

**Kingston  
University**  
London

# **Strategic Review and Financial Statements 2022/23**



# Contents

|   |    |
|---|----|
| Welcome   | 3  |
| Town House Strategy   | 4  |
| Education   | 6  |
| Research, business engagement and knowledge exchange                  | 7  |
| Support for students  | 9  |
| Equality, diversity and inclusion                                     | 11 |
| Estates   | 13 |
| Sustainability  | 14 |
| Public benefit statement  | 15 |
| Strategic review financial section 2022/23                            | 16 |
| Modern Slavery Act 2015   | 21 |
| Trade Union (Facility Time Publication Requirements) Regulations 2017 | 22 |
| Principal risks and uncertainties                                     | 23 |



The University's Future Skills programme has been introduced to all first-year undergraduate students starting in September 2023.

# Welcome

The launch of the Town House Strategy, through which we are now beginning to embed a progressive new model of education across the curriculum, has made the past year one of particular significance for Kingston University. Building on the findings of our Future Skills campaign, this development will see students on all our undergraduate degrees equipped with the skills industry reports it most needs, together with the graduate attributes, such as adaptability, a questioning mindset and resilience, vital for career and personal success.

As well as preparing our students for the rapidly evolving future world of work, the Town House Strategy – reflecting the ambitions exemplified in our flagship building at the Penrhyn Road campus that bears the same name – places increased emphasis on research and knowledge exchange. It also clearly signals our commitment to creating a culture of high performance through which our students, graduates and staff will be sought after for their skills, knowledge and innovation.

The benefits of that emphasis on high performance was evidenced when Kingston became one of just 26 universities nationally to be awarded three Gold ratings in the latest Teaching Excellence Framework (TEF), released in September. The University not only received an overall rating of Gold, but also secured a Gold award in the framework's two new student experience and student outcomes categories. This outcome signifies our enduring commitment to providing our students with the very best education and campus experience during their degree studies, so they emerge ready to embark on successful careers.

Building on our performance in the Research Excellence Framework released in 2022 and Knowledge Exchange Framework published this autumn, we are now preparing for the launch of four Knowledge Exchange and Research Institutes. They will enable us to concentrate our efforts and increase our visibility advancing knowledge, sharing expertise and embarking on additional collaborations in areas in which the University has particular strengths.

Across our University community, our commitment to fair access and equality of opportunity, together with our work to enshrine the value of diversity in what we do remains integral to our ethos. We firmly believe our students should see themselves reflected in the curriculum and that their education should be a truly transformative experience. Our University values – inclusive, innovative, ambitious and enterprising – further demonstrate the importance we place on these principles and are central to our vision and mission. They are embodied by staff across our campuses, benefiting our students and uniting academic and Professional Services colleagues alike through a shared sense of purpose.



Professor Steven Spier  
Vice-Chancellor



Francis Small  
Chair of the Board of Governors

Our campuses also demonstrate our commitment to expanding knowledge and skills by investing in our students' futures. We have been continuing to enhance our estate and infrastructure, improving our teaching facilities to ensure our students are able to thrive in an environment that stimulates shared learning and educational innovation. A multi-million pound upgrade to our halls of residence at Seething Wells and Kingston Hill, which began in 2020, was completed in readiness for the arrival of students joining the University for the 2023/24 academic year. Elsewhere, a major project to transform the main building at our Penrhyn Road campus is commencing. It will create new social, learning and collaboration spaces for our students, in keeping with other significant campus developments including our landmark Town House, which sits alongside.

We have also unveiled proposals for a new building at Middle Mill, adjacent to Kingston School of Art's Knights Park campus. Grafton Architects, the team responsible for our multi-award-winning Town House, have been appointed to develop concepts for its design. Our ambitious institutional Sustainability Plan, meanwhile, will be instrumental in ensuring all new infrastructure projects match our sustainability objectives and support us in achieving our goal of becoming a net zero carbon campus by 2038.

While the past year has undoubtedly been one of challenge for the higher education sector as a whole, with all institutions weathering the effects of cost of living constraints, shifts in government policy and the effects of continuing to operate in an increasingly competitive environment, prudent financial management and astute leadership has ensured the University remains in position to invest in the Town House Strategy and thrive.

Kingston is a dynamic, forward thinking university at the forefront of driving positive change in students' education. Our Town House Strategy is unashamedly ambitious for this very reason and will be instrumental in propelling us forward to secure our long-term success.

# Town House Strategy

## Strategy sets ambitious new direction

Officially unveiled in October 2022, the University's Town House Strategy sets out our aspirations to deliver a progressive model of higher education, founded on our sector-leading Future Skills campaign. It articulates our commitment to partnering with business, industry and the wider community to support innovation and advance knowledge, with collaboration and visionary thinking central to all that we do.

Named after our EU Mies van der Rohe Award and RIBA Stirling Prize-winning Town House building, the Strategy will enable us to prepare students for the rapidly evolving future world of work and ensure our graduates, staff and the University itself are sought after for their skills, expertise and innovation.

Equally importantly, the Strategy will increase research and knowledge exchange activity, strengthen the University's impact on policy and ensure we are well positioned to support the goal of building a more sustainable society and dynamic economy.

Our core values – being inclusive, innovative, ambitious and enterprising – underpin the Town House Strategy. They reflect the very essence of the University's ethos and the distinct characteristics that are integral to our unique identity, mission and vision. Providing a common sense of purpose and direction, they are the defining principles that guide the activity of both our Faculties and Directorates.

Individual members of staff and teams across the University embody our core values in the work they do across teaching, research and providing a range of professional services, benefitting our students' learning and campus experience, our academic endeavour and the wider University community. Recognition of this commitment has led to the launch of the inaugural Kingston University People Awards.



Kingston University's EU Mies van der Rohe and RIBA Stirling Prize award-winning Town House building © Anna Jannepalli

## Embedding Future Skills across the curriculum

New undergraduates enrolling at Kingston University in autumn 2023 are set to be the first to benefit from the campus-wide introduction of the Future Skills programme – an innovative model of education that will equip them with the future-proofed skills needed for career success.

As part of the launch, all first-year students will participate in Navigate modules, being implemented from September, alongside their subject-specific course work. They will then progress on to further expand their skills and knowledge through Explore and Apply modules during the second and third years of their degrees.

The development comes as part of the University's drive to ensure every student acquires the skills most valued by employers, including problem solving, critical thinking, communication and creativity. These will all become key components of the curriculum, complementing other degree learning.

The roll out of the programme builds on research undertaken as part of the University's Future Skills campaign, which has been highlighting the economic imperative of skills for innovation since its inception in 2021. Since that time, the campaign has garnered widespread support from business and industry leaders, government policy-makers, politicians and peers.

Informed by campaign research, which in 2022 included a YouGov survey of more than 2,000 businesses and 1,000 students, we have identified nine attributes we will instill in future graduates – creative problem solving, digital competency, being enterprising, having a questioning mindset, adaptability, empathy, collaboration, resilience and self-awareness. We are aiming to ensure all students are able to demonstrate the full set of attributes by the time they complete their undergraduate degrees, boosting their employability and their ability to make a meaningful contribution as soon as they enter the workplace.

Embedding the future skills so keenly sought by business and industry across our curriculum forms a key strand of the Town House Strategy. The new programme, which will form a core component of each year of our undergraduate degree studies, will ensure students on all courses are equipped with the future-proofed skills and have the experience and opportunities to succeed in their future careers.

The University-wide roll out of Future Skills follows a successful pilot of the Navigate programme last year.



## Making an impact in the political sphere

The University's work to embed future skills across the curriculum has caught the attention of several senior politicians, who have experienced first hand how the initiative is being rolled out during a series of campus visits.

Shadow Minister for Higher Education Matt Western MP commended the innovation displayed by the University in focusing on the needs of both students and employers when he heard from staff and students about the benefits of the new model of education in April 2023. Liberal Democrat leader Sir Ed Davey MP, meanwhile, commended the University for the work it was doing applying the findings from its Future Skills research to enhance students' experience, helping them navigate through higher education, work in a multi-disciplinary way and take the life skills acquired beyond the University into the world of work. Minister for Technology and the Digital Economy Paul Scully MP and Shadow Small Business Minister Seema Malhotra MP have also taken part in activities and sessions to find out more about the role future skills is set to play boosting business, industry and the national workforce.

The impact of the University's Future Skills campaign and its engagement with business, politicians and other key external stakeholders saw it carry off the exceptional campaign of the year award at the annual PRCA-PoliMonitor Public Affairs Awards.



Top: Shadow Minister for Higher Education Matt Western speaks to a business psychology student about the benefits of future skills during a campus visit.

Middle: Liberal Democrat leader Sir Ed Davey MP visits Kingston University to hear how future skills is being embedded across the curriculum.

Bottom: The Future Skills campaign was named campaign of the year award at the annual PRCA-PoliMonitor Public Affairs Awards.

# Education

## University rated Gold in Teaching Excellence Framework

The University's commitment to high quality teaching, providing an outstanding student experience and supporting students to achieve successful degree outcomes was recognised with a Gold rating in the Teaching Excellence Framework (TEF), released in September 2023.

The University not only received an overall rating of Gold – a significant rise from its previous Bronze status – but also secured a Gold award in the framework's two new student experience and student outcomes categories.

The announcement saw Kingston join 26 universities and colleges across the United Kingdom awarded three Gold ratings, sitting alongside Oxford, Cambridge, Exeter and Warwick. It was one of 46 higher and further education providers across the country to receive the overall TEF Gold rating and the only provider in the country to rise from TEF Bronze to TEF Gold.

Meanwhile, the University was named one of the top 10 institutions in the country in seven subject areas and one of the top 60 institutions nationally in the 2024 Guardian University Guide. It once again ranked second in the United Kingdom and top in London for fashion and textiles. It was placed third overall for general nursing, also carrying off the honour of being top in England in this subject area.

In the first edition of new annual league tables published by the Daily Mail, the newspaper noted that approximately half Kingston University's students were the first in their families to go to university. It hailed this as "an impressive figure in the capital, where university take-up is among the highest in the UK", adding that this was achieved through targeted outreach work with thousands of school children from backgrounds under-represented on campus.

Elsewhere, The Times and Sunday Times Good University Guide's online profile highlighted the work the University was doing to embed future skills across the curriculum. It also highlighted that demand for places across the institution had climbed for the past three years, which it stated was "showing evidence that the refocused course portfolio is hitting the right notes with applicants".



The University was once again ranked top in London for fashion and textiles in the 2024 Guardian University Guide. © Peter Langdown

## Highlighting the importance of creative education

Delegates from across the United Kingdom converged on Kingston University in March 2023 for a major conference highlighting the vital role creative skills and design thinking play in shaping the nation's future. The annual Council for Higher Education in Art and Design conference brought together leading figures from the worlds of art, design, business and politics, to discuss the impact of emerging technologies on the creative sector and the skills needed for the next generation of graduates to help drive a reinvigorated economy.

The University's impact at the forefront of creative education and innovation was further acknowledged when Vice-Chancellor Professor Steven Spier was appointed as a member of the Creative Industries Council – the joint industry and government forum that acts as a voice for the United Kingdom's creative sector. The Council brings together leading figures from across the creative and digital industries with Ministers from key government departments. The driving force behind the University's Future Skills campaign, Professor Spier is the only university vice-chancellor to currently sit on the Council.

## Supporting developments in learning and teaching

The University is preparing to deliver a suite of new postgraduate scholarships aimed at broadening the pool of students progressing into data science and artificial intelligence careers. The scholarships are being launched after the University was named as one of 30 institutions across the country selected to receive funding from an £8.1m Department for Science, Innovation and Technology and Office for Artificial Intelligence pot, awarded by the Office for Students.

Each worth £10,000, the scholarships will provide additional opportunities for applicants from under-represented groups, including Black, female and disabled students as well as those from lower socio-economic backgrounds, to undertake a postgraduate conversion course in AI and data science.

# Research, business engagement and knowledge exchange

## Developing Knowledge Exchange and Research Institutes

Building on its achievements in the Research Excellence Framework published in 2022, the University has begun developing plans to launch four new Knowledge Exchange and Research Institutes. A core part of the Town House Strategy, they are being designed to enhance impact in research, knowledge exchange and professional practice, focusing on opportunities to build on existing strengths in areas in which the University is both credible and authoritative.

The institutes will create a collaborative environment to harness innovation, in particular encouraging interdisciplinary responses to key research challenges across the higher education sector and in the wider world. They will focus on four distinct areas – health, education and society; cyber, engineering and digital technologies; behaviour, business and policy; design, arts and creative practice.

As part of an enhanced culture of collaboration, researchers from across the University are being invited to work with recently established project bidding groups set up to secure large-scale funding awards. Almost £185,000 has been awarded to 11 project groups as part of the University's Investment in Research Capacity initiative, formed earlier in the year.

### BBC centenary project led by Kingston School of Art academics shortlisted for national film award

A UKRI Arts and Humanities Research Council-funded project led by two Kingston School of Art academics, which saw emerging filmmakers create short films inspired by BBC Archive material, was shortlisted for a 2023 Learning on Screen Award.

The Make Film History project was organised to mark the BBC's centenary in 2022. The project gave 50 emerging filmmakers from across the UK access to 150 films from the BBC Archive for creative reuse. They used the footage to produce short films inspired by 100 years of BBC storytelling on themes including the environment, mental health, youth culture and immigration.

## Harnessing emerging technologies

A new research and innovation facility which taps into the power of emerging technologies to solve complex problems while championing a sustainable, ethical and inclusive focus has launched at Kingston Business School.

The Behavioural Research Analytics in Neurotechnological Systems Lab aims to define an ethical and sustainable digital future by understanding human behaviour and design. Its key objectives are to mitigate harm and tackle major societal challenges within an ever-evolving digital landscape.

Elsewhere across campus, artificial intelligence-enabled eye scans could be used to rapidly and accurately predict whether a person is at high risk of heart disease, a new study involving researchers from the Faculty of Engineering, Computing and the Environment has established. The findings could pave the way for cardiovascular screening to be done more quickly and simply by using cameras, without the need for blood tests or blood pressure measurements.

## Support for small businesses

In April the University marked the milestone of having supported more than 300 small businesses through its Help to Grow Management programme, which aims to boost businesses owners' resilience and provide them with the skillset to grow their companies.

The 12-week short course, run at Kingston Business School, is 90 per cent government funded and features sessions led by expert speakers, businesses coaches and lecturers. The programme, which has now been completed by 21 cohorts, has helped participants improve productivity, employee engagement and leadership skills.



The new Knowledge Exchange and Research Institutes will improve the visibility, quality, reach and impact of our work.



## Enterprise education

Kingston University has an established track record as a sector leader in entrepreneurship. Our highly successful enterprise education programme engages several thousand students each year, helping to build skills and aptitude for enterprise and building a pipeline of entrepreneurial students who progress to start their own businesses.

A total of 778 students were involved in this year's Bright Ideas competition. The 18th annual final of the entrepreneurial contest saw students from across the University pitch their ideas to alumni, investors and industry experts in a Dragons' Den-style event.

In other initiatives designed to advance students' entrepreneurial ingenuity, hackathons remained embedded throughout the University's academic curriculum. They provided students with the opportunity to take part in a series of problem-solving events and workshops to address challenges faced by a range of public, private or third sector

organisations. A hackathon delivered for the Royal Borough of Kingston saw students from a range of disciplines come up with ideas to help revitalise Kingston town centre. All told, 2,613 students took part in 119 hackathons in 2022/23.

Business students also participated in Hack4MoD – a new module that provided them with the tools to address challenges faced by the Ministry of Defence. The students were tasked with delivering solutions for an array of issues, such as finding a way of prioritising musculoskeletal injury research to prevent injuries for military personnel.

The Nest incubation space continued its work supporting entrepreneurial alumni to accelerate their businesses, with facilities, services and investment opportunities designed to boost growth and innovation. Through Nest's ongoing support, several University graduates were this year able to grow the businesses they launched after completing their degree studies.

### Shortlisting for Outstanding Entrepreneurial University accolade in Times Higher Education Awards

The University's nationally recognised expertise in enterprise education has seen it shortlisted for the Outstanding Entrepreneurial University accolade at the prestigious Times Higher Education Awards 2023. The award recognises institutions that have developed and delivered an exceptional approach to embedding entrepreneurship. Judges place emphasis on universities whose vision and strategy put enterprise, entrepreneurship and innovation at the heart of what they do, creating an environment that encourages entrepreneurial behaviours in students and staff.



The automotive engineering lab at Roehampton Vale campus offers students high-tech equipment that complements the University's automotive courses. © Peter Langdown



# Support for students

## Enhancing student support services

In another milestone for the University, we have now launched the Student Hub to enhance support services for our students. This development will help the University realise its ambitions of delivering seamless, high quality and consistent support to boost students' participation, attainment and success. The new ways of working encourage students to self-serve, creating additional capacity for staff to resolve enquiries and provide relevant support more quickly.

The Information Centre, located in the libraries on each campus and also able to be contacted by telephone and digital channels, now serves as the first point of contact for students. It triages enquiries, with any more specialist queries passed to dedicated teams.

## Support during cost of living crisis

As part of our commitment to supporting students during the ongoing cost of living crisis, we increased the level of financial assistance available and introduced a number of additional practical initiatives.

During the past academic year, more than 700 Kingston bursaries were awarded to new students with a household income below £25,000 to help them transition to university life. The University also introduced a new Back on Track fund in January, awarding up to £500 per student to address specific short-term financial problems. The fund supported 923 students between February and July, following its launch.

Other practical measures saw a community pop-up pantry organised during Cultural Diversity Week, offering food cupboard essentials to members of the campus community contending with cost of living challenges. More than 300 people attended, with 2,343 food items distributed.

Other initiatives included free breakfasts for students provided by the Union of Kingston Students, a winter coat and warm clothing drive, which saw staff donate clothing for students to choose and collect for free, and a book drive, to redistribute reading material and learning resources no longer needed by their original owners.



Kingston Hill campus houses Kingston Business School and offers a woodland trail and renovated halls of residence. © Peter Langdown

## Enhancing opportunities for students

Our commitment to fair access and providing equal opportunities for students from all walks of life remains a central part of our University ethos. This year, we continued to enhance the support we provide to ensure all students, irrespective of their backgrounds or start in life, can thrive during their degrees and future careers.

The University's award-winning ELEVATE programme, which supports students of Black African or Black Caribbean descent to achieve their full potential by giving them the skills and experience to succeed in their careers, continued to build the number of professional opportunities available for students. The ELEVATE team collaborated with more than 25 employers during the course of the year, offering bespoke mentorship and placement opportunities. As a result, more than 90 students were able to participate in paid opportunities and placements through the ELEVATE programme in 2022/23, almost double the number of opportunities secured in the previous year.

During the 2022/23 academic year, 189 students participated in the University's Beyond Barriers programme. The six-month mentoring scheme, designed to help students from under-represented groups reach their full potential, pairs them with mentors from a range of industries and organisations. Two thirds of mentors who participated in this year's programme were professionals who had themselves graduated from Kingston University.

### **Chancerygate Foundation supports career goals of students from Black African and Caribbean backgrounds**

An expanded partnership with the Chancerygate Foundation supported two Kingston University undergraduates from Black African and Black Caribbean backgrounds to work towards fulfilling their ambitions to build long-term careers within the property industry. The real estate management students will each receive a Chancerygate Foundation Bursary of £10,000 for every year of their degree programmes, as well as benefiting from mentorship and work experience through the charitable scheme.

In other developments, we increased the level of financial support available to Young Adult Carers from lower income households to up to £1,000 each progressive year of study.

## New graduate success centre established in partnership with The Mohn Westlake Foundation

A pioneering programme of work designed to ensure students from all backgrounds have the support, skills and opportunities to succeed in their graduate careers was launched by the University in partnership with The Mohn Westlake Foundation. The Centre for Graduate Success brings together and expands upon a range of activities, from the University's outreach work with schools, colleges and community organisations to personal development and targeted support for student groups who face additional obstacles entering the labour market.

Funded by a £1.7m award from the Foundation, the centre's work aims to address the national issue of students from disadvantaged and minority groups benefiting less from their degrees than students from other backgrounds. The programme will seek to narrow gaps in graduate outcomes, recognising and addressing the specific challenges and structural disadvantages some students need to overcome.

The centre will provide a framework of support through the entire student lifecycle – starting with providing more than 100 schools across the region with access to careers and employability resources and support, through to building career resilience and personal development for students during their time at university and beyond. Targeted initiatives, such as the KU Cares scheme for care leavers and young adult carers, and the ELEVATE accelerator programme that supports students of Black heritage to achieve to their full potential, will form a key part of efforts to help eliminate disparities in graduate outcomes and ensure all students have an equal opportunity to succeed.



# Equality, diversity and inclusion

## Staff networks

Our staff networks continue to flourish and have been instrumental in supporting and advocating for the progression of equality, diversity and inclusion across the University. In new developments during the year, a Disability Task Force has been established, with a network of disability champions appointed across each Faculty and Directorate. They are working with our BAME and LGBTQIA+ staff networks to establish activities and initiatives to promote disability awareness across the University.

Staff, students and alumni from the University's LGBTQIA+ community have taken part in a number of events throughout the year in celebration of inclusivity and acceptance, supported by allies. They included Pride in London, London Trans+ Pride and UK Black Pride – the latter of which saw participants work in collaboration with the BAME staff network for the first time.

## Faith and spirituality

The University's Faith and Spirituality Team has continued to play an active role providing a range of pastoral care for students and staff, overseeing prayer spaces across our campuses, sharing information on places of worship within the community, running faith and spirituality events and supporting student faith societies and groups.

A Faith and Spirituality Fayre held in March brought together a range of faiths and religions, strengthening relations, increasing awareness of individual faith communities and increasing understanding between people of religious and non-religious belief.

Ramadan saw more than 3,000 staff and students come together to observe a month-long period of prayer, fasting, charity-giving and self-reflection. The Faith and Spirituality team, in collaboration with the Union of Kingston Students' Islamic Society, provided daily iftars, eaten after sunset following a day of fasting, at Penrhyn Road and organised Taraweeh, or evening prayers, on campus.



Kingston University staff marching together at Pride in London 2023

## Awards and commendations

Building on the strength of our staff networks, the University's network of equality champions was shortlisted for a Times Higher Education Award in the outstanding contribution to equality, diversity and inclusion category.

The network provides an open and inviting space in which staff and students can work together on ideas that advance equality and make the University a more inclusive place to work and study. It has led to ideas ranging from a review of imagery on campus to the development of inclusive campus maps, an inclusion calendar and targeted projects for specific courses.

The University was meanwhile crowned winner of the Employer of People with a Disability Award at the National Learning Disability and Autism Awards. It was commended for its commitment to employing people with learning disabilities, supporting them to thrive as well respected and valued members of staff.

### Autobiography by researcher about living with learning disabilities celebrated at Houses of Parliament

The publication of an autobiography by a Kingston University researcher about living with learning disabilities was marked during an event at the Houses of Parliament in November. Richard Keagan-Bull, who was named one of the top 100 most influential disabled people in the United Kingdom by the Shaw Trust in 2021, wrote *Don't Put Us Away: Memories of a Man with Learning Disabilities*. It is a first-hand account of growing up with learning disabilities in the 1970s. The event was hosted by Mr Keagan-Bull's constituency MP for Dulwich and West Norwood, Helen Hayes.

### Inclusive curriculum consultants programme wins national award

The University's inclusive curriculum consultants programme was named winner of the most innovative approach to bringing inclusivity and sustainability into the classroom at the Pearson HE Innovate Awards 2022. The initiative enables staff from across the University to partner with student consultants to jointly create their curriculum or co-curricular activities, ensuring they are relevant, meaningful and culturally responsive to our diverse student body.

In related activity, the University has shared its expertise by leading an Advance HE project in collaboration with University Alliance that has explored how student engagement programmes could help drive inclusive cultural change across the sector. The project, which drew in part on learnings from the University's implementation of inclusive curriculum consultants, led to the development of a student engagement toolkit and case study materials to support other Advance HE members to embed inclusivity.



Students celebrating at July graduation ceremonies. © Peter Langdown



## Investing in students' experience

Grafton Architects have begun drawing up initial design concepts for a proposed new academic building at the Middle Mill site next to Knights Park campus. Subject to planning permission, it is envisaged the new building will increase the amount of studio-based teaching space and technical support facilities available for students completing courses at Kingston School of Art. The University is currently working to a timeline that, depending on a successful planning application, would see a proposed building ready for use during the 2029/30 academic year.

A project to upgrade halls of residence at the University's Seething Wells and Kingston Hill sites was completed in time for the start of the 2023 academic year. The refurbishment provides new, energy-efficient and state-of-the-art bedrooms, as well as a range of enhanced facilities for students. It provides a total of 1,333 bedrooms across the University's Chancellors, Walkden and Seething Wells halls of residence.

An ambitious project is now under way to transform the main building at the Penrhyn Road campus. The refurbishment will create new modern social, learning and collaboration spaces, including a larger multi-functional Union of Kingston Students, a kitchen for use by students who commute to campus and dedicated areas for events. A new centre focusing on career development and employability will be established, along with a dedicated Future Skills teaching space.

In another development at Penrhyn Road, new pharmacy facilities were opened by healthcare pioneer Professor Dame Elizabeth Anionwu in February. The two laboratories consist of a mock hospital ward, pharmacy dispensing suite and GP surgery and are equipped with the latest technology, enabling pharmacy students to learn in a safe environment that simulates real-life healthcare settings.



New pharmacy simulation suites opened by Dame Elizabeth Anionwu. © Peter Langdown

## Town House plays host to design innovation

An exhibition showcasing the best new architecture from across Europe was held at Kingston University's Town House building to mark its tenure as 2022 holder of the prestigious EU Mies van der Rohe Award for excellence in European architecture. The month-long exhibition showcased 40 projects shortlisted for the award. An opening event was attended by a host of dignitaries, including the European Union Ambassador to the United Kingdom Pedro Serrano and Minister for Technology and the Digital Economy Paul Scully MP.

The personal archive of moving image pioneer Eadweard Muybridge was relocated from Kingston Museum to the archive in the Town House in March. The occasion was marked by a two-day international conference, with the programme including a series of lectures, presentations, discussions and film of Muybridge's prolific work. The Moving Muybridge: Transatlantic Dialogues conference was organised by the University's Visual and Material Culture Research Centre in partnership with Kingston Museum and the University's Stanley Picker Gallery.

## Enhancing catering services

Catering and hospitality services across the University are now being delivered by a new provider. Aramark has taken on responsibility for running a range of campus outlets and providing event catering.

Highly regarded for its commitment to customer engagement and boasting strong sustainability credentials, Aramark already has extensive experience of operating in the higher education sector. Reducing environmental impact and supporting the communities in which it is based are key features of Aramark's operations. Wherever possible, it works with local and regional suppliers, many of whom are small and medium-sized businesses, to source products and ingredients responsibly. It also has measures in place to minimise food waste, reduce packaging and lower greenhouse emissions.

# Sustainability

## Sustainability Plan

The University is in its second year of delivering the ambitious targets that make up its institutional Sustainability Plan, which launched in 2021.

Our progress in this space has been recognised at a national level, with the University nominated as a finalist in two categories in the 2023 Green Gown Awards. The University was shortlisted in the 2030 Climate Action category for its whole-institutional approach to achieving net zero carbon emissions.

Our Sustainability Innovation Challenge, which launched in September 2021 to coincide with COP26, was meanwhile shortlisted for the Student Engagement section. The challenge included a series of problem-solving hackathons focused around the United Nations Sustainable Development Goals, aiming to encourage students to see themselves as active agents of change in their community. More than 1,300 students took part.

## Engaging students in climate action

The University worked with nine other institutions across London to jointly organise the London Student Sustainability Conference held at King's College London in February 2023. Ten Kingston University students presented their projects and three students received awards as part of the initiative. The consortium's work staging the event was shortlisted for a Green Gown Award in the Student Engagement category.

Meanwhile, the University's International Black Scholars Programme enabled 13 students to learn about climate change and global engagement in a mobility experience at the University of North Carolina in the United States in June.

Collaborations for Sustainable Future events brought together colleagues from different Faculties and disciplines to discuss ways to engage students in climate action and equip them with the knowledge, skills and opportunities to understand and help address global challenges.

Preparation of an interactive Education for Sustainable Development toolkit is now under way. It will provide educational resources, case studies and examples of good practice.

## Commitment to reducing waste and energy use

The University is committed to reducing its carbon emissions. We have set an ambitious carbon target to achieve net zero carbon emissions by 2038/39 for scope 1 and 2 carbon emissions and 2050 for scope 3 carbon emissions.

To date, Kingston University has reduced its annual operational CO<sub>2</sub> by 68 per cent from its 2005/06 baseline. This is the equivalent to an annual saving of 8692t CO<sub>2</sub>e.

The University has a zero waste to landfill policy and works continuously to prevent waste production. A number of initiatives to reuse waste have taken place this year. In 2022/23 students in Clayhill Halls of Residence donated more than 15 tonnes of their unwanted belongings, including clothes, books, food and kitchen items, through the University's annual RE:LOVE project.

In February 2021, our food outlets joined the app Too Good To Go to help tackle food waste. Since this date, the University has saved 773 meals, equating to 773kg of avoided food waste.

## Government grant for campus decarbonisation project

In September 2022, the University was awarded a government grant to decarbonise the institution's heat sources. The funding will be used to produce a strategic plan that will create a roadmap to achieving a net zero carbon University campus by 2038/39.





# Public benefit statement

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

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



© Peter Langdown

# Strategic review financial section 2022/23

## Financial strategy

The University's financial strategy targets are in place to ensure that the University can achieve its strategic and operational objectives. The University has a significant year-end cash balance of £126.3m which reflects its strong liquidity position. This ensures that the University can meet its on-going operational requirements and plan for future investment.

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

- Cash generated from operations before exceptional items over a three year rolling period of £18m.
- Net liquidity of at least 71 days.
- Borrowings not to exceed 30% of net assets excluding pension reserve.

|   | Target | 2022/23 | 2021/22 |
|---|--------|---------|---------|
| Cash generated from operations (excluding exceptional items) – 3 yr rolling | 18m    | 23.6    | 24.3    |
| Net liquidity (days)  | >71    | 214.0   | 227.0   |
| Borrowings as % net assets excluding pension liabilities                    | <30%   | 19.5%   | 20.0%   |

The above demonstrates that all of these KPI's have been met for 2022/23.

The overall liquidity position has reduced since 2021/22 by £8.7m, which is due to a combination of capital projects amounting to £15.0m and also costs of £8.5m associated with fire rectification works for a Halls of Residence which was accrued for in 2021/22.



© Peter Langdown



## Summary of financial performance for the year

The reported operational deficit of £1.9m (2021/22: £12.0m) is stated after pension adjustments totalling £2.8m (2021/22: £20.8m) and restructuring costs of £0.6m (2021/22: £0.2m), therefore resulting in an underlying surplus of £1.5m (2021/22: £9.0m). The University's capital investment for the year was £15.0m (2021/22: £12.2m) and loan repayments amounted to £1.7m (2021/22: £1.6m).

The total comprehensive income for the year is £0.8m (2021/22: £143.1m) stated after including an actuarial gain of £2.7m where last year there was an actuarial gain of £155.1m. This significant movement is broadly due a change in financial assumptions and the treatment of the pension asset. The FRS102 pension valuation reported a pension asset of £59.7m, however pension assets should only be recorded as such if there is an ability to recover these assets either through refunds or reduced contributions. At this stage the University cannot state with reasonable certainty that this is the case, and therefore the pension asset of £59.7m is not included in these financial statements

This overall performance reflects a positive operational result which has included a significant increase in investment income of £4.3m (2021/22: £0.3m) due to the increase in interest rates and a modest increase in tuition fees of £1.8m. Operational costs have increased to £81.8m from £75.9m in 2022/23 which is largely due to payments to our halls provider and is matched by residential income.

These financial statements are prepared under the accounting standard FRS102 and represent the consolidated position to include the wholly-owned subsidiary companies Kingston University Service Company Limited, Kingston University Enterprises Limited, KU Holding Limited and KU Student Living Limited. The joint venture arrangement with St George's University of London was terminated on 31st July 2022 and therefore is not reflected in the current year figures of these 2022/23 financial statements.

| Statement of Comprehensive Income | 2022/23<br>£m | 2021/22<br>£m |
|-----------------------------------|---------------|---------------|
| Income                            | 229.5         | 219.3         |
| Expenditure                       | 231.4         | 231.3         |
| Deficit for the year              | (1.9)         | (12.0)        |

| Balance Sheet                       | £m     | £m      |
|-------------------------------------|--------|---------|
| Fixed assets                        | 416.2  | 417.2   |
| Current assets                      | 151.6  | 159.8   |
| Creditors falling due within 1 year | (64.5) | (71.5)  |
| Net current assets                  | 87.1   | 88.3    |
| Creditors falling due after 1 year  | (99.1) | (102.0) |
| Pension provision                   | (1.4)  | (1.5)   |
| Net Assets                          | 402.8  | 402.0   |

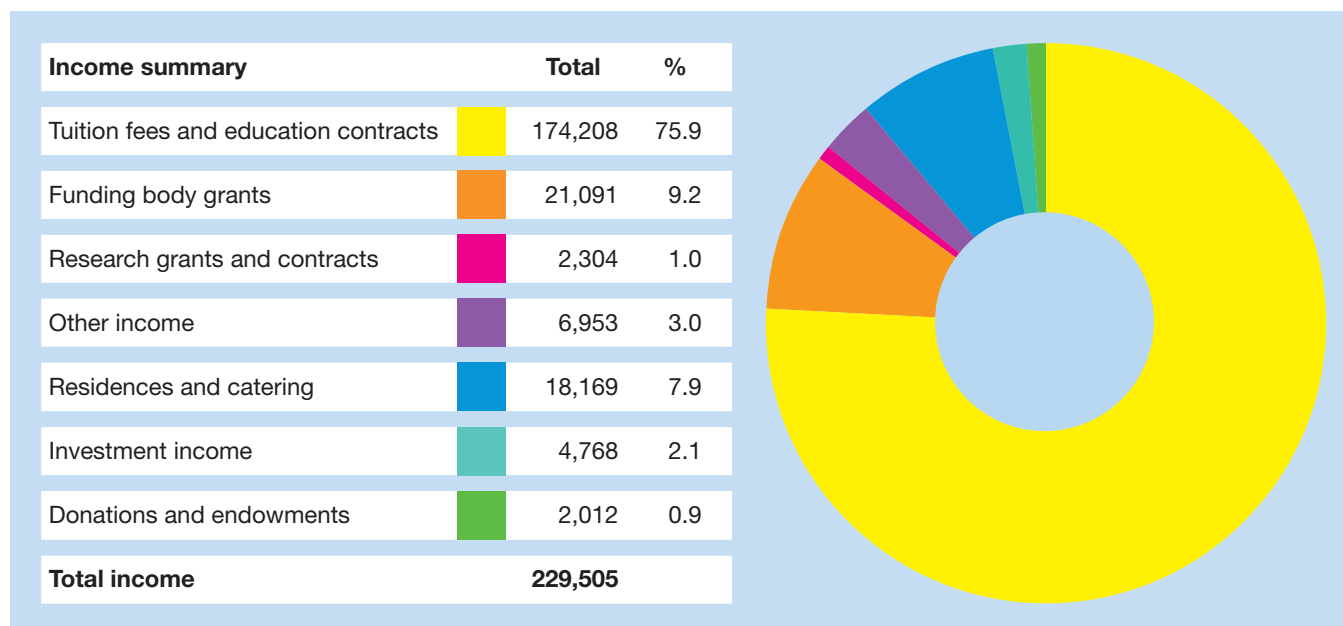
|  |       |       |
|--|-------|-------|
| Cash balance (including current asset investments) | 126.3 | 135.0 |
| Cash generated from operating activities           | 10.1  | 44.2  |



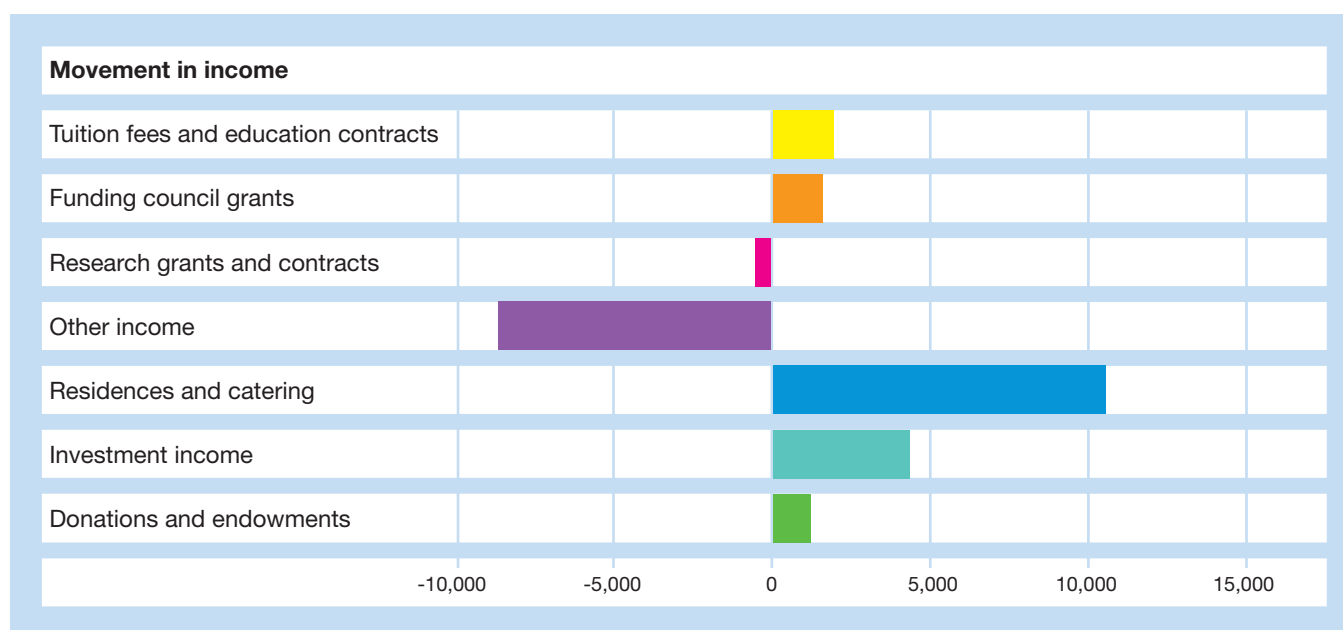
© Peter Langdown

## Financial highlights for the year

The total income for 2022/23 is £229.5m of which almost 76% relates to tuition fees. This is largely funded by the Student Loan Company for home students and self-funded for international students. A summary of the income is shown in the chart below:



The total income increased by £10.2m from 2021/22 as detailed below:



The increase in income is substantially due to residential income of £10.0m, investment income £4.3m, teaching funding and fees £3.4m and a reduction in other income of £8.9m.

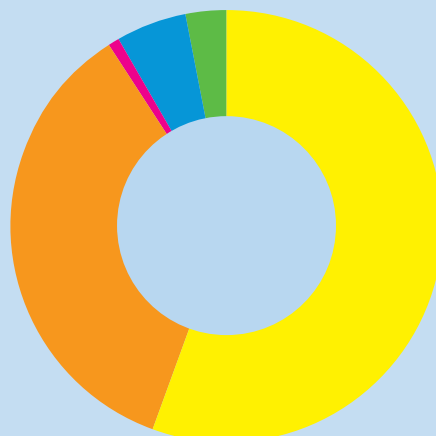
The increase in residential income includes income generated from our outsourced halls which have now been fully refurbished. This is matched by expenditure as a payment to the provider. The University's investment income has benefited from the significant rise in interest rates during the year. The reduction in other income is due to an £8.0m compensation receipt in 2022/23 which contributed to remedial works at our halls of residence.



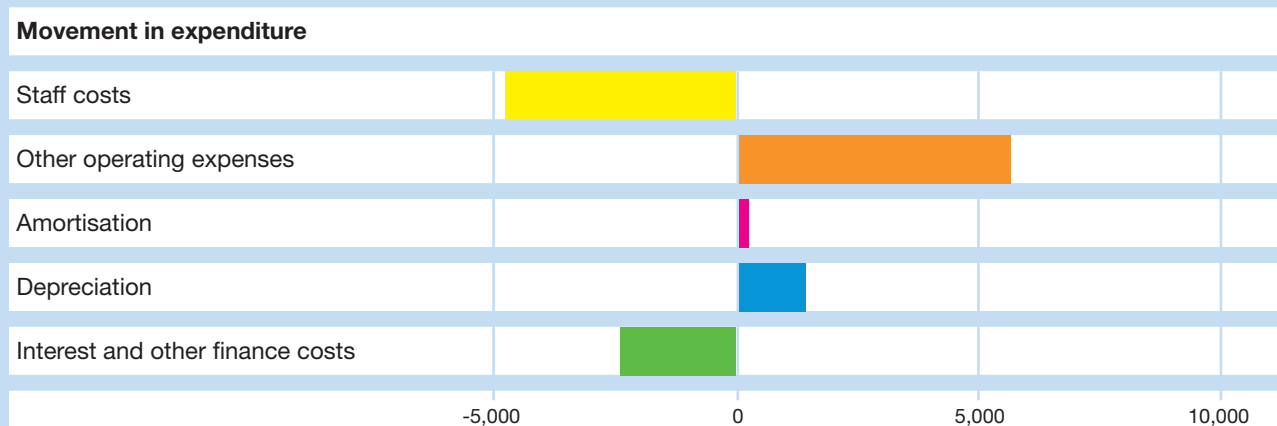
## Financial highlights for the year (cont)

Total expenditure of £231.4m is categorised as follows:

| Expenditure                      |  | Total          | %    |
|----------------------------------|--|----------------|------|
| Staff costs                      |  | 128,003        | 55.3 |
| Other operating expenses         |  | 81,813         | 35.4 |
| Amortisation                     |  | 2,985          | 1.3  |
| Depreciation                     |  | 12,782         | 5.5  |
| Interest and other finance costs |  | 5,798          | 2.5  |
| <b>Total expenditure</b>         |  | <b>231,381</b> |      |



The movement in each category of expenditure is shown in the table below:



Staff costs have decreased by £4.8m. The FRS102 pension charge has reduced significantly by £15.8m in 2022/23 which is due to the increased discount rate. The underlying increase of £11.0m is mainly due to the pay award (£4.5m), a one off bonus payment to every member of staff (£2.0m) and an increase in FTEs (£5.0m).

Other operating expenditure increased by £5.9m due to expenditure on residences of £9.5m being a payment to our third party provider of halls which is matched by income, utility costs of £1.4m, software costs of £1.3m and repairs to equipment of £1m. These are netted off against a saving of £7.3m due to remedial costs associated with our halls of residence included in 2021/22.

## Capital expenditure

Expenditure on fixed assets totalled £14.8m, of which £7.3m relates to the estate including the refurbishment of the 3rd and ground floors of Penrhyn Road (£3.5m). IT projects totalling £5.5m were undertaken of which £3.0m related to the networking project.

## Treasury management

The cash generated from operating activities totalled £10.1m (2021/22: £44.2m). This is a significant reduction on 2021/22 which was exceptionally high due to the treatment of halls deferred income (£6.1m), the accrual of halls remedial costs (£8.0m) which have reversed in 2022/23, the increase in international student deposits of £6.0m which have remained constant in 2022/23 and the underlying cash surplus of £6.0m.

The year-end cash balance decreased by £8.7m to £126.3m after financing capital investment of £15.0m. The University has benefited from the increase in interest rates starting the financial year at 1.25% and increasing to 5% by the end of the year. The university yielded an average return of 3.7% during the year amounting to £4.8m. Surplus funds are invested with the main UK and European banks on term deposits and with approved money market funds.

The University service debt costs total £7.4m. Total loans outstanding at the year-end include bank loans to Barclays Bank (£57.6) and Clayhill service concession arrangement (£21.2m).

## Future prospects

The University is committed to the Town House Strategy which was launched in October 2022 which will transform our students' education through the embedding of Future Skills. New undergraduates enrolling at Kingston University in autumn 2023 will be the first to benefit from the campus-wide introduction of the Future Skills programme. All first-year students will participate in Navigate modules, being implemented from September as the University marks the official launch of its Future Skills programme. Students will complete Navigate alongside their subject-specific course work, before progressing on to further expand their skills and knowledge through Explore and Apply modules during the second and third years of their degrees. Building on our performance in the Research Excellence Framework and Knowledge Exchange Framework in 2021, we are now preparing for the launch of four Knowledge Exchange and Research Institutes. The University is looking to ensure that with its significant cash reserves it will appropriately invest in the physical and virtual infrastructure to enhance the student experience whilst equipping them with skills to continue their advancement beyond university life.



© Ed Reeve



# Modern Slavery Act 2015

## Introduction

The University recognises that modern slavery is a global issue and is committed to playing its part in supporting its eradication. This statement is published in accordance with the Modern Slavery Act 2015 (the Act) and has been approved by the Audit and Risk Assurance Committee through its delegated power from the Board of Governors. It sets out the steps taken by the University to prevent modern slavery and human trafficking in its business and supply chains.

The University is a Living Wage Employer and does not engage in, or condone, the practices of human trafficking, slavery or forced labour.

## Business structures

The University is a Higher Education Corporation created by an instrument of government issued in April 1993 by the Privy Council. It is an exempt charity under the Charities Act 2011 and is registered with the Office for Students, the principal regulator for charity law purposes.

The Board of Governors is responsible for the strategic direction of the University. Our Vice-Chancellor has overall operational responsibility, supported by the Senior Leadership Team.

Academic Council is the senior consultative committee for academic matters, responsible for providing assurance to the Board and guidance to the Vice-Chancellor. Academic disciplines are organised into four faculties, led by Deans, divided into schools. There are four professional services directorates which includes a central procurement team based in the Finance, Human Resources and Infrastructure Directorate.

The University has two wholly owned subsidiaries: Kingston University Service Company Limited (KUSCO) which provides facilities management services; and Kingston University Enterprises Limited which provides conference management services.

## Supply chains

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

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

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

In the 2022/23 financial year, the University undertook in excess of 16% of the value of our addressable spend

through the LUPC and other collaborative agreements available to the public sector.

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

## Due diligence and compliance

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

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

The University and its subsidiaries do not employ unpaid interns. KUSCO pays its employees the London Living Wage. All centrally-tendered contracts reiterate the University's commitment to fair work practices and paying the real living wage in line with the cost of living. We encourage our suppliers to do the same, pointing them to information about the real living wage.

Our standard terms and conditions of supply and other template agreements include binding obligations to comply with the Act.

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

All Modern Slavery Statements are published in our annual Financial Statements.

## Policies

Our Corporate Social Responsibility Policy and Ethics Statement embeds Modern Slavery considerations, alongside other ethical business practices. They reflect our commitment to the highest standards of ethical conduct in all our activities, along with making continuous improvements in this area.

The University Guide to Good Research Practice incorporates reference to the Ethics Statement and Modern Slavery.

Our Procurement Policy has recently been updated further to include consideration of the requirements of the Act.

We encourage the reporting of concerns relating to Modern Slavery and human trafficking. Staff are encouraged to report concerns to their line manager in the first instance. If this is not feasible, or members of the University are unable to do so, concerns should be raised via our Whistleblowing Policy.

Work will continue during 2023/24 to ensure compliance with the Act.

# Trade Union (Facility Time Publication Requirements) Regulations 2017

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

The relevant data for 2022/23 is as follows:

- The percentage of total salary costs spent on facility time totalled 0.06 per cent.
- Of the total facility time spent there was no paid trade union activity incurred.
- The number of employees who acted as trade union officials during the year totalled 19 staff.
- The percentage of their time spent on trade union activity was as follows:

| Percentage of time | Number of employees |
|--------------------|---------------------|
| 0%                 | 0                   |
| 1% – 50%           | 19                  |
| 51% – 99%          | 0                   |
| 100%               | 0                   |



# Principal risks and uncertainties

The financial environment for Higher Education Institutions (HEIs) remains challenging, bringing with it volatility and turbulence in a period of significant uncertainty. The University acknowledges the risks inherent within its activities and operations coupled with the exponential pace of change across economic, political, social, technological and global platforms and landscapes.

Effective risk management is integral to the success of delivering Kingston University's strategic objectives. Kingston University is committed to ensuring the effective management of risk and seeks to limit adverse impacts through its formal risk management programme, fostering consistency and enabling the University to identify, assess and seize opportunities as well as implement effective control measures and mitigations at the earliest opportunity.

Kingston University recognises that an effective infrastructure coupled with a mature governance framework, systematic data protection mechanisms and the proactive management of risk promotes a robust and resilient culture across the institution which both supports and underpins the University's business critical operations and activities. Consequently strengthening preparedness against threats, risks and uncertainties and providing the ability to embrace opportunities that further support the University's sustainability.

## The risk control framework

The University has an established risk management policy and framework in place to effectively identify, assess, record, manage and report on risks as set out below.

## Strategic risk

The University's Strategic Risk Register (SRR) is a dynamic and fluid document comprised of both current and emerging strategic risks faced by the institution. It not only informs both the Senior Leadership Team (SLT) and the Board of significant risks to the University, but it also highlights the actions and control measures that are being adopted in order to mitigate against those risks. Deliberations include: the nature and extent of the risk, the likelihood of the risk materialising and the University's ability to reduce the impact of the risk.

The University's principal risks and uncertainties are detailed within the University's SRR. These are the most significant risks faced by the University that may adversely affect the University's strategy, financial position, performance and/or its future sustainability and are informed by the University's operational risk registers.

Among the principal risks that could directly impact or impede Kingston University's financial sustainability (based upon the level of residual risk after mitigating actions and control measures have been implemented) are those risks and uncertainties arising from external market conditions which may impact student recruitment, impede investment in virtual and/or physical infrastructure and the ever-increasing threat to cyber security. The risk assessment process evaluates the probability of these principal risks materialising

and the financial and strategic impact that they may have on staff, students and/or stakeholders.

The Higher Education sector continues to remain an incredibly competitive market. Failure to meet student number targets subsequently remains a growing concern and both a key operational and strategic risk across the sector. Ongoing underfunding of domestic undergraduate students (through the student loan system) due to the Government's fee freeze, continues to erode the English Higher Education sector's financial sustainability.

The University has implemented a number of control measures in order to mitigate against the risks attached to student recruitment with an emphasis having been placed upon safeguarding the student experience and graduate outcomes in the university 'Town House Strategy.' It has further implemented a more systematic metrics driven focus to the quality enhancement of its course portfolio and continues to invest, with a particular focus upon the evolution of its IT provisions, virtual and physical infrastructure and teaching and learning environments aligned to the University's strategic ambitions and sustainability commitments.

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

## Governance and oversight

The University's SRR is maintained by the Chief Risk Officer in consultation with members of the SLT. Each of the risks recorded on the SRR are owned by a member of the SLT who has responsibility for ensuring that their risks are regularly reviewed. Each strategic risk is subsequently assigned to the most appropriate sub-committee of the Board in order to ensure consistency and provide additional assurance that the risks are being appropriately and effectively assessed, recorded and monitored.

The Risk and Business Continuity Committee meets on a termly basis to oversee the effective application of risk management across the University and considers both operational and strategic risks. The outputs of those meetings are reported on to the SLT and the Audit and Risk Assurance Committee (ARAC) three times per academic year with the SRR being formally presented to the Board of Governors annually.

Kingston City Group, Kingston University's Internal Auditor, audits the University's Risk Management framework and processes annually and provides a report to the ARAC on the effectiveness of the University's Risk Management Arrangements each academic year. The most recent audit was conducted in July 2023 where a substantial assurance was awarded.

## OF KINGSTON UNIVERSITY FOR THE YEAR ENDED 31 JULY 2023 AND THE PERIOD TO 28 NOVEMBER 2023

As the governing body of Kingston University, we have responsibility for maintaining a sound system of control that supports the achievement of policies, aims and objectives, while safeguarding the public and other funds and assets for which we are responsible, in accordance with the responsibilities assigned to the governing body in the instrument of Governance for 'Kingston University Higher Education Corporation' which provides for Kingston University's Articles of Governance and the Office for Students (OFS) ongoing conditions of registration. The constitution of the Board and its sub committees (including terms of reference) and the Senior Leadership Team are published on the University website. In this way we demonstrate the transparency over our corporate governance arrangements. The system of internal control is based on identifying the principal risks to the achievement of policies, aims and objectives, to evaluate the nature and extent of those risks and to manage them efficiently, effectively and economically. This process has been in place during the year ended 31 July 2023 and up to the date of approval of the financial statements in accordance with OFS guidance.

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

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

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

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

### RESPONSIBILITIES OF THE BOARD OF GOVERNORS

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

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

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

In relation to the preparation of the 2022/23 financial statements, the Board of Governors has ensured that:

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

The Board of Governors has taken reasonable steps to:

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

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

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



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

|                         |   |
|-------------------------|---|
| Pedro BARRA             | Appointed 01/09/22                        |
| Stephan BUROW           |   |
| Sandra CAMPOPIANO       |   |
| Samad Chaudhry          | Appointed 01/07/23                        |
| Jane HARGREAVES         |   |
| Dirk KAHL               |   |
| Roger KING              |   |
| Caroline MAWHOOD        |   |
| Yasmin NOOR             | Appointed 14/11/22, tenure ended 01/07/23 |
| Alison OSBORNE          |   |
| Bimal PATEL             |   |
| Andrew PEARCE           |   |
| Jason PEMBERTON-BILLING | Tenure ended 28/09/23                     |
| Francis SMALL           |   |
| Tom SMYTH               |   |
| Steven SPIER            |   |
| Katy TAYLOR             | Appointed 01/09/22                        |

## INDEPENDENT AUDITOR'S REPORT

### TO THE BOARD OF KINGSTON UNIVERSITY

#### Opinion on the financial statements

In our opinion, the financial statements:

- give a true and fair view of the state of the Group's and of the University's affairs as at 31 July 2023 and of the Group's and the University's income and expenditure, gains and losses, changes in reserves and of the Group's and the University's cash flows for the year then ended; and
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice.

We have audited the financial statements of Kingston University ("the University") and its subsidiaries ("the Group") for the year ended 31 July 2023 which comprise Statement of Comprehensive Income, Balance Sheets, Consolidated Statement of Changes in Reserves, Consolidated Statement of Cash Flows and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland (United Kingdom Generally Accepted Accounting Practice).

#### Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) ("ISAs (UK)") and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

#### *Independence*

We are independent of the Group and the University in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements.

#### Conclusions relating to going concern

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

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

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

#### Other information

The board is responsible for the other information. The other information comprises the information included in the Strategic Review and Financial Statements, other than the financial statements and our auditor's report thereon. Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

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

We have nothing to report in this regard.



## INDEPENDENT AUDITOR'S REPORT

### TO THE BOARD OF KINGSTON UNIVERSITY

#### **Opinion on other matters required by the Office for Students ("OfS"), UK Research and Innovation (including Research England), the Education and Skills Funding Agency and the Department for Education**

In our opinion, in all material respects:

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

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

- The University's grant and fee income, as disclosed in note 7 to the accounts, has been materially misstated.
- The University's expenditure on access and participation activities for the financial year, as has been disclosed in note 11 to the accounts, has been materially misstated.

#### **Responsibilities of the board members**

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

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

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

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

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

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

##### *Non-compliance with laws and regulations*

Based on:

- Our understanding of the Group and the sector in which it operates;
- Discussion with management and those charged with governance and the Audit Committee;
- Obtaining and understanding of the Group's policies and procedures regarding compliance with laws and regulations;
- Direct representation from the Accountable Officer;

we considered the significant laws and regulations to be the applicable accounting framework and registration with the OfS.

The Group is also subject to laws and regulations where the consequence of non-compliance could have a material effect on the amount or disclosures in the financial statements, for example through the imposition of fines or litigations. We identified such laws and regulations to be the health and safety legislation.

## INDEPENDENT AUDITOR'S REPORT

### TO THE BOARD OF KINGSTON UNIVERSITY

#### Auditor's responsibilities for the audit of the financial statements (continued)

*Extent to which the audit was capable of detecting irregularities, including fraud (continued)*

Our procedures in respect of the above included:

- Review of minutes of meeting of those charged with governance for any instances of non-compliance with laws and regulations;
- Review of correspondence with regulatory and tax authorities for any instances of non-compliance with laws and regulations;
- Review of financial statement disclosures and agreeing to supporting documentation;
- Involvement of tax specialists in the audit;
- Review of legal expenditure accounts to understand the nature of expenditure incurred;

#### *Fraud*

We assessed the susceptibility of the financial statements to material misstatement, including fraud. Our risk assessment procedures included:

- Enquiry with management and those charged with governance regarding any known or suspected instances of fraud;
- Obtaining an understanding of the Group's policies and procedures relating to:
  - Detecting and responding to the risks of fraud; and
  - Internal controls established to mitigate risks related to fraud.
- Review of minutes of meeting of those charged with governance for any known or suspected instances of fraud;
- Discussion amongst the engagement team as to how and where fraud might occur in the financial statements;
- Performing analytical procedures to identify any unusual or unexpected relationships that may indicate risks of material misstatement due to fraud;

Based on our risk assessment, we considered the areas most susceptible to fraud to be Management Override of controls as well as Improper Income Recognition surrounding the Tuition Fee, Research and Grant and Other Income streams. Our procedures in respect of the above included:

- Testing a sample of journal entries throughout the year, which met a defined risk criteria, by agreeing to supporting documentation;
- Assessing significant estimates made by management for bias, including those relating to the defined benefit pension liability, provision against student and other debtors and service concession arrangements;
- Selecting a sample of deferred revenue balances to verify they are recorded correctly;
- Selecting a sample of research grants and contracts to agree to supporting documentation and verify they income has been recorded correctly inline with the grant;
- Selecting a sample of other income amounts to agree to supporting documentation and verify the income is correct to be recognised.

We also communicated relevant identified laws and regulations and potential fraud risks to all engagement team members and remained alert to any indications of fraud or non-compliance with laws and regulations throughout the audit.

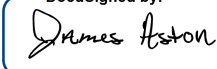
Our audit procedures were designed to respond to risks of material misstatement in the financial statements, recognising that the risk of not detecting a material misstatement due to fraud is higher than the risk of not detecting one resulting from error, as fraud may involve deliberate concealment by,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

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

#### Use of our report

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

DocuSigned by:



James Aston MBE (Senior Statutory Auditor)

For and on behalf of BDO LLP, Statutory Auditor  
Gatwick, UK

29 November 2023

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

# STATEMENT OF ACCOUNTING POLICIES

FOR THE YEAR ENDED 31 JULY 2023

## 1. Basis of preparation

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

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

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

### *Going concern*

The Board of Governors has carried out an assessment of the University's ability to continue as a going concern by reviewing financial forecasts to 30 November 2024. Those forecasts are based on the actual recruitment for the 2023/24 academic year. The forecast assumes no further enrolments this year and has been stress tested against a number of reduced income scenarios. Even the most extreme combination of scenarios demonstrates that the University continues to have sufficient cash balances over the forecast period.

Based on the review of forecasts the Board of Governors has concluded that the University is a going concern as this analysis reveals no material uncertainty for a period of 12 months from the date of approval by the Board. Therefore, the financial statements are prepared on this basis.

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

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

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



## STATEMENT OF ACCOUNTING POLICIES

FOR THE YEAR ENDED 31 JULY 2023 (*continued*)

### 2. Judgements in applying accounting policies and key sources of estimation uncertainty (*continued*)

Other key sources of estimation uncertainty:

- *Tangible and intangible fixed assets (see notes 12 and 13)*

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

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

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

- *Investments (see notes 17)*

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

- *Trade debtors (see note 18)*

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

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

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

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

### 3. Basis of consolidation

The consolidated financial statements include the University and its subsidiaries for the financial year to 31 July 2023. The results of subsidiaries acquired or disposed of during the period are included in the consolidated statement of income and expenditure from the date of acquisition or up to the date of disposal. Intra-group transactions are eliminated on consolidation.

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

### 4. Income recognition

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

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

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

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

## STATEMENT OF ACCOUNTING POLICIES

FOR THE YEAR ENDED 31 JULY 2023 (*continued*)

### 4. Income recognition (*continued*)

#### Grant funding

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

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

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

#### Donations and endowments

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

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

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

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

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

### 5. Accounting for retirement benefits

The University has three principal defined benefit pension schemes; Local Government Pension Scheme (LGPS), Universities Superannuation Scheme (USS) and Teachers Pension Scheme (TPS). These schemes are externally funded and contracted out of the state Second Pension. Each fund is valued every three years by professionally qualified independent actuaries. In addition, the London Pension Fund Authority Pension Scheme was operated on behalf of the employees of Kingston University Service Company Limited until 31 July 2022. On 30 November 2022 the company made an exit payment of £254k in relation to the exit of the scheme on 31 July 2022.

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

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

## STATEMENT OF ACCOUNTING POLICIES

FOR THE YEAR ENDED 31 JULY 2023 (*continued*)

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

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

The Teachers' Pension Scheme England and Wales (TPS) for academic and related staff is a statutory, contributory, defined benefit scheme, governed by the Teachers' Pension Scheme Regulations 2014. The TPS is an unfunded scheme to which both the member and employer makes contributions, as a percentage of salary - these contributions are credited to the Exchequer. Retirement and other pension benefits are paid by public funds provided by Parliament. Under the definitions set out in FRS 102, the TPS is an unfunded multi-employer pension scheme.

#### Valuation of the Teachers' Pension Scheme

The Government Actuary, using normal actuarial principles, conducts a formal actuarial review of the TPS in accordance with the Public Service Pensions (Valuations and Employer Cost Cap) Directions 2014 published by HM Treasury every four years. The aim of the review is to specify the level of future contributions. Actuarial scheme valuations are dependent on assumptions about the value of future costs, design of benefits and many other factors. The latest actuarial valuation of the TPS was carried out as at 31 March 2020. The valuation report was published by the Department for Education on 26 October 2023. The key elements of the valuation and subsequent consultation are:

- employer contribution rates set at 28.6% of pensionable pay (including a 0.08% administration levy)
- total scheme liabilities (pensions currently in payment and the estimated cost of future benefits) for service to the effective date of £262,000 million and notional assets (estimated future contributions together with the notional investments held at the valuation date) of £222,200 million, giving a notional past service deficit of £39,800 million

A copy of the valuation report and supporting documentation is on the Teachers' Pensions website. The next valuation result is due to be implemented from 1 April 2024.

Kingston University has accounted for its contributions to the scheme as if it were a defined contribution scheme and has set out above the information available on the scheme.

#### Defined benefit plan

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

### 6. Employment benefits

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

### 7. Service concession arrangements

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

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

### 8. Finance costs

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

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



## STATEMENT OF ACCOUNTING POLICIES

FOR THE YEAR ENDED 31 JULY 2023 (*continued*)

### 9. Fixed assets

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

#### Land and buildings

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

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

|                |             |
|----------------|-------------|
| New builds     | 50 years    |
| Refurbishments | 10-50 years |

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

#### Equipment

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

#### Impairment of fixed assets

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

### 10. Heritage assets

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

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

### 11. Investment property

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

### 12. Intangible assets

Intangible assets are amortised over their useful life of 5 years. Intangible assets relate to software development costs that have future economic benefit to the University.

### 13. Investments

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

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

## STATEMENT OF ACCOUNTING POLICIES

FOR THE YEAR ENDED 31 JULY 2023 (*continued*)

### 14. Cash and cash equivalents

Cash and cash equivalents includes cash in hand, current accounts and overdrafts. It includes deposits which have a maturity date of 90 days or less from the date of acquisition.

### 15. Jointly controlled operations

The University had a jointly controlled operation with St Georges Hospital Medical School for the provision of Healthcare education until 31 July 2022. On 1 August 2022 the joint venture agreement was dissolved. The prior year figures disclosed in these financial statements account for the University's share of transactions from the joint operations in the Statement of Comprehensive Income and or its share of assets and liabilities in the Balance Sheet.

### 16. Taxation

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

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

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

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

### 17. Reserves

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

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

### 18. Financial assets

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

### 19. Financial liabilities and equity

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

**STATEMENT OF COMPREHENSIVE INCOME**  
**FOR THE YEAR ENDED 31 JULY 2023**

|  |    | Consolidated   | University     | Consolidated    | University      |
|--|----|----------------|----------------|-----------------|-----------------|
|  |    | 2022/23        | 2022/23        | 2021/22         | 2021/22         |
|  |    | £000s          | £000s          | £000s           | £000s           |
| <b>INCOME</b>  |    |                |                |                 |                 |
| Tuition fees and education contracts                         | 1  | 174,208        | 174,208        | 172,419         | 172,419         |
| Funding body grants  | 2  | 21,091         | 21,091         | 19,506          | 19,506          |
| Research grants and contracts                                | 3  | 2,304          | 2,252          | 2,730           | 2,611           |
| Other income   | 4  | 25,122         | 25,098         | 23,424          | 22,946          |
| Investment income  | 5  | 4,768          | 4,607          | 456             | 423             |
| Donations and endowments                                     | 6  | 2,012          | 2,012          | 775             | 775             |
| <b>Total income</b>  |    | <b>229,505</b> | <b>229,268</b> | <b>219,310</b>  | <b>218,680</b>  |
| <b>EXPENDITURE</b>   |    |                |                |                 |                 |
| Staff costs  | 8  | 128,003        | 120,454        | 132,756         | 125,757         |
| Other operating expenses                                     |    | 81,813         | 92,232         | 75,931          | 83,069          |
| Amortisation   | 12 | 2,985          | 2,985          | 2,878           | 2,878           |
| Depreciation   | 13 | 12,782         | 12,782         | 11,513          | 11,513          |
| Interest and other finance costs                             | 9  | 5,798          | 5,798          | 8,264           | 8,218           |
| <b>Total expenditure</b>                                     | 10 | <b>231,381</b> | <b>234,251</b> | <b>231,342</b>  | <b>231,435</b>  |
| <b>Deficit before other gains</b>                            |    | <b>(1,876)</b> | <b>(4,983)</b> | <b>(12,032)</b> | <b>(12,755)</b> |
| Qualifying charitable donations                              |    | -              | 3,444          | -               | 775             |
| <b>Deficit for the year</b>                                  |    | <b>(1,876)</b> | <b>(1,539)</b> | <b>(12,032)</b> | <b>(11,980)</b> |
| Actuarial gain in respect of pension schemes                 | 22 | 2,662          | 2,662          | 155,107         | 152,287         |
| <b>Total comprehensive income for the year</b>               |    | <b>786</b>     | <b>1,123</b>   | <b>143,075</b>  | <b>140,307</b>  |
| Endowment comprehensive expenditure for the year             |    | (12)           | (12)           | (15)            | (15)            |
| Restricted comprehensive income/(expenditure) for the year   |    | 981            | 981            | (147)           | (147)           |
| Unrestricted comprehensive (expenditure)/income for the year |    | (183)          | 154            | 143,237         | 140,469         |
|  |    | <b>786</b>     | <b>1,123</b>   | <b>143,075</b>  | <b>140,307</b>  |

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

The notes on pages 40-61 form part of the financial statements.



# BALANCE SHEETS

FOR THE YEAR ENDED 31 JULY 2023

| Consolidated | University | Consolidated | University |
|--------------|------------|--------------|------------|
| 2022/23      | 2022/23    | 2021/22      | 2021/22    |
| £000s        | £000s      | £000s        | £000s      |

## Notes

### Fixed assets

|                   |    |         |         |         |         |
|-------------------|----|---------|---------|---------|---------|
| Intangible assets | 12 | 10,428  | 10,428  | 8,573   | 8,573   |
| Tangible assets   | 13 | 400,838 | 400,838 | 403,657 | 403,657 |
| Heritage assets   | 13 | 1,908   | 1,908   | 1,923   | 1,923   |
| Investments       | 16 | 3,028   | 6,329   | 3,038   | 9,339   |
|                   |    | 416,202 | 419,503 | 417,191 | 423,492 |

### Current assets

|                          |    |         |         |         |         |
|--------------------------|----|---------|---------|---------|---------|
| Stock                    |    | 75      | 63      | 77      | 60      |
| Debtors                  | 17 | 25,240  | 24,957  | 24,780  | 24,198  |
| Current asset investment | 18 | 52,500  | 52,500  | 30,038  | 30,038  |
| Cash at bank and in hand |    | 73,804  | 70,115  | 104,917 | 98,297  |
|                          |    | 151,619 | 147,635 | 159,812 | 152,593 |

|  |    |          |          |          |          |
|--|----|----------|----------|----------|----------|
| Creditors: amounts falling due within one year | 19 | (64,498) | (63,904) | (71,464) | (70,972) |
|--|----|----------|----------|----------|----------|

|                           |  |        |        |        |        |
|---------------------------|--|--------|--------|--------|--------|
| <b>Net current assets</b> |  | 87,121 | 83,731 | 88,348 | 81,621 |
|---------------------------|--|--------|--------|--------|--------|

|  |  |         |         |         |         |
|--|--|---------|---------|---------|---------|
| <b>Total assets less current liabilities</b> |  | 503,323 | 503,234 | 505,539 | 505,113 |
|--|--|---------|---------|---------|---------|

|   |    |          |          |           |           |
|---|----|----------|----------|-----------|-----------|
| Creditors: amounts falling due after more than one year | 20 | (99,123) | (99,123) | (102,012) | (102,012) |
|---|----|----------|----------|-----------|-----------|

|   |  |         |         |         |         |
|---|--|---------|---------|---------|---------|
| <b>Net assets excluding pension liability</b> |  | 404,200 | 404,111 | 403,527 | 403,101 |
|---|--|---------|---------|---------|---------|

### Provisions for liabilities

|                    |    |         |         |         |         |
|--------------------|----|---------|---------|---------|---------|
| Pension provisions | 22 | (1,444) | (1,444) | (1,557) | (1,557) |
|--------------------|----|---------|---------|---------|---------|

|                         |  |         |         |         |         |
|-------------------------|--|---------|---------|---------|---------|
| <b>Total net assets</b> |  | 402,756 | 402,667 | 401,970 | 401,544 |
|-------------------------|--|---------|---------|---------|---------|

The notes on pages 40-61 form part of the financial statements.

**BALANCE SHEETS (continued)**  
**FOR THE YEAR ENDED 31 JULY 2023**

| Consolidated | University | Consolidated | University |
|--------------|------------|--------------|------------|
| 2022/23      | 2022/23    | 2021/22      | 2021/22    |
| £000s        | £000s      | £000s        | £000s      |

Notes

**Restricted reserves**


|   |    |       |       |       |       |
|---|----|-------|-------|-------|-------|
| Income & expenditure reserve - endowment fund     | 23 | 1,138 | 1,138 | 1,150 | 1,150 |
| Income & expenditure reserve - restricted reserve | 23 | 2,217 | 2,217 | 1,236 | 1,236 |

**Unrestricted reserves**

|   |  |                |                |                |                |
|---|--|----------------|----------------|----------------|----------------|
| Income & expenditure account - unrestricted |  | 204,336        | 204,247        | 195,202        | 194,776        |
| Revaluation reserve                         |  | 195,065        | 195,065        | 204,382        | 204,382        |
|   |  | <u>402,756</u> | <u>402,667</u> | <u>401,970</u> | <u>401,544</u> |

The financial statements were approved and authorised for issue by the Governing Body on 28 November 2023 and signed on its behalf by:

  
Francis Small  
Chairman of the Board of Governors

  
Professor Steven Spier  
Vice Chancellor

The notes on pages 40-61 form part of the financial statements.

# CONSOLIDATED STATEMENT OF CHANGES IN RESERVES

FOR THE YEAR ENDED 31 JULY 2023

|   | Income & expenditure reserve |                      |                       | Revaluation<br>reserve<br>£'000s | Total<br>£'000s |
|---|------------------------------|----------------------|-----------------------|----------------------------------|-----------------|
|   | Endowment<br>£'000s          | Restricted<br>£'000s | Unrestricted<br>£'000 |                                  |                 |
| <b>Consolidated</b>                                   |                              |                      |                       |                                  |                 |
| <b>Balance as at 1 August 2022</b>                    | 1,150                        | 1,236                | 195,202               | 204,382                          | 401,970         |
| (Deficit)/surplus from income & expenditure account   | (12)                         | 981                  | (2,845)               |                                  | (1,876)         |
| <i>Other Comprehensive income</i>                     |                              |                      |                       |                                  |                 |
| Actuarial gain on pension scheme                      |                              |                      | 2,662                 |                                  | 2,662           |
| Transfer  |                              |                      | 9,317                 | (9,317)                          | -               |
| Total comprehensive (expenditure)/income for the year | (12)                         | 981                  | 9,134                 | (9,317)                          | 786             |
| <b>Balance 31 July 2023</b>                           | 1,138                        | 2,217                | 204,336               | 195,065                          | 402,756         |

|   | Income & expenditure reserve |                      |                       | Revaluation<br>reserve<br>£'000s | Total<br>£'000s |
|---|------------------------------|----------------------|-----------------------|----------------------------------|-----------------|
|   | Endowment<br>£'000s          | Restricted<br>£'000s | Unrestricted<br>£'000 |                                  |                 |
| <b>University</b>                                     |                              |                      |                       |                                  |                 |
| <b>Balance as at 1 August 2022</b>                    | 1,150                        | 1,236                | 194,776               | 204,382                          | 401,544         |
| (Deficit)/surplus from income & expenditure account   | (12)                         | 981                  | (2,508)               |                                  | (1,539)         |
| <i>Other Comprehensive income</i>                     |                              |                      |                       |                                  |                 |
| Actuarial gain on pension scheme                      |                              |                      | 2,662                 |                                  | 2,662           |
| Transfer  |                              |                      | 9,317                 | (9,317)                          | -               |
| Total comprehensive (expenditure)/income for the year | (12)                         | 981                  | 9,471                 | (9,317)                          | 1,123           |
| <b>Balance 31 July 2023</b>                           | 1,138                        | 2,217                | 204,247               | 195,065                          | 402,667         |

|   | Income & expenditure reserve |                      |                       | Revaluation<br>reserve<br>£'000s | Total<br>£'000s |
|---|------------------------------|----------------------|-----------------------|----------------------------------|-----------------|
|   | Endowment<br>£'000s          | Restricted<br>£'000s | Unrestricted<br>£'000 |                                  |                 |
| <b>Consolidated</b>                                   |                              |                      |                       |                                  |                 |
| <b>Balance as at 1 August 2021</b>                    | 1,165                        | 1,383                | 32,612                | 223,735                          | 258,895         |
| Deficit from income & expenditure account             | (15)                         | (147)                | (11,870)              |                                  | (12,032)        |
| <i>Other Comprehensive income</i>                     |                              |                      |                       |                                  |                 |
| Actuarial gain on pension scheme                      |                              |                      | 155,107               |                                  | 155,107         |
| Transfer  |                              |                      | 19,353                | (19,353)                         | -               |
| Total comprehensive (expenditure)/income for the year | (15)                         | (147)                | 162,590               | (19,353)                         | 143,075         |
| <b>Balance 31 July 2022</b>                           | 1,150                        | 1,236                | 195,202               | 204,382                          | 401,970         |

|   | Income & expenditure reserve |                      |                       | Revaluation<br>reserve<br>£'000s | Total<br>£'000s |
|---|------------------------------|----------------------|-----------------------|----------------------------------|-----------------|
|   | Endowment<br>£'000s          | Restricted<br>£'000s | Unrestricted<br>£'000 |                                  |                 |
| <b>University</b>                                     |                              |                      |                       |                                  |                 |
| <b>Balance as at 1 August 2021</b>                    | 1,165                        | 1,383                | 34,954                | 223,735                          | 261,237         |
| Deficit from income & expenditure account             | (15)                         | (147)                | (11,818)              |                                  | (11,980)        |
| <i>Other Comprehensive income</i>                     |                              |                      |                       |                                  |                 |
| Actuarial gain on pension scheme                      |                              |                      | 152,287               |                                  | 152,287         |
| Transfer  |                              |                      | 19,353                | (19,353)                         | -               |
| Total comprehensive (expenditure)/income for the year | (15)                         | (147)                | 159,822               | (19,353)                         | 140,307         |
| <b>Balance 31 July 2022</b>                           | 1,150                        | 1,236                | 194,776               | 204,382                          | 401,544         |



**CONSOLIDATED STATEMENT OF CASH FLOWS**  
**FOR THE YEAR ENDED 31 JULY 2023**

|   |       | Consolidated<br>2022/23<br>£000s | Consolidated<br>2021/22<br>£000s |
|---|-------|----------------------------------|----------------------------------|
|   | Notes |                                  |                                  |
| <b>Cash flow from operating activities</b>                          |       |                                  |                                  |
| Deficit before tax  |       | (1,876)                          | (12,032)                         |
| <b>Adjustment for non-cash items</b>                                |       |                                  |                                  |
| Depreciation and impairment of tangible assets                      | 13    | 12,782                           | 11,513                           |
| Amortisation of intangible assets                                   | 12    | 2,985                            | 2,878                            |
| Decrease in stocks  |       | 2                                | 33                               |
| (Decrease)/increase in debtors                                      | 17    | 1,092                            | (1,549)                          |
| (Decrease)/increase in creditors                                    |       | (6,850)                          | 23,537                           |
| (Decrease)/increase in provisions                                   |       | (503)                            | 927                              |
| Difference between net pension expense and liability                | 22    | 2,950                            | 12,730                           |
| <b>Adjustment for investing or financing activities</b>             |       |                                  |                                  |
| Interest receivable   | 5     | (4,768)                          | (456)                            |
| Interest payable  | 9     | 5,798                            | 8,264                            |
| Capital grants utilised in the year                                 |       | (1,468)                          | (1,617)                          |
| <b>Net inflow from operating activities</b>                         |       | 10,144                           | 44,228                           |
| <b>Cash flows used in investing activities</b>                      |       |                                  |                                  |
| Capital grants received   |       | 370                              | 1,530                            |
| Payments to acquire fixed assets                                    | 12,13 | (14,971)                         | (12,218)                         |
| Other interest received   | 5     | 3,215                            | 359                              |
| (Addition to)/withdrawal from deposits                              | 18    | (22,462)                         | 4,982                            |
| <b>Net outflow from investing activities</b>                        |       | (33,848)                         | (5,347)                          |
| <b>Cash flows from financing activities</b>                         |       |                                  |                                  |
| Interest paid   | 9     | (5,696)                          | (5,966)                          |
| Repayments of amounts borrowed                                      | 21    | (1,713)                          | (1,632)                          |
| Capital element of finance lease rental payments                    | 21    | -                                | (518)                            |
| <b>Net outflow from financing activities</b>                        |       | (7,409)                          | (8,116)                          |
| <b>(Decrease)/increase in cash and cash equivalents in the year</b> |       | (31,113)                         | 30,765                           |
| <b>Cash and cash equivalents at beginning of the year</b>           |       | 104,917                          | 74,152                           |
| <b>Cash and cash equivalents at the end of the year</b>             |       | 73,804                           | 104,917                          |

**NOTES TO THE ACCOUNTS**  
Year ended 31 July 2023

**1 TUITION FEES AND EDUCATION CONTRACTS**

|                              | Consolidated | University | Consolidated | University |
|------------------------------|--------------|------------|--------------|------------|
|                              | 2022/23      | 2022/23    | 2021/22      | 2021/22    |
|                              | £000s        | £000s      | £000s        | £000s      |
| Full-time UK and EU students | 96,144       | 96,144     | 98,671       | 98,671     |
| Part-time UK and EU students | 4,640        | 4,640      | 4,491        | 4,491      |
| Overseas full-time students  | 66,796       | 66,796     | 63,242       | 63,242     |
| Overseas part-time students  | 1,698        | 1,698      | 1,353        | 1,353      |
| Short course fees            | 4,107        | 4,107      | 4,361        | 4,361      |
| NHS teaching contracts       | 823          | 823        | 301          | 301        |
|                              | 174,208      | 174,208    | 172,419      | 172,419    |

**2 FUNDING BODY GRANTS**

|  | Consolidated | University | Consolidated | University |
|--|--------------|------------|--------------|------------|
|  | 2022/23      | 2022/23    | 2021/22      | 2021/22    |
|  | £000s        | £000s      | £000s        | £000s      |
| Recurrent grant (including research element) | 15,481       | 15,481     | 12,669       | 12,669     |
| OFS specific grants                          | 851          | 851        | 562          | 562        |
| Education funding agency                     | 3,290        | 3,290      | 4,641        | 4,641      |
| Deferred capital grants released in year     | 1,469        | 1,469      | 1,634        | 1,634      |
|  | 21,091       | 21,091     | 19,506       | 19,506     |

**3 RESEARCH GRANTS AND CONTRACTS**

|                                     | Consolidated | University | Consolidated | University |
|-------------------------------------|--------------|------------|--------------|------------|
|                                     | 2022/23      | 2022/23    | 2021/22      | 2021/22    |
|                                     | £000s        | £000s      | £000s        | £000s      |
| Research councils                   | 180          | 180        | 245          | 245        |
| UK based charities                  | 331          | 331        | 344          | 344        |
| Other research grants and contracts | 1,793        | 1,741      | 2,141        | 2,022      |
|                                     | 2,304        | 2,252      | 2,730        | 2,611      |

**4 OTHER INCOME**

|   | Consolidated | University | Consolidated | University |
|---|--------------|------------|--------------|------------|
|   | 2022/23      | 2022/23    | 2021/22      | 2021/22    |
|   | £000s        | £000s      | £000s        | £000s      |
| Residencies and catering                  | 18,169       | 18,032     | 7,521        | 7,431      |
| Income from UK public bodies              | 71           | 71         | -            | -          |
| Course validation fees/teaching contracts | 1,315        | 1,315      | 1,339        | 1,339      |
| Other income                              | 5,567        | 5,680      | 14,564       | 14,176     |
|   | 25,122       | 25,098     | 23,424       | 22,946     |

**NOTES TO THE ACCOUNTS**  
(continued)  
Year ended 31 July 2023

**5 INVESTMENT INCOME**

|                     | Consolidated | University | Consolidated | University |
|---------------------|--------------|------------|--------------|------------|
|                     | 2022/23      | 2022/23    | 2021/22      | 2021/22    |
|                     | £000s        | £000s      | £000s        | £000s      |
| Interest receivable | 4,768        | 4,607      | 456          | 423        |

**6 DONATIONS AND ENDOWMENTS**

|                        | Consolidated | University | Consolidated | University |
|------------------------|--------------|------------|--------------|------------|
|                        | 2022/23      | 2022/23    | 2021/22      | 2021/22    |
|                        | £000s        | £000s      | £000s        | £000s      |
| Unrestricted donations | 2,012        | 2,012      | 775          | 775        |

**7 GRANT & FEE INCOME**

|  | Consolidated | University | Consolidated | University |
|--|--------------|------------|--------------|------------|
|  | 2022/23      | 2022/23    | 2021/22      | 2021/22    |
|  | £000s        | £000s      | £000s        | £000s      |
| Grant income from the OfS              | 10,562       | 10,562     | 14,671       | 14,671     |
| Grant income from other bodies         | 10,529       | 10,529     | 3,050        | 3,050      |
| Fee income for taught awards           | 170,101      | 170,101    | 168,058      | 168,058    |
| Fee income for research awards         | 2,304        | 2,252      | 2,730        | 2,611      |
| Fee income from non-qualifying courses | 4,107        | 4,107      | 4,361        | 4,361      |
|  | 197,603      | 197,551    | 192,870      | 192,751    |

**NOTES TO THE ACCOUNTS**  
(continued)  
Year ended 31 July 2023

**8 STAFF**

**Staff Costs**

|                         | Consolidated<br>2022/23<br>£000s | University<br>2022/23<br>£000s | Consolidated<br>2021/22<br>£000s | University<br>2021/22<br>£000s |
|-------------------------|----------------------------------|--------------------------------|----------------------------------|--------------------------------|
| Wages and salaries      | 95,664                           | 89,458                         | 87,009                           | 80,811                         |
| Restructuring costs     | 564                              | 551                            | 242                              | 227                            |
| Social security costs   | 10,349                           | 9,730                          | 9,463                            | 8,911                          |
| Movement on USS pension | (505)                            | (505)                          | 928                              | 928                            |
| Other pension costs     | 21,931                           | 21,220                         | 35,114                           | 34,880                         |
|                         | <b>128,003</b>                   | <b>120,454</b>                 | <b>132,756</b>                   | <b>125,757</b>                 |

**Vice-Chancellor and Chief Executive**

| 2022/23<br>£000s | 2021/22<br>£000s |
|------------------|------------------|
|------------------|------------------|

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

**Current Vice-Chancellor**

|   |            |            |
|---|------------|------------|
| Basic salary                              | 309        | 300        |
| Performance-related pay and other bonuses | 1          | -          |
| Salary sacrifice arrangements             | -          | -          |
| Compensation for loss of office           | -          | -          |
| Total before pension costs                | <b>310</b> | <b>300</b> |
| Pension contributions                     | 24         | 71         |
| Payments in lieu of pension contributions | 31         | -          |
| Total after pension costs                 | <b>365</b> | <b>371</b> |

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

**Justification of Vice-Chancellor's salary**

**The University context**

Kingston University is a modern University based in London operating across four campuses. It has recruited just under 17,000 students including over 4,500 international students from over 100 countries. The academic provision is provided by four faculties: Engineering, Computing and Environment, Business and Social Sciences, the Kingston School of Art and Health, Science, Social Care and Education. The total income for the university was just under £230m for the year and therefore the University is a large, broadly based complex organisation working in an increasingly competitive environment.

**University reputation**

The University became one of just 26 universities nationally to be awarded three Gold ratings in the latest Teaching Excellence Framework, released in September 2023. The University not only received an overall rating of Gold, but also secured a Gold award in the framework's two new student experience and student outcomes categories.

The University is positioned at 58 out of 122 institutions in the Guardian League table and is the eighth highest ranked London institution out of the twenty in this year's tables. In the Guardian Guide's subject tables the University is rated in the top five nationally in three areas and listed in the top ten in a further four.

The University is once again placed second in the UK and top in London for fashion and textiles. In general nursing, the University climbed 10 places to be ranked third in the United Kingdom behind Edinburgh and Glasgow – meaning it is now rated best in England for this subject area. Kingston was fifth in the UK for graphic design, sixth for children's nursing and seventh for midwifery – topping the capital in each of these areas. Media and film studies and mental health nursing were both ranked tenth nationally and placed second and third in London respectively.

Kingston is named tenth in the country for number of ethnic minority students, at 36 nationally for students who are the first in their families to go to university and joint 45 for number of disabled students, alongside Chester. The University is placed 62 in the overall social inclusion rankings within the tables.

The University has outperformed the sector in a number of areas and maintained its position against competitors in this year's National Student Survey.



**NOTES TO THE ACCOUNTS**  
(continued)  
Year ended 31 July 2023

**8. STAFF (continued)**

**Justification of Vice-Chancellor's salary (continued)**

**Process adopted for assessing performance**

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

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

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

**Higher paid employees (including Vice-Chancellor)**

|                     | 2022/23<br>No. | 2021/22<br>No. |
|---------------------|----------------|----------------|
| £335,001 - £340,000 | 1              | -              |
| £295,001 - £300,000 | -              | 1              |
| £220,001 - £225,000 | 1              | -              |
| £170,001 - £175,000 | 2              | 1              |
| £165,001 - £170,000 | 1              | -              |
| £160,001 - £165,000 | 1              | 1              |
| £150,001 - £155,000 | -              | 4              |
| £145,001 - £150,000 | 2              | -              |
| £140,001 - £145,000 | -              | 1              |
| £135,001 - £140,000 | 2              | 1              |
| £125,001 - £130,000 | -              | 3              |
| £120,001 - £125,000 | 3              | 1              |
| £115,001 - £120,000 | 2              | 1              |
| £110,001 - £115,000 | 2              | 3              |
| £105,001 - £110,000 | 1              | 1              |
| £100,001 - £105,000 | -              | 1              |

**Compensation for loss of office:**

|   | £000s | £000s |
|---|-------|-------|
| Staff costs include compensation payable to 43 employees (2022: 52) | 564   | 242   |

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

|  | Consolidated<br>2022/23 | University<br>2022/23 | Consolidated<br>2021/22 | University<br>2021/22 |
|--|-------------------------|-----------------------|-------------------------|-----------------------|
| Executive, senior and academic staff       | 827                     | 827                   | 792                     | 792                   |
| Research, language and teaching assistants | 24                      | 24                    | 22                      | 22                    |
| General and professional staff             | 1,079                   | 880                   | 1,035                   | 839                   |
|  | 1,930                   | 1,731                 | 1,849                   | 1,653                 |

**Pay ratios**

|                          | 2022/23<br>£000s | 2021/22<br>£000s |
|--------------------------|------------------|------------------|
| Basic salary ratio       | 7.1              | 7.1              |
| Total remuneration ratio | 7.1              | 7.1              |

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

**NOTES TO THE ACCOUNTS**  
(continued)  
Year ended 31 July 2023

**8 STAFF (continued)**

**Key management personnel**

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

|                                | 2022/23<br>£000s | 2021/22<br>£000s |
|--------------------------------|------------------|------------------|
| Key management personnel costs | 2,454            | 2,658            |

The total sum of £1,756 (2022: £770) was claimed as expenses by seven (2022: four) members of the Board of Governors during 2022/23. All of the expenses were in respect of travel, subsistence, professional subscriptions and health and safety. No remuneration is provided to governors for services provided as governors, or for any other services.

**9 INTEREST & OTHER FINANCE COSTS**

|   | Consolidated<br>2022/23<br>£000s | University<br>2022/23<br>£000s | Consolidated<br>2021/22<br>£000s | University<br>2021/22<br>£000s |
|---|----------------------------------|--------------------------------|----------------------------------|--------------------------------|
| On loans                                      | 2,533                            | 2,533                          | 2,615                            | 4,904                          |
| On service concession arrangement             | 3,163                            | 3,163                          | 3,137                            | 3,137                          |
| On finance leases                             | -                                | -                              | 169                              | 169                            |
|   | 5,696                            | 5,696                          | 5,921                            | 8,210                          |
| Net interest on net defined benefit liability | 102                              | 102                            | 2,343                            | 8                              |
|   | 5,798                            | 5,798                          | 8,264                            | 8,218                          |

**10 ANALYSIS OF TOTAL EXPENDITURE BY CATEGORY**

|   | Consolidated<br>2022/23<br>£000s | University<br>2022/23<br>£000s | Consolidated<br>2021/22<br>£000s | University<br>2021/22<br>£000s |
|---|----------------------------------|--------------------------------|----------------------------------|--------------------------------|
| Academic and related expenditure                    | 116,437                          | 115,437                        | 107,753                          | 107,706                        |
| Administration and central services                 | 48,058                           | 52,364                         | 45,794                           | 45,807                         |
| Premises (including service concession cost)        | 38,419                           | 39,091                         | 39,016                           | 39,885                         |
| Residences, catering and conferences                | 20,514                           | 19,423                         | 12,446                           | 11,468                         |
| Research grants and contracts                       | 2,305                            | 2,305                          | 2,731                            | 2,730                          |
| Other expenses                                      | 5,648                            | 5,631                          | 23,602                           | 23,839                         |
|   | 231,381                          | 234,251                        | 231,342                          | 231,435                        |
| Other operating expenses include:                   |                                  |                                |                                  |                                |
| External auditors remuneration - audit services     | 101                              | 125                            | 115                              | 93                             |
| External auditors remuneration - non-audit services | 21                               | 21                             | 17                               | 17                             |
|   | 1,250                            | 1,250                          | 1,195                            | 1,195                          |

**11 ACCESS & PARTICIPATION PLAN EXPENDITURE**

|  | Consolidated<br>2022/23<br>£000s | University<br>2022/23<br>£000s | Consolidated<br>2021/22<br>£000s | University<br>2021/22<br>£000s |
|--|----------------------------------|--------------------------------|----------------------------------|--------------------------------|
| Access investment                      | 903                              | 903                            | 921                              | 921                            |
| Financial support provided to students | 2,516                            | 2,516                          | 1,838                            | 1,838                          |
| Support for disabled students          | 549                              | 549                            | 480                              | 480                            |
| Research and evaluation                | 174                              | 174                            | 149                              | 149                            |
|  | 4,142                            | 4,142                          | 3,388                            | 3,388                          |

Included above are staff costs of £912,616 (2022: £815,353) which are reflected in the overall staff costs figures included in the financial statements (see note 8).

The total approved expenditure in the University's published Access and Participation Plan for the year ended 31 July 2023 was £2,917,555 (2022: £2,834,788). Actual spend was higher than planned expenditure due to increased Student Hardship bursaries, the introduction of a "Back on Track" programme to help students with the cost of living crisis and the roll forward of the emergency grants programme from the prior year. Details of the approved plan may be viewed at [www.kingston.ac.uk/undergraduate/access/](http://www.kingston.ac.uk/undergraduate/access/).

**NOTES TO THE ACCOUNTS**  
(continued)  
Year ended 31 July 2023

**12 INTANGIBLE ASSETS**

**CONSOLIDATED & UNIVERSITY**

**Software**

**2022/23**  
**£000s**

**Cost**

|                                   |               |
|-----------------------------------|---------------|
| Balance as at 31 July 2022        | 25,236        |
| Additions                         | 4,697         |
| Disposals                         | (509)         |
| Transfer from tangible assets     | 143           |
| <b>Balance as at 31 July 2023</b> | <b>29,567</b> |

**Amortisation**

|                                   |               |
|-----------------------------------|---------------|
| Balance as at 31 July 2022        | 16,663        |
| Amortisation                      | 2,985         |
| Disposals                         | (509)         |
| <b>Balance as at 31 July 2023</b> | <b>19,139</b> |

**Net Book Value**

|                                   |               |
|-----------------------------------|---------------|
| <b>Balance as at 31 July 2023</b> | <b>10,428</b> |
| <b>Balance as at 31 July 2022</b> | <b>8,573</b>  |

**13 TANGIBLE ASSETS**

**CONSOLIDATED & UNIVERSITY**

**Cost or Valuation**

|                                   | Freehold<br>Land<br>£000s | Freehold<br>Buildings<br>£000s | Service<br>Concession<br>Arrangement<br>Land/Buildings<br>£000s | Plant,<br>Machinery,<br>Equipment<br>£000s | Assets<br>Under<br>Construction<br>£000s | Heritage<br>Assets<br>£000s | Investment<br>Property<br>£000s | Total<br>£000s |
|-----------------------------------|---------------------------|--------------------------------|---|--|--|-----------------------------|---------------------------------|----------------|
| Balance as at 31 July 2022        |                           |                                |   |  |  |                             |                                 |                |
| Cost                              | 138,780                   | 300,962                        | 7,668   | 39,056                                     | 1,110                                    | 2,348                       | 5,000                           | 494,924        |
| Additions                         | -                         | 5,404                          | -   | 2,797                                      | 1,891                                    | -                           | -                               | 10,092         |
| Disposals                         | -                         | -                              | -   | (11,423)                                   | -  | -                           | -                               | (11,423)       |
| Transfer to intangible assets     | -                         | -                              | -   | (143)                                      | -  | -                           | -                               | (143)          |
| Other transfers                   | (7,280)                   | 7,503                          | -   | -  | -  | -                           | -                               | 223            |
| <b>Balance as at 31 July 2023</b> | <b>131,500</b>            | <b>313,869</b>                 | <b>7,668</b>  | <b>30,287</b>                              | <b>3,001</b>                             | <b>2,348</b>                | <b>5,000</b>                    | <b>493,673</b> |

**Consisting of valuation:**

|                   |                |                |              |               |              |              |              |                |
|-------------------|----------------|----------------|--------------|---------------|--------------|--------------|--------------|----------------|
| Pre 1 August 1996 | 32,874         | 37,875         | -            | -             | -            | -            | -            | 70,749         |
| 31 July 2014      | 98,626         | 84,129         | 5,190        | -             | -            | 837          | -            | 188,782        |
| Cost              | -              | 191,865        | 2,478        | 30,287        | 3,001        | 1,511        | 5,000        | 234,142        |
|                   | <b>131,500</b> | <b>313,869</b> | <b>7,668</b> | <b>30,287</b> | <b>3,001</b> | <b>2,348</b> | <b>5,000</b> | <b>493,673</b> |

**Depreciation**

|                                   |          |               |              |               |          |            |            |               |
|-----------------------------------|----------|---------------|--------------|---------------|----------|------------|------------|---------------|
| Balance as at 31 July 2022        | -        | 56,275        | 1,227        | 31,418        | -        | 425        | -          | 89,345        |
| Charge in year                    | -        | 8,663         | 153          | 3,151         | -        | 15         | -          | 11,982        |
| Disposals                         | -        | -             | -            | (11,423)      | -        | -          | -          | (11,423)      |
| Impairment                        | -        | -             | -            | -             | -        | -          | 800        | 800           |
| Other transfers                   | -        | 223           | -            | -             | -        | -          | -          | 223           |
| <b>Balance as at 31 July 2023</b> | <b>-</b> | <b>65,161</b> | <b>1,380</b> | <b>23,146</b> | <b>-</b> | <b>440</b> | <b>800</b> | <b>90,927</b> |

**Net Book Value**

|                                   |                |                |              |              |              |              |              |                |
|-----------------------------------|----------------|----------------|--------------|--------------|--------------|--------------|--------------|----------------|
| <b>Balance as at 31 July 2023</b> | <b>131,500</b> | <b>248,708</b> | <b>6,288</b> | <b>7,141</b> | <b>3,001</b> | <b>1,908</b> | <b>4,200</b> | <b>402,746</b> |
| <b>Balance as at 31 July 2022</b> | <b>138,780</b> | <b>244,687</b> | <b>6,441</b> | <b>7,638</b> | <b>1,110</b> | <b>1,923</b> | <b>5,000</b> | <b>405,579</b> |

*Reconciliation of net book value to historic cost method*

|  |                            |                |
|--|----------------------------|----------------|
| Net Book Value                           | Balance as at 31 July 2023 | 402,746        |
| Less carried forward revaluation reserve |                            | (195,065)      |
| Historic cost NBV                        | Balance as at 31 July 2023 | <u>207,681</u> |

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

**NOTES TO THE ACCOUNTS**  
(continued)  
Year ended 31 July 2023

**14 INVESTMENT PROPERTY**

The University investment property has been recorded in the balance sheet at fair value which is reflective of its current market value and has been disclosed within note 13 above.

**15 SERVICE CONCESSION ARRANGEMENTS**

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

**Clayhill campus**

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

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

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

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

The net book value of the service concession included in the Balance Sheet as at 31 July 2023 is £6,287,760 (2022: £6,441,120). The movement in depreciation in the year is £153,360 (2022: £153,360).

The total liabilities relating to the service concession included in the Balance Sheet as at 31 July 2023 were £21,178,171 (2022: £21,068,874). The value of the increase in liability for 2022/23 was £109,297.

**Future commitments**

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

|                      | Payable in<br>1 year | Payable in<br>2-5 years | Payable after<br>5 years | Total  |
|----------------------|----------------------|-------------------------|--------------------------|--------|
|                      | £'000s               | £'000s                  | £'000s                   | £'000s |
| Liability repayments | (34)                 | 931                     | 20,281                   | 21,178 |
| Finance Charge       | 3,179                | 12,622                  | 21,518                   | 37,319 |
| Service charge       | 819                  | 3,530                   | 10,888                   | 15,237 |
|                      | 3,964                | 17,083                  | 52,687                   | 73,734 |

**Kingston Hill and Seething Wells campuses**

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

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

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

Post construction, the University has an annual nomination arrangement with LLP, where it may nominate rooms for students at its Kingston Hill and Seething Wells sites. The University will account for this reflecting the values of these nominations within the Balance Sheet at year end with the annual nominations recognised in the Statement of Comprehensive Income the following year. At the year end the University had nominated 1,260 rooms for students and recognised the associated income and cost of £9,522,000 within the Balance Sheet as a debtor (note 17) and creditor (note 19).



**NOTES TO THE ACCOUNTS**  
(continued)  
Year ended 31 July 2023

**16 INVESTMENTS**

**CONSOLIDATED**

|                  |              |
|------------------|--------------|
| At 1 August 2022 | 3,038        |
| Disposals        | (10)         |
| At 31 July 2023  | <u>3,028</u> |

**Other  
Investments  
£000s**

**UNIVERSITY**

|                  |              |            |              |
|------------------|--------------|------------|--------------|
| At 1 August 2022 | 9,194        | 145        | 9,339        |
| Impairment       | (3,000)      | -          | (3,000)      |
| Disposals        | -            | (10)       | (10)         |
| At 31 July 2023  | <u>6,194</u> | <u>135</u> | <u>6,329</u> |

| <b>Shares in<br/>Subsidiary<br/>Undertakings<br/>£000s</b> | <b>Other<br/>Investments<br/>£000s</b> | <b>Total<br/>£000s</b> |
|--|--|------------------------|
|--|--|------------------------|

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

| <b>Subsidiary</b>                       | <b>Main Business</b>                      | <b>% owned</b> | <b>Ownership</b> |
|---|---|----------------|------------------|
| Kingston University Enterprises Ltd     | Trading & consultancy                     | 100%           | Direct           |
| Kingston University Service Company Ltd | Residences management & property services | 100%           | Direct           |
| KU Holding Ltd                          | Holding company                           | 100%           | Direct           |
| KU Student Living Ltd (note 15)         | Educational support services              | 100%           | Indirect         |

All the above entities are incorporated in England and Wales.

All the above entities have a registered office at River House, 53-57 High St, Kingston upon Thames, Surrey, KT1 1LQ.

**NOTES TO THE ACCOUNTS**  
(continued)  
Year ended 31 July 2023

**17 DEBTORS**

Amounts falling due within one year:

|   | Consolidated | University | Consolidated | University |
|---|--------------|------------|--------------|------------|
|   | 2022/23      | 2022/23    | 2021/22      | 2021/22    |
|   | £000s        | £000s      | £000s        | £000s      |
| Trade and student receivables           | 2,697        | 2,633      | 5,944        | 5,807      |
| Amounts owed by subsidiary undertakings | -            | 46         | -            | 19         |
| Accrued income                          | 4,517        | 4,333      | 1,792        | 1,728      |
| Service concession – right of use asset | 9,522        | 9,522      | 8,718        | 8,718      |
| Other debtors                           | 130          | 129        | 173          | 170        |
| Prepayments                             | 8,374        | 8,294      | 8,153        | 7,756      |
|   | 25,240       | 24,957     | 24,780       | 24,198     |

**18 CURRENT ASSET INVESTMENTS**

|               | Consolidated | University | Consolidated | University |
|---------------|--------------|------------|--------------|------------|
|               | 2022/23      | 2022/23    | 2021/22      | 2021/22    |
|               | £000s        | £000s      | £000s        | £000s      |
| Term deposits | 52,500       | 52,500     | 30,038       | 30,038     |

These are cash deposits with a term of more than 90 days from the date of acquisition.

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

|   | Consolidated | University | Consolidated | University |
|---|--------------|------------|--------------|------------|
|   | 2022/23      | 2022/23    | 2021/22      | 2021/22    |
|   | £000s        | £000s      | £000s        | £000s      |
| Bank loans (note 21)                              | 1,809        | 1,809      | 1,713        | 1,713      |
| Trade creditors                                   | 5,578        | 5,461      | 5,088        | 4,984      |
| Other creditors including tax and social security | 21,910       | 21,739     | 22,584       | 22,431     |
| Accruals  | 13,553       | 13,274     | 21,211       | 20,992     |
| Service concession – right of use asset           | 9,522        | 9,522      | 8,718        | 8,718      |
| Tuition fees in advance                           | 4,937        | 4,937      | 5,550        | 5,550      |
| Deferred income                                   | 5,913        | 5,886      | 5,092        | 5,076      |
| Deferred capital grants                           | 1,276        | 1,276      | 1,508        | 1,508      |
|   | 64,498       | 63,904     | 71,464       | 70,972     |

**Deferred income**

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

|                       | Consolidated | University | Consolidated | University |
|-----------------------|--------------|------------|--------------|------------|
|                       | 2022/23      | 2022/23    | 2021/22      | 2021/22    |
|                       | £000s        | £000s      | £000s        | £000s      |
| Deferred grant income | 565          | 565        | 931          | 931        |

**NOTES TO THE ACCOUNTS**  
(continued)  
Year ended 31 July 2023

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

|   | Consolidated | University | Consolidated | University |
|---|--------------|------------|--------------|------------|
|   | 2022/23      | 2022/23    | 2021/22      | 2021/22    |
|   | £000s        | £000s      | £000s        | £000s      |
| Service concession arrangements (note 15) | 21,178       | 21,178     | 21,069       | 21,069     |
| Bank loans (note 21)                      | 55,781       | 55,781     | 57,590       | 57,590     |
| Deferred capital grants                   | 10,227       | 10,227     | 11,093       | 11,093     |
| Deferred income                           | 11,937       | 11,937     | 12,260       | 12,260     |
|   | 99,123       | 99,123     | 102,012      | 102,012    |

**21 BANK LOANS**

|                                  | Consolidated | University | Consolidated | University |
|----------------------------------|--------------|------------|--------------|------------|
|                                  | 2022/23      | 2022/23    | 2021/22      | 2021/22    |
|                                  | £000s        | £000s      | £000s        | £000s      |
| <b>Bank loans</b>                |              |            |              |            |
| Due within one year or on demand | 1,809        | 1,809      | 1,713        | 1,713      |
| Due between one and two years    | 2,410        | 2,410      | 1,809        | 1,809      |
| Due between two and five years   | 12,378       | 12,378     | 10,551       | 10,551     |
| Due in five years or more        | 40,993       | 40,993     | 45,230       | 45,230     |
| Due after more than one year     | 55,781       | 55,781     | 57,590       | 57,590     |
| Total unsecured bank loans       | 57,590       | 57,590     | 59,303       | 59,303     |

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

| Lender   | Amount<br>outstanding<br>£000s | Term       | Interest rate |
|----------|--------------------------------|------------|---------------|
| Barclays | 20,935                         | 31/07/2031 | 6.09%         |
| Barclays | 40,000                         | 31/07/2030 | 3.31%         |

The University has secured a £20m revolving credit facility with Barclays repayable by October 2028. The facility is secured, and at 31 July 2023, no amounts had been drawn down.

**NOTES TO THE ACCOUNTS**  
(continued)  
Year ended 31 July 2023

**22 PROVISIONS FOR LIABILITIES**

**CONSOLIDATED**

|   | <b>Pension<br/>Provision</b> | <b>Obligations to<br/>fund deficit on<br/>pension</b> | <b>Total<br/>Pensions<br/>Provisions</b> |
|---|------------------------------|---|--|
|   | <b>LGPS<br/>£'000s</b>       | <b>USS<br/>£'000s</b>                                 | <b>£'000s</b>                            |
| At 1 August 2022                              | (329)                        | 1,885   | 1,556                                    |
| Charged to statement of comprehensive income: | 2,991                        | (441)   | 2,550                                    |
| Actuarial gain                                | (62,312)                     | -   | (62,312)                                 |
| Effect of asset ceiling                       | 59,650                       | -   | 59,650                                   |
| <b>At 31 July 2023</b>                        | <b>-</b>                     | <b>1,444</b>  | <b>1,444</b>                             |

**UNIVERSITY**

|   | <b>Pension<br/>Provision</b> | <b>Obligations to<br/>fund deficit on<br/>pension</b> | <b>Total<br/>Pensions<br/>Provisions</b> |
|---|------------------------------|---|--|
|   | <b>LGPS<br/>£'000s</b>       | <b>USS<br/>£'000s</b>                                 | <b>£'000s</b>                            |
| At 1 August 2022                              | (329)                        | 1,885   | 1,556                                    |
| Charged to statement of comprehensive income: | 2,991                        | (441)   | 2,550                                    |
| Actuarial gain                                | (62,312)                     | -   | (62,312)                                 |
| Effect of asset ceiling                       | 59,650                       | -   | 59,650                                   |
| <b>At 31 July 2023</b>                        | <b>-</b>                     | <b>1,444</b>  | <b>1,444</b>                             |

The position for LGPS as at 31 July 2023 reflects a surplus of £59,650,000. FRS102 only permits a surplus to be recognised if an entity is able to recover the surplus through reduced contributions or refunds through the plan. As neither of these outcomes can be justified at this point, the University has not recognised this as a pension asset.

Refer to note 29 for pension scheme details.

**23 ENDOWMENT & RESTRICTED RESERVES**

**CONSOLIDATED & UNIVERSITY**

|                         | <b>2022/23<br/>£000s</b> | <b>2021/22<br/>£000s</b> |
|-------------------------|--------------------------|--------------------------|
| Endowment fixed assets  | 1,085                    | 1,100                    |
| Endowment cash          | 53                       | 50                       |
| Restricted reserve cash | 2,217                    | 1,236                    |
|                         | <b>3,355</b>             | <b>2,386</b>             |



**NOTES TO THE ACCOUNTS**  
(continued)  
Year ended 31 July 2023

**24 OPERATING LEASE COMMITMENTS**

**CONSOLIDATED & UNIVERSITY**

Total rentals payable under operating leases:

Payable during the year:

Future minimum lease payments due:

Not later than 1 year

Later than 1 year and not later than 5 years

Later than 5 years

| 2022/23<br>Land and<br>Buildings<br>£000s | 2021/22<br>Land and<br>Buildings<br>£000s |
|---|---|
| 1,250                                     | 1,208                                     |
| 1,245                                     | 1,197                                     |
| 4,846                                     | 4,749                                     |
| 15,063                                    | 15,705                                    |
| 21,154                                    | 21,651                                    |
| 22,404                                    | 22,859                                    |

**25 CAPITAL COMMITMENTS**

**CONSOLIDATED & UNIVERSITY**

Capital expenditure contracted that has not been provided for

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

| 2022/23<br>£000s | 2021/22<br>£000s |
|------------------|------------------|
| 370              | 1,135            |
| 32,727           | 7,017            |
| 33,097           | 8,152            |

**26 OTHER FUNDING**

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

At 1 August 2022

Income

Amounts repaid

Amounts disbursed

At 31 July 2023

| TRA<br>bursaries<br>£000s | Nursery<br>Placement<br>Bursary<br>£000s |
|---------------------------|--|
| 52                        | 4  |
| 423                       | 266                                      |
| (54)                      | (4)                                      |
| (405)                     | (230)                                    |
| 16                        | 36                                       |

The Unspent balance is held within other creditors (note 19).

**NOTES TO THE ACCOUNTS**  
(continued)  
Year ended 31 July 2023

**27 RELATED PARTY TRANSACTIONS**

**Board of Governors**

During the year franchise payments of £904,621 (2022: £736,298) were paid to the South Thames College Group, an organisation in which the Provost was appointed as a Governor during the year.

**Senior Management Team**

Payments in respect of services provided to the University totalling £382,500 (2022: £229,400) were made to the Kingston Theatre Trust, an organisation in which the Dean of the Kingston School of Art served as a trustee during the year.

Kingston Student Living Ltd holds a 15% interest in Kingston Student Living LLP, an organisation in which the Chief Operating Officer served as a director during the year. During the year, the University made rental payments of £8,948,317 (2022: nil) and other contractual payments of £696,910 (2022: nil) and received amounts for utility recharges of £62,700 (2022: £51,900) from Kingston Student Living LLP.

**28 CONSOLIDATED RECONCILIATION OF NET DEBT**

|  | 1 August<br>2022 | Cash flows | Other non-<br>cash changes | 31 July<br>2023 |
|--|------------------|------------|----------------------------|-----------------|
|  | £'000            | £'000      | £'000                      | £'000           |
| <b>Cash and cash equivalents</b>         |                  |            |                            |                 |
| Cash at bank                             | 104,917          | (31,113)   | -                          | 73,804          |
| <b>Debt</b>                              |                  |            |                            |                 |
| Unsecured loans (note 21)                | (59,303)         | 1,713      | -                          | (57,590)        |
| Service concession liabilities (note 15) | (29,787)         | -          | (913)                      | (30,700)        |
| Net debt                                 | 15,827           | (29,400)   | (913)                      | (14,486)        |

There are no restrictions over the use of the cash at bank balances.

The non-cash movement relates to nominated rooms for students in the 2022/23 academic year.

**NOTES TO THE ACCOUNTS**  
(continued)  
Year ended 31 July 2023

**29 PENSION SCHEMES**

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

A defined benefit pension scheme (LPFA) was also operated on behalf of the employees of KUSCO Limited until 31 July 2022. On 30 November 2022 the company made an exit payment of £254k in relation to the exit of the scheme on 31 July 2022. The prior year figures disclosed on pages 58 and 59 have been derived from the actuarial valuations carried out by Barnett Waddingham as at 31 July 2022. The date of the last triennial valuation was 31 March 2022.

Pension charges for the year (covering all schemes):

Defined benefit schemes:

|      |        |
|------|--------|
| LGPS | 10,461 |
| TPS  | 10,343 |
| USS  | (89)   |
| LPFA | 471    |

Defined contribution schemes:

|                    |        |
|--------------------|--------|
| Legal & General    | 240    |
| Total pension cost | 21,426 |

**2022/23**  
**£000s**

**(i) Teachers' Pension Scheme**

Kingston University is a member of the Teachers' Pension Scheme England and Wales (TPS) for academic and related staff. The TPS is a statutory, contributory, defined benefit scheme, governed by the Teachers' Pension Scheme Regulations 2014. The TPS is an unfunded scheme to which both the member and employer make contributions as a percentage of salary - these contributions are credited to the Exchequer. Retirement and other pension benefits are paid by public funds provided by Parliament.

**Valuation of the Teachers' Pension Scheme**

The Government Actuary, using normal actuarial principles, conducts a formal actuarial review of the TPS in accordance with the Public Service Pensions (Valuations and Employer Cost Cap) Directions 2014 published by HM Treasury every four years. The aim of the review is to specify the level of future contributions. Actuarial scheme valuations are dependent on assumptions about the value of future costs, design of benefits and many other factors. The latest actuarial valuation of the TPS was carried out as at 31 March 2020. The valuation report was published by the Department for Education on 26 October 2023. The key elements of the valuation and subsequent consultation are:

- employer contribution rates set at 28.6% of pensionable pay (including a 0.08% administration levy)
- total scheme liabilities (pensions currently in payment and the estimated cost of future benefits) for service to the effective date of £262,000 million and notional assets (estimated future contributions together with the notional investments held at the valuation date) of £222,200 million, giving a notional past service deficit of £39,800 million

The next valuation result is due to be implemented from 1 April 2024.

A copy of the valuation report and supporting documentation is on the Teachers' Pensions website.

Under the definitions set out in FRS 102, the TPS is an unfunded multi-employer pension scheme.

Kingston University has accounted for its contributions to the scheme as if it were a defined contribution scheme and has set out above the information available on the scheme.

The employer's pension costs paid to TPS in the year to 31 July 2023 amounted to £10,367,202 (2022: £10,297,366).

Contributions amounting to £1,239,506 were payable to the scheme at 31 July 2023 (31 July 2022: £992,036) and are included within creditors.

**NOTES TO THE ACCOUNTS**  
**(continued)**  
**Year ended 31 July 2023**

**29 PENSION SCHEMES (continued)**

**(ii) The Universities Superannuation Scheme**

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

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

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

The 2020 valuation was the sixth valuation for the scheme under the scheme-specific funding regime introduced by the Pensions Act 2004, which requires schemes to have sufficient and appropriate assets to cover their technical provisions. At the valuation date, the value of the assets of the scheme was £66.5 billion and the value of the scheme's technical provisions was £80.6 billion indicating a shortfall of £14.1 billion and a funding ratio of 83%.

**Deficit Recovery Liability**

The total credit to the income and expenditure account is £88,461 (2022: charge of £1,293,526). Deficit recovery contributions due within one year for the institution are £116,280 (2022: £47,399).

The latest available complete actuarial valuation of the Retirement Income Builder is at 31 March 2020 (the valuation date), and was carried out using the projected unit method.

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

The 2020 valuation was the sixth valuation for the scheme under the scheme-specific funding regime introduced by the Pensions Act 2004, which requires schemes to have sufficient and appropriate assets to cover their technical provisions. At the valuation date, the value of the assets of the scheme was £66.5 billion and the value of the scheme's technical provisions was £80.6 billion indicating a shortfall of £14.1 billion and a funding ratio of 83%.

**Assumptions**

The key financial assumptions used in the 2020 valuation are described below. More detail is set out in the Statement of Funding Principles ([uss.co.uk/about-us/valuation-and-funding/statement-of-funding-principles](https://uss.co.uk/about-us/valuation-and-funding/statement-of-funding-principles)).

|  |   |
|--|---|
| <u>CPI assumption</u>                                  | Term dependent rates in line with the difference between the Fixed Interest and Index Linked yield curves less:<br><br>1.1% pa to 2030, reducing linearly by 0.1% pa to a long-term difference of 0.1% pa from 2040 |
| <u>Pension increases</u><br>(subject to a floor of 0%) | CPI assumption plus 0.05%   |
| <u>Discount rate (forward rates)</u>                   | Fixed interest gilt yield curve plus:<br><br>Pre-retirement: 2.75%<br>Post-retirement: 1.00%  |



**NOTES TO THE ACCOUNTS**  
(continued)  
Year ended 31 July 2023

**29 PENSION SCHEMES (continued)**

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

The main demographic assumptions used relate to the mortality assumptions. These assumptions are based on analysis of the scheme's experience carried out as part of the 2020 actuarial valuation. The mortality assumptions used in these figures are as follows:

|   | <b>2020 valuation</b>  |
|---|--|
| <u>Mortality base table</u>             | 101% of S2PMA "light" for males and 95% of S3PFA for females   |
| <u>Future improvements to mortality</u> | CMI_2019 with a smoothing parameter of 7.5, an initial addition of 0.5% p.a. and a long-term improvement rate of 1.8% pa for males and 1.6% pa for females |

The current life expectancies on retirement at age 65 are:

|                                   | <b>2023</b> | <b>2022</b> |
|-----------------------------------|-------------|-------------|
| Males currently aged 65 (years)   | 24.0        | 23.9        |
| Females currently aged 65 (years) | 25.6        | 25.5        |
| Males currently aged 45 (years)   | 26.0        | 25.9        |
| Females currently aged 45 (years) | 27.4        | 27.3        |

A deficit recovery plan was put in place as part of the 2020 valuation, which requires payment of 6.2% of salaries over the period 1 April 2022 until 31 March 2024, at which point the rate will increase to 6.3%. The 2023 deficit recovery liability reflects this plan. The liability figures have been produced using the following assumptions:

|                           | <b>2023</b> | <b>2022</b> |
|---------------------------|-------------|-------------|
| Discount rate             | 5.49%       | 3.33%       |
| Pensionable salary growth | 3.00%       | 3.00%       |

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

**Retirement Benefits Disclosure for the accounting period ending 31 July 2023**

A defined benefit pension scheme (LGPS) is operated on behalf of the employees of Kingston University, the figures disclosed below have been derived from the actuarial valuations carried out by Hymans Robertson LLP as at 31 July 2022. The date of the last triennial valuation was 31 March 2019. The latest actuarial valuation was carried out as at 31 March 2022. This was completed on 30 March 2023 and included setting the University's contributions for the next three years, which are percentages of pensionable pay for those employees participating in the scheme, payable monthly: 20.2%, 19.2% and 18.9% for the years ended 31 March 2024, 31 March 2025, and 31 March 2026, respectively. The percentages for the years ended 31 March 2024 and 31 March 2025 are higher to fund the University's deficit as at 31 March 2022, as calculated by the actuary on a funding basis. The University's contributions for the period to 31 July 2024 are estimated to be £7,154,000.

**Assumptions**

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

|                              | <b>At 31 July</b> | <b>At 31 July</b> |
|------------------------------|-------------------|-------------------|
|                              | <b>2023</b>       | <b>2022</b>       |
|                              | %pa               | %pa               |
| Rate of increase in salaries | 3.50              | 3.10              |
| Rate of increase of pensions | 3.00              | 2.70              |
| Discount rate                | 5.05              | 3.50              |

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

| <b>Pensioner</b>   | <b>Males</b> | <b>Females</b> |
|--------------------|--------------|----------------|
| Current pensioners | 21.9 years   | 24.9 years     |
| Future pensioners  | 22.9 years   | 26.0 years     |

**NOTES TO THE ACCOUNTS**  
(continued)  
Year ended 31 July 2023

**29 PENSION SCHEMES (continued)**

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

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

|   | At 31 July<br>2023<br>£000s | At 31 July<br>2022<br>£000s |
|---|-----------------------------|-----------------------------|
| Opening position  | 304,901                     | 312,194                     |
| Interest on plan assets                                     | 10,701                      | 5,009                       |
| Plan participants' contributions                            | 2,571                       | 2,500                       |
| Employer contributions                                      | 7,525                       | 7,402                       |
| Contributions in respect of unfunded benefits               | 3                           | 2                           |
| Benefits paid   | (7,969)                     | (7,722)                     |
| Unfunded benefits paid                                      | (3)                         | (2)                         |
| Other experience  | 17,525                      | -                           |
| Return on assets excluding amounts included in net interest | (2,117)                     | (14,482)                    |
| Closing position  | 333,137                     | 304,901                     |

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

|   | At 31 July<br>2023<br>£000s | At 31 July<br>2022<br>£000s |
|---|-----------------------------|-----------------------------|
| Opening position                            | 304,572                     | 448,859                     |
| Current service cost                        | 10,478                      | 20,406                      |
| Past service cost (including curtailments)  | -                           | 2                           |
| Interest cost on defined benefit obligation | 10,741                      | 7,298                       |
| Plan participants contributions             | 2,571                       | 2,500                       |
| Benefits paid                               | (7,969)                     | (7,722)                     |
| Unfunded benefits paid                      | (3)                         | (2)                         |
| Changes in demographic assumptions          | (457)                       | (1,634)                     |
| Change in financial assumptions             | (77,379)                    | (166,256)                   |
| Other experience                            | 30,932                      | 1,121                       |
| Closing position                            | 273,486                     | 304,572                     |

**NOTES TO THE ACCOUNTS**  
(continued)  
Year ended 31 July 2023

**29 PENSION SCHEMES (continued)**

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

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

|   | At 31 July<br>2023<br>£000s | At 31 July<br>2022<br>£000s |
|---|-----------------------------|-----------------------------|
| Service cost  |                             |                             |
| - Current service cost                                    | (10,478)                    | (20,406)                    |
| - Past service cost                                       | -                           | (2)                         |
| Total service cost  | (10,478)                    | (20,408)                    |
| Net interest  |                             |                             |
| - Interest income on plan assets                          | 10,701                      | 5,009                       |
| - Interest cost on defined benefit obligation             | (10,741)                    | (7,298)                     |
| Total net interest  | (40)                        | (2,289)                     |
| Total defined benefit cost recognised in profit or (loss) | (10,518)                    | (22,697)                    |

|   | At 31 July<br>2023<br>£000s | At 31 July<br>2022<br>£000s |
|---|-----------------------------|-----------------------------|
| Remeasurements  |                             |                             |
| - Change in demographic assumptions                           | 457                         | 1,634                       |
| - Change in financial assumptions                             | 77,379                      | 166,256                     |
| - Other experience  | (13,407)                    | (1,121)                     |
| - Return on assets excluding amounts included in net interest | (2,117)                     | (14,482)                    |
| Total remeasurements recognised in Other Comprehensive Income | 62,312                      | 152,287                     |

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

The total returns on the Fund in market value terms for the year to 31 July 2023 is estimated to be 2.8%. The actual returns for this period were 6.7%.

The estimated split of assets as at 31 July 2023 is as shown below:

|          | At 31 July<br>2023 | At 31 July<br>2022 |
|----------|--------------------|--------------------|
| Equities | 60%                | 56%                |
| Bonds    | 28%                | 31%                |
| Property | 9%                 | 9%                 |
| Cash     | 3%                 | 4%                 |
| Total    | 100%               | 100%               |

The position for LGPS as at 31 July 2023 reflects a surplus of £59,650,000. FRS102 only permits a surplus to be recognised if an entity is able to recover the surplus through reduced contributions or refunds through the plan. As neither of these outcomes can be justified at this point, the University has not recognised this as a pension asset.

**NOTES TO THE ACCOUNTS**  
(continued)  
Year ended 31 July 2023

**29 PENSION SCHEMES (continued)**

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

**Retirement Benefits Disclosure for the accounting period ending 31 July 2023**

A defined benefit pension scheme (LPFA) was operated on behalf of the employees of Kingston University Service Company Limited until 31 July 2022. On 30 November 2022 the company made an exit payment of £254k in relation to the exit of the scheme on 31 July 2022. The prior year figures disclosed below have been derived from the actuarial valuations carried out by Barnett Waddingham as at 31 July 2022. The date of the last triennial valuation was 31 March 2022.

**Assumptions**

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

|                              | At 31 July<br>2023 | At 31 July<br>2022 |
|------------------------------|--------------------|--------------------|
|                              | %pa                | %pa                |
| Rate of increase in salaries | -                  | n/a                |
| Rate of increase of pensions | -                  | 2.85               |
| Discount rate                | -                  | 3.40               |

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

|                      | Males      | Females    |
|----------------------|------------|------------|
| Retiring today       | 21.0 years | 23.6 years |
| Retiring in 20 years | 22.4 years | 25.5 years |

**NOTES TO THE ACCOUNTS**  
(continued)  
Year ended 31 July 2023

**29 PENSION SCHEMES (continued)**

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

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

|   |
|---|
| Opening defined benefit obligation            |
| Interest cost                                 |
| Change in financial assumptions               |
| Change in demographic assumptions             |
| Experience loss on defined benefit obligation |
| Estimated benefits paid net of transfers in   |
| Liabilities extinguished on settlement        |
| Closing defined benefit obligation            |

| At 31 July | At 31 July |
|------------|------------|
| 2023       | 2022       |
| £000s      | £000s      |
| 10,474     | 13,906     |
| -          | 212        |
| -          | (3,398)    |
|            | 221        |
| -          | 33         |
| -          | (500)      |
| (10,474)   | -          |
| -          | 10,474     |

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

|   |
|---|
| Opening fair value of Fund assets                         |
| Interest on assets  |
| Return on assets less interest                            |
| Administrative expenses                                   |
| Contributions by employer including unfunded              |
| Estimated benefits paid plus unfunded net of transfers in |
| Assets distributed on settlement                          |
| Closing fair value of Fund assets                         |

| At 31 July | At 31 July |
|------------|------------|
| 2023       | 2022       |
| £000s      | £000s      |
| 11,497     | 10,820     |
| -          | 166        |
| -          | 699        |
| -          | (14)       |
| -          | 326        |
| -          | (500)      |
| (11,497)   | -          |
| -          | 11,497     |

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

|                                       |
|---------------------------------------|
| Net interest on the defined liability |
| Loss on settlement                    |
| Administrative expenses               |
| Total costs                           |

| At 31 July | At 31 July |
|------------|------------|
| 2023       | 2022       |
| £000s      | £000s      |
| -          | 46         |
| 776        | -          |
| -          | 14         |
| 776        | 60         |

**Remeasurements**

|   |
|---|
| - Return on Fund assets in excess of interest                 |
| Other actuarial gains   |
| - Change in financial assumptions                             |
| - Change in demographic assumptions                           |
| - Experience loss on defined benefit obligation               |
| - Gain/(loss from change in effect of asset ceiling           |
| Total remeasurements recognised in Other Comprehensive Income |

|     |         |
|-----|---------|
| -   | 699     |
| -   | 3,398   |
|     | (221)   |
| -   | (33)    |
| 522 | (1,023) |
| 522 | 2,820   |

|                                   |
|-----------------------------------|
| Fair value of plan assets         |
| Present value of plan liabilities |

|   |          |
|---|----------|
| - | 11,497   |
| - | (10,474) |
| - | 1,023    |
| - | (1,023)  |
| - | -        |

Effect of asset ceiling



**NOTES TO THE ACCOUNTS**  
(continued)  
Year ended 31 July 2023

**30 FINANCIAL RESPONSIBILITY SUPPLEMENTAL SCHEDULE**

| <b>Expendable Net Assets</b>  |  | <b>2022/23</b> |         | <b>2021/22</b> |         |
|---|--|----------------|---------|----------------|---------|
|   |  | <b>£'000</b>   |         | <b>£'000</b>   |         |
| Statement of Financial Position - Net assets without donor restrictions   | Net assets without donor restrictions  |                | 399,401 |                | 399,584 |
| Statement of Financial Position - Net assets with donor restrictions  | Net assets with donor restrictions   |                | 3,355   |                | 2,386   |
| Statement of Financial Position - Related party receivable and Related party note disclosure  | Secured and Unsecured related party receivable   | -              |         | -              |         |
| Statement of Financial Position - Related party receivable and Related party note disclosure  | Unsecured related party receivable   |                | -       |                | -       |
| Statement of Financial Position - Property, Plant and equipment, net  | Property, plant and equipment, net (includes Construction in progress)                             | 396,458        |         | 399,138        |         |
| Note of the Financial Statements - Statement of Financial Position - Property, plant and equipment - pre-implementation   | Property, plant and equipment - pre-implementation   |                | 358,632 |                | 370,461 |
| Note of the Financial Statements - Statement of Financial Position - Property, plant and equipment - post-implementation with outstanding debt for original purchase    | Property, plant and equipment - post-implementation with outstanding debt for original purchase    |                | -       |                | -       |
| Note of the Financial Statements - Statement of Financial Position - Property, plant and equipment - post-implementation without outstanding debt for original purchase | Property, plant and equipment - post-implementation without outstanding debt for original purchase |                | 34,825  |                | 27,567  |
| Note of the Financial Statements - Statement of Financial Position - Construction in progress   | Construction in progress   |                | 3,001   |                | 1,110   |
| Statement of Financial Position - Lease right-of-use assets, net  | Lease right-of-use asset, net  | 15,810         |         | 15,160         |         |
| Note of the Financial Statements - Statement of Financial Position - Lease right-of-use asset pre-implementation  | Lease right-of-use asset pre-implementation  |                | 6,288   |                | 6,441   |
| Note of the Financial Statements - Statement of Financial Position - Lease right-of-use asset post-implementation   | Lease right-of-use asset post-implementation   |                | 9,522   |                | 8,718   |
| Statement of Financial Position - Goodwill  | Intangible assets  |                | 10,428  |                | 8,573   |
| Statement of Financial Position - Post-employment and pension liabilities   | Post-employment and pension liabilities  |                | 1,444   |                | 1,557   |
| Statement of Financial Position - Note Payable and Line of Credit for long-term purposes (both current and long term) and Line of Credit for Construction in process    | Long-term debt - for long term purposes  | 57,590         |         | 59,303         |         |
| Statement of Financial Position - Note Payable and Line of Credit for long-term purposes (both current and long term) and Line of Credit for Construction in process    | Long-term debt - for long term purposes pre-implementation   |                | 57,590  |                | 59,303  |
| Statement of Financial Position - Note Payable and Line of Credit for long-term purposes (both current and long term) and Line of Credit for Construction in process    | Long-term debt - for long term purposes post-implementation  |                | -       |                | -       |
| Statement of Financial Position - Note Payable and Line of Credit for long-term purposes (both current and long term) and Line of Credit for Construction in process    | Line of Credit for Construction in process   |                | -       |                | -       |
| Statement of Financial Position - Lease right-of-use asset liability  | Lease right-of-use asset liability   | 30,700         |         | 29,787         |         |
| Statement of Financial Position - Lease right-of-use asset liability pre-implementation   | Pre-implementation right-of-use leases   |                | 21,178  |                | 21,069  |
| Statement of Financial Position - Lease right-of-use asset liability post-implementation  | Post-implementation right-of-use leases  |                | 9,522   |                | 8,718   |
| Statement of Financial Position - Annuities   | Annuities with donor restrictions  |                | -       |                | -       |
| Statement of Financial Position - Term endowments   | Term endowments with donor restrictions  |                | -       |                | -       |
| Statement of Financial Position - Life Income Funds   | Life income funds with donor restrictions  |                | -       |                | -       |
| Statement of Financial Position - Perpetual Funds   | Net assets with donor restrictions: restricted in perpetuity                                       |                | 3,355   |                | 2,386   |

**NOTES TO THE ACCOUNTS**  
(continued)  
Year ended 31 July 2023

**30 FINANCIAL RESPONSIBILITY SUPPLEMENTAL SCHEDULE (continued)**

| <b>Total Expenses and Losses</b>  |   | <b>2022/23</b> |         | <b>2021/22</b> |           |
|---|---|----------------|---------|----------------|-----------|
|   |   | <b>£'000</b>   |         | <b>£'000</b>   |           |
| Statement of Activities - Total Operating Expenses (Total from Statement of Activities prior to adjustments)  | Total expenses without donor restrictions - taken directly from Statement of Activities |                | 231,381 |                | 231,342   |
| Statement of activities - Non-Operating (Investment return appropriated for spending), Investments, net of annual spending gain (loss), Other components of net periodic pension costs, Pension-related changes other than net periodic pension, changes other than net periodic pension, Change in value of split-interest agreements and Other gains (loss) - (Total from Statement of Activities prior to adjustments) | Non-Operating and Net Investment (loss)   |                | (7,430) |                | (155,563) |
| Statement of activities - (Investment return appropriated for spending) and Investments, net of annual spending, gain (loss)  | Net investment losses   |                | (4,768) |                | (456)     |
| Statement of Activities - Pension related changes other than periodic pension   | Pension-related changes other than net periodic costs                                   |                | -       |                | -         |

**Modified Net Assets**

|  |  |   |         |   |         |
|--|--|---|---------|---|---------|
| Statement of Financial Position - Net assets without donor restrictions                      | Net assets without donor restrictions          |   | 399,401 |   | 399,584 |
| Statement of Financial Position - total Net assets with donor restrictions                   | Net assets with donor restrictions             |   | 3,355   |   | 2,386   |
| Statement of Financial Position - Goodwill   | Intangible assets                              |   | 10,428  |   | 8,573   |
| Statement of Financial Position - Related party receivable and Related party note disclosure | Secured and Unsecured related party receivable | - |         | - |         |
| Statement of Financial Position - Related party receivable and Related party note disclosure | Unsecured related party receivable             |   | -       |   | -       |

**Modified Assets**

|  |  |   |         |   |         |
|--|--|---|---------|---|---------|
| Statement of Financial Position - Total Assets   | Total Assets                                   |   | 567,821 |   | 577,003 |
| Note of the Financial Statements - Statement of Financial Position - Lease right-of-use asset pre-implementation | Lease right-of-use asset pre-implementation    |   | 6,288   |   | 6,441   |
| Statement of Financial Position - Lease right-of-use asset liability pre-implementation                          | Pre-implementation right-of-use leases         |   | 21,178  |   | 21,069  |
| Statement of Financial Position - Goodwill   | Intangible assets                              |   | 10,428  |   | 8,573   |
| Statement of Financial Position - Related party receivable and Related party note disclosure                     | Secured and Unsecured related party receivable | - |         | - |         |
| Statement of Financial Position - Related party receivable and Related party note disclosure                     | Unsecured related party receivable             |   | -       |   | -       |

**Net Income Ratio**

|  |   |  |         |  |         |
|--|---|--|---------|--|---------|
| Statement of Activities - Change in Net Assets Without Donor Restrictions  | Change in Net Assets Without Donor Restrictions |  | (183)   |  | 143,237 |
| Statement of Activities - (Net assets released from restriction), Total Operating Revenue and Other Additions and Sale of Fixed Assets, gains (losses) | Total Revenue and Gains                         |  | 224,737 |  | 218,854 |

→ [kingston.ac.uk](https://kingston.ac.uk)