



Welcome

The extraordinary circumstances of a global pandemic have confirmed the remarkable innovation, resilience and altruism of our Kingston University community. We have risen to the challenge of continuing to provide a good education for our students and to protecting our students, staff and the local community. We have been in the frontline in NHS hospitals while also researching how to respond. We have demonstrated the powerful contribution we make to our community and society at large.

Our return to teaching in September 2020 was ably delivered thanks to the dedication and hard work of so many colleagues. Like other universities, the pandemic prompted us to consider our online learning offer. We successfully moved most of our teaching online, while ensuring that every student had access to teaching on campus in the 2020/2021 academic year. We have a large number of students on courses where much of the learning occurs in labs, simulation suites and workshops, and we managed to deliver this safely. Indeed, Kingston University is in the top half of all UK institutions for our Covid-19 response as ranked by students – a testament to the extraordinary efforts and resilience of our staff and students.

We have learned a great deal during the past year about how to teach and work differently, making better use of technology. We have reaped some benefits from doing so but also learned about the challenges of remote learning and working. We are more convinced than ever that a campusbased university benefits students and staff, even as we ensure the benefits of blended learning and working are not lost as we return physically. We have a specific project looking at how different modes of teaching and learning will be most effective for students. Work is also underway to consider more agile ways of working. We will learn from these to inform our future strategy, policies and investment.

Despite the many trials of the pandemic and wider pressures on the sector, we have continued to progress in many ways and have celebrated a number of achievements.

Our Plan 2020 concluded and had delivered marked improvements in academic performance, professional and support services, and financially. We continue to rise in all league tables and almost a quarter of our students are now studying on courses ranked in the top quartile nationally. We have seen a steady improvement in NSS metrics over the recent years and are particularly proud of gains in two areas in 2021: the number of students satisfied with teaching on their course, and the learning opportunities provided.

Our applicant numbers and acceptances have been increasing significantly – an outstanding achievement given the fiercely competitive environment. Our financial position allowed us to consider further investment.





In March, the University made its submission to the periodic Research Excellence Framework (REF) 2021. We submitted the research of 44 per cent of Kingston's academic staff community, compared to 17 per cent in 2014.

In an area where we have a tradition of engagement we nevertheless took significant actions to be a more inclusive institution. For instance, for the first time this year we have published gender and ethnicity pay data and continue our work on reducing the pay gap. While we recognise that much more work is still required, we are proud of the journey so far.

Our two major campus development programmes – Town House and Mill Street building renovation - have attracted a number of awards and nominations for their architectural quality and environmental performance. The former won the Stirling Prize for best building in the country. The University launched its five-year Institutional Sustainability Plan and signed up to the United Nations Accord and the Sustainable Development Goals (SDGs) as a means of demonstrating our commitment to sustainability.

In June 2021, we launched a major public campaign to highlight the importance of a creative education and entrepreneurial innovation in providing employers with the skilled workforce of the future. With YouGov we launched the 'Future Skills League Table' that asked more than 2,000 employers what skills they need to succeed in a challenging external environment. The University has engaged policymakers, employers, and politicians with our mission in preparing students for the changing future of work.

As we gradually emerge from the global pandemic, we are confident that we are in a position to seize the opportunities out there. We are therefore considering our next strategic plan and how we can strengthen university's vision that our students are sought after, that we as an employer are sought after, and that the university itself is sought after for its contribution and voice.

Year in Review

Highlights and projects

The national lockdown has had a continuous impact on the higher education sector, including Kingston University. Coronavirus upended many plans and required a quick shift in focus to accommodate for the extensive changes to the ways students are taught; our staff work and the ongoing efforts to protect the health and safety of our community.

In spite of these pressures, Kingston University continued to improve its academic and financial performance and managed to progress a number of strategic projects.

Kingston University's flagship Town House building named Britain's best new building 2021

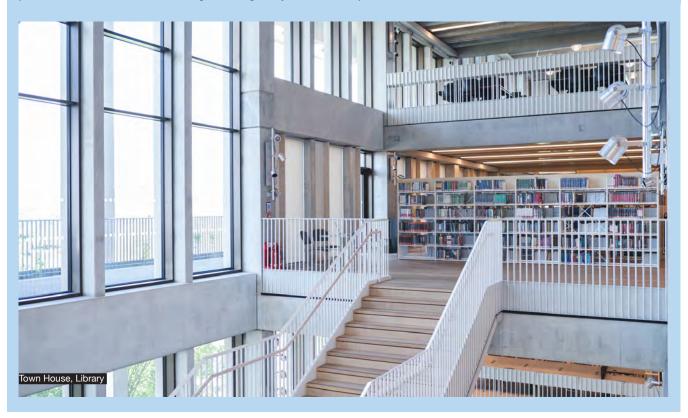
Town House has been named winner of the 2021 Royal Institute of British Architects (RIBA) Stirling Prize. Designed by RIBA Gold Medal-winning Grafton Architects, the landmark building on the University's Penrhyn Road campus received the highest accolade in UK architecture. Announcing Town House as the winner, jury chair Lord Foster said that the flagship university building "seamlessly brings together student and town communities, creating a progressive new model for higher education, well deserving of international acclaim and attention". Praising Town House as a "highly original work of architecture" where "quiet reading, loud performance, research and learning can delightfully coexist."

Some of Kingston's highlights of the year include:

- Kingston maintained its position as one of the top 50 institutions in the country in the Guardian University Guide published in September 2021, one of only eight London institutions.
- The University has risen for the fifth consecutive year in the Times/Sunday Times Good University Guide, jumping three places to #101 in the 2022 edition of the table.
- Kingston University achieved its highest rank for 10 years in the Complete University Guide, having risen 15 places to joint #85 in the 2022 edition.
- In all major league tables, the proportion of subjects ranked in the bottom quartile has reduced.
- Kingston University performed better than the sector average in the 'student voice', 'learning community' and 'assessment and feedback' themes and maintained its position against competitors in this year's National Student Survey.
- The number of undergraduate applicants for courses in year 2021/22 increased by 19.8 per cent, in a time when nationally numbers are down.

Conceived as part of a bold vision to create an inspirational new learning space, the project to deliver Town House began with a RIBA design competition won by Grafton Architects in 2013. Built by three-time Education Constructor of the Year Willmott Dixon Construction, the building comprises a three-floor academic library, archive, dance studios and a studio theatre, a covered courtyard and cafes on the ground and fifth floors.

The Stirling Prize confirms Town House as a worldclass building and a fitting foil to the aspirations of our students, many of whom are the first in their families to go to university. It is invigorating to witness the creativity, collaboration and shared learning this open, inviting space fosters.



Investing in student experience

Since completion last year, our two major campus development projects have won us a number of accolades. The University was named Client of the Year by RIBA London, with Town House and Mill Street Building both receiving regional awards. Town House was named among the best architecture of 2020 in Rowan Moore's five best of 2020 feature. That announcement came soon after Kingston School of Art's revamped Mill Street Building had carried off a highly commended accolade at the Mayor of London's New London Architecture Awards and 2021 BREEAM Award for the best Public Sector Project – Post Construction. Both buildings have also been shortlisted for RIBA London Regional Awards.

The University topped off a year of widespread praise for boosting students' learning through its investment in campus facilities with its iconic Town House named runner up in the Guardian University Awards in December 2020, and won RIBA Stirling Prize 2021 in October, the highest accolade in UK architecture.

Our project to upgrade halls of residence at Seething Wells and Kingston Hill sites is due to be completed in 2022. It will see students benefit from 1216 refurbished and 117 new, modern, energy-efficient bedrooms, a café and events space, and improved social spaces.

Championing future skills

The UK faces a historic challenge – to emerge from this pandemic stronger with a more dynamic enterprise economy. In 2021, Kingston University launched a major campaign highlighting the importance of creative education and entrepreneurial innovation in providing employers with the skilled workforce of the future. The University teamed up with YouGov to speak to more than 2000 UK employers about the challenges they face to remain globally competitive over the next 10-20 years.

The resulting report – Future Skills League Table – highlights problem-solving, communication and creativity among the top 10 core skills needed for a prosperous economy. The report revealed employers believed a portfolio of skills for innovation is needed urgently for the UK to prosper, highlighting the need for government investment in creativity and innovation to ensure economy thrives.



Equality, diversity and inclusion

The University recognises more work is needed to become more inclusive and ensure all members of our community feel valued and can flourish.

A huge amount of work has already been undertaken across the University. We have re-designed our EDI web pages to ensure it is easier for us to report on the actions taken and progress.

The University signed up to an anti-racism pledge. To bring out voices across the University and make sure effective action is taken, we have put in place a new governance structure and senior leadership sponsors have been appointed to champion these activities.

We have renewed our Public Sector Equality Duty objectives following a consultation with staff and students. The objectives will be used to shape our EDI strategy for the next 5 years. We are working hard to renew our existing Race Equality Charter bronze award, and we welcomed two new co-chairs of the REC self-assessment team to push this agenda along. Along with two new departmental Athena Swan bronze awards, the University has signed up to the Stonewall Diversity Champions programme, ensuring all LGBTQ+ staff are free to be themselves in the workplace. For the first time this year we have also published gender and ethnicity pay data and continue our work to reduce the pay gap.

Much of this progress would not be possible without the hard work and dedication of our two staff networks representing BAME and LGBTQ+ staff. Of course, while we are proud of the journey so far, we recognise that there is still much more work ahead of us but we are determined to continue this trajectory.

Changes to senior management team

Professor Sue Reece was appointed to the interim position of Pro Vice-Chancellor for Education and will focus on student experience and pedagogy, providing leadership and strategic focus for the education agenda across the University and externally. Professor Helen Laville has been appointed Provost of Kingston University, a newly created position that will see her provide a single point of leadership for all academic endeavour at the institution.

Kingston's response to the pandemic

While the pandemic brought us many challenges, it also highlighted the strength of our community, and the sense of compassion and civic responsibility among our students and staff.

Answering the call for us all to help our NHS, more than 400 Kingston nursing staff and students have been working directly on the pandemic frontline. The University produced and donated vital personal protective equipment for frontline workers, including more than 300 face shields produced by our technicians a week.

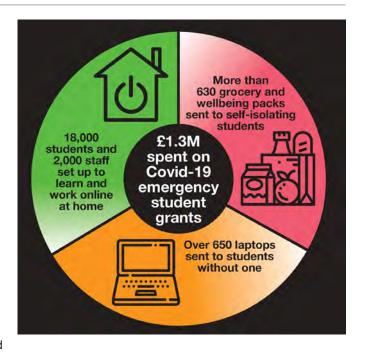
We worked with our local health and government partners to develop an on-site Covid-19 testing programme and opened a community vaccination hub, with over 33,000 doses administered on campus to-date. The research and expertise of our staff have helped advance knowledge in areas including health and social care, social and economic regeneration as well as exploring the impact of the virus on our wellbeing.

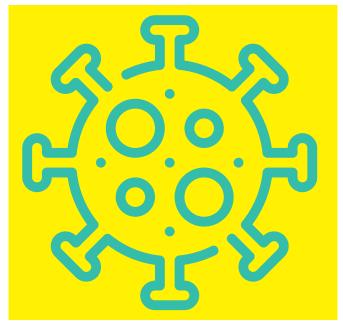
Supporting our students to succeed

The area most obviously impacted by the coronavirus pandemic has been the delivery of teaching and learning. Our staff and students dealt with the unprecedented situation with compassion and flexibility as we quickly moved learning, assessment, work and support services online whilst maintaining teaching quality and academic standards.

As the transition to digital learning took place, it became clear that many students faced unprecedented challenges. To identify and help address these, a student pulse survey was launched. Over 5000 students provided valuable feedback on their experience of teaching, learning and support at Kingston during first semester of 2020. This helped inform and tailor the support for our 2020 students to ensure they were able to progress with their studies and graduate for those in their final year.







It has been a record year for fundraising with £2.1m received in donations to support a number of projects including student hardship fund, Wi-Fi bursaries, digital support scheme, and student mental health initiatives. Working together with Union of Kingston Students, the University distributed more than 630 grocery and wellbeing packs to self-isolating students. Over 650 laptops were sent to students to support online teaching and learning. A new online Student Wellbeing Hub was launched to consolidate health and wellbeing resources and improve accessibility.

As the government began lifting restrictions, we have gradually brought as much teaching back to campus as we were permitted and able to do safely. Since the start of the academic year in September 2021 the University has been delivering most teaching on-campus.

Read more about how the University supported disadvantaged students during the pandemic in the Access and Participation section on page 8.

Kingston's positive contribution during the pandemic

From research to business and community support, our staff and students have been making continued, vital contributions to the fight against Covid-19. The University has been 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 delivers intensive care training to NHS staff

Leading critical care and nursing experts from Kingston University and St George's, University of London have been seconded to deliver vital intensive care training to NHS staff on the frontline to help battle the coronavirus pandemic. Dr Stephen McKeever, Johannes Mellinghoff and Siby Sikhamoni were called upon to help increase the capacity of intensive care nurses at St George's University Hospitals Foundation Trust in the wake of the Covid-19 outbreak.

Nursing expert leads on a campaign to ensure vaccine priority for people with learning disabilities

A learning disability and palliative care expert at Kingston University and St George's, University of London Professor Irene Tuffrey-Wijne led a successful campaign to ensure those with learning disabilities were prioritised for a Covid-19 vaccine. The Joint Committee on Vaccination and Immunisation confirmed in February 2021 that everyone on the GP learning disability register would be fast-tracked for a jab under group 6.

Research into rehabilitation of long Covid patients

A new research project looking at developing personalised rehabilitation programmes for patients with long Covid will be led by a team from Kingston University, St George's, University of London and Cardiff University, after receiving major funding from the National Institute for Health Research. Led by Professor Fiona Jones, the project will work in partnership with individuals living with long Covid to design and evaluate a package of self-management support personalised to their needs.

Research by Kingston University experts finds that Covid-19 anxiety syndrome is still causing one in five to struggle with return to normal living

A survey by Kingston University in collaboration with London South Bank University found that Covid-19 Anxiety Syndrome is still causing many people to struggle with reintegration into daily life.

The UK-wide survey of 975 people, conducted in late June 2021, followed a previous research survey of 286 UK-based participants conducted during lockdown in February which showed a fifth of respondents were suffering from the syndrome. The latest research showed that, as restrictions have eased, a level of anxiety remained. The data suggested that many people were still struggling with aspects of the syndrome.



Kingston University student who worked on frontline during Covid-19 pandemic shortlisted for learning disability nursing award

A Kingston University learning disability nursing student was shortlisted for a prestigious accolade at this year's Student Nursing Times Awards. Martina Gomez was nominated for the Student Nurse of the Year:
Learning Disabilities award. She was recognised for her passion and drive to address inequalities people with learning disabilities face, taking multiple leadership roles to nurture and inspire her peers and her work on the frontline during the Covid-19 pandemic. The mature student, who graduated this summer, was one of hundreds of Kingston University nursing students helping the national fight against coronavirus as she worked in a Twickenham residential care home.

Improving University access and participation for all students

Kingston is proud of our record in supporting students from a wide range of backgrounds to go to university and transform their lives through education. Our diversity is a key strength and contributes to a rich and stimulating learning community for everyone.

Our Education Liaison and Outreach team deliver activities to raise awareness, aspirations and attainment and provide information, advice and guidance about higher education. We work with pupils at primary, secondary and tertiary stage. Work is targeted at schools in deprived areas or with high proportions of students from underrepresented groups. Much of our outreach work moved online during lockdown but we are slowly returning to in-person delivery to meet the demand from schools and colleges.

Kingston supports students through Covid-19 challenges

Throughout the pandemic, we have been acutely aware of the disproportionate impact on students from the most disadvantaged backgrounds. Staff have worked extremely hard to put extraordinary measures in place to support students in a range of challenging circumstances. Supported by donations from alumni and friends of the University, we have been able to distribute over £3m in emergency grants, laptop loans and Wi-Fi bursaries to students since the start of the pandemic. We are continuing to offer financial and digital support to both new and returning students in the coming year. We have also invested in Health and Wellbeing services, including additional counsellor, recognising the increased demand for wellbeing support in the context of the pandemic.

We continue to invest in a range of opportunities for students to enhance their university experience and help them develop the attributes valued by employers. In the coming year, we will be increasing investment in academic mentoring and personal development workshops with the aim of embedding these in more courses to provide an elongated and supported induction into university for new entrants who have faced much educational disruption during the pandemic. We are also continuing to offer on and off-campus part time work for students which supports the development of employability skills and a sense of belonging, while providing flexible paid work for students who need to earn while they learn.

We have enhanced our ability to monitor students' academic engagement in person and online, so we can proactively check-in on them, in particular those from groups at higher risk of non-continuation, to find out how they are getting on and signpost them to support and information if needed. This



approach works alongside other support measures, including our personal tutor scheme, to help get students back on track when they hit a bump in the road.

Kingston support for care leavers recognised

Kingston continues to provide dedicated support for young people who are leaving social care, estranged from their families or with caring responsibilities at home.

Support includes a bursary and a key member of staff to provide tailored information, advice and advocacy. This year, we were one of the first universities to be awarded a new quality mark by the National Network for the Education of Care Leavers.

University's ELEVATE programme wins global careers award for diversity, equality and inclusion

The University's ELEVATE programme carried off a prestigious award from the Global Careers Services Summit. Run by the Careers and Employability Service, it won the award for the best diversity, equality and inclusion programme. The initiative was launched in October 2020 and is designed to empower and support Black (home) students, equipping them with the commercial awareness and skills needed to compete in the job market. The Global Careers Service Summit took place earlier this year and is a worldwide meeting of university career services from dozens of universities.

Kingston University's award-winning KU Cares programme celebrates 15 years of helping students access higher education

A pioneering scheme run by Kingston University that supports young people from marginalised groups to have equal opportunities in higher education marked its 15 year anniversary this year. KU Cares was originally launched to assist young people going to university from care and, over the years, has expanded to include students estranged from their parents and families, young adult carers and sanctuary scholars with refugee or asylum seeker status. Since its inception in 2006, the programme has helped hundreds of young people from extremely challenging circumstances reach and succeed at university. It has been recognised for its sector-leading work. In its first year it supported one student, growing to now have 260 students on its books.

Kingston University nominated for employability award

Kingston University's Careers and Employability Service was nominated for prestigious TARGETjobs National Graduate Recruitment Award. It was shortlisted in the best university employability strategy category, with the nominees selected by a group of industry professionals.

Dr Nicholas Freestone awarded National Teaching Fellowship for longstanding commitment to improving student experience

An award-winning Kingston University biosciences lecturer whose approach to teaching has helped remove barriers and enhance outcomes for students from all backgrounds has been recognised with a prestigious National Teaching Fellowship. Associate Professor for Physiology and Pharmacology Dr Nicholas Freestone is one of 55 academics from across the country to be named a National Teaching Fellow by Advance HE this year. The accolade recognises and celebrates individuals who have made an outstanding impact on student outcomes and the teaching profession in higher education. Dr Freestone's success in closing awarding gaps on his courses has led to the Royal Society of Biology asking him to set up a network to bridge awarding gaps in biosciences. This has resulted in him working with colleagues around the country to share best practice across the sector.



Research, business engagement and innovation

Research

A significant research landmark this year was Kingston's REF 2021 submission in March, with the outcome to be announced Spring 2022. REF, the Research Excellence Framework, is a system for assessing the quality of research in UK higher education institutions. It runs nationally, every five to seven years, and involves significant preparation of academic outputs, impact case studies, and a description of the research environment, together with descriptive data, research income, and research student completion metrics.

As a key part of the University's strategy to advance knowledge and engagement, REF data is being used to evaluate the research environment, the impact it is having in the wider world, and to provide insights for how best to strengthen and build a more cohesive research environment. Another project which is advancing knowledge and engagement, is the use of data analysis to increase the



Kingston University's Pioneering Work in Computer Vision

Kingston University's research in computer vision has had a considerable impact on the security, ecology, and the economy of countries. Professor Paolo Remagnino and the Robot Vision Team (ROVIT) at Kingston University pioneered a new way of using machine learning to characterise crowd behaviour and detect potentially dangerous situations in public places. Their work won them a £17m grant to deploy a platform called MONICA, to manage large open-air events in 5 European countries, such as Denmark and Italy. ROVIT were also a part of the UK government's £2.1m project 5G Rural Integrated Testbed aiming to develop and test innovative wireless solutions for rural areas. The system developed by ROVIT employs a computer vision system that used 5G enabled technology to provide a real time assessment of visual drone data. Their system has been used by farmers to count animals and monitor arable crop health and weed growth.

number of staff who bid for research funding. These projects reported together in autumn 2021, to provide complementary recommendations.

The UK Research and Innovation's World Class Laboratories scheme has increased the University's research capital funding investment. This funding has been allocated to the institution's infrastructure to support a range of initiatives. These initiatives include the Kingston Living Lab which aims to change how people use energy to reduce carbon emissions, and funds projects such as better facilities to digitise the University's collections, as well as digital rendering equipment that uses light fields, holographic communication, and stereo neuromorphic acquisition.

We have been awarded a British Heart Foundation block grant to fund open access fees. And we have been rebuilding collaborative research partnerships across Europe that were disrupted by Brexit. In addition, we have made successful bids to the previous EU research funding framework, Horizon 2020, and have submitted bids for initial calls for the new EU research funding framework, Horizon Europe.

Developing our research staff

Kingston is committed to treating its researchers fairly and developing them professionally. To achieve, and demonstrate, this, the HR Excellence in Research Award has been retained, following assessment, and the Concordat to Support the Development of Researchers has been signed. This process also means the institution meets the criteria for European funding.

Training has been expanded for research staff with the provision of the Oxford University Press online resource, Epigeum, which includes a research skills toolkit, professional skills training for research leaders and research integrity training.

Kingston's research also contributed to KEF, the Knowledge Exchange Framework. For more information on KEF go to p.13.

Research Excellence Framework 2021

For REF 2021, Kingston's submission increased by 27 per cent compared to REF 2014, which was the last research assessment exercise. For REF2021 we submitted the research of 414 academic staff, representing 44 per cent of Kingston's academic staff community, compared to 17 per cent in 2014. These were in 11 Units of Assessment:

- Allied Health
- Psychology
- Computer Science
- Engineering
- Politics
- Business
- Education
- English
- Philosophy
- Art and Design
- Performing Art

920 research outputs were selected. In the main, these included academic journal articles, book chapters, and monographs, as well as exhibitions, performances, music compositions, works of art and design, films, and digital outputs.

In addition, 37 case studies were prepared to showcase our research impact on business, health and well-being, policy, organisational behaviour, arts and culture, and public and community engagement. The submission was conducted according to our REF 2021 Code of Practice to ensure fairness, transparency, and consistency across all areas. The institutional and unit-level environment described how we support our research student community and staff researchers, our research income and facilities, and our contribution to the national research environment through our external activities.

Impact

Our REF 2021 submission highlights the wide-ranging impact the institution has on society, culture and the economy. Our research improves the health of many thousands of people and contributes to their well-being. Examples include enabling people to manage osteoarthritis pain, improving policy and practices in palliative care for people with intellectual disabilities, and improving the designed environment for people with dementia who live in care homes.

In sectors ranging from automotive engineering to eye surgery, to computer vision and video analytics, Kingston's researchers have supported our business partners to change their organisational behaviour, innovate with new processes, and develop new products and services. We have

made a significant contribution to creativity and enhanced public engagement with the arts. Our impact has wide geographical reach – from improving flood resilience in the UK to advancing environmental rights in Latin America. Our diverse work with arts, culture and heritage organizations has brought international attention to the design of nightclubs and to the material legacies of the nuclear industry.

Graduate Research School

We have supported our postgraduate research students during the pandemic by introducing new online training workshops and courses which complement the shift to online supervision. All viva voce exams have been conducted online, without any issues. Feedback from our students suggests that the shift to online support has worked well.

Our annual Festival of Research was organised by the Graduate Research School in March, again online, and included training sessions, research showcases and discussions. We had over 300 people registered for the events and ran more than 30 online events, which offered a range of masterclasses run by the Government Open Innovation Team. Topics included, how to make sense of policy in theory and practice, how to engage with government policymakers to effect change, and how research can influence policy.

Kingston University is a member of a group of nine universities, known as the Techne Consortium, which receives funding from the Arts and Humanities Research Council for studentships. This membership resulted in nine new competitive studentships being awarded this year to Kingston, to the value of £63,010.

Jointly, with co-members of the University Alliance, we have also been working to improve access to research education for Black, Asian and ethnic minority students and their experience of it. This includes a joint bid with the University of Brighton and University of Hertfordshire, to develop new approaches to access and participation by underrepresented groups. We expect that key recommendations from these proposals to be put in action next year.

Business engagement update

Kingston is focused on making a social and economic impact through its local and regional partnerships, business engagement activity, and collaboration with public, private and community organisations. Innovation and inclusion are central to every project and partnership the institution develops, which encompasses research, education, knowledge exchange and professional practice.

Effect of Covid-19

The Covid-19 pandemic has strengthened strategic partnerships between the Royal Borough of Kingston council, the University, local further education providers, the Business Improvement District, known as Kingston First, and major employers in the borough. There is now less silo working and more impact created by working together, knowledge exchange and professional practice.

Economic Recovery Task Force

The University is a member of the new Kingston Economic Recovery Task Force. This task force leads a coordinated response to economic restart and renewal in the region. Together, members of the task force ensure resources and assets in the public and private sector are used effectively, to address the most pressing challenges. Outcomes of this collaboration are a growing number of student internships, provision of business support, and ideas and creative thinking which contribute to new approaches and product development.

Graduate internships

56 Kingston graduates participated in a summer 2020 internship programme across 20 businesses, charities, social enterprises, small and medium sized enterprises (SMEs), and local authorities. These organisations were required to apply for funding, which then provided their team with skilled graduates as consultants, working on defined projects in areas such as digital marketing, research and analysis, and business development. As part of the funded internship, employers also received a business advisor, and graduates worked with a development coach.

Kingston Innovation Network

In response to Covid-19 in autumn 2020, the institution, and Kingston Council, formed the Kingston Innovation Network. This network provides more than 200 businesses, organisations and entrepreneurs with a peer group that shares business support information. This information addresses challenges, identifies trends and opportunities, and encourages innovation and growth in the area. Talks by business and innovation experts are held on topics such as digital adaptation, financial support, and agility, as well as a lively LinkedIn networking group. The latest event was featured in the Kingston Chamber of Commerce Business Expo.

Small Business Leadership Programme

Due to the profound impact of Covid-19 on SMEs, the government provided £20m support across the UK. Kingston Business School received a portion of this funding which resulted in the University's business engagement team, together with the Small Business Charter and 19 other business schools developing The Small Business Leadership Programme. This programme is a specialist Department for Business, Energy & Industry Strategy (BEIS) funded programme for leaders of small businesses to survive and thrive during, and post, pandemic.

Over five months the University ran 12 cohorts, the highest number of cohorts among the consortium members, which supported 294 business leaders and senior management team members from 260 companies. Through workshops, mentoring and facilitated group work, the curriculum covered leadership, innovation, employee engagement, operational efficiency, marketing, sustainable practices, and finance.

The Business Engagement team supported the programme, from contractual agreements and programme setup, to promotion, participant recruitment and graduation ceremonies.

The success of the programme, and insights gained, has meant that Kingston Business School is now developing tailored programmes that meet emerging business and economic needs, as highlighted in Build Back Better.

Moving forward, business engagement activity will support the University's work with the Chartered Association of Business Schools, our fellow members, and BEIS, on the next management training and mentorship provision for SMEs, known as the Help to Grow: Management scheme. This is part of the curriculum development work group and continued efforts to support businesses to rebuild, innovate, and thrive.

Kingston University Women in Enterprise Network

The Kingston University Women in Enterprise Network is a vibrant community of more than 80 women. Mentored by six female business experts, the network gives members a platform to connect, share, and support each other's business development with access to guest speakers, peer-to-peer support and one-to-one advice.

The success of the network is further validated by The Rose Female Entrepreneurship Review. This Review reports that efforts to develop female entrepreneurship presents a £250bn opportunity for the UK economy. Kingston Business School is working to support and promote female entrepreneurship and create an ecosystem that uncovers talent among the University's students and wider community.

Business, Innovation, Growth (BIG) South London

The BIG project aims to improve economic performance in the South London region of Croydon, Merton, Richmond, Kingston and Sutton, using knowledge exchange as a catalyst for economic growth.

Founded by members of the South London Partnership (footnote 1) the project is creating a world-class ecosystem of research, innovation, knowledge exchange and enterprise. This ecosystem is formed of businesses, universities, further education colleges and communities. The aim is to inspire the development of academic talent by partnering researchers, combined with the innovation expertise of their universities, to the needs of business.

Some of the BIG projects (footnote 2) being delivered are:

- a Knowledge Exchange Partnership which shares resources, facilities and expertise
- a comprehensive range of knowledge exchange services
- a programme of knowledge exchange, innovation, enterprise and entrepreneurial support for businesses and organisations to develop a talent pipeline for employers
- seven borough workspaces and hubs

Knowledge Exchange Framework

The Knowledge Exchange Framework is a new process, introduced across higher education in 2020, following consultation and pilot work. The purpose of the framework is for institutions to submit information about how their partnerships with external organisations, groups, and individuals, benefit the economy and society. These partnerships are known as knowledge exchange partnerships. The first ever submission for all universities, including Kingston, took place in October 2020.

Apprenticeships

Our number of apprenticeships continue to expand and we maintain good progression rates among our apprentices. We have consequently reviewed and improved governance to service the increase and have engaged sponsoring employers in the apprentice journey through our new systems.

(footnote 1) Kingston University, University of the Arts London (Wimbledon College of Art), London South Bank University, University of Roehampton, St Mary's University and Sussex Innovation (University of Sussex).

(footnote 2) BIG South London is made possible with a £6m Business Rate Retention Pot and is aligned to the strategies of further education institutions and council boroughs in the region and to the Government's research and development roadmap.





Exploring the relationship between storytelling and post-traumatic recovery

Dr Meg Jensen, Professor of English Literature and Creative Writing, was awarded £10,000 by the private sector investment company Viaro Investments Ltd to research, develop and deliver support to front line health care workers during the Covid-19 outbreak and beyond. This project drew upon and substantially developed Jensen's past research on Expressive Writing methodologies and the relationship between storytelling and post-traumatic recovery. The Viaro project extends that previous work to offer free training and exercise materials to support the wellbeing of front line health care workers. These materials, specially adapted for these beneficiaries have been made available via an interactive multilingual website in English, Italian and Arabic.

Understanding the digital lives of young vulnerable people

Dr Aiman El Asam, a lecturer in forensic psychology at Kingston University, is leading on a feasibility project to help practitioners and professionals to better understand the digital life of vulnerable young people and the role that might play in their wellbeing and mental health. The study (Vulnerability, $Online\ Lives\ and\ Mental\ Health$: $Towards\ a\ New\ Practice\ Model$) aims to develop an evidence-based practice model that incorporates the digital aspect to enable interventions and support for young people to be more effective. The project received a grant of £44,381 funded under the eNurture Network, a UKRI funded network that fosters new collaborations to promote children and young people's mental health in a digital world.

Civic engagement

Kingston's role in the community

Kingston University was again 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 have enhanced our impact in the community's response to the Covid-19 pandemic.

Covid-19 response

The University has been at the forefront of the response to the coronavirus pandemic. University students and staff have worked in partnership with the Council and other statutory bodies, supporting frontline workers, residents, businesses and voluntary sectors.

We have been actively involved in Kingston Borough Resilience Forum and Partnership Silver Command, supporting strategic partners, the Director of Public Health, and council teams across key priorities.

As well as addressing local health needs, we have actively engaged the borough's business community. Kingston Business School provided local companies with expert advice and training in partnership with Kingston Chamber of Commerce. Students gave their time in hackathons to help cash strapped businesses find innovative solutions to keep trading in the pandemic. The University's Vice-Chancellor is one of the leading voices on the Council's Economic Recovery Task Force, which focuses on priority work streams that will help drive an inclusive recovery.

Kingston developed its Covid-19 testing programme in partnership with its local authority. This enabled us to respond more directly to the needs of our students and staff community, as well as pivot to support the Kingston Borough's community testing programme, which resulted in one of the highest achieved testing rates in London.

At the beginning of 2021, the University established a vaccination hub on Penrhyn Road campus. Set up in partnership with two local Primary Care Networks and the South West London CCG, it has supported patients from six of the region's GP practices and health centres to receive their jabs as swiftly and efficiently as possible.

The collaboration saw part of the campus repurposed to accommodate the 10-station vaccination site, with lecture theatres serving as waiting and observation areas. To-date, over 33,000 vaccinations have been administered on campus. The project has been hailed as an exemplar of collaboration with key civic stakeholders and widely praised by the Universities Minister, MPs and public health officials alike.



Culture and creativity

The University has continued to be a fundamental component in Kingston's creative, cultural and economic success, delivering and commissioning "Re-imagining Kingston Town Centre's Streets & Spaces". The project, a public realm strategy with community and business engagement, and co-creation at its heart, was delivered in partnership with Kingston First, the Greater London Authority (GLA) and Kingston Council, and set out transformational and tactical project ideas to inspire change and coordinate investment in the town centre.

Since its publication in late 2019, the strategy has been adopted by Kingston Council as policy, being used by the town planners for developer contributions and serving as an evidence base for future funding opportunities.

In the past year, we have seen the benefits of this work come to fruition with funding secured from the GLA and other sources. A vacant under croft and neighbouring public realm, adjacent to Kingston's historic bridge, will be transformed into a "Factory of the Futures" that will provide much needed space for the creative industries and opportunities for young people, creating new reasons to visit the town centre.

Furthermore, the Union of Kingston Students, in partnership with Studio KT1, Kingston School of Art's Creative Agency, and funding from the GLA and Kingston Council, have opened "Not My Beautiful House", a creative Pop-up space in the town centre. The initiative will support local businesses, the community, students and graduates, and provide opportunities for those without access to materials, support, or technology, such as people not in education, training or employment, encouraging collaboration and talent.

Sustainability

Sustainability plan

This year Kingston University launched its five-year Institutional Sustainability Plan. The plan reflects how we consider sustainability at the University as a critically important strategic challenge. Our twin-strand approach considers our response to sustainability in relation to what we do (teaching, learning, knowledge exchange and research) and how and where we do it (our operations and estate). The University has also signed up to the United Nations Accord and are using the Sustainable Development Goals as a way of demonstrating our contribution to sustainability.

Waste

The University has a zero waste to landfill policy (footnote 3) and works continuously to prevent waste production and implement the waste hierarchy. In addition, Kingston's waste is either reused, recycled, composted, anaerobically digested, or incinerated to generate energy from waste.

This year the University:

- Generated 2,054.5 tonnes of waste a 232 per cent increase in waste generation when compared to the previous year. This is primarily due to a road refurbishment project at one of our halls of residence which generated over 1,500 tonnes of recyclable material.
- Recycled 87.2 per cent of total waste generated.

Table 1 Kingston University Waste Data 2020/2021

	Weight (tonnes)	Percentage (%)
Reuse	3.7	0.2
Recycle	1791.5	87.2
Composting	98.5	4.8
Anaerobic digestion	10.7	0.5
Energy from waste	147.8	7.2
Landfill	2.3	0.1
Total	2054.5	100

The University has led on the following reuse initiatives to prevent waste generation and implement the waste hierarchy:

- Students in Clayhill Halls of Residence donated over half a tonne of their unwanted belongings (clothes, books, food, kitchen items) via the RE:LOVE project. 84 per cent of donations were sent to local charities for reuse.
- In February 2021, Kingston University joined the app 'Too Good To Go' to help tackle food waste. Since joining, in 2020/2021, the University has saved 132 meals, equating to 132 kg of avoided food waste and 330 kg of avoided CO2e emissions.



Green impact

In 2020/2021, Kingston University relaunched its Green Impact Champion network. Green Impact is a sustainability accreditation and awards scheme, which empowers staff to change the way they work and make their offices and homes greener. At present nearly 100 staff members from 24 different teams have signed up and are taking action to contribute positively towards the sustainability agenda.

Fairtrade award

Kingston University is working towards its Fairtrade Award. Since January 2021 our Fairtrade Award team have been working through a bespoke online toolkit to embed Fairtrade within curriculum, procurement, research, and campaigns. In March to May 2022, NUS and the Fairtrade Foundation will support the recruitment and training of KU students who will audit and verify the University's toolkit submission.

Biodiversity

Kingston's biodiversity on campus, and connected habitats, are all monitored, managed and improved all year round. The changing nature of the pandemic has continued to have an impact on what was able to be achieved in person on site, but Kingston University has still been able to engage with 731 volunteers across 162 events and monitoring sessions, amounting to a total of 1558 volunteer hours. Work included removal of invasive plants from habitats at Kingston Hill and the Hogsmill River and monthly monitoring of the river for pollution impacts and engagement work with existing local partnerships.

(footnote 3): In 2020/2021 a total of 2.4 tonnes of waste was sent to landfill, this waste comprised hazardous waste such as asbestos which could not be recycled or incinerated and was required to be disposed of via landfill.

Carbon and Energy Management

The University remains committed to reducing its Carbon Dioxide emissions (CO2) through how it manages the energy consumption across the buildings and estates. The University previously set to reduce its CO2 emissions by 35 per cent from a 2005/6, by the end of academic year 2021. At the end of the academic year 2020/21 Kingston University had reduced its CO2 emissions by 63 per cent exceeding the institute's target by 28 percent. Moreover, as part of the development of the Sustainability Plan, the University has now established a net-zero target for scope 1 and scope 2 (footnote 4) CO2 emissions, to be met by 2038.

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. 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. Some of the key highlights to date include:

- The University has reduced its annual operational CO2 by 63 per cent from its 2005/6 baseline. This is the equivalent to 8089t CO2 exceeding the Institutes 2020/21 target of 35 per cent by 28 per cent
- Town House, the University's new landmark building, has already achieved a *BREEAM excellent rating and the major renovation of Mill Street has been awarded *BREEAM

- outstanding rating and delivered a 49 per cent reduction in carbon emissions. Further CO2 savings were achieved by re-using existing brick, steel and concrete shell.
- The University is delivering a pilot scheme for an agile working environment. The project will see the refurbishment of the former Learning and Resource Centre on Penrhyn Road. As part of the refurbishment the University is adopting Royal Institute of Chartered Surveyor's environmental assessment method- SKA. The project is targeting the highest rating, SKA-gold.

In 2019 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 the equivalent of the emissions associated with the entire Knights Park campus per annum. 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 is currently seeking opportunities to commit an additional 20 per cent of electrical volume to a second PPA. Subject to market pricing this will commence in April 2022.

(footnote 4) Scope 1 emissions are direct emissions from owned or controlled source ie burning of natural gas. Scope 2 emissions are indirect emissions from the generation of procured energy.





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.

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.

Strategic Review Financial Section 2020/21

Financial strategy

The financial strategy ensures that the University remains financial sustainable over a medium term period and is able to support the KU22+ strategy to improve academic performance. The year-end cash reserve of £109.2m provides assurance that its liquidity position will meet its operating requirements. This substantial cash reserve, together with its forecast cash generated from operations provides a strong platform for the University to approach the priorities identified in the KU22+ strategy.

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

- Net liquidity of at least 71 days (increased from 60 days in 2019/20)
- Borrowings not to exceed 30 per cent of net assets excluding pension reserve
- Cash generated from operations before exceptional items over a three year rolling period of £18m.

	Target	2020/21	2019/20
Cash generated from operations (excluding exceptional items) – 3 yr rolling	18m	22.4m	16.5m
Net liquidity (days)	> 71	215.9	165.8
Borrowings as % net assets excluding pension liabilities	< 30%	20.6%	21.2%

These three measures have been met for 2020/21 due to the continued strong financial performance of the University. This is an improvement from the previous year where the three year rolling cash generated was not met due to a higher anticipated deficit in 2020/21. The overall increase in liquidity is achieved through an improvement in the annual surplus, favourable working capital movements and proceeds from the sale of a halls of residences amounting to £11.3m. This is explained further in the section below.



Summary of Financial Performance for the year

The reported operational deficit of £11.2m (2019/20: £0.5m) is stated after pension charges of £9.9m (2019/20: £4.9m) and adjustments relating to costs/income due to covid of £3.9m. Therefore, the underlying result is a surplus of £2.6m. This reflects a sustainable position for the University moving forward, which is also supported with cash generated from operations reported at £30.3m (2019/20: £44.1m). This has resulted in all the University's KPIs being exceeded for 2020/21. The closing cash balance of £109.2m reflects the strength of the University's financial position.

The cash balance includes the capital receipt from the sale of Kingston Bridge House of £11.3m in March. There were further improvements to working capital which include receipts of £2.8m which relate to the deferred settlement of the outsourcing of halls to Kingston Student Living LLP.

The total comprehensive expenditure for the year is £2m (2019/20: expenditure £56m) stated after including an actuarial profit of £8.6m (2019/20: actuarial loss £46.0m). Although this is a positive actuarial adjustment, achieved through a significant return on assets, the overall pension liability increased, which is due to the increasing pension costs which are charged through the Statement of Comprehensive Income (and based on the previous year's discount rates).

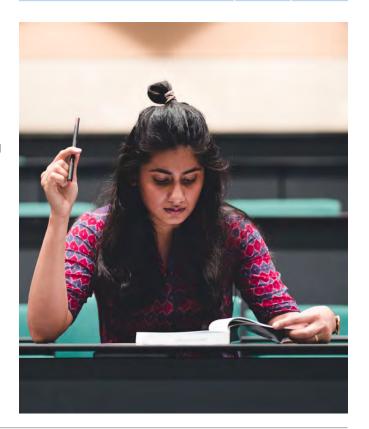
This overall performance reflects a positive operational result which has been achieved in a year where the academic performance has improved with the implementation of Plan 2020 now replaced with KU22+. In a challenging year due to covid, with unforeseen costs and loss of income, the University managed to mitigate the impact through careful management of costs and student support through this difficult period.

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 Holding Limited and KU Student Living 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		
	2020/21 £m	2019/20 £m
Income	188.8	199.1
Expenditure	200.0	199.6
Deficit for the year	(11.2)	(0.5)

Balance Sheet		
Fixed assets	419.6	437.8
Current assets	132.4	111.2
Creditors falling due within 1 year	(48.2)	(42.4)
Net current assets	84.2	68.8
Creditors falling due after 1 year	(104.2)	(106.5)
Pension provision	(140.7)	(139.2)
Net assets	258.9	260.9

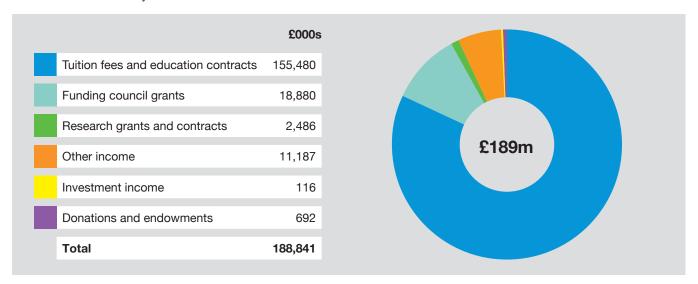
Cash balance (including current asset investments)	109.2	82.9
Cash generated from operating activities	30.3	44.1



Financial highlights for the year

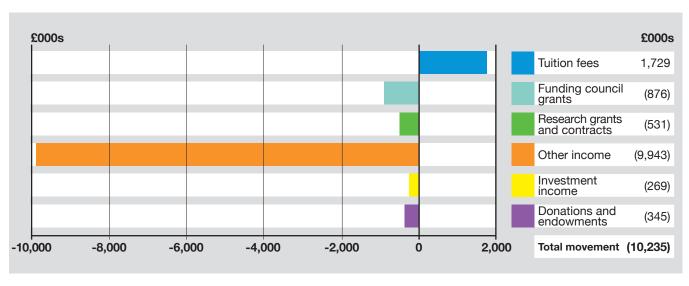
Income

The total income of £188.8m is received mainly from two sources: OFS income and tuition fees. An analysis of the income is shown in the chart below:



Movement in income

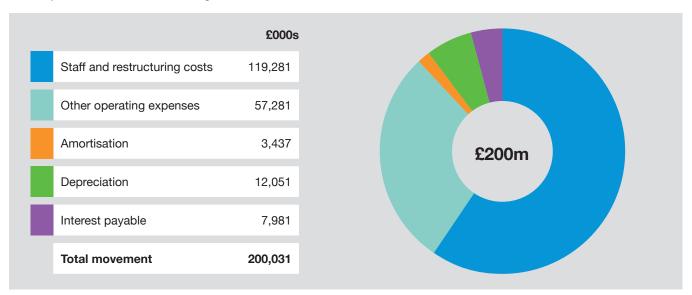
The total income decreased by £10.2m from 2019/20 as shown in the chart below:



The increase in tuition fees of £1.7m mainly comprises an increase in home students of £1.7m, and short course income of £0.7m offset with a decrease in overseas income of £0.8m. The reduction in other income of £9.9m relates almost entirely to residential (£7.7m) and catering (£1.8m) income. The reduction of residential income is due to the disposal of Kingston Bridge House, the outsourcing of Kingston Hill and Seething Wells (rooms being refurbished during 2020/21), a reduction in overall occupancy rates as a result of covid and halls refunds to students due to extended lock downs.

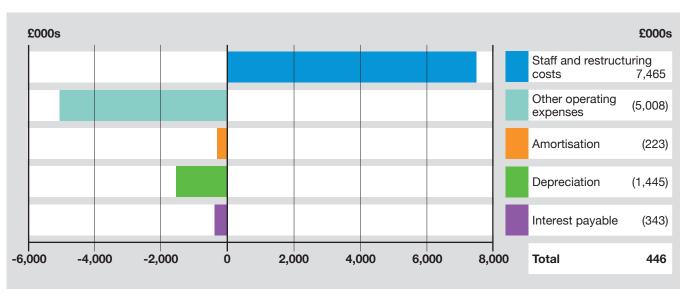
Expenditure

Total expenditure of £200.0m is categorised as follows:



Movement in expenditure

Total expenditure increased by £0.5m as shown in the table below:



After adjusting for FRS102 pension transactions, there is an increase in employee costs of $\mathfrak{L}1.5m$. The main contributor to this is the automated increment process.

Other operating expenditure reduced by $\mathfrak{L}5.0m$. The main factor is the abnormal doubtful debt provision applied in 2019/20 for teaching during Covid-19 as opposed to the normalised levels in 2020-21 (difference $\mathfrak{L}3.6m$). Other cost savings include overseas commissions ($\mathfrak{L}1.9m$) and travel costs ($\mathfrak{L}1.4m$). Cost increases were incurred for planned maintenance of $\mathfrak{L}1.2m$.

Capital expenditure

Expenditure on fixed assets totalled £8.0m including freehold buildings and assets under construction £3.6m, and £4.4m on plant, machinery, equipment and software. The freehold buildings and assets under construction include refurbishment costs in relation to Penrhyn Road.

Treasury management

The cash generated from operating activities totalled £30.3m (2019/20: £44.1m). This positive result includes an underlying surplus of £2.6m and an improvement in the working capital movements of £11.0m.

The year-end cash balance increased by £26.3m to £109.2m. Surplus funds are invested with the main UK and European banks on term deposits. Interest earned on these deposits amounted to £0.1m in the year at an average rate of 0.12 per cent.

The increase in the cash balance includes the receipt from the sale of Kingston Bridge House (£11.3m). Total loans outstanding at the year-end include bank loans to Barclays Bank (£60.9m), Clayhill Service Concession arrangement (£20.9m) and obligations under finance leases (£0.5m).

Future Prospects

The University has redefined its strategic plan to further enhance academic performance in accordance with KU22+. With significant cash reserves the University is in a good place to continue its improvement in its academic performance and build on that which has already been achieved. We will be looking to sustain the broad range of subject areas we currently provide. We will also be looking at our future capital investment to ensure that this results in improving the student experience and advancing students beyond University life.



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)
- IT 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 per cent' 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, IT & 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 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 2021/22 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 2020/21 is as follows:

- The percentage of total salary costs spent on facility time totalled 0.1 per cent.
- 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 22 staff.
- The percentage of their time spent on trade union activity was as follows:

Percentage of Time	Number of Employees
0% – 50%	22
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 exponential pace of change across the economic, political, social, technological and global spectrum continues to give rise to a significant number of inherent risks and uncertainties resulting from both sector-specific threats, factors and 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 and cyber related activity.

Effective risk management is integral to the success of delivering Kingston University's strategic objectives. 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. One of the primary macro benefits of the formal risk management process adopted by Kingston University is that it fosters consistency and enables the ability to systematically identify, assess and seize opportunities as well as implement effective control measures and mitigations at the earliest opportunity.

Whilst historically, risk management has been confined to specific domains such as compliance, internal audit, health, safety and insurance, managed in silos owing to the unpredictability and increasing competition across the HE market both the University and the wider sector has come to realise that the risk portfolio is inherently connected and provides for a number of key interdependencies. Consequently, Kingston University acknowledges that infrastructure such as governance, data, robust and resilient cultures are vital mechanisms to both support and underpin business critical operations, ensuring preparedness for threats, uncertainties, risks and opportunities that will strengthen future sustainability and the University's ability to thrive. Consequently in 2020/21 the University brought together a number of critical business functions under one umbrella through a newly created Governance, Compliance and Legal Office acknowledging the significant interdependencies of each portfolio and strengthening their collective resilience.

The Strategic Risk Register (SRR) continues to remain a dynamic and fluid document comprised of both current and emerging strategic risks to the institution. 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 sub-committee of the Board in order to ensure consistency and provide both 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, the SLT and the Audit and Risk Assurance Committee three times a year and to the Board of Governors annually.

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 principle risks and uncertainties that could directly impact our financial sustainability (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 targets and the ever-increasing threat of cyber-attacks.

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 especially during the global pandemic where international travel has been restricted. 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 safeguarding the student experience and graduate outcomes in the new university strategy, KU22+. 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 evolvement 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.

CORPORATE GOVERNANCE

OF KINGSTON UNIVERSITY FOR THE YEAR ENDED 31 JULY 2021 AND THE PERIOD TO 24 NOVEMBER 2021

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 2021 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.
- 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.
- A programme of risk awareness training continues as part of the annual Risk Management programme.
- 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.
- I. 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 2020/21 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

Mrs Sandra CAMPOPIANO

Mr Imran CHUGHTAI Tenure ended 31/08/21

Mr Paul CLEAL Tenure ended 21/10/20

Mrs Nancy COGSWELL Tenure ended 13/08/20

Mr Amr ELSHAER Stood down 30/06/21

Mr Feisal HAJI Tenure ended 30/06/21

Ms Gill HALL

Ms Jane HARGREAVES Appointed 01/09/21

Professor Jenny HIGHAM Stood down 30/06/21

Mr Dirk KAHL

Ms Aranee MANOHARAN Stood down 30/06/21

Miss Caroline MAWHOOD

Mr. Peter MAYHEW-SMITH

Mrs Alison OSBORNE

Mr Andrew PEARCE

Mr Francis SMALL

Mr Tom SMYTH

Professor Steven SPIER

Mr Sarim SYED Appointed 01/08/21

Mr Mick WILLIAMS

INDEPENDENT AUDITOR'S REPORT

TO THE

BOARD OF GOVERNORS OF KINGSTON UNIVERSITY

Opinion on the financial statements

In our opinion, the financial statements:

- give a true and fair view of the state of the Group's and of the University's affairs as at 31 July 2021 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.

We have audited the financial statements of Kingston University ("the University") and its subsidiaries ("the Group") for the year ended 31 July 2021 which comprise Consolidated and University Statement of Comprehensive Income, Consolidated and University Balance sheets, Consolidated and University Changes in Reserves, Consolidated Statement of Cash Flow 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).

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 believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Independence

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.

Conclusions relating to going concern

In auditing the financial statements, we have concluded that the board members' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the Group and University's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

Our responsibilities and the responsibilities of the board members with respect to going concern are described in the relevant sections of this report.

Other information

The board is 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 and 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.

INDEPENDENT AUDITOR'S REPORT

TO THE

BOARD OF GOVERNORS OF KINGSTON UNIVERSITY

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.

Responsibilities of the board

As explained more fully in the board members' responsibilities statement set out on page 26, the board 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 members 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 is 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 either intends 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.

Extent to which the audit was capable of detecting irregularities, including fraud

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below:

- Discussions with management, including consideration of known or suspected instances of non-compliance with laws and regulations and fraud, including direct representation from the Accountable Officer
- Reviewing minutes of meetings of those charged with governance, reviewing internal audit reports and reviewing correspondence with HMRC, OfS and Research England to identify any actual or potential frauds or any potential weaknesses in internal control which could result in fraud susceptibility
- Reviewing items included in the fraud register as well as the results of internal audit's investigation into these matters
- Challenging assumptions made by management in their significant accounting estimates, including accruals of Royalty Income
- In addressing the risk of fraud, including the management override of controls and improper income recognition, we tested the appropriateness of certain manual journals, reviewed the application of judgements associated with accounting estimates for the indication of potential bias and tested the application of cut-off and revenue recognition.

INDEPENDENT AUDITOR'S REPORT

TO THE

BOARD OF GOVERNORS OF KINGSTON UNIVERSITY

Our audit procedures were designed to respond to risks of material misstatement in the financial statements, recognising that the risk of not detecting a material misstatement due to fraud is higher than the risk of not detecting one resulting from error, as fraud may involve deliberate concealment by, for example, forgery, misrepresentations or through collusion. There are inherent limitations in the audit procedures performed and the further removed non-compliance with laws and regulations is from the events and transactions reflected in the financial statements, the less likely we are to become aware of it.

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. 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 governors, as a body, in accordance with Section 75 of the Higher Education Research Act 2017. Our audit work has been undertaken so that we might state to the University's board 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 members as a body, for our audit work, for this report, or for the opinions we have formed.

DocuSigned by:

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James Aston MBE (Senior Statutory Auditor)

For and on behalf of BDO LLP, Statutory Auditor

Gatwick

Date 26 November 2021

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

FOR THE YEAR ENDED 31 JULY 2021

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 2023. Those forecasts are based on the actual recruitment for the 2021/22 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.

The covenant with Barclays is compliant for the forecast period with a minimum headroom of £10.1m. 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.

FOR THE YEAR ENDED 31 JULY 2021

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 note 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 2021. 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 Statement of Comprehensive Income, 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.

FOR THE YEAR ENDED 31 JULY 2021

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.

FOR THE YEAR ENDED 31 JULY 2021

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 a 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.

FOR THE YEAR ENDED 31 JULY 2021

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

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

New builds 50 years Refurbishments 10-50 years

No depreciation is charged on 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 to which the asset has been allocated) is tested for impairment. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of the asset's (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 (CGUs). 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.

FOR THE YEAR ENDED 31 JULY 2021

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 2021

		Consolidated	University	Consolidated	University
		2020/21	2020/21	2019/20	2019/20
	Notes	£000s	£000s	£000s	£000s
INCOME					
Talken for a send advantage and a	4	455 400	455 400	450.754	450.754
Tuition fees and education contracts	1	155,480	155,480	153,751	153,751
Funding body grants	2	18,880	18,880	19,756	19,756
Research grants and contracts Other income	3 4	2,486 11,187	2,375 10,720	3,017 21,130	2,823
Investment income	4 5	11,167	10,720	385	20,269 337
Donations and endowments	6	692	94 692	1,037	1,037
Total income	O	188,841	188,241	199,076	197,973
rotar income		100,041	100,241	199,070	197,973
EXPENDITURE					
Staff costs	8	119,281	112,315	111,816	104,372
Other operating expenses		57,282	64,969	62,289	69,321
Amortisation	12	3,437	3,437	3,660	3,660
Depreciation	13	12,050	12,050	13,496	13,496
Interest and other finance costs	9	7,981	7,923	8,324	8,255
Total expenditure	10	200,031	200,694	199,585	199,104
Deficit before other gains/(losses)		(11,190)	(12,453)	(509)	(1,131)
Gain/(loss) on disposal of fixed assets	13	600	600	(9,417)	(9,417)
Deficit before qualifying charitable donations		(10,590)	(11,853)	(9,926)	(10,548)
Qualifying charitable donations		-	703	-	811
Deficit for the year		(10,590)	(11,150)	(9,926)	(9,737)
Actuarial gain/(loss) in respect of pension schemes	23	8,596	7,384	(46,038)	(44,647)
Total comprehensive expenditure for the year		(1,994)	(3,766)	(55,964)	(54,384)
Endowment comprehensive expenditure for the year		(60)	(60)	_	-
Restricted comprehensive expenditure for the year		(51)	(51)	50	50
Unrestricted comprehensive expenditure for the year		(1,883)	(3,655)	(56,014)	(54,434)
		(1,994)	(3,766)	(55,964)	(54,384)

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

The notes on pages 42-63 form part of the financial statements.

BALANCE SHEETS

FOR THE YEAR ENDED 31 JULY 2021

		Consolidated	University	Consolidated	University
		2020/21	2020/21	2019/20	2019/20
		£000s	£000s	£000s	£000s
	Notes				
Fixed assets	4.0	0.400	0.400	40.000	10.000
Intangible assets	12	9,438	9,438	10,863	10,863
Tangible assets	13	405,186	405,186	421,958	421,958
Heritage assets	13	1,938	1,938	1,953	1,953
Investments	17	3,038	9,340	3,028	9,129
		419,600	425,902	437,802	443,903
Current assets					
Stock		110	64	142	124
Debtors	18	23,134	23,017	28,249	28,076
Current asset investment	19	35,020	30,020	6,013	1,005
Cash at bank and in hand		74,152	71,620	76,838	74,586
		132,416	124,721	111,242	103,791
Creditors: amounts falling due within one year	20	(48,220)	(47,571)	(42,413)	(41,779)
Net current assets		84,196	77,150	68,829	62,012
Total assets less current liabilities		503,796	503,052	506,631	505,915
Creditors: amounts falling					
due after more than one year	21	(104,192)	(104,192)	(106,507)	(106,507)
Net assets excluding pension liability		399,604	398,860	400,124	399,408
Provisions for liabilities					
Pension provisions	23	(140,709)	(137,623)	(139,235)	(134,405)
Total net assets		258,895	261,237	260,889	265,003
i otai net assets		200,090	201,237	200,009	205,003

The notes on pages 42-63 form part of the financial statements.

BALANCE SHEETS (continued)

FOR THE YEAR ENDED 31 JULY 2021

		Consolidated	University	Consolidated	University
		2020/21	2020/21	2019/20	2019/20
		£000s	£000s	£000s	£000s
	Notes				
Restricted reserves					
Income & expenditure reserve - endowment fund	24	1,165	1,165	1,225	1,225
Income & expenditure reserve - restricted reserve	24	1,383	1,383	1,434	1,434
Unrestricted reserves					
Income & expenditure account - unrestricted		32,612	34,954	31,528	35,642
Revaluation reserve		223,735	223,735	226,702	226,702
		258,895	261,237	260,889	265,003

The financial statements were approved and authorised for issue by the Governing Body on 24 November 2021 and signed on its behalf by:

Francis Small

Chairman of the Board of Governors

Professor Steven Spier Vice-Chancellor

The notes on pages 42-63 form part of the financial statements.

CONSOLIDATED STATEMENT OF CHANGES IN RESERVES

FOR THE YEAR ENDED 31 JULY 2021

	Income and	d expenditure		Revaluation reserve	Total
Consolidated	£'000	£'000	£'000	£'000	£'000
Balance as at 1 August 2020	1,225	1,434	31,528	226,702	260,889
Deficit from income & expenditure acccount Other Comprehensive income	(60)	(51)	(10,479)		(10,590)
Actuarial gain on pension scheme			8,596		8,596
Transfer			2,967	(2,967)	
Total comprehensive income/(expenditure) for the year	(60)	(51)	1,084	(2,967)	(1,994)
Balance 31 July 2021	1,165	1,383	32,612	223,735	258,895
	Income and	d expenditure	reserve	Revaluation	Total
	Endowment	Restricted U	nrestricted	reserve	
University	£'000	£'000	£'000	£'000	£'000
Balance as at 1 August 2020	1,225	1,434	35,642	226,702	265,003
Deficit from income & expenditure acccount Other Comprehensive income	(60)	(51)	(11,039)		(11,150)
Actuarial gain on pension scheme			7,384		7,384
Transfer			2,967	(2,967)	
Total comprehensive expenditure for the year	(60)	(51)	(688)	(2,967)	(3,766)
Balance 31 July 2021	1,165	1,383	34,954	223,735	261,237
	Income and	d expenditure	reserve	Revaluation	Total
Consolidated	Endowment	Restricted U	nrestricted	reserve	
	Endowment £'000	Restricted U £'000	nrestricted £'000	reserve £'000	£'000
Consolidated Balance as at 1 August 2019	Endowment	Restricted U	nrestricted	reserve	
	Endowment £'000	Restricted U £'000	nrestricted £'000	reserve £'000	£'000
Balance as at 1 August 2019 (Deficit)/surplus from income & expenditure acccount	Endowment £'000	£'000 1,384	nrestricted £'000 84,577	reserve £'000	£'000 316,853
Balance as at 1 August 2019 (Deficit)/surplus from income & expenditure acccount Other Comprehensive income	Endowment £'000	£'000 1,384	### 1000 84,577 (9,976)	reserve £'000	£'000 316,853 (9,926)
Balance as at 1 August 2019 (Deficit)/surplus from income & expenditure acccount Other Comprehensive income Actuarial loss on pension scheme	£'000 1,225	£'000 1,384	### (19,976) ### (46,038)	reserve £'000 229,667	£'000 316,853 (9,926)
Balance as at 1 August 2019 (Deficit)/surplus from income & expenditure acccount Other Comprehensive income Actuarial loss on pension scheme Transfer	£'000 1,225	Restricted U £'000 1,384 50	### (19,976) ### (46,038) ### (2,965)	reserve £'000 229,667 (2,965)	£'000 316,853 (9,926) (46,038)
Balance as at 1 August 2019 (Deficit)/surplus from income & expenditure account Other Comprehensive income Actuarial loss on pension scheme Transfer Total comprehensive income/(expenditure) for the year	Endowment £'000 1,225	Restricted U £'000 1,384 50	### (19,976) ### (19,976) ### (19,976) ### (146,038) ### (2,965) ### (153,049) ### (131,528)	reserve £'000 229,667 (2,965) (2,965)	£'000 316,853 (9,926) (46,038) - (55,964)
Balance as at 1 August 2019 (Deficit)/surplus from income & expenditure acccount Other Comprehensive income Actuarial loss on pension scheme Transfer Total comprehensive income/(expenditure) for the year Balance 31 July 2020	Endowment £'000 1,225	### Restricted U ### 1,384	### (### ### ### ### ### ### ### ### ##	(2,965) (29,702	£'000 316,853 (9,926) (46,038) - (55,964) 260,889
Balance as at 1 August 2019 (Deficit)/surplus from income & expenditure acccount Other Comprehensive income Actuarial loss on pension scheme Transfer Total comprehensive income/(expenditure) for the year Balance 31 July 2020	Endowment £'000 1,225	### Restricted U ### 1,384	### (### ### ### ### ### ### ### ### ##	reserve £'000 229,667 (2,965) (2,965) 226,702 Revaluation	£'000 316,853 (9,926) (46,038) - (55,964) 260,889 Total £'000
Balance as at 1 August 2019 (Deficit)/surplus from income & expenditure acccount Other Comprehensive income Actuarial loss on pension scheme Transfer Total comprehensive income/(expenditure) for the year Balance 31 July 2020	Endowment £'000 1,225 - 1,225 Income and Endowment	Restricted U £'000 1,384 50 50 1,434 d expenditure	### (### ### ### ### ### ### ### ### ##	(2,965) (29,702 Revaluation reserve	£'000 316,853 (9,926) (46,038) - (55,964) 260,889
Balance as at 1 August 2019 (Deficit)/surplus from income & expenditure account Other Comprehensive income Actuarial loss on pension scheme Transfer Total comprehensive income/(expenditure) for the year Balance 31 July 2020 University	Endowment £'000 1,225 - 1,225 Income and Endowment £'000	E'000 1,384 50 50 1,434 d expenditure Restricted U	### (19,976) ### (19,976) ### (146,038) ### (153,049)	reserve £'000 229,667 (2,965) (2,965) 226,702 Revaluation reserve £'000	£'000 316,853 (9,926) (46,038) - (55,964) 260,889 Total £'000
Balance as at 1 August 2019 (Deficit)/surplus from income & expenditure acccount Other Comprehensive income Actuarial loss on pension scheme Transfer Total comprehensive income/(expenditure) for the year Balance 31 July 2020 University Balance as at 1 August 2019 (Deficit)/surplus from income & expenditure acccount Other Comprehensive income Actuarial loss on pension scheme	Endowment £'000 1,225 - 1,225 Income and Endowment £'000	### Restricted U ### 1,384	### Comparison of the image in the image ind	reserve £'000 229,667 (2,965) (2,965) 226,702 Revaluation reserve £'000 229,667	£'000 316,853 (9,926) (46,038) - (55,964) 260,889 Total £'000 319,387
Balance as at 1 August 2019 (Deficit)/surplus from income & expenditure account Other Comprehensive income Actuarial loss on pension scheme Transfer Total comprehensive income/(expenditure) for the year Balance 31 July 2020 University Balance as at 1 August 2019 (Deficit)/surplus from income & expenditure account Other Comprehensive income Actuarial loss on pension scheme Transfer	Endowment £'000 1,225 - 1,225 Income and Endowment £'000	### Restricted U ### 1,384	### Comparison of the image in the image ind	reserve £'000 229,667 (2,965) (2,965) 226,702 Revaluation reserve £'000 229,667	£'000 316,853 (9,926) (46,038) - (55,964) 260,889 Total £'000 319,387 (9,737) (44,647) -
Balance as at 1 August 2019 (Deficit)/surplus from income & expenditure acccount Other Comprehensive income Actuarial loss on pension scheme Transfer Total comprehensive income/(expenditure) for the year Balance 31 July 2020 University Balance as at 1 August 2019 (Deficit)/surplus from income & expenditure acccount Other Comprehensive income Actuarial loss on pension scheme	Endowment £'000 1,225 - 1,225 Income and Endowment £'000	### Restricted U ### 1,384	### Comparison of the image in the image ind	reserve £'000 229,667 (2,965) (2,965) 226,702 Revaluation reserve £'000 229,667	£'000 316,853 (9,926) (46,038) - (55,964) 260,889 Total £'000 319,387 (9,737)

CONSOLIDATED STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED 31 JULY 2021

		Consolidated	Consolidated
		2020/21	2019/20
	Notes	£000s	£000s
Cash flow from operating activities			
Deficit before tax		(10,590)	(9,926)
Adjustment for non-cash items			
Depreciation and impairment of tangible assets	13	12,050	13,496
Amortisation of intangible assets	12	3,437	3,660
Decrease/(increase) in stocks		32	(3)
Decrease/(increase) in debtors	18	5,115	(1,664)
Increase in creditors		6,567	17,243
Decrease in provisions		(143)	(1,422)
Difference between net pension expense and liability	23	8,231	6,482
Adjustment for investing or financing activities			
Interest receivable	5	(116)	(385)
Interest payable	9	7,981	8,324
(Profit)/loss on disposal of fixed assets		(600)	9,417
Capital grants utilised in the year		(1,710)	(1,816)
Net inflow from operating activities		30,254	43,406
Cash flows from investing activities			
Capital grants received		1,624	936
Proceeds from sale of fixed assets	13	11,317	9,976
Payments to acquire fixed assets	12,13	(8,443)	(25,043)
Payments to acquire fixed asset investments		(10)	(2,893)
Other interest received	5	116	385
(Additions) to/withdrawal from deposits	19	(29,007)	5,125
		(24,403)	(11,514)
Cash flows from financing activities			
Interest paid	9	(5,997)	(6,454)
Repayments of amounts borrowed	22	(2,043)	(3,392)
Capital element of finance lease rental payments	22	(497)	(1,654)
Decrease in cash in the period		(8,537)	(11,500)
(Decrease)/increase in cash and cash equivalents in the year		(2,686)	20,392
Cash and cash equivalents at beginning of the year		76,838	56,446
Cash and cash equivalents at the end of the year		74,152	76,838
In the prior period the capital receipt from the residential transacti	on is included in	the cashflow state	ement as follows:
		£000s	

Proceeds on sale of fixed assets - sale of residential buildings*

Increase in creditors - long lease of land

12,906

10,767 **23,673**

^{*} Professional fees of £791k have been deducted from this figure in the cashflow statement.

NOTES TO THE ACCOUNTS Year ended 31 July 2021

1 TUITION FEES AND EDUCATION CONTRACTS

	Consolidated	University	Consolidated	University
	2020/21	2020/21	2019/20	2019/20
	£000s	£000s	£000s	£000s
Full-time UK and EU students	102,818	102,818	99,758	99,758
Part-time UK and EU students	3,907	3,907	5,243	5,243
Overseas full-time students	43,820	43,820	44,614	44,614
Overseas part-time students	1,055	1,055	935	935
Short course fees	3,258	3,258	2,500	2,500
NHS teaching contracts	622	622	701	701
	155,480	155,480	153,751	153,751

2 FUNDING BODY GRANTS

Consolidated	University	Consolidated	University
2020/21	2020/21	2019/20	2019/20
£000s	£000s	£000s	£000s
15,490	15,490	15,535	15,535
714	714	627	627
959	959	1,778	1,778
1,717	1,717	1,816	1,816
18,880	18,880	19,756	19,756
	2020/21 £000s 15,490 714 959 1,717	2020/21 2020/21 £000s 15,490 714 714 959 959 1,717 1,717	2020/21 £000s 2020/21 £000s 2019/20 £000s 15,490 15,490 15,535 714 714 627 959 959 1,778 1,717 1,717 1,816

3 RESEARCH GRANTS AND CONTRACTS

	Consolidated	University	Consolidated	University
	2020/21	2020/21	2019/20	2019/20
	£000s	£000s	£000s	£000s
Research councils	156	156	924	924
UK based charities	357	358	618	608
Other research grants and contracts	1,973	1,861	1,475	1,291
	2,486	2,375	3,017	2,823

4 OTHER INCOME

	Consolidated	University	Consolidated	University
	2020/21	2020/21	2019/20	2019/20
	£000s	£000s	£000s	£000s
Residencies and catering	5,051	5,002	13,964	13,786
Income from UK public bodies	-	-	850	850
Course validation fees/teaching contracts	1,711	1,711	2,441	2,441
Other income	4,425	4,007	3,875	3,192
	11,187	10,720	21,130	20,269

5 INVESTMENT INCOME

Interest receivable

Consolidated	University	Consolidated	University
2020/21	2020/21	2019/20	2019/20
£000s	£000s	£000s	£000s
116	94	385	337

6 DONATIONS AND ENDOWMENTS

Consolidated	onsolidated University Consolidated		University
2020/21	2020/21	2019/20	2019/20
£000s	£000s	£000s	£000s
692	692	1,037	1,037

7 GRANT & FEE INCOME

Unrestricted donations

	Consolidated	University	Consolidated	University
	2020/21	2020/21	2019/20	2019/20
	£000s	£000s	£000s	£000s
			-	_
Grant income from the OfS	17,851	17,851	17,099	17,099
Grant income from other bodies	3,605	3,412	2,876	2,438
Fee income for taught awards	152,222	152,222	151,250	151,250
Fee income for research awards	2,486	2,375	3,017	2,823
Fee income from non-qualifying courses	3,258	3,258	2,500	2,500
	179,422	179,118	176,742	176,110

STAFF	Consolidated	University	Consolidated	University
	2020/21	2020/21	2019/20	2019/20
Staff Costs	£000s	£000s	£000s	£000s
Wages and salaries	84,718	78,238	83,015	76,701
Restructuring costs	539	519	68	37
Social security costs	8,827	8,297	8,688	8,169
Movement on USS pension	(152)	(152)	(1,421)	(1,421)
Other pension costs	25,350	25,413	21,466	20,886
	119,281	112,315	111,816	104,372

Vice-Chancellor and Chief Executive	2020/21 £000s	2019/20 £000s
The emoluments of the Vice-Chancellor serving in the year were as follows:		
Basic salary	285	270
Performance-related pay and other bonuses	-	-
Salary sacrifice arrangements	-	-
Compensation for loss of office	-	-
Total before pension costs	285	270
Pension contributions	67	59
Payments in lieu of pension contributions	-	-
Total after pension costs	352	329

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

Justification of Vice-Chancellor's salary

The University context

Kingston University is a modern University based in London operating across four campuses. It has recruited over 16,000 students including over 3,000 international students from over 100 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 £190m for the year and therefore the University is a large, broadly based complex organisation working in an increasingly competitive environment. The national lockdown in March 2020 had a continuous impact on the higher education sector, including Kingston University. The University responded quickly to shift the focus to accommodate extensive changes to the delivery of student teaching, staff working and the operation of safe campuses. In spite of these pressures, Kingston University continued to improve its academic and financial performance.

University reputation

The University is positioned at 40 out of 121 institutions in the Guardian League table and is one of only eight London institutions in the top 50. This year, the University topped the ranking in London for fashion and textiles and nursing and midwifery, with second places in the capital for architecture, social work, film production and photography, and design and crafts. Sports science and journalism, publishing and public relations come in at number three across Universities 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. Kingston University achieved its highest rank for 10 years in the Complete University Guide, having risen 15 places joint 85 in the 2022 edition. Kingston University has outperformed the sector in a number of areas and maintained its position against competitors in this year's National Student Survey.

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.

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; and
- 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.

8 STAFF (continued)

Higher paid employees (including Vice-Chancellor)	2020/21	2019/20
	No.	No.
£280,001 - £285,000	1	-
£265,001 - £270,000	-	1
£200,001 - £205,000	1	-
£180,001 - £185,000	1	-
£155,001 - £160,000	1	-
£150,001 - £155,000	1	2
£145,001 - £150,000	1	1
£140,001 - £145,000	1	-
£135,001 - £140,000	-	1
£130,001 - £135,000	2	1
£125,001 - £130,000	-	1
£120,001 - £125,000	-	1
£115,001 - £120,000	3	2
£105,001 - £110,000	2	4
£100,001 - £105,000		1

Compensation for loss of office:

Staff costs include compensation payable to 147 employees (2020: 50)

£000s	£000s
539	68

The average number of persons employed by the University, expressed as full-time equivalents was:
Executive, senior and academic staff
Research, language and teaching assistants
General and professional staff
•

Consolidated	University	Consolidated	University
2020/21	2020/21	2019/20	2019/20
No.	No.	No.	No.
790	790	781	781
22	22	34	34
1,006	810	1,010	799
1,818	1,622	1,825	1,614

	2020/21	2019/20
Pay ratios Pay ratios	£000s	£000s
Basic salary ratio	7.2	6.5
Total remuneration ratio	7.2	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.

2020/21	2019/20	
£000s	£000s	
2,617	2,364	

Key management personnel costs

The total sum of £1,049 (2020: £2,437) was claimed as expenses by three (2020: six) members of the Board of Governors during 2020/2021. 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.

9 INTEREST & OTHER FINANCE COSTS

	Consolidated	University	Consolidated	University
	2020/21	2020/21	2019/20	2019/20
	£000s	£000s	£000s	£000s
On loans	2,717	2,717	2,912	2,843
On service concession arrangement	3,103	3,103	3,063	3,063
On finance leases	169	169	548	548
	5,989	5,989	6,523	6,454
Net interest on net defined benefit liability	1,992	1,934	1,801	1,801
	7,981	7,923	8,324	8,255

10 ANALYSIS OF TOTAL EXPENDITURE BY CATEGORY

	Consolidated	University	Consolidated	University
	2020/21	2020/21	2019/20	2019/20
	£000s	£000s	£000s	£000s
Academic and related expenditure	102,448	102,349	104,106	104,105
Administration and central services	39,730	40,539	39,500	39,500
Premises (including service concession cost)	32,152	32,662	28,623	29,102
Residences, catering and conferences	10,456	9,385	10,012	10,385
Research grants and contracts	2,485	2,486	3,017	3,017
Other expenses	12,760	13,273	14,327	12,995
	200,031	200,694	199,585	199,104
Other operating expenses include:				
External auditors remuneration - audit services	102	81	105	89
External auditors remuneration - non-audit services	13	13	12	12
Operating lease rentals:				
Land and buildings	1,694	1,694	1,837	1,837

11 ACCESS & PARTICIPATION PLAN EXPENDITURE

	Consolidated	University	Consolidated	University
	2020/21	2020/21	2019/20	2019/20
	£000s	£000s	£000s	£000s
Access investment	902	902	783	783
Financial support provided to students	1,854	1,854	1,655	1,655
Support for disabled students	325	325	424	424
Research and evaluation	152	152	132	132
	3,233	3,233	2,994	2,994

Included above are staff costs of £807,758 (2020: £779,171) which are 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 2021 was £2,834,788 (2020: £2,448,555). Actual spend was higher than planned expenditure due to unplanned privately funded 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/.

12 INTANGIBLE ASSETS

CONSOLIDATED & UNIVERSITY	CONS	DLIDATE) & UNI\	/ERSITY
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Software	2020/21
	£000s
Cost	•
Balance as at 31 July 2020	22,156
Additions	1,845
Transfer from tangible assets	167
Balance as at 31 July 2021	24,168
Amortisation	
Balance as at 31 July 2020	11,293
Amortisation	3,437
Balance as at 31 July 2021	14,730
Net Book Value	
Balance as at 31 July 2021	9,438
Balance as at 31 July 2020	10,863

13 TANGIBLE ASSETS

CONSOLIDATED & UNIVERSITY

			Service Concession	Plant,	Assets			
	Freehold	Freehold	Arrangement	Machinery,	Under	Heritage	Investment	
	Land	Buildings	Land/Buildings	Equipment	Construction	Assets	property	Total
Cost or Valuation	£000s	£000s	£000s	£000s	£000s	£000s	£000s	£000s
	20008	£000S	£000S	20005	£000S	20005	£000S	2,0005
Balance as at 31 July 2020	400 700	202.040	7.000	07.044		0.040	5,000	405.055
Cost	138,780	303,848	7,668	37,611	-	2,348	5,000	495,255
Additions	-	2,785	-	2,557	805	-	-	6,147
Disposals	-	(11,744)	-	(1,128)	-	-	-	(12,872)
Transfer to intangible assets	-	-	-	(167)	-	-	-	(167)
Balance as at 31 July 2021	138,780	294,889	7,668	38,873	805	2,348	5,000	488,363
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	-	172,885	2,488	38,873	805	1,511	5,000	221,562
	138,780	294,889	7,668	38,873	805	2,348	5,000	488,363
Depreciation								
Balance as at 31 July 2020	-	39,577	920	30,452	-	395	-	71,344
Charge in year	-	8,856	153	3,026	-	15	-	12,050
Disposals	-	(1,027)	-	(1,128)	-	-	-	(2,155)
Balance as at 31 July 2021	-	47,406	1,073	32,350	-	410	-	81,239
Net Book Value								·
Balance as at 31 July 2021	138,780	247,483	6,595	6,522	805	1,938	5,000	407,124
Balance as at 31 July 2020	138,780	264,271	6,748	7,159	-	1,953	5,000	423,911

Reconciliation of net book value to historic cost method

 Net Book Value
 Balance as at 31 July 2021
 407,124

 Revaluation reserve
 223,735

 Historic cost NBV
 Balance as at 31 July 2021
 183,389

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.

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.

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 in November 2003 and the contract will finish in 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 2021 is £6,594,480 (2020: £6,747,840). The movement in depreciation in the year is £153,360 (2020: £153,360).

The total liabilities relating to the service concession included in the Balance Sheet as at 31 July 2021 were £20,896,512 (2020: £20,671,571). The value of the movement in liability for 2020/21 was £224,942.

Future commitments

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

	Payable in	Payable in Pa	yable after	
	1 year	2-5 years	5 years	Total
	£'000s	£'000s	£'000s	£'000s
Liability repayments	(172)	72	20,996	20,896
Finance Charge	3,137	12,703	27,779	43,619
Service charge	772	3,328	12,705	16,805
	3,737	16,103	61,480	81,320
•	772	3,328	12,705	16,805

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.

The capital consideration of £23.7m in the prior year represented 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 included the future income that the University will receive during the construction period, and this was included in the measurement of the loss on the disposal of the buildings. The future income retained by the University was 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.

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 2021		Year ended 31	July 2020
	£'000s	£'000s	£'000	£'000
Income and expenditure account				
Income	<u>-</u>	18,911	<u> </u>	16,035
Surplus	-	4,662	. <u> </u>	2,577
Balance sheet				
Fixed assets	847		878	
Current assets	6,960		4,817	
	_	7,807	· _	5,695
Creditors: amounts due within one year	(1,792)		(1,872)	
Creditors: amounts due after more than one year	(107)		-	
	-	(1,899)		(1,872)
Share of net assets	-	5,908	. <u>-</u>	3,823

17 INVESTMENTS

	Shares in		
	Subsidiary	Other	
	Undertakings	Investments	Total
	£000s	£000s	£000s
CONSOLIDATED			
At 1 August 2020		3,028	3,028
Additions in year		10	10
At 31 July 2021		3,038	3,038
			_
UNIVERSITY			
At 1 August 2020	8,994	135	9,129
Additions in year	200	10	210
At 31 July 2021	9,194	145	9,339

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

Subsidiary	Main Business	% owned	Ownership
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 (note 15)	Educational support services	100%	Indirect

All the above entities are incorporated in England and Wales.

All the above entities have a registered office at River House, 53-57 High St, Kingston upon Thames, Surrey, KT1 1LQ except for Kingston University Enterprises Llmited which is registered at Hind Court, 106-114 London Rd, Kingston upon Thames, Surrey, KT2 6TN.

18 DEBTORS	Consolidated	University	Consolidated	University
	2020/21	2020/21	2019/20	2019/20
	£000s	£000s	£000s	£000s
Amounts falling due within one year:				
Trade and student receivables	4,396	4,327	5,575	5,539
Amounts owed by subsidiary undertakings	-	13	-	-
Accrued income	1,567	1,553	1,465	1,368
Other debtors	6,057	6,057	52	51
Prepayments	6,224	6,177	6,143	6,104
	18,245	18,127	13,235	13,062
Amounts falling due after more than one year:				
Other debtors (recoverable pension asset)	4,889	4,889	4,801	4,801
Other debtors (deferred consideration-note 15)		-	10,213	10,213
	4,889	4,889	15,014	15,014
	23,134	23,017	28,249	28,076
19 CURRENT ASSET INVESTMENTS	Consolidated	University	Consolidated	University
	2020/21	2020/21	2019/20	2019/20
	£000s	£000s	£000s	£000s
Term deposits	35,020	30,020	6,013	1,005

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	Consolidated	University	Consolidated	University
DUE WITHIN ONE YEAR	2020/21	2020/21	2019/20	2019/20
	£000s	£000s	£000s	£000s
Obligations under finance leases (note 22)	518	518	497	497
Bank loans (note 22)	1,632	1,632	2,046	2,046
Trade creditors	4,233	4,179	3,292	3,125
Other creditors including tax and social security	17,211	17,004	12,364	12,177
Accruals	11,783	11,396	9,300	9,054
Tuition fees in advance	5,090	5,090	8,143	8,143
Deferred income	6,149	6,149	5,161	5,127
Deferred capital grants	1,603	1,603	1,610	1,610
	48,220	47,571	42,413	41,779

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
2020/21	2020/21	2019/20	2019/20
£000s	£000s	£000s	£000s
2,915	2,915	1,725	1,725

Deferred grant income

CREDITORS - AMOUNTS FALLING C

DUE AFTER MORE THAN	Consolidated	University	Consolidated	University
ONE YEAR	2020/21	2020/21	2019/20	2019/20
	£000s	£000s	£000s	£000s
Obligations under finance leases (note 22)	-	-	518	518
Service concession arrangements (note 15)	20,896	20,896	20,672	20,672
Bank loans (note 22)	59,303	59,303	60,938	60,938
Other loans	326	326	326	326
Deferred capital grants	11,085	11,085	11,148	11,148
Deferred income	12,582	12,582	12,905	12,905
	104,192	104,192	106,507	106,507
		·		

BANK LOANS & FINANCE LEASES 22

BANK LOANS & FINANCE LEASES	Consolidated	University	Consolidated	University	
	2020/21	2020/21	2019/20	2019/20	
	£000s	£000s	£000s	£000s	
Bank loans					
Due within one year or on demand	1,632	1,632	2,046	2,046	
Due between one and two years	1,713	1,713	1,633	1,633	
Due between two and five years	8,234	8,234	5,432	5,432	
Due in five years or more	49,356	49,356	53,873	53,873	
Due after more than one year	59,303	59,303	60,938	60,938	

60,935

60,935

62,984

62,984

Total unsecured bank loans

Obligations under finance leases				
Due within one year or on demand	518	518	665	665
Due after more than one year:				
Between one and two years	-	-	688	688
Total obligations under finance leases	518	518	1,353	1,353
Less finance charges allocated to future periods	-	-	(338)	(338)
Total secured obligations under finance leases	518	518	1,015	1,015

Analysis of terms of repayment and rates of interest

Lender	Amount outstanding £000s	Term	Interest rate
Roodhill Leasing (Middle Mill)	518	01/04/2022	7.50%
Barclays	20,935	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 2021, no amounts had been drawn down.

23 PROVISIONS FOR LIABILITIES

Consolidated	Pension F	Provision	Obligations to fund deficit on pension	Total Pensions
	LGPS	LPFA	USS	Provisions
	£'000	£'000	£'000	£'000
At 1 August 2020	133,304	4,830	1,101	139,235
Charged to statement of comprehensive income:	10,746	(532)	(144)	10,070
Actuarial gain	(7,384)	(1,212)	-	(8,596)
At 31 July 2021	136,666	3,086	957	140,709
University	Pension F	Provision	Obligations to fund deficit on pension	Total Pensions
University	Pension F	Provision LPFA	fund deficit	
University			fund deficit on pension	Pensions
University At 1 August 2020	LGPS	LPFA	fund deficit on pension USS	Pensions Provisions
	LGPS £'000	LPFA	fund deficit on pension USS £'000	Pensions Provisions £'000
At 1 August 2020	LGPS £'000	LPFA	fund deficit on pension USS £'000	Pensions Provisions £'000

Refer to note 30 for pension scheme details.

24 ENDOWMENT & RESTRICTED RESERVES

	2020/21	2019/20
	£000s	£000s
Endowment fixed assets	1,115	1,175
Endowment cash	50	50
Restricted reserve cash	1,383	1,434
	2,548	2,659

25 OPERATING LEASE COMMITMENTS

	2020/21 Land and	2019/20 Land and
Total rentals payable under operating leases:	Buildings £000s	Buildings £000s
Total Terrials payable under operating reases.	20003	20003
Payable during the year:	1,850	1,932
Future minimum lease payments due:		
Not later than 1 year	1,267	1,837
Later than 1 year and not later than 5 years	3,803	4,042
Later than 5 years	14,948	15,587
	20,018	21,466
	21,868	23,398
26 CAPITAL COMMITMENTS - CONSOLIDATED & UNIVERSITY	2020/21	2019/20
	£000s	£000s
Capital expenditure contracted that has not been provided for	2,412	574

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	TRA bursaries	Nursery Placement Bursary
£000s	£000s	£000s
20	00 18	4
	- 1,385	244
(12	8) (50)	(4)
(8) (1,304)	(242)
	64 49	2
	£000s 20 (12	£000s £000s

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

28 RELATED PARTY TRANSACTIONS

Board of Governors

During the year grants of £1,116k (2020: £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.

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 £532k (2020: £495k) were made during the year in relation to franchised arrangements. Jenny Higham stood down as a member of the Kingston University Governing Body on 30th June.

Senior Management Team

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

Payments in respect of services provided to the University totalling £nil (2020: £274k) were made to the Kingston Theatre Trust, an organisation in which the Dean of the Kingston School of Art was appointed trustee in January 2021. For the previous period the Deputy Vice-Chancellor was a trustee.

2020/24

29 CONSOLIDATED RECONCILIATION OF NET DEBT

	2020/21
	£'000
Net debt 1 August 2020	7,833
Movement in cash and cash equivalents	2,686
Cash movement in borrowings	(2,546)
Other non cash changes	224
Net debt 31 July 2021	8,197
Change in net debt	364

Analysis of net debt:	2020/21 £'000	2019/20 £'000
Cash and cash equivalents	74,152	76,838
Borrowings: amounts falling due within one year		
Unsecured loans (Note 22)	1,632	2,046
Obligations under finance leases (Note 22)	518	497
	2,150	2,543
Borrowings: amounts falling due after more than one year		
Service concession liabilities due after one year (note 15)	20,896	20,672
Obligations under finance lease (Note 22)	-	518
Unsecured loans (Note 22)	59,303	60,938
	80,199	82,128
Net debt	8,197	7,833

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. 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 £318k (31 July 2020: £310k). 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):

	£000s
LGPS	15,823
TPS	9,101
USS	280
LPFA	(280)
Legal & General	217
Prudential	50
Aviva	7
Total pension cost	25,198

2020/21

(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 charged to the income and expenditure account is £281,120 (2020: credit £944,878). Deficit recovery contributions due within one year for the institution are £45,609 (2020: £44,700).

The latest available completed 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%.

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:

2018 valuation

Mortality base table Pre-retirement:

71% of AMC00 (duration 0) for males and 112% of AFC00 (duration 0) for females

Post retirement:

97.6% of SAPS S1NMA "light" for males and 102.7% of RFV00 for females

Future improvements to mortality 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:

	2021	2020
Males currently aged 65 (years)	24.6	24.4
Females currently aged 65 (years)	26.1	25.9
Males currently aged 45 (years)	26.6	26.3
Females currently aged 45 (years)	27.9	27.7

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 2021 deficit recovery liability reflects this plan. The liability figures have been produced using the following assumptions:

	2021	2020
Discount rate	0.89%	0.74%
Pensionable salary growth	3.0%	3.0%

30 PENSION SCHEMES (continued)

(ii) Local Government Pension Scheme (LGPS)

Retirement Benefits Disclosure for the accounting period ending 31 July 2021 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 2021. The date of the last triennial valuation was 31 March 2019.

Assumptions

Financial assumptions used to calculate scheme liabilities under FRS102 are:	At 31 July	At 31 July
	2021	2020
	%pa	%ра
Rate of increase in salaries	3.2	2.5
Rate of increase of pensions	2.8	2.1
Discount rate	1.6	1.4

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.

Pensioner	Males	Females
Current pensioners	21.9 years	24.3 years
Future pensioners	23.0 years	26.2 years

	At 31 July	At 31 July
	2021	2020
Reconciliation of movement in the fair value of plan assets	£000s	£000s
Opening position	253,970	269,032
Interest on plan assets	3,570	5,682
Plan participants' contributions	2,343	2,170
Employer contributions	7,385	7,354
Contributions in respect of unfunded benefits	2	2
Benefits paid	(7,375)	(7,575)
Unfunded benefits paid	(2)	(2)
Return on assets excluding amounts included in net interest	52,301	(22,693)
Closing position	312,194	253,970

	At 31 July	At 31 July
	2021	2020
Reconciliation of the present value of the defined benefit obligation	£000s	£000s
Opening position	387,273	349,418
Current service cost	16,197	13,754
Past service cost (including curtailments)	-	112
Interest cost on defined benefit obligation	5,496	7,442
Plan participants contributions	2,343	2,170
Benefits paid	(7,375)	(7,575)
Unfunded benefits paid	(2)	(2)
Changes in demographic assumptions	5,542	8,455
Change in financial assumptions	44,499	30,858
Other experience	(5,114)	(17,359)
Closing position	448,859	387,273

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	At 31 July
	2021	2020
	£000s	£000s
Service cost		_
- Current service cost	(16,197)	(13,754)
- Past service cost		(112)
Total service cost	(16,197)	(13,866)
Net interest		
- Interest income on plan assets	3,570	5,682
- Interest cost on defined benefit obligation	(5,496)	(7,442)
Total net interest	(1,926)	(1,760)
Total defined benefit cost recognised in profit or (loss)	(18,123)	(15,626)
	At 31 July	At 31 July
	2021	2020
Remeasurements	£000s	£000s
- Change in demographic assumptions	(5,542)	(8,455)
- Change in financial assumptions	(44,499)	(30,858)
- Other experience	5,114	17,359
- Return on assets excluding amounts included in net interest	52,301	(22,693)

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 2021 is estimated to be 20.3%. The actual returns for this period were 21.9%.

7,374

(44,647)

The estimated split of assets as at 31 July 2021 is as shown below:

Total remeasurements recognised in Other Comprehensive Income

	At 31 July	At 31 July
	2021	2020
Equities	72%	74%
Bonds	14%	17%
Property	6%	4%
Cash	8%	5%
Total	100%	100%

30 PENSION SCHEMES (continued)

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

Retirement Benefits Disclosure for the accounting period ending 31 July 2021

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 2021. 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	At 31 July
	2021	2020
	%pa	%pa
Rate of increase in salaries	n/a	2.65
Rate of increase of pensions	2.85	2.30
Discount rate	1.55	1.30

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	20.9 years	23.6 years
Retiring in 20 years	22.3 years	25.4 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 2021 is estimated to be 13.41%. The actual return on Fund assets over the year may be different.

The estimated asset allocation for KUSCO (Kingston University Service	At 31 July	
Company Ltd) as at 31 July 2020 is as follows:	2021	
	£000s	%
Equities	6,072	56%
Target return portfolio	2,337	22%
Infrastructure	948	9%
Property	903	8%
Cash	560	5%
Total	10,820	100%

30 PENSION SCHEMES (continued)

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

Reconciliation of the opening & closing balances of the present value	At 31 July	At 31 July
of the defined benefit obligation	2021	2020
	£000s	£000s
Opening defined benefit obligation	14,275	12,838
Interest cost	182	258
Change in financial assumptions	473	1,628
Change in demographic assumptions	(209)	102
Experience loss on defined benefit obligation	(326)	(72)
Estimated benefits paid net of transfers in	(489)	(479)
Closing defined benefit obligation	13,906	14,275
	At 31 July	At 31 July
	2021	2020
	£000s	£000s
Analysis of movement in the fair value of scheme assets		
Opening fair value of Fund assets	9,445	9,480
Interest on assets	124	189
Return on assets less interest	1,150	302
Other actuarial gains/(losses)	-	(35)
Administrative expenses	(12)	(12)
Contributions by employer including unfunded	602	-
Estimated benefits paid plus unfunded net of transfers in	(489)	(479)
Closing fair value of Fund assets	10,820	9,445
Total cost of amounts in Statement of Comprehensive	At 31 July	At 31 July
Income as an expense	2021	2020
	£000s	£000s
Net interest on the defined liability	58	69
Administrative expenses	12	12
Total costs	70	81
Pom equirements		
Remeasurements	4 4 5 0	200
- Return on Fund assets in excess of interest	1,150	302
Other actuarial gains/(losses)	-	(35)
- Change in financial assumptions	(473)	(1,628)
- Change in demographic assumptions	209	(102)
- Experience loss on defined benefit obligation	326	72
Total remeasurements recognised in Other Comprehensive Income	1,212	(1,391)

31 FINANCIAL RESPONSIBILITY SUPPLEMENTAL SCHEDULE

		2020/21		2019/20	
Expendable Net Assets		£'(000	£'0	00
Statement of Financial Position - Net assets without donor restrictions	Net assets without donor restrictions		256,347		258,230
Statement of Financial Position - Net assets with donor restrictions	Net assets with donor restrictions		2,548		2,659
Statement of Financial Position - Related party	Secured and Unsecured related party				
receivable and Related party note disclosure	receivable	-		_	
Statement of Financial Position - Related party	Unsecured related party receivable		-		-
receivable and Related party note disclosure					
Statement of Financial Position - Property, Plant and equipment, net	Property, plant and equipment, net (includes Construction in progress)	400,529		417,163	
Note of the Financial Statements - Statement of			394,382		397,960
Financial Position - Property, plant and	implementation		001,002		001,00
equipment - pre-implementation	implementation				
Note of the Financial Statements - Statement of	Property, plant and equipment - post-		_		
Financial Position - Property, plant and	implementation with outstanding debt				
equipment - post-implementation with	for original purchase				
outstanding debt for original purchase	ioi oliginai parollaso				
Note of the Financial Statements - Statement of	Property plant and equipment post		5,342		9,27
Financial Position - Property, plant and	implementation without outstanding		3,342		9,21
equipment - post-implementation without	debt for original purchase				
equipment - post-implementation without outstanding debt for original purchase	deprior original purchase				
Note of the Financial Statements - Statement of	Construction in progress		805		9,92
Financial Position - Construction in progress	Construction in progress		805		9,92
Statement of Financial Position - Lease right-of-	Lease right-of-use asset, net	6,595		6,748	
use assets, net					
Note of the Financial Statements - Statement of	Lease right-of-use asset pre-		6,595		6,74
Financial Position - Lease right-of-use asset	implementation				
ore-implementation					
Note of the Financial Statements - Statement of	Lease right-of-use asset post-		-		-
Financial Position - Lease right-of-use asset	implementation				
post-implementation					
Statement of Financial Position - Goodwill	Intangible assets		9,438		10,86
Statement of Financial Position - Post-	Post-employment and pension		140,709		139,23
employment and pension liabilities	liabilities		,		.00,20
Statement of Financial Position - Note Payable	Long-term debt - for long term	60,935		62,984	
and Line of Credit for long-term purposes (both	purposes	,		0=,00	
current and long term) and Line of Credit for	pa.pssss				
Construction in process					
Statement of Financial Position - Note Payable	Long-term debt - for long term		60,935		62,98
and Line of Credit for long-term purposes (both	purposes pre-implementation		00,000		02,00
current and long term) and Line of Credit for	purposes pre implementation				
Construction in process					
Statement of Financial Position - Note Payable	Long-term debt - for long term		-		
and Line of Credit for long-term purposes (both	purposes post-implementation		_		-
current and long term) and Line of Credit for	purposes post-implementation				
9 /					
Construction in process Statement of Financial Position - Note Payable	Line of Condition Construction in				
•	Line of Credit for Construction in		-		-
and Line of Credit for long-term purposes (both	process				
ourrent and long term) and Line of Cradit for					
current and long term) and Line of Credit for					
Construction in process	I and which of the case of the latter	00.000		00.070	
Construction in process Statement of Financial Position - Lease right-of-	Lease right-of-use asset liability	20,896		20,672	
Construction in process Statement of Financial Position - Lease right-of- use asset liability		20,896		20,672	
Construction in process Statement of Financial Position - Lease right-of- use asset liability Statement of Financial Position - Lease right-of-	Pre-implementation right-of-use	20,896	20,896	20,672	20,67
Construction in process Statement of Financial Position - Lease right-of- use asset liability Statement of Financial Position - Lease right-of- use asset liability pre-implementation	Pre-implementation right-of-use leases	20,896		20,672	20,67
Construction in process Statement of Financial Position - Lease right-of- use asset liability Statement of Financial Position - Lease right-of- use asset liability pre-implementation Statement of Financial Position - Lease right-of-	Pre-implementation right-of-use leases Post-implementation right-of-use	20,896	20,896	20,672	20,67
Construction in process Statement of Financial Position - Lease right-of- use asset liability Statement of Financial Position - Lease right-of- use asset liability pre-implementation Statement of Financial Position - Lease right-of- use asset liability post-implementation	Pre-implementation right-of-use leases Post-implementation right-of-use leases	20,896		20,672	
Construction in process Statement of Financial Position - Lease right-of- use asset liability Statement of Financial Position - Lease right-of- use asset liability pre-implementation Statement of Financial Position - Lease right-of- use asset liability post-implementation	Pre-implementation right-of-use leases Post-implementation right-of-use	20,896		20,672	
Construction in process Statement of Financial Position - Lease right-of- use asset liability Statement of Financial Position - Lease right-of- use asset liability pre-implementation Statement of Financial Position - Lease right-of- use asset liability post-implementation Statement of Financial Position - Annuities	Pre-implementation right-of-use leases Post-implementation right-of-use leases	20,896	-	20,672	-
Construction in process Statement of Financial Position - Lease right-of- use asset liability Statement of Financial Position - Lease right-of- use asset liability pre-implementation Statement of Financial Position - Lease right-of-	Pre-implementation right-of-use leases Post-implementation right-of-use leases Annuities with donor restrictions	20,896	-	20,672	-
Construction in process Statement of Financial Position - Lease right-of- use asset liability Statement of Financial Position - Lease right-of- use asset liability pre-implementation Statement of Financial Position - Lease right-of- use asset liability post-implementation Statement of Financial Position - Annuities Statement of Financial Position - Term endowments	Pre-implementation right-of-use leases Post-implementation right-of-use leases Annuities with donor restrictions Term endowments with donor	20,896	-	20,672	-
Construction in process Statement of Financial Position - Lease right-of- use asset liability Statement of Financial Position - Lease right-of- use asset liability pre-implementation Statement of Financial Position - Lease right-of- use asset liability post-implementation Statement of Financial Position - Annuities Statement of Financial Position - Term	Pre-implementation right-of-use leases Post-implementation right-of-use leases Annuities with donor restrictions Term endowments with donor restrictions	20,896	- - -	20,672	- -
Construction in process Statement of Financial Position - Lease right-of- use asset liability Statement of Financial Position - Lease right-of- use asset liability pre-implementation Statement of Financial Position - Lease right-of- use asset liability post-implementation Statement of Financial Position - Annuities Statement of Financial Position - Term endowments Statement of Financial Position - Life Income	Pre-implementation right-of-use leases Post-implementation right-of-use leases Annuities with donor restrictions Term endowments with donor restrictions Life income funds with donor	20,896	- - -	20,672	-

31 FINANCIAL RESPONSIBILITY SUPPLEMENTAL SCHEDULE (continued)

		2020/21	2019/20	
Total Expenses and Losses		£'000	£'000	
Statement of Activities - Total Operating	Total expenses without donor		-	
Expenses (Total from Statement of Activities	restrictions - taken directly from			
prior to adjustments)	Statement of Activities			
Statement of activities - Non-Operating	Non-Operating and Net Investment	(8,712)	45,653	
(Investment return appropriated for spending),	(loss)			
Investments, net of annual spending gain				
(loss), Other components of net periodic				
pension costs, Pension-related changes other				
than net periodic pension, changes other than				
net periodic pension, Change in value of split-				
interest agreements and Other gains (loss) -				
(Total from Statement of Activities prior to				
adjustments)				
Statement of activities - (Investment return	Net investment losses	(116)	(385)	
appropriated for spending) and Investments,				
net of annual spending, gain (loss)				
Statement of Activities - Pension related	Pension-related changes other than	-	-	
changes other than periodic pension	net periodic costs			
	·		J	
Modified Net Assets				
Statement of Financial Position - Net assets	Net assets without donor restrictions	256,347	258,230	
without donor restrictions				
Statement of Financial Position - total Net	Net assets with donor restrictions	2,548	2,659	
assets with donor restrictions				
Statement of Financial Position - Goodwill	Intangible assets	9,438	10,863	
Statement of Financial Position - Related party	Secured and Unsecured related party	-	-	
receivable and Related party note disclosure	receivable			
• •				
Statement of Financial Position - Related party	Unsecured related party receivable	-	-	
receivable and Related party note disclosure				
Modified Assets				
Statement of Financial Position - Total Assets	Total Assets	552,016	549,044	
Note of the Financial Statements - Statement of	Lease right-of-use asset pre-	6,595	6,748	
Financial Position - Lease right-of-use asset	implementation			
pre-implementation	·			
Statement of Financial Position - Lease right-of-	Pre-implementation right-of-use	20,896	20,672	
use asset liability pre-implementation	leases			
Statement of Financial Position - Goodwill	Intangible assets	9,438	10,863	
Statement of Financial Position - Related party	Secured and Unsecured related party	_	_	
receivable and Related party note disclosure	receivable		_	
receivable and related party note disclosure	Tecetvable			
Statement of Financial Position - Related party	Unsecured related party receivable	-	-	
receivable and Related party note disclosure				
Net Income Ratio	Louis Number of Marie Control	// 000	/50.51	
Statement of Activities - Change in Net Assets	Change in Net Assets Without Donor	(1,883)	(56,014	
Without Donor Restrictions	Restrictions	100.05=	100 ==	
Statement of Activities - (Net assets released	Total Revenue and Gains	189,325	189,274	
from restriction), Total Operating Revenue and				
Other Additions and Sale of Fixed Assets, gains				

(losses)

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