

# **Annual Accounts 2014–15**

## Financial Statements 2014-15

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## 1. Institution's strategy and objectives

### 1.1 Vision and mission

The University's strategic plan is driven by key vision, purpose and value statements.

Our Vision:

To be internationally recognised for a creative approach to education that has practical outcomes which benefit people and communities.

Our Purpose:

To develop potential, transform lives and improve the world around us. To be *Led by Learning* in all that we do: enabling others to learn, continually learning ourselves and pushing the boundaries of learning through teaching, research and enterprise and professional practice

We Value:

- Rigour, curiosity, excellence and originality
- Innovation, creativity and enterprise
- Consideration, courtesy and collegiality
- Breadth, diversity and individuality

### 1.2 Strategic plan

Under the leadership of Vice-Chancellor Professor Julius Weinberg, the University continues to respond to significant changes in higher education. Its key goals are grouped under the headings

- Learning, Enquiry and Practice
- Enriching lives
- Respect for individuals, communities and environment

This overarching strategy is underpinned by core academic strategies for education, research and enterprise and there are six further supporting strategies dealing with people, finance, estates, communications, information and civic engagement.

### 1.3 Financial strategy

The financial strategy supports *Led by Learning* and its aim is to ensure that the University's full economic costs are covered by its income, that sufficient reserves are maintained and that the liquidity position will meet the University's operating requirements.

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

- Historic cost surplus as a percentage of fees and funding (4% in any one year and 5% rolling three year basis)
- External borrowing as a multiple of averaged 6 year EBITDA set at a ceiling of 5.0
- Net liquidity of at least 90 days
- Borrowings not to exceed 40% of net assets excluding pension reserve

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**2. Achievements and successes**

**Recruitment**

The University has consistently achieved against its strategic objectives through to the end of 2014/15. Undergraduate recruitment in 2014/15 was over target and hence slowed the decline in all year's student numbers evident from the previous two years. There was a measure of flexing of our minimum tariff threshold for entry standards, though this only played a part in our final recruitment position. Verified data from the 13/14 entry shows tariff points at 299 essentially unchanged from the previous year but exceeding the short term target of 285. Early data from 14/15 suggests that despite flexing of minimum tariff thresholds for a few courses many maintained or increased average tariff points on entry resulting in a small increase in the University overall average.

**National Student Survey**

The results for 2015 have seen a very large improvement of 4% to 82%. This rate of increase was cited by the Times Higher as being among the fastest observed throughout the sector, and although the University remains well short of the sector average it compares favourably with most post-92 universities in London.

**Staff Development**

University staff development and training policy prioritised the themes of leadership, change and performance management throughout the year. Kingston rewards and recognises good performance and supports continuous improvement of all staff. To support this aim a review of staff feedback and the benchmarking of staff terms and conditions against the sector and wider markets was carried out.

**Equality and Diversity**

On equality and diversity 2014/15 was an important year for Kingston. The University was one of only eight universities which were bestowed the Race Charter Mark Bronze award. It is important to note that 21 universities applied for the bronze award, the highest award in this pilot programme run by the Equality Challenge Unit. We are also delighted to have been asked by the Higher Education Academy to lead collaboration with sector partners on the BME attainment gap. We envisage the new value added metric we are using and the approach we have taken will transform the way the BME attainment gap is discussed across the Higher Education (HE) sector. We are also pleased to note that the HEFCE awarded us £1.9 million to develop an outreach centre, which is anticipated to increase the number of female students in the under-represented areas of Science, Engineering and Mathematics and Medicine.

**Estates**

In terms of estates and infrastructure, the design and consultation effort associated with the new 10,000m<sup>2</sup> Town House at Penrhyn Road culminated in the receipt of planning consent on August 11<sup>th</sup> 2015. This will be a civic building which will engage with the Town and will accommodate a new library, providing excellent learning facilities for Penrhyn Road students at our largest campus.

**Research**

As far as research activity was concerned, the highlight of the past year has been the outcome of the REF which marked a significant step forward in the University's performance in research nationally. The quality rating of world leading and internationally excellent for 60% of its submission was a 100% improvement over the 2008 outcome and resulted in a rise of 19 places up the THE REF results league table from 91<sup>st</sup> to 72<sup>nd</sup>. This improvement has meant that, despite a reduction in the volume of staff submitted, funding has remained constant once inflation is factored in, with the University's recurrent research funding (QR) allocation from HEFCE for 2015/16 standing at £3.1m, compared with the 2014/15 level of £3.0m.

Applications and awards for external research funding have increased in value, by around 30% and 43% respectively. The Research Support Office has supported bids for just under £40M this year, a record total. Awards have totalled £3.4M, a significant improvement on last year. This was, in part, due to the resumption of EU research funding, under the Horizon 2020 grant scheme. This has attracted significant interest this year, with 37 bids (some with multiple stages) totalling over £13M in value to KU (excluding value to partners) having been submitted. We have also had awards

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success with the EU, with 2 significant awards, totalling just over £1m at KU between them, plus a smaller award under the new SPORT strand of the ERASMUS+ scheme. Other significant awards, also totalling around £1m were awarded by NIHR and the British Heart Foundation. These larger awards relate to personalised healthcare, roles in secondary caring optimising social work decision making, regulation of processes leading to cardiac failure and quality of experience in multimedia services. The introduction of a research management and incentivisation framework reviewed the research support provision across the university and proposed harmonisation and an increase in support provided for research funding applications. This should start to assist with bids in the New Year, with the effects being seen from 2016/17.

The University has also had considerable success for the second year running as part of its membership of two consortia (TECHNE and LDOC) for AHRC studentship funding, with 13 studentships being awarded in this year's competitions to the Faculties of Art, Design and Architecture and Arts & Social Sciences. This represents a total of £730k in funding, and builds on last year's success when 8 studentships valued at £405k were secured, bringing the total funding won to date through these consortia to over £1.1m. Given the highly competitive selection process for these awards, this is a notable achievement and augurs well for the future. The University has also been invited to join the University Alliance Doctoral Training Consortium on Allied Health Science, which will have its first intake of students in 2015/16.

### 3. Public benefit statement

Kingston University's legal status is that of a higher education corporation but it is also an exempt charity under the Education Reform Act 1988, s125A (as amended by the Charities Act 2011) and subject to monitoring by the Higher Education Funding Council for England (HEFCE) in its role as principal regulator under the terms of the Charities Act 2011, s25. These acts require the University to demonstrate clearly the public benefits it provides and that these are related to the aims of the University. The University has had due regard to the Charity Commission's guidance on public benefit.

As both a charity and a higher education corporation, the University makes a significant contribution to several of the charitable purposes set out in the Charities Act 2011, s3. In addition to the advancement of education these include:

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

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

To deliver its mission (outlined in 1.1) Kingston has developed as a comprehensive university – with a wide range of subjects taught at all levels and a diverse student body. The University is proud of its past as a polytechnic, from which enduring commitments to widening participation and vocational and professional preparation are derived. It is ambitious for its future as a university with a growing research reputation and international presence.

### 4. Civic engagement

Developing good relationships with and providing benefit for the community is enshrined at the heart of *Led by Learning*, which states that the University believes in 'respect for individuals, communities and our environment'. The strategy specifies that the University will work closely with local and regional communities to develop an engaged civic university and one of the University's six supporting strategies underpins this. A key to this is our role as a good citizen of the Royal Borough of Kingston, and of the mutual benefit we bring to each other, both of which are central to the numerous RBK and local bodies on which we sit, as well as at regular liaison meetings.

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The University's community-facing activity is diverse and occurs widely across the institution. It ranges from high-level strategic activity to work in the community. It includes staff and student volunteering, public events, and participation in a range of groups representing local and regional stakeholders to support and enhance local educational, business and cultural interests. We also directly support the local economy as RBK's largest employer with a large number of students, contributing an estimated £500m annually to the local economy.

We contribute our expertise in bids to secure funding for cultural and economic development. For instance, we were part of a Local Enterprise Partnership bid to regenerate the old Post Office as an incubator for the creative industries, which is going forward with other funding. The University is a partner, with Kingston Council and Kingston College in developing a new secondary school in North Kingston, which has now opened.

The University's academics and researchers provide knowledge and expertise to local organisations such as the mapping exercise of the creative industries in Kingston sponsored by Creative Kingston.

Every year more than 6,000 students graduate from the University, providing a much-needed skilled workforce for the region. The University is very proud that the Business and Community Interaction Survey regularly shows that Kingston graduates again generated the most start-up companies of any UK HE institution. The above mentioned incubator will support this.

The University contributes significantly to the region's cultural, educational and social life through public lectures, exhibitions and performances and by opening up its sporting, health, conference and specialist facilities to local residents, businesses and community organisations. We support the Rose Theatre and the International Youth Arts Festival financially. Our major estate development on Penrhyn Road, the Town House, will help provide a gateway to that part of Kingston, creating a second landmark across from Surrey County Hall.

Staff and students offer some 3,500 hours of service to good causes each year through an award-winning volunteering scheme run by the Students' Union. The University also has an extensive programme of school visits, offering educational support and encouraging local children to aim for university, particularly those whose family have no previous experience of higher education.

The University is committed to sustainable development, which is written in to our Estates and other strategies.

Kingston's commitment to diversity and inclusion includes promotion of activities in the community through its membership of the Executive Board of Kingston Race Equality Council (KREC). This year this has included the development of a strategic plan to support the diverse communities in Kingston with a particular emphasis on the integration of new refugees.

In 2014/15, the University disbursed £676k to 338 new entrants (£2,000 per student) under the Government's National Scholarship (NSP) Programme and £842k to 421 students for the Kingston Bursary (£2,000 per student) with both schemes branded as The Kingston Bursary. A total of £1.24m disbursed to 1,058 students who met the University's eligibility criteria for additional student support. In 2014/15 the University also allocated a total of £1.43m progression scholarships which were allocated to students who in the previous year had been in receipt of the NSP or Kingston bursary. The progression scholarships awarded were based on a student's average mark and were allocated as follows:

Band 1 (£1,500 – average mark 70%+):	280 students totalling £420k
Band 2 (£1,000 – average mark 60–69%):	684 students totalling £684k
Band 3 (£500 – average mark 50–59%):	667 students totalling £333.5k

## 5. Regulatory and competitive environment

The University's main sources of income reflect the nature of the regulatory and competitive environment in which it operates. In 2014/15 84.5% of its income (84.5% in 2013/14) came from funding agencies' grants, tuition fee income and education contracts. The major proportion of this income, 75.2% (75.4% in 2013/14) relates to teaching income, both funding and fees, for the provision of education to full-time UK and EU students. The student numbers are regulated through contracts with the funding agencies, mainly HEFCE, who will determine the number of students eligible for

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funding. The University must meet student number controls to avoid financial penalties. HEFCE exercises much of this regulation through the Memorandum of Assurance and Accountability. In 2014/15, 13.9% of income (13.9% in 2013/14) came from overseas students. The Government regulates the number of overseas students via UK Visa and Immigration Agency controls.

Kingston University, through its joint arrangement with St George's, University of London, operates the Faculty of Health, Social Care and Education. The Faculty delivers innovative training programmes in pre-registration adult nursing, midwifery and physiotherapy alongside a range of programmes contracted by NHS London. In 2014/15, 4.2% of University income (4.2% in 2013/14) was generated from NHS contracts.

#### 6. Analysis of financial position

The overall financial position of the University continues to be strong, with a sustainable surplus at a similar level to 2013/14. The balance sheet and liquidity position remain strong during a transition period following the introduction of higher fees and ahead of a significant investment programme.

	Target	2014/15	2013/14
Surplus as % fee and funding income	>4%	12.0%	7.9%
Annualised servicing costs as a % of income	<4%	272 days	246 days
Net liquidity (days)	>90 days	1.61	1.68
External borrowings as a multiple of EBITDA	<4.0	0.1	0.2

The financial statements comprise the results of the activities channelled through the University as a legal entity and give the consolidated results of the University and its subsidiary companies – Kingston University Service Company Limited (KUSCO), Kingston University Enterprises Limited (KUEL) and Kingston University Campus Enterprises Limited (KUCEL). KUSCO provides certain support services to the University and its subsidiaries. KUEL undertakes activities which, for legal or commercial reasons, are more appropriately channelled through a limited company. KUCEL was established to further develop conference and vacation letting activity. The statements also include share of the revenue, costs, assets and liabilities from the joint arrangement in Health, Social Care and Education with St George's, University of London.

#### Overview of the financial result for the year

The University's financial performance for the year to 31 July 2015 is summarised as follows:

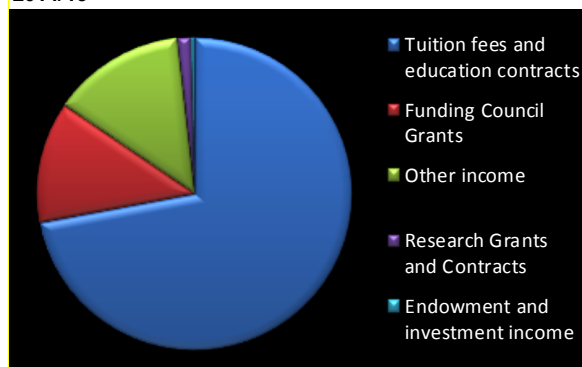
	2014/15	2013/14
	£'000	£'000
Total Income	213,085	205,463
Total Expenditure	194,625	193,975
Historic cost surplus	19,167	12,196
Cashflow from operating activities	28,260	29,333
Cash at Bank and in hand	135,215	122,836
Increase in net assets excluding pensions liability	19,071	12,455
Increase in total reserves excluding pensions liability	11,205	13,167

The total income of £213m is mainly received from two sources; HEFCE income and tuition fees. An analysis of the income is shown in the chart below:

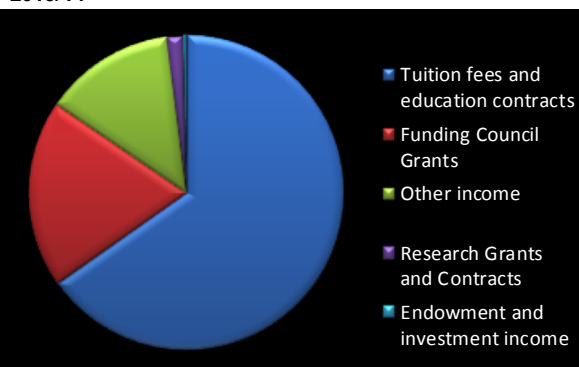
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2014/15



2013/14



The total income level remains broadly constant although the movement between the income categories from 2013/14 are as follows:

Movement in income:		£'000
Decrease in funding council grants		-12,934
Increase in tuition fees and education contracts		19,461
Other movements		1,095
Increase in income		7,622

The decrease in HEFCE funding and the increase in tuition fees results from the phasing out of old regime students who enrolled prior to 2012/13. The headline fee for undergraduate students was £9,000 (£8,750 in 2013/14) with HEFCE funding applied to high cost subjects.

The total expenditure of £194,229k is categorised as follows:

2014/15



2013/14



Total expenditure increased over 2013/14 by £650k which included the following movements:

Movement in expenditure		£'000
Decrease in staff costs		-1,159
Increase in other operating expenses		2,219
Decrease in interest payable		-1,602
Increase in depreciation charge		1,192
Increase in expenditure		650



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The decrease in staff costs of £1.1m represents salary cost inflation of £1.9m, offset by a staff reduction of 67 FTEs (£3.3m). The increase in other operating expenses represents increased costs on repairs and general maintenance of £1.4m and other expenses of £1.8m which is offset by reductions in student bursaries of £0.9m. The reduction in interest payable of £1.6m arises from the pension scheme adjustment arising from accounting standard FRS17 (Retirement Benefits).

#### Capital expenditure

Expenditure on fixed assets totalled £13.8m, £6.9m on freehold buildings and £6.9m on plant, machinery and equipment. The improvements to buildings included refurbishment of the Clatter lecture theatre and refurbished premises for the Students' Union. The expenditure on equipment included the provision of new end point devices as part of the New Information Infrastructure programme. The University has also spent almost £6.3m during the year on estate maintenance.

#### Treasury management

Performance against the financial strategy KPIs relating to liquidity and borrowing capacity are summarised as follows:

	Target	2014.15	2013.14
Net liquidity (days)	>90 days	272 days	246 days
External borrowings as a multiple of average 6 year EBITDA	<5.0	1.61	1.68

Cash generated from operations amounted to £28.2m (£29.3m in 2013/14) with a year-end cash balance of £135.2m (£122.8m in 2013/14). The average cash balance over the year was £129m. The treasury management policy specifies the parameters within which surplus funds can be invested in terms of financial standing of the institutions and monetary value and there is a clear process to handle variations to this policy when it is necessary. All excess balances are invested with secure UK and European banks over a range of deposits from call accounts to 12-month placements.

The University's long-term debt amounts to £42.2m, summarised in the table below:

	Rate	Outstanding amount £m	Repayment date
Barclays loan	4.84%	34.7	30.9.20
Finance leases	7.5%	7.5	1.4.19 to 1.4.22

The Barclays loan funded the first stage of the campus development plan which is now substantially complete. On 31 July 2015 the University entered into a new loan with Barclays Bank for an additional £40m at a rate of 3.31% over a period of 15 years. The new loan is scheduled to be drawn down in three tranches as follows: £10m on 31/01/16; £15m on 31/07/16; £15m on 31/01/17. The existing loan above has been consolidated into the new loan with a resultant composite rate of 4.49%.

The finance leases relate to three halls of residence, Middle Mill, Kingston Bridge House and Chancellors.

In addition to the above commitment, the University has a PFI contract for the renovation and running of the Clayhill halls of residence. In 2014/15, the University paid an annual unitary charge of £3.0m, which will escalate by no more than 3% per annum. The renovation costs relating to this agreement are not included on the balance sheet, in accordance with FRS5.

#### Financial outlook

The university has generated substantial surpluses for the last six years as shown in the table below:

£m	2009/10	2010/11	2011/12	2012/13	2013/14	2014.15
Historical cost surplus	16.7	20.6	11.6	11.3	12.1	19.1
Cash generated from operations	24.3	27.4	24.5	24.1	29.3	28.2

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The Board of Governors has implemented a methodology to review the going concern of the University. This in turn requires the governing body to undertake an internal review of sustainability and that this is then recorded in the annual report.

The recruitment levels for home/EU and overseas students are being closely monitored and the University plans to meet the financial strategy target surplus level of 5% minimum fee and funding income for 2015/16.

## 7. Performance and operation of the University

The University monitors performance across the range of its activity through a suite of performance indicators derived from Kingston's strategic objectives. The Board of Governors agreed a set of 10 key performance indicators (KPIs) in 2006 and these were reviewed in 2009 in the light of CUC guidance on the use of performance indicators in University governance.

A new framework of performance indicators was implemented in 2012/13 following the launch of *Led by Learning*. The list of University-level performance indicators has been revised and extended to 15, with some of these disaggregated to faculty and course level for internal management purposes. The current status of these is shown on the next page.

At each of five Board of Governors meetings per year, detailed updates of two, three or four performance indicators are discussed. The updates comprise the latest data in a time series, a faculty by faculty breakdown (where appropriate) and an external sector comparison. A brief description of the actions to effect further improvement is also provided in each indicator's one-page summary. Prior to reaching the Board of Governors, these updates are considered by the senior management team and a red, amber or green flag is associated with the update.

## University-Level Key Performance Indicators

edit June 2015

ID	Title (with SMT RAG rating)	Definition	Responsibility	Year of previous value	Previous Value	Short Term Target	Latest result	Long Term Target	Notes
64	Entry Standards	Average Tariff points For Young First Degree Entrants	Planning	2012/13	298	285	299	>= median of Alliance Group	
99	Student Retention	Full time First Degree Retention of First Year Entrants - Young & Mature [HESA performance Indicator 3a]	Planning	2011 Entry Cohort	88.2%	87.5%	85.1%	90% by 2015/16	
161	NSS Overall Satisfaction	% of students taught at KU expressing overall satisfaction with their course	Planning	2012/13	80%	83%	78%	Exceed sector median by 2015/16	
164	Staff Qualifications	% of salaried staff with academic responsibilities who have either a Doctorate, qualifications in Learning & Teaching or both	Human Resources	2011/12	30% with doctorate	50%	33% with Doctorate plus 8% with Certification L&T in HE	100% of students taught by staff with a doctorate, a qualification in learning & teaching, or both, by 2020/21	
38	Staff Engagement	Composite percentage score approximating staff engagement, derived from multiple questions in staff survey conducted by Aon Hewitt (previously Capita Surveys & Research)	Human Resources	2011/12	74% Staff 'Satisfaction'	33%	29% Staff 'Engagement'	40% to 65% range	
49	Minimum level of financial surplus	Percentage ratio of historical surplus/(deficit) for the year after taxation to Total income excluding NHS and non-credit bearing courses	Finance	2012/13	7.51%	5.40%	7.95%	Minimum of 5% (3 years rolling) & 4% in any single year	
55	External borrowings as a multiple of EBITDA	The ratio of external borrowings to earnings before interest and taxation	Finance	2012/13	1.74	Does not exceed 4	1.61	Does not exceed 4	
58	Minimum level of cash liquidity	Days ratio of net liquidity to total expenditure (excluding depreciation & pension cost adjustment) [HEFCE metric 26b]	Finance	2012/13	232 days	90 days minimum	248	90 days minimum	
61	Gearing Ratio	External borrowing/ reserves exc pension liability	Finance	2012/13	23%	Not more than 45%	20%	Not more than 45%	
100	Satisfaction rate in PG survey	% of postgraduate respondents expressing that the overall experience of their course has met or exceeded expectations [Q13.g in survey co-ordinated by HEA]	ADC	2011/12	82.8%	83%	80.8%	within 1% of sector average or greater by 2016	
16	University external research funding	Value of research bids successful in year plus enterprise income reported in HECIS return. Subtract research funding from industry (to avoid double-count) and in-kind payments	Research Committee Business & Enterprise Committee	2012/13	£5.2m	£5.5m	£3.8m	£6.2m by 2014/15	
27	Research Students	Number of research students completing studies in reporting period, having commenced full time studies in preceding 5 years (or part time studies in preceding 9 years)	Research Committee	2012/3	61		69		
101	Position in Universities Green League	Ranking, Award and Status in annual 'green' league table	Planning	2012	42nd - First Class Award with score of 40.5	Maintain First Class Award and score 42/70	61st - Upper Second Class Award with score of 37/70	Score within 10% of league leader	
102	Graduate Prospects	% of FT first degree qualifiers obtaining full time work or undertaking further study in the annual DLHE returns	Planning	2012/13	89.0%	86%	91.3%	90% by 2015/16	
139	Estate condition	% of non-residential estate in EMS condition categories A & B	Estates	2012/13	59%	PR, KP & KH surveys undertaken	59%	65%	

## Progress against KPIs

## Recruitment

Undergraduate recruitment in 2014/15 recovered well after two years of decline following the introduction of the new fee regime in 2012/13, though it was through a successful clearing operation that many places were filled. Despite this increased dependence upon clearing, the average tariff of entrants remained at around the 300 mark.

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**Retention**

After peaking at the highest level observed since at least 2000/01, the proportion of first year first degree students continuing their studies after entry in 2012/13 fell to 85.1%. This decline reflects that the 2012/13 cohort had lower entry standards than the cohort from 2011/12 and that recruitment via clearing was far higher in 2012/13.

**Employability**

For a third year running, there has been a sharp increase in the proportion of Kingston graduates finding work or entering further study. Prospects for Kingston graduates are improving faster than for the sector as a whole, the University remains ahead of its benchmark, and Kingston compares favourably with its London competitors, which also suffer from a negative London effect.

**National Student Survey (NSS)**

After 2014 saw overall satisfaction reduce to 78%, 2015 has seen a very large improvement to 82%. This rate of increase was cited by the Times Higher as being among the fastest observed throughout the sector, and although the University remains well short of the sector average it compares favourably with most post-92 universities in London.

**8. Sustainability and Ethics**

Continuing work on governance for embedding sustainability across the institution has seen the Sustainability Hub incorporated in the Vice Chancellor's Advisory and Support Department; an increase to 4 FTE staff (one fixed term of one year); and sponsorship from the Finance Director who now chairs the Sustainability Review Group (SRG) which for 2015/16 invites key members of staff to report to them on a termly basis on target implementation. The Board of Governors participated in a workshop on excellence which demonstrated how sustainability can support institutional excellence. This will be available to all staff during 2016.

The board-level KPI, the People and Planet Green League re-launched in October 2014. Concerns over its continuing usefulness meant KU chose to not participate, along with 60 other HEIs. The institutional KPI is now Scope 1 & 2 carbon emissions (from energy use and owned vehicle fleet) which is also reported on the SMT dashboard, with a view to adding two further indicators in due course on Scope 3 emissions from procurement, travel (business and commuting), water and waste; and on measuring sustainability and ethics in the curriculum, possibly through a Sustainability Literacy Test. The ongoing development of a dashboard of sustainability indicators, updated termly and presented to Infrastructure Committee has identified key developments and achievements including:

Total Scope 1 and 2 CO<sub>2</sub> emissions (energy from fossil fuels) for 2014/15 were **13,470t CO<sub>2</sub>** (from 12,900) costing £2.8m and £215k in carbon taxes against our 2020 target of 8,367t CO<sub>2</sub> (35% reduction on 2005/6). The challenge will be to replicate the last 6 months performance. The £504k planned capital programme includes minor energy efficiency projects and HVAC controls. The £120k HEI Salix fund includes projects with a 5 year payback period. As such, it is essential to ensure that new developments are low or carbon neutral (energy from renewables) in order to create the step-change to meet the UK Government 80% carbon emissions reductions by 2050. The University is considering the feasibility of two such projects that propose a combination of renewable and low-to-zero carbon technology for district heating and cooling; one for Penrhyn Road uses water from the River Thames; the second for Kingston Hill is a centralised energy centre.

Scope 3 carbon emissions were reported to HEFCE for the second year remaining at **57,000t CO<sub>2</sub>** from procurement (the fossil fuel energy used in extraction of resources, production and transport); and 4,000t CO<sub>2</sub> from travel (fossil fuel use in vehicles. 2015/16 will see business travel CO<sub>2</sub> calculated under the new travel tender and changes to staff travel claims. At four times the carbon emissions from Scope 1 and 2, procurement will remain an expanding area of activity for institutional carbon reduction.

Steps taken to focus on procurement and embed carbon emissions reduction in the supply chain include the sign-off of the Sustainable Procurement Action Plan and a one year internal audit (by KCG) indicating supporting actions to reach Level 5 of the Flexible Framework by December 2016.

The new Townhouse development is on track to achieve BREEAM Excellent just prior to Stage E.

Water usage reduced to 153m<sup>3</sup> (from 199m<sup>3</sup>) costing £332k, through investment in water efficient fittings as part of standard specifications and refurbishments. Automated Meter Reading allows rapid identification and rectification of leaks and will cover the whole Estate by the end of 2015.

Waste arisings remained 870 tonnes of office waste, recycling remained at around 33%. Work on a new waste tender (currently costing £250k) has started and will require 80%+ levels of recycling as a minimum. Reuse remained constant via 'Warp it' online re-distribution, saving almost £9kp/a. Storage reviews demonstrate opportunities for enhanced

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inventory controls to increase reuse internally and with local charities. Halls of residence ran end-of-term reuse diverting an estimated 6.5 tonnes of items from skips to London charities.

The Sustainability Hub has conducted audits of basic environmental legislation and communicated corrective actions required by colleagues. Introductory sustainability training for all staff continues alongside targeted communication and support to comply with legislative requirements.

The annual celebration of Sustainability attracted 80 attendees and received positive feedback, awarding the 18 Green Impact teams who had been active throughout the year.

Over 40 biodiversity events were attended by around 200 regular staff and student volunteers who contributed almost 900 hours, for projects such as submitting data to the local biological records centre for London; the creation of a new riverbank at Knights Park; and woodland clearances and litter picks. Students were able to gain points for the Kingston Award in this way.

The University maintained Fairtrade status, continued to supply 100% free range eggs, around 28% MSC certified fish and around 49% seasonal food.

The University continued to provide leadership for sustainability in the sector with the Director of the Sustainability Hub chairing the London Universities Environment Group; and speaking at events at the University of London, Bristol University and the University of the West of England whilst Bristol holds the mantle of European Green Capital.

Student engagement with sustainability has increased over the last year, including through the establishment of a student-led Environmental Working Group; training for 23 Green Impact Project Assistants, and 17 environmental auditors; and Student Switch Off energy saving in halls.

The 2015 academic year starts with debate and discussion across all faculties in response to the Whole Earth? exhibition which challenges staff and students to contribute to creating an ecologically sound, socially just society for all.

**9. People****Reward and Recognition**

The University rewards and recognises good performance and supports continuous improvement in teaching, research, enterprise, professional practice and administration.

Key elements of the University's benefits package are generous annual leave, sick pay and statutory pension schemes: the Teachers' Pensions Schemes (TPS) for academic staff and the Local Government Pension Scheme (LGPS) for support staff. The University also supports membership of the Universities Superannuation Scheme (USS) if employees were scheme members immediately prior to joining Kingston.

The Reward Team are progressing a number of reward and recognition projects including developing a Pensions Strategy and the first staff achievement ceremony 'The Rose Awards' at the Rose Theatre took place in October 2015.

**Organisational Development**

Development and training priorities, agreed by the University Staff Development Committee (USDC), continue to be Leadership and Management, Change and Performance Management. In 2014/15 900 delegates attended internal development events. 398 attended change and performance improvement workshops and 223 managers attended management development activities. Also, following our engagement survey feedback, an increased emphasis has been put on Induction. 277 staff attended induction briefings, workshops and breakfasts (including Sept 2015 figures).

In addition to EAP support mechanisms available to all staff, a Stress Policy and supporting awareness programme has been launched along with a range of wellbeing activities including training, webinars and roadshows.

The focus on staff engagement has increased with a SMT focus on our institutional key engagement drivers: change, leadership and work process. This has been demonstrated through a new approach to open meetings and conferences and involving staff in change. A dedicated engagement team has been established to support faculty and department action planning, build on research that has made the connection between staff engagement and NSS scores and communicate progress. Engagement is monitored through an institutional KPI.



**(REPORT OF THE GOVERNING BODY)  
2014/15 FINANCIAL STATEMENTS**

The organisation process review continues to identify improvements to processes and ways of working. Support for the people change has been established and built into business partnering activity alongside current Managing Organisational Restructure practices. This includes streams of work to ensure staff involvement, embed new teams and ways of working and effectively communicate taking into consideration multiple change programmes.

Kingston has a good record of constructive industrial relations and relationships with its recognised unions – University & College Union (UCU), UNISON, Royal College of Nursing (RCN) and Royal College of Midwives (RCM).

**Equality and diversity**

The Board of Governors adopted the BME attainment gap as an institutional KPI making Kingston one of the handful of universities demonstrating this level of commitment to ensuring the success of all its students. The BME attainment gap has proved to be both persistent over time and virtually universal across the HE sector. Of all UK domiciled students graduating in 2013 across the UK 71.4% of White students achieved a 1st or 2:1 compared to only 53.8% of BME students – a gap of 17.7%.

The adoption of an institutional KPI to address the BME attainment gap at Kingston is accompanied by a comprehensive achievement plan. The programme is supported by a dedicated project manager, a budget of £100,000 per annum for the next three years and a steering group composed of influential senior staff from across the institution. The budget was allocated by the Access Steering Group as part of Kingston's Access Agreement and is evaluated in accordance with OFFA requirements.

We continue our commitment to gender equality through two departmental Athena SWAN applications which will identify areas of improvement for the University. This work builds upon our successful institutional Bronze award received in 2013/14.

Another significant achievement in 2014/15 was that we exceeded four of our Public Sector equality objectives. These included to reduce the gap between the proportion of female academics in grade 10 roles compared to the proportion of male academics in grade 10 roles, to increase the proportion of BME students achieving a 1<sup>st</sup>/2:1, to increase the proportion of disabled students on disabled student allowance (DSA) and to increase the proportion of disabled students on DSA who were in employment within 6 months of graduation.

Kingston's reputation as a university that is committed to equality, diversity and inclusion has meant that a number of staff have been invited to contribute to sector initiatives such as:

- The Equality Challenge Unit Conference in November 2014 – Kingston's Vice Chancellor, Julius Weinberg, was invited to be a keynote speaker. His speech covered the importance of diversifying the academy and emphasised the practical steps Kingston has taken to do so in its new academic progression and promotion framework.
- The London Higher Diversity in Leadership series - the Deputy Vice Chancellor (Education), Lesley-Jane Eales-Reynolds, and the Director Of Equality, Diversity and Inclusion, Nona McDuff, presented a workshop to senior delegates from a number of London universities on diversifying the academy.
- The Association of Managers of Student Services in Higher Education (AMOSSHE) – the Deputy Director of Student Services, Jayne Aldridge, led sector representations to ministers on proposed cuts to Disabled Students Allowance.
- Higher Education Race Advisory Group (HERAG) - Nona McDuff as Chair organised a sector conference, which 130 delegates from universities across the sector attended to explore the BME attainment gap. The conference attracted support from the Equality Challenge Unit, Universities UK (UUK), Leadership Foundation and the key note speaker was Les Ebdon, the CEO of the Office for Fair Access (OFFA).
- Access HE – Emily Hughes was Chair of the 'Looked After Children Forum' and contributed to the development of a 'Pledge of Good Practice' for supporting young people in and leaving care.
- The 'Widening Participation Unit' (a member of the Royal Society of Chemistry's STEMNET network) contributed members to boards and steering groups of a range of collaborative networks for outreach and student success; and the unit's Education Liaison Officers are all active members of the Higher Education Liaison Officers Association (HELOA).

(REPORT OF THE GOVERNING BODY)  
2014/15 FINANCIAL STATEMENTS

**10. Principal risks and uncertainties**

Strategic Risk Register (SRR)

The University maintains strong governance for Risk Management. There is an overarching risk policy that sets out the structure for the management of risk within the University. Twenty seven faculties and departments all maintain risk registers. These are updated four times a year. As well as managing and recording risk at the local level they contribute directly to the strategic risk register. The most recent strategic risk register (SRR) was approved in February 2015.

The SRR has been developed in close alignment with the objectives of the universities strategic “*Led by Learning*” plan. However, the volatility of the environment in which the HE sector now operates presents the University with a number of external risks. These have been considered and preventative, or mitigating, actions put in place. These risks include:

- Possible substantial reduction in student demand for places due to many external influences;
- Compromise in quality and/or inability to recruit to target due to government policy changes and other contributing factors; and
- Reduction in the international market due to United Kingdom visas and immigration policy changes.

These, and other, high level risks have required changes to the process by which risks are managed and reviewed within the University (including changes of emphasis in the role of the Audit and Risk Assurance Committee and a requirement for all committees reporting to the board to demonstrate their emphasis on risk management). These process changes will enable the University’s senior management to be aware of increasing probability and impact of risks and to take appropriate action to counter them.

Mitigation of risk.

All of the risks identified in strategic risk register have their own action plans. These plans are then overseen by the appropriate committee; for example a finance risk that relates to student fees is monitored by the fees group. The strategic risk register is updated a minimum of four times per year. At each update the actions are also updated and reviewed. They are then changed as appropriate.

**11. Future Plans**

The University is committed to maintaining its investment in academic developments and infrastructure despite the anticipated future financial challenges. The financial results for 2014/15 represent a robust financial position that will greatly assist in managing the risks and uncertainties. The financial strategy parameters have been met in 2014/15 and further funding has been secured to fund the Town House development for which planning permission is now approved.

The work of the process review continues to ensure that future costs are controlled to match income levels to enable sufficient surpluses to be generated to fund future investment in infrastructure.

**12. Conclusion**

The year 2014/15 has been another successful year both academically and financially. A sustainable surplus has been generated ahead of a period of change, re-organisation and planned investment. The financial planning process recognises the impact of reduced student recruitment levels and the need to contain costs to achieve the sustainable surplus levels of 5% fee and funding income over a rolling three year period.

## RESPONSIBILITIES

### OF THE BOARD OF GOVERNORS OF KINGSTON UNIVERSITY

In accordance with the Education Reform Act 1988, 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 Education Reform Act 1988, applicable law and United Kingdom Generally Accepted Accounting Practice. In addition, within the terms and conditions of the Memorandum of Assurance and Accountability agreed between the Higher Education Funding Council for England and the Board of Governors of Kingston University, 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 contain therein.

In relation to the preparation of the 2014/2015 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. For this reason the going concern basis continues to be adopted in the preparation of the financial statements.

The Board of Governors has taken reasonable steps to:

- ensure that funds from the Higher Education Funding Council for England and Skills Funding Agency, and National College for Teaching and Leadership are used only for the purpose for which they have been given and in accordance with the Memorandum of Assurance and Accountability dated 2010 with the Funding Council and any other conditions which the Funding Council may from time to time prescribe;
- ensure that income has been applied in accordance with the Education Reform Act 1988;
- 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 auditors are 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 auditors are aware of that information.

**LIST OF BOARD OF GOVERNORS****OF KINGSTON UNIVERSITY**

Ms Heather ALLAN	
Mr Laurence BLACKALL	Appointed 15/07/15
Ms Jan BROADBENT	
Mr Chris BROOKS	End of Tenure 15/07/15
Mrs Sandra CAMPOPIANO	Appointed 15/07/15
Mr David CARTER	
Dr James DENHOLM-PRICE	
Mr. David EDMONDS	
Mr. Gary ERNEST	
Mr Bruce FRASER	
Professor Caroline GIPPS	
Denza GONSALVES	End of Tenure 15/07/15
Ms Lesley GRANGER	End of Tenure 15/07/15
Mr Frank KENNEDY	
Mr Noor KHAN	Appointed 15/07/15
Prof Peter KOPELMAN	
Mr. Peter MAYHEW-SMITH	
Mr Neil MACINTOSH	
Dr Sunitha NARENDRAN	
Mr John RIPLEY	
Ms Liz RYLATT	
Ms Jane SCOTT	
Mr Francis SMALL	Appointed 15/07/15
Professor Julius WEINBERG	
Ms Jo WOODS	

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 Memorandum of Assurance and Accountability with the HEFCE. During the period covered by these Statements, the Board of Governors has undertaken a review of its own effectiveness, in line with the voluntary code issued by the CUC. We concluded that '...governance is basically sound, and that appropriate arrangements are in place for providing the necessary oversight and assurance required by the various stakeholder bodies'.

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 2015 and up to the date of approval of the financial statements, and accords with HEFCE guidance.

As the governing body, we have responsibility for reviewing the effectiveness of the system of internal control. The following processes have been established:

- a. We meet at regular intervals five 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 concerning, internal control, governance, value for money, risk management and data quality.
- c. The University has established a Risk Management Committee to oversee risk management, which met five times during the year, reporting to the SMT (Senior Management Team) and The Audit and Risk Committee.
- d. The Audit and Risk Committee meets four times a year and receives regular reports from the Head of Internal Audit (Managing director of Kingston City Group – 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.
- e. We have a Finance Committee which regularly reviews the annual plan, monitors progress against the plan, and takes a view on the going concern basis of the University.
- f. A regular programme of review exists to keep up-to-date the record of risks facing the organisation at both strategic and operational levels.
- g. A robust risk prioritisation methodology based on risk ranking has been established in the identification and evaluation of risks.
- h. A series of organisation-wide risk registers is maintained by nominated risk managers across the institution.
- i. A programme of risk awareness training continues as part of the annual Risk Management programme.
- j. 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.

- k. The process of risk management is fully embedded and integrated within the institution's planning processes, at both strategic (institutional) and operational (Faculty and Departmental) levels.

Our review of the effectiveness of the system of internal control is informed by Kingston City Group, which operates to standards defined in the HEFCE Audit Code of Practice. Kingston City Group submits regular reports which include the Head of Internal Audit's independent opinion on the adequacy and effectiveness of the institution's system of internal control, with recommendations for improvement.

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.



## INDEPENDENT AUDITORS' REPORT

### TO THE BOARD OF GOVERNORS OF KINGSTON UNIVERSITY

We have audited the financial statements of Kingston University for the year ended 31 July 2015 which comprise the Consolidated Income and Expenditure Account, the Consolidated Statement of Total Recognised Gains and Losses, the Balance Sheets for the Group and the University, the Consolidated Cash Flow Statement and the related notes. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

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

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

As explained more fully in the statement of responsibilities of the Board of Governors, the members of the Governing Body are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view.

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

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

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

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

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

In our opinion, the financial statements:

- give a true and fair view of the state of the Group's and the University's affairs as at 31 July 2015 and of the Group's income and expenditure, recognised gains and losses, and statement of cashflow for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Education Reform Act 1988 and the Statement of Recommended Practice: "Accounting for Further and Higher Education Institutions".

## **INDEPENDENT AUDITORS' REPORT**

### **TO THE BOARD OF GOVERNORS OF KINGSTON UNIVERSITY**

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

In our opinion, in all material respects:

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

James Aston, Senior Statutory Auditor  
BDO LLP  
Statutory Auditor  
Gatwick  
United Kingdom  
Date:

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

**CONSOLIDATED**  
**INCOME AND EXPENDITURE ACCOUNT**  
**FOR THE YEAR ENDED 31 JULY 2015**

	Notes	2014/15 £000s	2013/14 £000s
<b>INCOME</b>			
Funding Council grants	2	26,723	39,657
Tuition fees and education contracts	3	153,498	134,036
Research grants and contracts	4	2,906	3,281
Other income	5	29,078	27,760
Endowment and investment income	6	880	729
<b>Total income</b>		213,085	205,463
<b>EXPENDITURE</b>			
Staff costs	7	104,019	105,178
Other operating expenses	8	74,094	71,875
Interest payable	9	3,539	5,141
Depreciation	10 & 11	12,973	11,781
<b>Total expenditure</b>		194,625	193,975
Surplus on continuing operations after depreciation of assets		18,460	11,488
Taxation	1	-	-
Surplus on continuing operations after depreciation of assets and taxation	20	18,460	11,488

The income and expenditure account is in respect of continuing activities.

The notes on pages 26-53 form part of these financial statements

**STATEMENT OF  
TOTAL RECOGNISED GAINS AND LOSSES  
FOR THE YEAR ENDED 31 JULY 2015**

	<b>2014/15 £000s</b>	<b>2013/14 £000s</b>
Surplus on continuing operations after depreciation of assets, and taxation	18,460	11,488
Endowment income retained in the year	62	188
<b>Adjustments associated with pension schemes:</b>		
Actuarial (loss) in respect of pension schemes	(7,532)	(8,277)
Total recognised gains and losses since last annual report	<u>10,990</u>	<u>3,399</u>
 <b>Reconciliation</b>		
Opening reserves and endowments	144,954	141,555
Total recognised gains and losses for the year	10,990	3,399
Closing reserves and endowments	<u>155,944</u>	<u>144,954</u>

The notes on pages 26-53 form part of the financial statements.

**CONSOLIDATED STATEMENT OF  
HISTORICAL COST SURPLUSES AND DEFICITS  
FOR THE YEAR ENDED 31 JULY 2015**

	Notes	2014/15 £000s	2013/14 £000s
Surplus on continuing operations before taxation		18,460	11,488
Difference between historical cost depreciation and the actual charge for the period calculated on the re-valued amount	19	708	708
Historical cost surplus for the period before taxation		19,167	12,196
Historical cost surplus for the period after taxation		19,167	12,196

The notes on pages 26-53 form part of the financial statements.



# BALANCE SHEETS

FOR THE YEAR ENDED 31 JULY 2015

		Consolidated 2014/15 £000s	University 2014/15 £000s	Consolidated 2013/14 £000s	University 2013/14 £000s
	Notes				
<b>Fixed Assets</b>					
Tangible assets	10	189,453	184,811	188,624	183,817
Investments	10	115	6,216	115	6,232
Total fixed assets		189,568	191,027	188,739	190,049
<b>Endowment Assets</b>	11	2,264	2,264	2,202	2,202
<b>Current Assets</b>					
Stock		204	204	213	213
Debtors	12	12,185	12,891	10,656	11,379
Current asset investments	13	126,084	119,914	115,355	109,213
Cash at bank and in hand		9,131	7,706	7,481	6,385
		147,604	140,715	133,705	127,190
<b>Creditors: amounts falling due within one year</b>	14	(38,499)	(37,715)	(39,574)	(39,160)
<b>Net current assets</b>		109,105	103,000	94,131	88,030
<b>Total assets less current liabilities</b>		300,937	296,291	285,072	280,281
<b>Creditors: amounts falling due after more than one year</b>	15	(42,514)	(42,514)	(45,720)	(45,713)
<b>Net Assets excluding pension liability</b>		258,423	253,777	239,352	234,568
<b>Pension Liability</b>	16	(88,871)	(82,978)	(81,005)	(75,556)
<b>Net Assets including pension liability</b>		169,552	170,799	158,347	159,012

**BALANCE SHEETS (continued)**  
**FOR THE YEAR ENDED 31 JULY 2015**

		Consolidated 2014/15 £000s	University 2014/15 £000s	Consolidated 2013/14 £000s	University 2013/14 £000s
	<b>Notes</b>				
<b>Deferred capital grants</b>	17	13,606	13,606	13,394	13,394
<b>Endowment</b>					
Restricted expendable	18	1,073	1,073	995	995
Restricted permanent	18	1,191	1,191	1,207	1,207
<b>Reserves</b>					
Revaluation reserve	19	51,676	51,676	52,384	52,384
General reserve	20	190,877	186,231	171,372	166,588
Total reserves excluding pension liability reserve		242,553	237,907	223,756	218,972
Pension liability reserve	16	(88,871)	(82,978)	(81,005)	(75,556)
Total reserves including pension liability reserve		153,682	154,929	142,751	143,416
<b>TOTAL</b>		<b>169,552</b>	<b>170,799</b>	<b>158,347</b>	<b>159,012</b>

The notes on pages 26-53 form part of the financial statements.

The financial statements on pages 20 to 54 were approved and authorised for release by the Governing Body on 25 November 2015 and were signed on its behalf by:

David Edmonds CBE  
Chairman of the Board of Governors

Professor Julius Weinberg  
Vice-Chancellor and Chief Executive

**CONSOLIDATED**  
**CASH FLOW STATEMENT**  
**FOR THE YEAR ENDED 31 JULY 2015**

		2014/15 £000s	2013/14 £000s
	<b>Notes</b>		
<b>Cash flow from operating activities</b>	21	28,260	29,333
Returns on investments and servicing of finance	22	(2,667)	(2,649)
Capital expenditure and financial investment	23	(10,385)	(15,115)
Management of liquid resources		(10,729)	(14,518)
Financing	24	(2,822)	(2,504)
<b>Increase/ (decrease) in cash in the period</b>		1,657	(5,453)
<b>Reconciliation of net cash flow to movement in net funds</b>			
Increase in cash in the period		1,657	(5,453)
Movement in endowment asset		87	204
Change in net debt resulting from cash flows		13,549	17,024
Movement in funds in period		15,293	11,775
Net funds at 1 August		78,085	66,310
<b>Net funds at 31 July</b>	25	93,378	78,085

The notes on pages 26-54 form part of the financial statements.

## NOTES TO THE ACCOUNTS

Year ended 31 July 2015

### 1. STATEMENT OF ACCOUNTING POLICIES

The financial statements have been prepared in accordance with the Statement of Recommended Practice (SORP) Accounting for Further and Higher Education July 2007 and applicable UK accounting standards. The following accounting policies have been applied consistently in dealing with items which are considered material in relation to the financial statements.

#### a Basis of Accounting

The Financial Statements are prepared on the historical cost basis, as modified by the revaluation of land and buildings.

#### b Basis of Consolidation

The consolidated financial statements include the financial statements of the University and all its subsidiary undertakings for the financial years 31 July 2015 and 2014. The consolidated financial statements exclude the financial statements of the Kingston University Students' Union as the Union does not constitute a subsidiary or quasi-subsidiary undertaking under the definitions of Financial Reporting Standards 2 and 5.

The University entered into a joint arrangement with St George's Hospital Medical School on 1 January 1996. Under the terms of the joint arrangement, assets and liabilities are divided equally and 50% of the value of the appropriate assets and liabilities has been included in the Balance Sheet of the University. The arrangement has been accounted for as a joint arrangement that is not an entity in compliance with FRS9. The basis of apportionment of the income and expenditure is in proportion to the awards granted by each institution.

#### c Tangible Fixed Assets

##### *Land and Buildings*

Freehold land is stated at a clear site land value based upon a valuation report prepared by the Chartered Surveyors, Dunphys, as at 31 July 1993. Assumptions made in preparing the report include planning permission for development for a use prevailing in the vicinity of each site and no unusual costs in developing any of the sites. Given the specialist nature of the usage of the land, these assumptions give a best approximation of existing use land value.

Freehold Buildings inherited from the Local Authority on 1 April 1989 are stated in the accounts at depreciated replacement cost in accordance with the Royal Institute of Chartered Surveyors' Guidance notes concerning asset valuation. This value is based upon a valuation report prepared by the Chartered Surveyors, Dunphys, as at 31 July 1993. Under the transitional provisions of FRS15 the valuation has not been updated since this date.

All other buildings are shown in the accounts at cost less accumulated depreciation.

##### *Other Tangible Fixed Assets*

Other tangible fixed assets are stated at cost less accumulated depreciation.

The historical cost of land and buildings included in the balance sheet at valuation is not available and therefore cannot be disclosed.

**NOTES TO THE ACCOUNTS**  
**(continued)**  
**Year ended 31 July 2015**

**d Depreciation**

Land is held freehold and is not depreciated as it is considered to have an indefinite useful economic life.

Freehold buildings are depreciated on a straight line basis over the estimated remaining useful economic life of each asset. The useful economic lives of main buildings are fifty years. Minor works projects are deemed to have a useful economic life between five and fifteen years.

Plant, machinery and other equipment has a capitalisation threshold of £10,000 per individual item or group related items and is depreciated on a straight line basis as follows:

Major Plant	-	10 years
Fixtures & Fittings	-	6 years
Minor Plant	-	5 years
Vehicles	-	5 years
Educational Equipment	-	5 years
Computer Equipment	-	3-5 years

The Dorich art collection is not depreciated as it is considered that the carrying value of the asset will continue to be at least equal to the residual value of the asset.

**e Investments**

Other investments are shown at cost less any provision for impairment.

**f Stocks**

Stocks are stated at the lower of cost and net realisable value.

**g Recognition of income**

The recurrent grant from HEFCE, other funding council grants and the NHS contracts income represent the funding allocation that is attributable to the current financial year and is credited directly to the Income and Expenditure account.

Tuition fees represent student fees received and receivable, attributed to the current accounting period.

Income from Research Grants and Contracts is included to the extent of the expenditure incurred during the year, together with any related contributions towards overhead costs.

Income from other services rendered is included to the extent of completion of contract or services concerned and is measured at the fair value of the consideration receivable.

Income used to acquire tangible fixed assets is credited to deferred capital grants and released to the Income and Expenditure Account over the estimated useful lives of the relevant assets.

The University acts as an agent in collection and payment of training bursaries from the National College of Training and Leadership and of Access Funds from the HEFCE. Related payments received from the National College of Training and Leadership and the HEFCE and subsequent disbursements to students are excluded from the Income and Expenditure Account and are shown separately in Note 30 to the accounts.

**NOTES TO THE ACCOUNTS**  
**(continued)**  
**Year ended 31 July 2015**

**h Taxation Status**

The University is an exempt charity within the meaning of Schedule 2 of the Charities Act 2011 and as such is a charity within the meaning of Para 1 of Schedule 6 to the Finance Act 2010. Accordingly, the University is potentially exempt from taxation in respect of income or capital gains received within categories covered by Sections 478 – 488 of the Corporation Tax Act 2010 (CTA 2010) (formerly enacted Section 505 of the Income and Corporation Tax Act 1988 (ICTA)) or Section 256 of the Taxation of Chargeable Gains Act 1992 to the extent that such income or gains are applied to exclusively charitable purposes.

All subsidiary companies are liable to Corporation Tax and Value Added Tax in the same way as any other commercial organisation. The University's principal activities are exempt from Value Added Tax, but certain ancillary supplies and services are liable to Value Added Tax at various rates. Expenditure includes irrecoverable Value Added Tax charged by suppliers to the University.

**i Operating Leases**

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

**j Pension Costs**

The University contributes to a number of defined benefit pension schemes and accounts for the costs in relation to these schemes in accordance with FRS17 (Retirement benefits).

Where the University is unable to identify its share of the underlying assets and liabilities in a defined benefit pension scheme on a reasonable and consistent basis, it accounts as if the scheme were a defined contribution scheme, so that the cost is equal to the total contributions payable in the year.

For other defined benefit schemes, the assets of each scheme are measured at fair value, and the liabilities are measured on an actuarial basis using the projected unit method and discounted at an appropriate rate of return. The University's share of the surplus or deficit of the scheme is recognised as an asset or liability on the balance sheet. The current service cost, being the actuarially determined present value of the pension benefits earned by employees in the current period, and the past service costs are included within staff costs. Interest Payable includes the net of the expected return on assets, being the actuarial forecast of total return on the assets of the scheme, and the interest costs being the notional interest cost arising from unwinding the discount on the scheme liabilities. All changes in the pension surplus or deficit due to changes in actuarial assumptions or differences between actuarial forecasts and the actual out-turn are reported in the statement of total recognised gains and losses.

**k Finance Leases**

Assets held under finance leases arising from lease and lease-back transactions are shown at cost and depreciated over their estimated useful lives.

The finance charges are allocated over the period of the lease in proportion to the amount of capital outstanding.

**l Endowment Assets**

Assets donated to the University are included in the Income and Expenditure Account for the year at valuation, and subsequently transferred to specific reserves and released where appropriate in accordance with depreciation charged in the Income and Expenditure Account.

**in** Income from expendable endowments, permanent restricted endowments and other restricted income is included in the Income and Expenditure Account for the year at valuation and released where appropriate in accordance with depreciation charged in the Income and Expenditure Account.

**m Reserves Policy**

**Revaluation Reserve:** Upon achieving corporate status under the 1998 Education Reform Act the original value of the inherited assets and liabilities was transferred to capital reserves. Revaluation of inherited land and buildings was carried out in July 1993. The revaluation reserve includes these elements. A transfer is made from the revaluation reserve to the income and expenditure reserve, for an amount equivalent to the difference between historical cost depreciation and the actual charge for the period.

**NOTES TO THE ACCOUNTS**  
(continued)  
Year ended 31 July 2015

**2 FUNDING COUNCIL GRANTS**

	<b>2014/15</b> <b>£000s</b>	<b>2013/14</b> <b>£000s</b>
Recurrent grant (including research element)	22,112	34,795
HEFCE specific grants	1,433	1,021
National College of Training and Leadership	30	978
Education Funding Agency	694	650
Deferred capital grants released in year	2,454	2,213
	<hr/> 26,723	<hr/> 39,657

**3 TUITION FEES AND EDUCATION CONTRACTS**

	<b>2014/15</b> <b>£000s</b>	<b>2013/14</b> <b>£000s</b>
Full-time UK and EU students	103,212	86,979
Part-time UK and EU students	7,253	5,746
Channel Island students	211	295
Overseas full-time students	28,179	27,463
Overseas part-time students	1,131	724
NHS teaching contracts	8,964	8,622
Short course fees	4,548	4,207
	<hr/> 153,498	<hr/> 134,036

**4 RESEARCH GRANTS AND CONTRACTS**

	<b>2014/15</b> <b>£000s</b>	<b>2013/14</b> <b>£000s</b>
Research Councils	520	803
UK based charities	460	492
Other research grants and contracts	1,926	1,986
	<hr/> 2,906	<hr/> 3,281

**NOTES TO THE ACCOUNTS**  
(continued)  
Year ended 31 July 2015

**5 OTHER INCOME**

	2014/15 £000s	2013/14 £000s
Residencies and catering	19,227	18,485
Income from UK public bodies	2,244	2,755
Income from EU based organisations	290	350
Income from University shops	192	181
Income from sports facilities	80	83
Course validation fees/teaching contracts	1,138	1,124
Nursery fees	136	189
Field trips	277	317
Graduation ceremonies	446	271
Sale of teaching materials	508	357
Release from deferred capital grant	-	-
Release from endowment reserve	16	16
Other income	4,524	3,632
	29,078	27,760

**6 ENDOWMENT AND INVESTMENT INCOME**

	2014/15 £000s	2013/14 £000s
Interest receivable	880	729
	880	729

**7 STAFF**

**Staff Costs**

	2014/15 £000s	2013/14 £000s
Wages and salaries	83,349	84,704
Social security costs	6,821	7,057
Other pension costs	13,849	13,417
	104,019	105,178



**NOTES TO THE ACCOUNTS**  
(continued)  
Year ended 31 July 2015

**7 STAFF continued**

**Vice-Chancellor and Chief Executive**

2014/15	2013/14
£000s	£000s

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

**Vice Chancellor**

Emoluments	214	206
Employer's contribution to pension fund	34	33
	<u>248</u>	<u>239</u>

**Executive Managers**

	2014/15 No.	2013/14 No.
£160,001 - £170,000	-	1
£150,001 - £160,001	1	-
£130,001 - £140,000	1	1
£120,001 - £130,000	-	-
£110,001 - £120,000	2	5
£100,001 - £110,000	4	1

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

	2014/15 No.	2013/14 No.
Executive, senior and academic staff	880	888
Research, language and teaching assistants	48	48
General and professional staff	<u>1,112</u>	<u>1,171</u>
	<u>2,040</u>	<u>2,107</u>

The total sum of £X TBD(2014/15 - £788) was claimed as expenses by five members of the Board of Governors during 2014/15. All of the expenses were in respect of travel and subsistence. No remuneration is provided to governors for services provided as governors, or for any other services(2013/14- Nil).

**NOTES TO THE ACCOUNTS**  
(continued)  
Year ended 31 July 2015

**8 OTHER OPERATING EXPENSES**

	<b>2014/15</b>	<b>2013/14</b>
	<b>£000s</b>	<b>£000s</b>
Residencies, catering and conferences	17,048	16,829
Staff development	941	1,060
Recruitment costs	586	427
Other employee costs	1,846	2,075
Teaching materials	2,541	3,075
Academic equipment	1,156	1,618
Franchising costs	4,906	4,949
Student Bursaries	3,224	4,222
Other academic expenses	10,707	10,682
Overseas recruitment costs	1,249	1,253
Agency costs	2,573	1,827
Administrative Equipment	1,645	1,529
Utilities	1,884	2,178
Repairs and general maintenance	6,312	4,905
Other premises expenses	799	728
Grant to Kingston University Students' Union	889	721
Rent	1,132	990
Rates	572	518
Internal Auditors remuneration: audit services	160	218
External Auditors remuneration: audit services	79	66
External Auditors remuneration:non- audit services	8	7
Equipment hire	662	626
Other expenses	13,175	11,373
	<b>74,094</b>	<b>71,876</b>

**Operating Lease Expenses included in the above are:**

Land and buildings related	2,356	610
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**9 INTEREST PAYABLE**

	<b>2014/15</b>	<b>2013/14</b>
	<b>£000s</b>	<b>£000s</b>
On loans payable wholly or partly in more than 5 years	2,577	2,547
On finance leases	962	938
	<b>3,539</b>	<b>3,485</b>
On pension schemes	-	1,656
	<b>3,539</b>	<b>5,141</b>

**NOTES TO THE ACCOUNTS**  
(continued)  
Year ended 31 July 2015

10 **FIXED ASSETS**

**Tangible Assets**  
**CONSOLIDATED**

**Cost or Valuation**

Balance as at 1 August 2014

	<b>Freehold Land £000s</b>	<b>Freehold Buildings £000s</b>	<b>Plant, Machinery, Equipment £000s</b>	<b>Assets Under Construction Total £000s</b>	<b>Total £000s</b>
Valuation	32,874	37,875	-	-	70,749
Cost	-	184,381	52,023	2,209	238,613
Additions	-	6,975	6,861	2	13,838
Disposals	-	(52)	(2,708)	-	(2,760)
<b>Balance as at 31 July 2015</b>	<b>32,874</b>	<b>229,179</b>	<b>56,176</b>	<b>2,211</b>	<b>320,440</b>

**Depreciation**

Balance as at 1 August 2014

	-	81,763	38,975	-	120,738
Charge in year	-	7,442	5,515	-	12,957
Disposals	-	-	(2,708)	-	(2,708)
<b>Balance as at 31 July 2015</b>	<b>-</b>	<b>89,205</b>	<b>41,782</b>	<b>-</b>	<b>130,987</b>

**Net Book Value**

**As at 31 July 2015**

<b>32,874</b>	<b>139,974</b>	<b>14,394</b>	<b>2,211</b>	<b>189,453</b>
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**As at 31 July 2014**

<b>32,874</b>	<b>140,493</b>	<b>13,048</b>	<b>2,209</b>	<b>188,624</b>
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The depreciation charge has been funded by:

	<b>2015 £000s</b>	<b>2014 £000s</b>
Deferred capital grants released	1,812	1,825
Released from revaluation reserve	708	708
Financed from general reserve	10,437	9,232
	<b>12,957</b>	<b>11,765</b>

**NOTES TO THE ACCOUNTS**  
(continued)  
Year ended 31 July 2015

10 **FIXED ASSETS (continued)**  
**UNIVERSITY**

**Cost or Valuation**

Balance as at 1 August 2014

Valuation

Cost

Additions

Disposals

**Balance as at 31 July 2015**

Freehold Land £000s	Freehold Buildings £000s	Plant, Machinery, Equipment £000s	Assets Under Construction Total £000s	Total £000s
32,874	37,875		-	70,749
	178,048	51,033	1,809	230,890
	6,975	6,861	1	13,837
	(52)	(2,708)	-	(2,760)
<b>32,874</b>	<b>222,846</b>	<b>55,186</b>	<b>1,810</b>	<b>312,716</b>

**Depreciation**

Cost or Valuation

Charge in year

Disposals

**Balance as at 31 July 2015**

-	80,292	37,530	-	117,822
	7,442	5,369	-	12,811
	(20)	(2,708)	-	(2,728)
<b>-</b>	<b>87,714</b>	<b>40,191</b>	<b>-</b>	<b>127,905</b>

**Net Book Value**

**As at 31 July 2015**

<b>32,874</b>	<b>135,132</b>	<b>14,995</b>	<b>1,810</b>	<b>184,811</b>
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**As at 31 July 2014**

<b>32,874</b>	<b>135,631</b>	<b>13,503</b>	<b>1,809.00</b>	<b>183,817</b>
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The net book value of freehold buildings includes £7,711,000(2014:£ 7,902,000) in respect of assets acquired under finance leases. The depreciation charge on these assets is £191,000 (2014:£191,000).

**NOTES TO THE ACCOUNTS**  
(continued)  
Year ended 31 July 2015

10 **FIXED ASSETS (continued)**

**INVESTMENTS**

**CONSOLIDATED**

At 1 August 2014 and 31 July 2015

Shares in Subsidiary Undertakings £000s	Other Investments £000s	Total £000s
--	-------------------------------	----------------

115                      115

**UNIVERSITY**

At 1 August 2014  
and 31 July 2015

6,117	115	6,232
6,101	115	6,216

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

**Subsidiary**

**Percentage    Main Business**

Kingston University Enterprises Limited	100%	Trading and consultancy
Kingston University Press Limited	100%	Dormant
Kingston University Campus Enterprises Limited	100%	Vacation letting
Kingston University Service Company Limited	100%	Management of residences and property services

**NOTES TO THE ACCOUNTS**  
(continued)  
Year ended 31 July 2015

**11 ENDOWMENT ASSETS**

**CONSOLIDATED AND UNIVERSITY**

Freehold Buildings £000s	Art Collection £000s	Total £000s
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**Dorich House building and art collection:**

**Cost or Valuation**

Balance as at 1 August 2014 and 31 July 2015

1,129	382	1,511
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**Depreciation**

Balance as at 1 August 2014 and 31 July 2015

304 - 304

Charge in year

16 - 16

Balance as at 31 July 2015

320 - 320

**Net Book Value**

Balance as at 31 July 2015

809 382 1,191

Balance as at 31 July 2014

825 382 1,207

**Endowment Cash**

Balance as at 31 July 2014

995

Movement during the year

78

Balance as at 31 July 2015

1,073

**Total Endowment Asset**

Balance as at 31 July 2015

2,264

Balance as at 31 July 2014

2,202

**NOTES TO THE ACCOUNTS**  
(continued)  
Year ended 31 July 2015

**12 DEBTORS**

	<b>Consolidated 2014/15 £000s</b>	<b>University 2014/15 £000s</b>	<b>Consolidated 2013/14 £000s</b>	<b>University 2013/14 £000s</b>
Amounts falling due within one year:				
Trade debtors	8,549	8,416	8,539	8,396
Provision for doubtful debts	(4,092)	(4,092)	(4,477)	(4,477)
	4,457	4,324	4,062	3,919
Amounts owed by subsidiary undertakings	-	914	-	955
Accrued income	759	759	731	732
Other debtors	233	199	446	432
Prepayments	3,283	3,242	2,430	2,354
	8,732	9,438	7,669	8,392
Amounts falling due after more than one year:				
Other debtors	3,453	3,453	2,987	2,987
	3,453	3,453	2,987	2,987
	12,185	12,891	10,656	11,379

**13 CURRENT ASSET INVESTMENTS**

	<b>Consolidated 2014/15 £000s</b>	<b>University 2014/15 £000s</b>	<b>Consolidated 2013/14 £000s</b>	<b>University 2013/14 £000s</b>
Short term deposits	126,084	119,914	115,355	109,213

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

	<b>Consolidated 2014/15 £000s</b>	<b>University 2014/15 £000s</b>	<b>Consolidated 2013/14 £000s</b>	<b>University 2013/14 £000s</b>
Amounts owed to subsidiary undertakings	-	149	-	367
Obligations under finance leases	1,015	1,015	891	891
Term loan facility	2,066	2,066	1,930	1,930
Trade creditors	7,089	6,905	8,342	8,086
Other creditors including tax and social securi	10,440	10,272	11,680	11,505
Student deposits	644	644	604	604
Accruals	8,534	7,955	6,882	6,534
Tuition fees in advance	1,931	1,931	2,115	2,115
Deferred income	5,027	5,027	4,386	4,386
Deferred credit on revenue grants	1,753	1,752	2,744	2,743
	38,499	37,716	39,574	39,161

**NOTES TO THE ACCOUNTS**  
(continued)  
Year ended 31 July 2015

**15 CREDITORS - AMOUNTS FALLING  
DUE AFTER MORE THAN  
ONE YEAR**

	<b>Consolidated 2014/15 £000s</b>	<b>University 2014/15 £000s</b>	<b>Consolidated 2013/14 £000s</b>	<b>University 2013/14 £000s</b>
Obligations under finance leases	6,453	6,453	7,470	7,470
Term loan facilities	32,718	32,718	34,784	34,784
Deferred income	2,670	2,670	2,793	2,786
Other loans	673	673	673	673
	<b>42,514</b>	<b>42,514</b>	<b>45,720</b>	<b>45,713</b>

**Term Loans**

	<b>Consolidated 2014/15 £000s</b>	<b>University 2014/15 £000s</b>	<b>Consolidated 2013/14 £000s</b>	<b>University 2013/14 £000s</b>
Balance at 1 August	36,713	36,713	38,510	38,510
Capital repayments	(1,930)	(1,930)	(1,797)	(1,797)
Total loans outstanding at 31 July	<b>34,783</b>	<b>34,783</b>	<b>36,713</b>	<b>36,713</b>

**Obligations Term Loans**

	<b>Consolidated 2014/15 £000s</b>	<b>University 2014/15 £000s</b>	<b>Consolidated 2013/14 £000s</b>	<b>University 2013/14 £000s</b>
Obligations under loans fall due as follows:				
Within one year	2,066	2,066	1,930	1,930
In the second to fifth years inclusive	9,855	9,855	9,200	9,200
In over five years	22,862	22,862	25,583	25,583
	<b>34,783</b>	<b>34,783</b>	<b>36,713</b>	<b>36,713</b>



**NOTES TO THE ACCOUNTS**  
(continued)  
Year ended 31 July 2015

**Obligations under Finance Leases**

Consolidated 2014/15 £000s	University 2014/15 £000s	Consolidated 2013/14 £000s	University 2013/14 £000s
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Obligations under finance leases fall due as follows:

Within one year	1,823	1,823	1,853	1,853
In the second to fifth years inclusive	7,049	7,049	8,063	8,063
In over five years	2,475	2,475	3,818	3,818
	11,347	11,347	13,734	13,734
Less finance charges allocated to future period	(3,878)	(3,878)	(5,373)	(5,373)
	7,469	7,469	8,361	8,361

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

For loans and leases falling due after more than five years

Lender	Value and type	Start date	Term	Interest rate
Roodhill Leasing (Middle Mill)	£4.1m lease	22/05/1997	01/04/2022	7.50%
Roodhill Leasing (Kingston Bridge House)	£3.4m lease	22/05/1997	01/04/2022	7.50%
Roodhill Leasing (Kingston Hill Chancellors)	£5.3m lease	22/09/1994	01/04/2019	7.50%
Barclays (secured-Penrhyn Rd property)	£17m term loan	20/12/2005	30/09/2020	4.84%
Barclays (secured-Penrhyn Rd property)	£35m term loan	31/07/2008	31/07/2031	5.35%

On 31 July 2015 the University entered into a new loan with Barclays Bank for an additional £40m at a rate of 3.31% over a period of 15 years. The new loan is scheduled to be drawn down in three tranches as follows: £10m 31/1/16; £15m 31/7/16; £15m 31/1/17. The existing loans above have been consolidated into the new loan with a resultant composite rate of 4.49%.

**NOTES TO THE ACCOUNTS**  
(continued)  
Year ended 31 July 2015

**16 PENSION LIABILITY**

The pension liability has been measured in accordance with the requirements of FRS17 and relates to the Local Government Pension Scheme (LGPS) and the London Pensions Fund Authority (LPFA).

Further information is given in note 29.

LGSS 2015	LPFA 2015	Total 2015	Total 2014
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**CONSOLIDATED**

Opening balance	(75,556)	(5,449)	(81,005)	(71,048)
<u>Movement in year:</u>				
Current service cost	(7,836)	411	(7,425)	(7,569)
Contributions	7,655	(124)	7,531	7,857
Other finance cost	134	(108)	26	(1,655)
Actuarial gain / (loss) recognised in	(7,375)	(623)	(7,998)	(8,590)
Statement of total recognised gains and losses				
Closing balances	(82,978)	(5,893)	(88,871)	(81,005)

**UNIVERSITY**

Opening balance	(75,556)	-	(75,556)	(65,998)
<u>Movement in year:</u>				
Current service cost	(7,836)	-	(7,836)	(7,411)
Contributions	7,655	-	7,655	7,460
Gain/ Loss on curtailments/ settlements	-	-	-	0
Other finance cost	134	-	134	(1,489)
Actuarial gain / (loss) recognised in	(7,375)	-	(7,375)	(8,118)
Statement of total recognised gains and losses				
Closing balances	(82,978)	-	(82,978)	(75,556)

**NOTES TO THE ACCOUNTS**  
(continued)  
Year ended 31 July 2015

**17 DEFERRED CAPITAL GRANTS**

	<b>Consolidated 2014/15 £000s</b>	<b>University 2014/15 £000s</b>	<b>Consolidated 2013/14 £000s</b>	<b>University 2013/14 £000s</b>
Balance at 1 August	13,394	13,394	14,294	14,294
<b>Movements:</b>				
Grants received	2,666	2,666	699	699
Release to income and expenditure account				
- Funding Council Grants	(2,454)	(2,454)	(2,909)	(2,909)
Release to income and expenditure account				
- Other income	-	-	(14)	(14)
Transfer to creditor within one year	-	-	(82)	(82)
Balance at 31 July	13,606	13,606	11,988	11,988
Amount to be released within one year	(1,722)	(1,722)	(1,661)	(1,661)
Amount to be released after more than one year	11,884	11,884	10,327	10,327

**18 RESTRICTED ENDOWMENTS**

	<b>Philip Russell Scholarship £000s</b>	<b>Other £000s</b>	<b>Total £000s</b>
<b>EXPENDABLE</b>			
Balance at 1 August	40	955	995
Transfer to income and expenditure account	-	-	-
Income received	-	78	78
Balance at 31 July	40	1,033	1,073

**PERMANENT**

	<b>Dorich House £000s</b>	<b>Total £000s</b>
Balance at 1 August	1,207	1,207
Transfer to income and expenditure account	(16)	(16)
Balance at 31 July	1,191	1,191

**19 REVALUATION RESERVE**

	<b>Consolidated 2014/15 £000s</b>	<b>University 2014/15 £000s</b>	<b>Consolidated 2013/14 £000s</b>	<b>University 2013/14 £000s</b>
Balance at 1 August	52,384	52,384	53,092	53,092
<u>Transfer to General Reserve:</u>				
Difference between historical cost depreciation and actual charge for the period calculated on re-valued amount	(708)	(708)	(708)	(708)
Balance at 31 July	51,676	51,676	52,384	52,384

**NOTES TO THE ACCOUNTS**  
(continued)  
Year ended 31 July 2015

**20 MOVEMENT ON GENERAL RESERVE**

	<b>Consolidated 2014/15 £000s</b>	<b>University 2014/15 £000s</b>	<b>Consolidated 2013/14 £000s</b>	<b>University 2013/14 £000s</b>
Income and expenditure account reserve at 1 August	171,372	166,588	157,497	152,567
Surplus retained for the year	18,460	18,420	11,488	11,561
Transfer from pension reserve	337	515	1,679	1,752
Transfer from revaluation reserve	708	708	708	708
	<u>190,877</u>	<u>186,231</u>	<u>171,372</u>	<u>166,588</u>

**21 NET CASH INFLOW FROM OPERATING ACTIVITIES**

	<b>2014/15 £000s</b>	<b>2013/14 £000s</b>
Surplus before tax	18,460	23,107
Interest payable	3,539	5,141
Interest receivable	(880)	(729)
Release of capital grant	(2,454)	(2,213)
Depreciation	12,973	162
(Profit)/loss on sale of assets	(263)	-
(Increase)/decrease in stocks	(10)	114
(Increase)/decrease in debtors	(1,089)	(273)
(Increase)/decrease in creditors	(1,910)	4,312
Pension costs less contributions payable	(106)	(288)
	<u>28,260</u>	<u>29,332</u>

**22 RETURNS ON INVESTMENTS AND SERVICING OF FINANCE**

	<b>2014/15 £000s</b>	<b>2013/14 £000s</b>
Interest receivable	763	837
Interest paid	(2,468)	(2,547)
Finance lease charges paid	(962)	(939)
	<u>(2,667)</u>	<u>(2,649)</u>

**NOTES TO THE ACCOUNTS**  
(continued)  
Year ended 31 July 2015

**23 CAPITAL EXPENDITURE AND FINANCIAL INVESTMENT**

	2014/15 £000s	2013/14 £000s
Purchase of tangible fixed assets	(13,346)	(16,428)
Sale of tangible fixed assets	295	-
Deferred capital grant received	2,666	1,313
	<u>(10,385)</u>	<u>(15,115)</u>

**24 FINANCING**

	2014/15 £000s	2013/14 £000s
Loan repayments	(1,930)	(1,720)
Capital element on finance leases	(892)	(785)
	<u>(2,822)</u>	<u>(2,505)</u>

**25 ANALYSIS OF CHANGES IN  
NET FUNDS**

	At 1 August 2014 £000s	Cash flows £000s	Other Non Cash Changes £000s	At 31 July 2015 £000s
Cash at bank and in hand	7,479	1,652	-	9,131
Current Asset Investments	115,355	10,729	-	126,084
Cash in endowment assets	996	87	-	1,083
Debt due within one year	(1,929)	1,935	(2,066)	(2,060)
Debt due after one year	(35,456)	-	2,066	(33,390)
Finance leases due within one year	(890)	890	(1,015)	(1,015)
Finance leases due after one year	(7,470)	-	1,015	(6,455)
	<u>78,085</u>	<u>15,293</u>	<u>-</u>	<u>93,378</u>

Liquid resources are defined as those deposits held that are not repayable on demand without loss of interest.

**26 ANALYSIS OF CHANGES IN FINANCING  
DURING THE YEAR**

	Leases £000s	Loans £000s	Total £000s
Balance at 1 August 2014	8,361	37,386	45,747
Capital Repayments	(890)	(1,930)	(2,820)
Balance at 31 July 2015	<u>7,471</u>	<u>35,456</u>	<u>42,927</u>

**NOTES TO THE ACCOUNTS**  
**(continued)**  
**Year ended 31 July 2015**

## 27 OPERATING LEASE COMMITMENTS

At 31 July 2015 the Group was committed to making the following payments during the next year in respect of operating leases:

Leases which expire:

Within one year

In the second to fifth years inclusive

In more than five years

2014/15 Land and Buildings £000s	2013/14 Land and Buildings £000s
1,903	1,912
381	370
72	72
<b>2,356</b>	<b>2,354</b>

## 28 PRIVATE FINANCE TRANSACTIONS

The University has one PFI scheme which is for the Clayhill Halls of Residence.

£000s

Estimated capital value of scheme

21,861

Project agreement date:

23/5/02

Completion of building project and commencement of unitary charge:

1/12/03

Contract end date:

30/11/38

A unitary charge is payable for a period of 35 years from the completion of the building project on 1 December 2003.

The annual charge for 2014/15 was £3,094,270. Estimated annual payments in the future are not expected to be materially different.

## 29 PENSIONS

The University's employees belong to three principal pension schemes, the Teachers' Pensions Scheme (TPS), the Universities Superannuation Scheme (USS) and the Local Government Pension Scheme (LGPS). These are defined benefit schemes. However, the TPS is a national scheme and it is not possible to identify the University's share of underlying assets and liabilities.

Pension charges for the year (covering all schemes):

TPS: contributions paid

USS: contributions paid

LGPS: FRS 17 charge

Total pension cost

2014/15 £000s	2013/14 £000s
5,660	5,198
716	655
7,473	7,564
<b>13,849</b>	<b>13,417</b>

### Local Government Pension Scheme (LGPS)

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 Robe LLP Limited as at 31 July 2015.

*Reconciliation of present value of plan liabilities*

At the beginning of the year

Current service cost

Interest cost

Actuarial losses

Benefits paid

Past service costs

Contributions by members

Gains on curtailments and settlements

At the end of the year

2014/15 £000s	2013/14 £000s
226,303	199,226
7,780	7,172
9,129	9,325
16,173	12,129
(5,830)	(5,534)
56	239
2,174	2,063
-	1,683
<b>255,785</b>	<b>226,303</b>

## NOTES TO THE ACCOUNTS (continued)

29 **PENSIONS** (continued)

*Reconciliation of present value of plan liabilities*

	2014/15 £000s	2013/14 £000s
	255,785	226,303
Schemes wholly or partly funded	255,785	226,303

*Reconciliation of fair value of plan assets*

	2014/15 £000s	2013/14 £000s
At the beginning of the year	150,747	133,228
Expected rate of return on plan assets	18,061	13,529
Contribution by group	9,829	9,523
Benefits paid	(5,830)	(5,533)
At the end of the year	172,807	150,747

*Reconciliation to balance sheet*

	2014/15 £000s	2013/14 £000s
Present value of funded obligations	(255,785)	(226,303)
Fair value of plan assets	172,807	150,747
Plan deficit	(82,978)	(75,556)
Net liability	(82,978)	(75,556)



29 **PENSIONS** (continued)

*The amounts recognised in profit and loss are as follows:*

*Included in Other Operating expenses:*

	2014/15 £000s	2013/14 £000s
Current service cost	7,780	7,172
Past service cost	56	239
<i>Included in Interest payable:</i>		
Interest cost	9,129	9,325
Expected return on plan assets	(9,263)	(7,836)
	<u>7,702</u>	<u>8,900</u>

*Analysis of amount recognised in statement of total recognised gains and losses*

	2014/15 £000s	2013/14 £000s
Experience gains on on pension plan assets	8,798	5,693
Experience gains and losses arising on the scheme liabilities	1,542	(3,160)
Changes in assumptions underlying the present value of the scheme liabilities	(17,715)	(8,969)
Actuarial (losses)/gains recognised in the statement of total recognised gains and losses	<u>(7,375)</u>	<u>(6,436)</u>
Cumulative actuarial gains and losses	<u>(18,686)</u>	<u>(11,311)</u>

*Basis used to determine the overall expected rate of return of assets:*

Overall expected rate of return on plan assets is based upon historical returns of investment performance adjusted to reflect expectations of future long-term returns by asset class.

	2014/15 £000s	2013/14 £000s
<i>Actual return on plan assets</i>	<u>18,061</u>	<u>13,529</u>

(continued)  
Year ended 31 July 2015

29 **PENSIONS** (continued)

*Principal actuarial assumptions used at the balance sheet date*

	2014/15	2013/14
	%	%
Discount rates	3.6	4.0
Expected rate of return on plan assets	3.6	6.1
Future salary increases	4.5	4.5
Future pension increases	2.6	2.7
RPI inflation	1.0*	1.6*

\* current inflation rate as average Bank of England inflation rate now used

*Five year history*

	2015	2014	2013	2012	2011
	£000s	£000s	£000s	£000s	£000s
Present value of the plan liabilities	(255,785)	(226,303)	(199,226)	(187,691)	(161,460)
Fair value of the plan assets	172,807	150,747	133,228	106,093	100,700
Deficit on the pension plans	(82,978)	(75,556)	(65,998)	(81,598)	(60,760)
<i>Experience adjustments arising on:</i>					
Plan liabilities	1,542	(3,160)	15	(1,558)	29
Plan assets	8,798	5,693	19,513	(4,930)	4,360

The group's best estimate of the contributions expected to be paid in the year beginning 1 August 2015 is £7.987m.

*The approximate split of the scheme assets and assumed rates of return adopted by the Employer for the purpose of FRS17 is shown below:*

	Long-term expected rate of return at 31 July 2015 (%) pa)	Asset split at 31 July 2015(%)	Long-term expected rate of return at 31 July 2014 (%) pa)	Asset split at 31 July 2014 (%)
Equities	3.6	71.0%	6.5	80.0%
Property	3.6	24.0%	4.7	4.0%
Bonds	3.6	4.0%	4.1	13.0%
Cash/other	3.6	1.0%	3.6	3.0%
<b>Total</b>		100%		100%

**NOTES TO THE ACCOUNTS**

29 **PENSIONS** (continued)

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

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 Waddi as at 31 July 2015.

	2014/15 £000s	2013/14 £000s
<i>Reconciliation of present value of plan liabilities</i>		
At the beginning of the year	11,807	11,523
Current service cost	124	158
Interest cost	474	513
Actuarial losses	533	45
Benefits paid	(501)	(432)
At the end of the year	12,437	11,807

	2014/15 £000s	2013/14 £000s
<i>Reconciliation of present value of plan liabilities</i>		
Schemes wholly or partly funded	12,437	11,807
	12,437	11,807

	2014/15 £000s	2013/14 £000s
<i>Reconciliation of fair value of plan assets</i>		
At the beginning of the year	6,358	6,473
Expected rate of return on plan assets	366	347
Actuarial gains/(losses)	(91)	(427)
Contribution by group	441	443
Benefits paid	(531)	(478)
At the end of the year	6,543	6,358

29 **PENSIONS** (continued)

*Reconciliation to balance sheet*

	2014/15 £000s	2013/14 £000s
Present value of funded obligations	(12,437)	(11,807)
Fair value of plan assets	6,543	6,358
Plan deficit	(5,894)	(5,449)
Net liability	(5,894)	(5,449)

*The amounts recognised in profit and loss are as follows:*

	2014/15 £000s	2013/14 £000s
<i>Included in other operating expenses:</i>		
Current service cost	124	158
<i>Included in interest payable:</i>		
Interest cost	474	513
Expected return on plan assets	(365)	(347)
	233	324

*Analysis of amount recognised in statement of total recognised gains and losses*

	2014/15 £000s	2013/14 £000s
Actual return less expected return on pension plan assets	(91)	(240)
Experience gains and losses arising on the scheme liabilities	-	880
Changes in assumptions underlying the present value of the scheme liabilities	(532)	(1,112)
Actuarial (losses)/gains recognised in the statement of total recognised gains and losses	(623)	(472)

	2014/15 £000s	2013/14 £000s
<i>Cumulative amount of losses recognised in the statement of total recognised gains and losses</i>	(3,431)	(2,808)
	<u>(3,431)</u>	<u>(2,808)</u>

*Basis used to determine the overall expected rate of return of assets*

Overall expected rate of return on plan assets is based upon historical returns of investment performance adjusted to reflect expectations of future long-term returns by asset class.

	2014/15 £000s	2013/14 £000s
<i>Actual return on plan assets</i>	275	107

*Principal actuarial assumptions used at the balance sheet date*

	2014/15 %	2013/14 %
Discount rates	3.6	4.1
Expected rate of return on plan assets	5.8	5.8
Future salary increases	4.2	4.3
Future pension increases	2.4	2.6

<i>Five year history</i>	2015 £000s	2014 £000s	2013 £000s	2012 £000s	2011 £000s
Present value of the plan liabilities	(12,437)	(11,807)	(11,523)	(8,107)	(6,316)
Fair value of the plan assets	6,543	6,358	6,473	4,231	3,566
Deficit on the pension plans	<u>(5,894)</u>	<u>(5,449)</u>	<u>(5,050)</u>	<u>(3,876)</u>	<u>(2,750)</u>
<i>Experience adjustments arising on:</i>					
Plan assets	(91)	(427)	657	115	116
Plan liabilities	0	1,067	-	(587)	-

The group's best estimate of the contributions expected to be paid in the year beginning on 1 August 2015 is £487,000.

*Estimated asset allocation as at 31 July*

	2015		2014	
	£000s	%	£000s	%
Equities	2,894	44	2,804	44
Target Return Portfolio	1,272	19	1,825	29
Alternative Assets	1,532	24	846	13
Cash	845	13	883	14
	<u>6,543</u>	<u>100</u>	<u>6,358</u>	<u>100</u>

## NOTES TO THE ACCOUNTS (continued)

29. **PENSIONS** (continued)

**Teachers' Pension Scheme**

The University's employees belong to three principal pension schemes, the Teachers' Pensions Scheme (TPS), the Universities Superannuation Scheme (USS) and the Local Government Pension Scheme (LGPS). All are defined benefit schemes. The total pension cost for the year ended 31 July 2015 was £5,153,702 (2014: £5,198,178), this included an amount of £42,888 (2013: £41,851) being notional interest in respect of enhanced pension entitlements for staff who have taken early retirement. The calculation of the cost of early retirement provisions charged to the Income and Expenditure account in the year of retirement is based on the total capital cost of providing enhanced pensions with allowance for future investment returns at 3.5% in excess of price inflation.

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

The University has set out below the information available on the Scheme and the implications for the University in terms of the anticipated contribution rates.

The employers' contribution rates for the University's academic staff were 14.1% of pensionable salaries from 1 August 2013 to 31 July 2015.

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

The last valuation of the TPS related to the period 1 April 2004 to 31 March 2012. The Government Actuary's report of June 2015 revealed that the total liabilities of the Scheme (pensions currently in payment and the estimated cost of future benefits) amounted to £191.5billion. The value of the assets (estimated future contributions together with the proceeds from the notional investments held at the valuation date) was £176.6billion million. The assumed real rate of return is 3% in excess of prices and 1.25% in excess of earnings. The rate of real earnings growth is assumed to be 2.75%. The assumed gross rate of return is 5.06%.

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

**Universities Superannuation Scheme**

The institution participates in the Universities Superannuation Scheme (USS), a defined benefit scheme which is contracted out of the State Second Pension (S2P). The assets of the scheme are held in a separate trustee-administered fund. Because of the mutual nature of the scheme, the scheme's assets are not linked to individual institutions and a scheme-wide contribution rate is set. The 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 and therefore, as required by FRS 17 "Retirement benefits", accounts for the scheme as if it were a defined contribution scheme. As a result, the amount charged to the income and expenditure account represents the contributions payable to the scheme in respect of the accounting period.

The total cost charged to the profit and loss account is £716k (2014: £655k). There was neither a prepayment nor an accrual at the end of the financial year in respect of these contributions. The disclosures below represent the position from the schemes last audited financial statements. The scheme was valued again in 2014, but as it is in the process of being audited, it was deemed appropriate to include the last audited valuation disclosures.

The latest actuarial valuation of the scheme was at 31 March 2011, although the scheme actuary has updated some of the information to 31 March 2013. The valuation was carried out using the projected unit method. The assumptions which have the most significant effect on the result of the valuation are those relating to the rate of return on investments (i.e. the valuation rate of interest), the rates of increase in salary and pensions and the assumed rates of mortality. The financial assumptions were derived from market yields prevailing at the valuation date. An "inflation risk premium" adjustment was also included by deducting 0.8% (2011: 0.3%) from the market-implied inflation.

**NOTES TO THE ACCOUNTS**  
(continued)  
Year ended 31 July 2015

To calculate the technical provisions, it was assumed that the valuation rate of interest would be 4.8% (2011:6.1%) per, salary increases would be 4.3% (2011:4.4%) per annum (plus an additional allowance for increases in salaries due to age and promotion reflecting historic Scheme experience, with a further cautionary reserve on top for past service liabilities) and pensions would increase by 2.5% per annum (2011: 3.4% per annum for the 3 years following the valuation then 2.6% per annum thereafter).

Standard mortality tables were used (for 2013 and 2011) as follows:

Male members' mortality S1NA (Light) year of birth tables –  
No age rating

Female members' mortality S1NA (Light) year of birth tables –  
rated down 1 year

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

Males (females) currently aged 65 23.7 years

Males (females) currently aged 45 25.5 years

At the valuation date, the value of the assets of the scheme was £38.6billion (2011:£32.4billion) and the value of the schemes' technical provisions was £50.1billion (2011:£35.3billion) indicating a shortfall of £11.5billion (2011:£2.9billion). The assets therefore were sufficient to cover 77% (2011:92%) of the benefits which had accrued to members after allowing for expected future increases in earnings.

The actuary also valued the scheme on a historic gilts basis, using a valuation rate of interest in respect of past service liabilities of 3.1% per annum (2011:4.4%) (the expected return on gilts). On this basis the funding level was approximately 55% (2011:68%).

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

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

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

**NOTES TO THE ACCOUNTS**  
(continued)  
Year ended 31 July 2015

**30 OTHER FUNDING**

The University received additional funds from the funding councils (HEFCE and NCTL) which it holds and distributes to either students or other educational partners.

	Access Funds	Graduate Teachers Bursaries	NSP Funds
	(HEFCE)	(NCTL)	
	£	£	£
Balance as at 1 August 2014	(8,463)	940,390	-
Funds received	-	15,000	652,000
Disbursement of funds	8,463	-	(652,000)
Balance as at 31st July 2015	(0)	955,390	-

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

**31 RELATED PARTY TRANSACTIONS**

In the course of normal operations, related party transactions entered into by the University have been contracted on an arm's length basis during the year, in accordance with the University's financial regulations and procurement policy.

The University has taken advantage of the exemption which is conferred by the Financial Reporting Standard (FRS) 8 - related Party disclosures that allows it not to disclose transactions with wholly owned group undertakings.

Grants were paid to Kingston University Students Union amounting to £706k (2013/14: £706k), an organisation in which the president, Ms Denza Gonsalves, was a member of Kingston University Governing Body until July 2015.

Transactions relating to franchised arrangements with St. Georges Hospital Medical School, an organisation in which the Principal, Professor Peter Kopelman is a member of the Kingston University Governing Body amounted to payments of £514k (2013/14: £473k).

Transactions relating to franchised arrangements with Kingston College, an organisation in which the Principal, Peter Mayhew-Smith is a member of the Kingston University Governing Body amounted to payments of £2,538k (2013/14 £2,052k).

Kingston University entered into transactions valued at £36,960 (£20,500) with Creative Youth, a charity for which Peter Mayhew-Smith is a director.

**32 CAPITAL COMMITMENTS - CONSOLIDATED & UNIVERSITY**

Capital expenditure contracted that has not been provided for in the financial statements

Capital expenditure that has been authorised by the Governing Body but has not yet been contracted for

2014/15 £000s	2013/14 £000s
4,445	4,969
51,304	5,481
55,749	10,450