued)**

**(ii) Local Government Pension Scheme (LGPS) (continued)**

**Total cost of amounts in Statement of Comprehensive Income as an expense**

	At 31 July 2020 £000s	At 31 July 2019 £000s
Service cost		
- Current service cost	(13,754)	(11,459)
- Past service cost	(112)	(1,223)
Total service cost	(13,866)	(12,682)
Net interest		
- Interest income on plan assets	5,682	6,886
- Interest cost on defined benefit obligation	(7,442)	(8,493)
Total net interest	(1,760)	(1,607)
Total defined benefit cost recognised in profit or (loss)	(15,626)	(14,289)

	At 31 July 2020 £000s	At 31 July 2019 £000s
Remeasurements		
- Change in demographic assumptions	(8,455)	18,197
- Change in financial assumptions	(30,858)	(51,508)
- Other experience	17,359	(1)
- Return on assets excluding amounts included in net interest	(22,693)	14,455
Total remeasurements recognised in Other Comprehensive Income	(44,647)	(18,857)

**Scheme assets and expected rate of return for LGPS**

The total returns on the Fund in market value terms for the year to 31 July 2020 is estimated to be 0%. The actual returns for this period were -4.0%.

The estimated split of assets as at 31 July 2019 is as shown below:

	At 31 July 2020	At 31 July 2019
Equities	74%	73%
Bonds	17%	16%
Property	4%	5%
Cash	5%	6%
Total	100%	100%

**NOTES TO THE ACCOUNTS**  
(continued)  
Year ended 31 July 2020

**30 PENSION SCHEMES (continued)**

**(iii) London Pension Fund Authority (LPFA) Pension Scheme**

**Retirement Benefits Disclosure for the accounting period ending 31 July 2020**

A defined benefit pension scheme (LPFA) is operated on behalf of the employees of KUSCO Limited, the figures disclosed below have been derived from the actuarial valuations carried out by Barnett Waddingham as at 31 July 2020. The date of the last triennial valuation was 31 March 2019.

**Assumptions**

The financial assumptions used to calculate scheme liabilities under FRS102 are:

	At 31 July 2020	At 31 July 2019
	%pa	%pa
Rate of increase in salaries	2.65	2.60
Rate of increase of pensions	2.30	2.25
Discount rate	1.30	2.05

The table below shows the life expectancy assumptions used in the accounting assessments based on the life expectancy of male and female members at age 65.

	Males	Females
Retiring today	21.2 years	24.2 years
Retiring in 20 years	22.6 years	25.7 years

**Scheme assets and expected rate of return for LPFA**

The return on the Fund (on a bid value to bid value basis) for the year to 31 July 2020 is estimated to be 5%. The actual return on Fund assets over the year may be different.

**The estimated asset allocation for KUSCO (Kingston University Service Company Ltd) as at 31 July 2020 is as follows:**

	At 31 July 2020	
	£000s	%
Equities	5,187	55%
Target return portfolio	2,149	23%
Infrastructure	653	7%
Property	876	9%
Cash	580	6%
<b>Total</b>	<b>9,445</b>	<b>100%</b>

**NOTES TO THE ACCOUNTS**  
(continued)  
Year ended 31 July 2020

**30 PENSION SCHEMES (continued)**

**(iii) London Pension Fund Authority (LPFA) Pension Scheme (continued)**

**Reconciliation of the opening & closing balances of the present value of the defined benefit obligation**

	At 31 July 2020 £000s	At 31 July 2019 £000s
Opening defined benefit obligation	12,838	12,046
Current service cost	-	27
Interest cost	258	314
Change in financial assumptions	1,628	1,476
Change in demographic assumptions	102	(244)
Experience loss/(gain) on defined benefit obligation	(72)	45
Estimated benefits paid net of transfers in	(479)	(833)
Contributions by scheme participants and other employers	-	7
Closing defined benefit obligation	14,275	12,838

**Analysis of movement in the fair value of scheme assets**

	At 31 July 2020 £000s	At 31 July 2019 £000s
Opening fair value of Fund assets	9,480	8,772
Interest on assets	189	235
Return on assets less interest	302	625
Other actuarial gains/(losses)	(35)	-
Administrative expenses	(12)	(11)
Contributions by employer including unfunded	-	685
Contributions by scheme participants and other employers	-	7
Estimated benefits paid plus unfunded net of transfers in	(479)	(833)
Closing fair value of Fund assets	9,445	9,480

**Total cost of amounts in Statement of Comprehensive Income as an expense**

	At 31 July 2020 £000s	At 31 July 2019 £000s
Service cost	-	27
Net interest on the defined liability	69	79
Administrative expenses	12	11
Total costs	81	117

**Remeasurements**

- Return on Fund assets in excess of interest	302	625
Other actuarial gains/(losses)	(35)	-
- Change in financial assumptions	(1,628)	(1,476)
- Change in demographic assumptions	(102)	244
- Experience (loss)/gain on defined benefit obligation	72	(45)
Total remeasurements recognised in Other Comprehensive Income	(1,391)	(652)

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