



Ravensbourne
University London

Report and Financial Statements

31 July 2019

Buzzacott LLP, London

Ravensbourne
University London

Higher Education
Corporation
and Subsidiary
Undertakings

Contents

- 03 **Chairs' and Vice-Chancellor's Reports**
- 07 **Operational and financial review**
- 19 **Statement of corporate governance and internal control**
- 27 **Statement of responsibilities of the board of Governors**
- 28 **Independent Auditor's report to the governors of Ravensbourne**
- 31 **Financial statements – year ended 31 July 2019**
- 32 **Consolidated statement of comprehensive income**
- 33 **Group consolidated balance sheet**
- 34 **Higher education corporate balance sheet**
- 35 **Consolidated statement of cash flows**
- 37 **Notes to the financial statements – year ended 31 July 2019**

Chairs' and Vice-Chancellor's Reports



Chair's Report

As the new chair of governors for Ravensbourne University London, I am pleased to introduce this year's Report and Financial Statements. Ravensbourne's unique capabilities are of great value to students, staff and the community and I look forward to pursuing its mission of developing the creative leaders of the future.

I pay tribute to the role which Jonathan Drori has played as chair over the last six years during which the institution has developed significantly, including gaining University status and degree awarding powers. He has led the University expertly and has left a lasting legacy. Since he was chair during the period of this report, it is most appropriate for him to comment on the University's achievements and his report is below, followed by the report from our Interim Vice-Chancellor, Andrew Cook.



Andrew Summers CMG
Chair of the Board of Governors
from 1 October 2019

Chair's Report

This has been another year of change - both for Ravensbourne and for UK Higher Education generally, but we have continued to position ourselves to be agile and able to adapt in the face of changes over which we have little control. We sense increasing competition for students among UK universities, made fiercer by the demographic downturn in the number of 18-year-olds. Competition from universities in other countries, which has been increasing steadily for years, has been made all the keener by the UK's ambiguous relationship with the rest of Europe. Foreign students feel uncertain about the welcome they will receive and whether they will be allowed to stay and contribute to our society after graduating.

This is a concern because diversity in our student and teaching bodies is important to us, not solely because it is right and just, or even because variety is more fun and exciting. Students who are used to collaborating in multicultural teams, and who have a substantial professional network, are more employable in the global marketplace and more valuable here at home too.

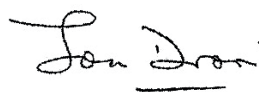
Ravensbourne has a strong reputation for turning out employment-ready graduates. They have worked on real, live projects for commercial companies, in multi-disciplinary teams. No wonder that a satisfying 96% of our graduates are in full-time employment or further study within six months of graduating. We are working hard to keep it that way by developing new relationships with industry, including for the provision of degree apprenticeships.

Now a University, Ravensbourne's enhanced credibility means that we contribute more effectively to Further and Higher Education and to the creative industries that are so important to the economic and intellectual wellbeing of the nation. Collaboration with those industries, embedding their requirements and the latest techniques into our courses, is crucial to our ability to giving students the specialist skills and opportunities they need to kick-start their careers.

Internally, we are focusing on the appointment of a new Vice Chancellor and expect our search to conclude in November this year. In the meantime, Andrew Cook (our Chief Operating Officer) has confidently stepped in as interim Vice Chancellor. I and the Board are grateful to him and to the senior team for ensuring the smooth and efficient functioning of the University.

My six-year term as Chair ended in September - how the time has flown!

Ravensbourne is a wonderfully innovative place, full of zizzy staff and students. I shall miss their glorious creative energy and enthusiasm very much and would like to thank all of them, alongside my colleagues on the Board, for everything they do for Ravensbourne and for making my term as Chair so fascinating and worthwhile.



Jonathan Drori CBE
Chair of the Board of Governors
until 30 September 2019

Vice-Chancellor's Report

Over the past four months, I've been incredibly proud to help steer Ravensbourne through an important period of change. It has been a challenging year in many ways, with Professor Linda Drew stepping down as Vice Chancellor in May, the launch of our new curriculum running alongside the UAL syllabus our students enrolled on as well as numerous changes to our IT infrastructure.

It has also been a tough period for higher education in the UK generally, with increasing competition for a shrinking number of students applying to University. With this in mind, we have also been reviewing our recruitment and admissions processes to ensure that applicants' journeys to joining Ravensbourne are as smooth as possible. The experience of students when they join Ravensbourne is key to our success and we have continued to invest in this area.

We have developed an incredibly distinctive and attractive offer at Ravensbourne and I am inspired by our ability to continuously adapt to the changing environment. We have been exploring new courses in emerging industries at the boundary of creativity and technology, like cyber security and cloud computing, ensuring we are future-proofing our students with the skills needed for the jobs of tomorrow.

Outside of our academic offering, we have been ensuring the University is operating as efficiently as possible, commercialising some of our existing operations and launching new initiatives like the Creative Lab, which will provide creative design services to both internal stakeholders and clients outside the building. We continue to explore other opportunities to broaden our sources of income.

We have reached the delivery phase of many of the projects we have been working towards over the past year, and I firmly believe we will begin to see the benefits materialise over the coming academic year. The recruitment process for a new Vice Chancellor is progressing well, and it has been encouraging to see momentum kept up in the University as we go through this process.

In the meantime, we are delighted to welcome our new Chair of the Board of Governors, Andrew Summers taking over from Jonathan Drori. Andrew joins us from King's College London where he was Deputy Chair, and has also held positions at The Design Council and The Royal Society of the Arts. His unique combination of experience in both higher education and the creative industries will bring tremendous value to the organisation.



Andrew Cook
Interim Vice Chancellor

Operational and Financial Review



Nature, Objectives and Strategies

The members present their report and the audited group financial statements for the year ended 31 July 2019.

Legal Status

Ravensbourne University London ('Ravensbourne') is an independent corporation, established as a higher education corporation under the terms of the Education Reform Act 1988 and the Further and Higher Education Act 1992. The University is an exempt charity for the purposes of the Charities Act 2011. The financial statements comprise the consolidated results of the University and its subsidiary, Ravensbourne Limited.

Ravensbourne Limited undertakes activities which, for legal, commercial or tax reasons, are more appropriately channelled through a limited company. These activities are principally in the field of broadcasting short courses, facilities hire and commercial partnerships. The company makes a donation under Gift Aid from its taxable profits to Ravensbourne.

The University owns two further subsidiaries, Ravensbourne Regeneration and Ravensbourne Learning Resource Limited, both of which are dormant and do not trade.

Mission statement

- Ravensbourne University London is a specialist creative University, designed for industry.
- Ravensbourne people are as diverse as the city we occupy and the industries we service. Students, colleagues, research and business partners are united by a desire to innovate and change the world through creativity.
- Our Mindsets and Skillsets manifesto is a promise that we will nurture and inspire people. None of this happens by accident – only by design.

Our vision

- We will influence the world through creativity and technology in learning, research and business.
- We will inspire a highly diverse range of people, valuable to and valued by the world beyond University.
- We will innovate as a resilient, agile and future-facing organisation, to extend our reach and relevance.

Our values

All of our activities are founded on three core values:

Be creative

We provide a provocative, dynamic learning environment where students are challenged to become visionary professionals of the future. Working collaboratively and purposefully, we approach our endeavours with a mindset that is open and receptive to challenge. We empower our staff and students not just to imagine, but also to create the future.

Be integrated with industry

We value a rich and sustained engagement with our industry partners. This drives our practice-based approach to learning and teaching, research and knowledge exchange. We support creative leadership and innovation through partnerships, conversations and connections with industry. These reflect the professional and collaborative nature of our staff and the employability of our students.

Be inclusive

We take pride in a culture that anticipates, supports and celebrates equality of opportunity. Reflecting the diversity of our local community, we are proactive and holistic in our approach to promoting social mobility, internationalisation, and inclusion, enabling change beyond Ravensbourne, to the socio-economic profile of practitioners in the creative industries.

Nature, Objectives and Strategies (continued)

Strategic plan

The Board of Governors approved the University's seven year strategic plan for 2018 to 2025 in September 2018. The strategic plan reflects the following aims:

- To build on our strengths, nurture and capitalise on our approach to practice-based creative education through a connected offer across applied research, knowledge exchange and skills for entrepreneurship, and to be renowned for our unique pedagogy and our position at the junction of creativity and technology.
 - To build the creative workforce of the future with a sustained focus on graduate careers and employability – providing students and graduates with a competitive advantage through a learning experience where the individual thrives, disciplines evolve, education engages industry, purpose meets practice, and creativity meets technology.
 - To be an exemplar for social mobility, diversity and equality of opportunity in higher education, ensuring every student is able to succeed whatever their background.
 - As a new University, to use partnerships and alliances with external organisations both academically and commercially to support our mission, vision, reputation and sustainability.
 - To elevate and enhance Ravensbourne's physical and digital presence locally, nationally, internationally, and within our industrial sectors, to provide greater opportunities for collaborations, partnerships and projects.
- Notable achievements in line with the strategic plan during the 2018/2019 academic year include:
- 96.4% of students (more than 19 out of 20) were in employment or further study within six months of graduating (HESA 2016/17). The results are based on a national survey of 2016-2017 leavers from higher education undertaken by the Higher Education Statistics Agency (HESA).
 - Ravensbourne is among the top third of all universities in England for creative graduate salaries. (Based on median salaries five years after graduating taken from the Department for Education's Longitudinal Education Outcomes 2017).
 - High profile partnerships with well-known brands such as the BBC, Amazon, Royal Shakespeare Company, Ford, The Tate Modern, Stella McCartney, Givenchy, Working Title Films, Barclays, Marks & Spencer and Burberry, with our students being awarded placements at many of these and others.
 - Increased gifts and voluntary giving, with a 17% increase in donations over prior year. While a small number in reality, this is showing steady progress.
 - Stronger alumni engagement with alumni such as Clare Waight Keller, Andi Osho, and many others, including both senior leaders and those who embarked on their careers more recently, returning to celebrate with us both our Degree Shows and new University status.
 - Ravensbourne once again hosted MozFest in October 2018, the world's leading festival for the open internet movement. We look forward to welcoming Mozilla back to Ravensbourne in 2019 for the seventh year.
 - Our students have won or been nominated for awards at prestigious industry events such as D&AD New Blood, New Designers and Graduate Fashion Week.

Nature, Objectives and Strategies (continued)

Statement on public benefit

In setting our objectives and planning our activities our governors have given consideration to the Charity Commission's general guidance on public benefit and in particular to its supplementary public benefit guidance on advancing education.

The students of Ravensbourne are the primary beneficiaries and are directly engaged in learning or research. However, beneficiaries also include employers and businesses in the creative industries sector as well as school children and alumni of Ravensbourne who may attend educational events organised by the University and use the academic facilities.

We do not believe that Ravensbourne causes any detriment or harm from carrying out its mission and we are not aware of views among others that such detriment or harm might arise.

Ravensbourne's public benefit activities are viewed and can be categorised under our strategic plan which reflects the University's aims for 2018-2025:

- To deliver academic excellence in the learning, teaching, research and knowledge exchange of design, media, communication and technology through the development of new educational models for higher education and industry
- To invest in and value our staff, and ensure the development of our organisational capability
- To enable access to a distinctive and inclusive 'Ravensbourne' student environment and experience
- To foster creativity and talent through the development of the mindsets and skillsets needed to succeed
- To forge and maintain dynamic relationships with our UK and international partners in industry, higher education, and the cultural sector and with the locality and our alumni.

We continue to develop our recruitment and outreach programme and will further extend our successful school progression agreements to the EU and beyond over the next year following their successful and continued development within the UK. These progression agreements will ensure that post-16 students and international students will experience higher education taster workshops, holiday schools, and UCAS/application support workshops. This also provides an excellent opportunity for our current students to act as mentors.

As part of this outreach programme, we run three Saturday Clubs in partnership with The Saturday Club Trust in Art & Design, Fashion Business and Science & Engineering, for young people aged 14 and above. Taster days are run to allow prospective students to get a feel for studying a creative subject at University, and experience the state of the art studios, workshops and facilities that are available at Ravensbourne. We also give workshops providing advice and support to students in Years 9 – 13 (including Access courses) who are considering applying for Higher Education courses in media and design.

Scholarships to study at Ravensbourne have also been awarded in collaboration with Accumulate, a social enterprise which uses creativity to empower young people who are homeless. On the course, the recipients will be mentored by Ravensbourne students who will pass on the creative skills they've learnt and provide valuable networks and advice to aid progression and build confidence.

In partnership with the Royal Borough of Greenwich, and as part of the Greenwich Digital Skills programme, we offer a wide range of affordable short courses with subsidised rates for Greenwich residents. Ravensbourne has also launched a programme of short courses aimed at creative professionals with an initial emphasis on fashion pattern cutting and design.

The Industry Connect programme has continued to offer practical and tangible benefits with workshops, practical short courses, and featuring lectures and talks from visiting speakers from industry practitioners and experts.

Financial Position

Results

The financial statements for the year ending 31 July 2019 have been prepared in accordance with the Statement of Recommended Practice (SORP) Accounting for Further and Higher Education 2015, Reporting Standard FRS102 and the accounts direction issued by the Office for Students.

The surplus, before the actuarial loss in respect of the Local Government Pension Scheme, for the year ending 31 July 2019 is £1,168,136 (2018: £348,720).

Liquidity

Cash and short-term cash deposits as at 31 July 2019 totalled £17,839,828, an increase of £2,187,630 from the position at 31 July 2018. Cash balances continue to reflect the University's strong liquidity position. During the year ended 31 July 2019 the University continued with repayments of its 25-year mortgage facility and repayments to the Royal Borough of Greenwich.

Capital repayments and the balances outstanding on loan facilities

Facility	Original Loan £	Term Years	Outstanding 1 August 2018 £	Repayment £	Outstanding 31 July 2019 £
Barclays plc 25 year mortgage	5,000,000	25	4,131,939	144,978	3,986,961
Royal Borough of Greenwich	1,000,000	10	300,000	100,000	200,000
	6,000,000		4,431,939	244,978	4,186,961

Interest is payable at a fixed rate of 5.5 per cent per annum on the long-term mortgage facility and 3 per cent per annum in respect of the Royal Borough of Greenwich loan.

Financial Position (continued)

Reserves

The University continues to maintain healthy reserves of over £33.2 million (2018 £34.8 million). After adjusting for balances in respect of non-current assets, loan financing, the pension scheme liability and deferred capital grants, the University's free reserves total £14.6 million (2018 £12.3 million). It is recognised that these reserves will be necessary not only to ensure cover for the current loan obligations but also for future investment as follows:

- Investment in the fabric of the estate - the current premises opened in September 2010 and it has been recognised that a rolling programme of maintenance and replacement is necessary. This programme commenced in 2016 and will continue in the future.
- Investment in technology - this is a cyclical requirement to ensure the University remains at the cutting edge of technology maintaining its status as industry-led and ensuring the relevance of its teaching and resources to students, staff and industry.
- Investment in growth – the University is actively exploring strategic options to increase its student base and to develop additional income streams. This will require investment in physical infrastructure and resources to support teaching.

The Board of Governors and senior management of the University are currently implementing a strategic plan to 2025 but also looking beyond that point to identify the reserves to meet future needs.

Cash flows

The net cash inflow from operating activities for the year ending 31 July 2019 was £2,796,711. During the year the University made capital payments in respect of bank and other loans of £244,978 and paid interest of £232,318. As of 31 July 2019 cash and balances held on short-term deposit amounted to £17,839,828 an increase of £2,187,630 against the position as at 31 July 2018.

Financial position (continued)

Principal risks and uncertainties

The University continues to review risk assessment and risk management arrangements to safeguard corporate interests and reputation as part of its corporate plan.

A risk register is maintained at the University and is reviewed regularly. The risk register identifies key risks, the likelihood of those risks occurring, their potential impact on the University and the actions being taken to reduce and mitigate the risks.

The key risks facing the University are:

- **Uncertainty of funding** – the regulatory and policy landscape is constantly changing leading to a degree of uncertainty around the composition and extent of government funding in the future. The Augar review has recommended a reduction in tuition fees with some degree of compensation from central government funding. Currently there is no certainty that the recommendations of the review will be adopted and, if it is, what the impact on our income would be. The market for students is becoming more competitive, both from existing HEIs and new entrants which places a risk on student recruitment. Additionally, funding for further education is likely to reduce significantly over the next few years.
- **Student recruitment and retention** – this is fundamental to the sustainability of the University. The recruitment market is expected to become more competitive due to the demographic make-up of the population over the next few years.
- **International students** – Government policy concerning visa restrictions and changes to regulations made by UK Visas and Immigration (UKVI) may adversely impact on student recruitment from outside the EU. Furthermore the result of the referendum to withdraw from the European Union could potentially reduce a significant number of very able students although Ravensbourne is not significantly exposed in this area.
- **Student satisfaction** – the expectations and demands from students, who are now seen as customers, will increase as they focus more keenly on the ‘value for money’ they get from their fees. Future funding levels may be linked to student satisfaction and course outcomes. Focus on teaching excellence and other satisfaction criteria is therefore critical.
- **Course portfolio** – it is important for the University to be cutting edge and industry-focused in the courses that it offers to retain its reputation and status and to maintain its highly successful employability rate. Unless we stay current and relevant, students may choose to study elsewhere. Our course portfolio is under continual review and further new courses are being introduced from 2020.
- **Staff recruitment and retention** – the delivery of teaching excellence and maintaining student satisfaction is dependent on successfully recruiting and maintaining staff with the right qualities and experience.
- **Cyber Security** – the threat from cyber security attacks has been increasing and will continue to increase as more and more activity is held online and networked. The threat is heightened by the increased involvement of everyone in the connected world and access to systems and data.
- **Terrorism in London** – there have been increasing incidences of terrorism in London and the rest of Europe. The University’s location on the Greenwich Peninsular may expose it to a greater threat. Continued vigilance, working with our neighbours and the police, and focus on the PREVENT work remains essential.

Key Performance Indicators

The University developed key performance indicators (KPIs) to facilitate the oversight of all its business affairs at a strategic level by the board of Governors. These are continually updated to reflect the revised strategic plan or new areas of focus. However, the critical financial KPIs monitored during the year were:

KPI	Description	Target	5Y Av.	Current
Profitability	Historic cost surplus as % of total income	2.0	3.2	4.2
Reserves	Discretionary reserves as % of income	140	118.9	119.9
Borrowings	Borrowings as a % of income	20	14.1	15.1
Liquidity	Net cash flow as a % of income	10	7.5	10.1
Liquidity	Net liquidity days	200	263	260
Covenants	Borrowings to 3 year average EBITDA	Max ratio 5:1		1.7:1

Financial KPIs, although important, represent only one aspect of the University's business. A full suite of other KPIs is monitored regularly by the board of Governors. These include, but are not limited to, student recruitment, National Student Satisfaction Survey, destination of leavers, staff qualifications, staff diversity in terms of ethnicity, disability and gender and staff turnover.

Current, future developments and performance

The University believes that it is well placed to meet the challenges ahead as it operates in a specialist area of provision with a large demand for the courses it offers. As noted explicitly in the Teaching Excellence Framework, Ravensbourne also has excellent outcomes for its students.

Ravensbourne achieved full University status, effective from 21 May 2018, successfully meeting the main objective from the 2015-18 strategic plan. In addition to gaining Taught Degree Awarding Powers (TDAP) in 2017, and then full University status in 2018, there has also been a modest growth in student numbers. At the same time, the University has maintained its distinctive, industry-led and cutting-edge digital focus and retains its extremely successful metrics in terms of partnerships, student achievements and awards, and employability.

The strategy for the longer period of 2018-2025 has been finalised and sets out the direction for Ravensbourne University London.

Our strategy is focussed on the following areas:

- Academic excellence
- Student experience
- Access and success
- Alliances and collaboration
- Place making – the creative industries and wider society.

Each area is supported by an individual plan that is refreshed every six months. In addition, the University continues to respond to the challenges faced throughout the sector due to increased competition, major regulatory reform, a demographic decline in 18 year-olds as well as the impact of the decision to leave the European Union, where the full consequences are still unknown. We have continued to proactively engage with significant policy changes relating to education, Brexit and industrial strategy, participating at the highest level in sector and industry representative bodies.

Our course portfolio is under continual review to ensure that it remains relevant and provides an unrivalled education that will keep our graduates at the forefront of innovation and creativity, and provide them with the mindset and skillsets to succeed.

The four guiding principles are:

Cultivate: providing a learning experience where the individual thrives

Collaborate: enabling disciplines to evolve

Integrate: enabling engagement and collaboration across education and industry

Advocate: where purpose meets practice

We have recently recruited a Director of Recruitment and Student Experience who will help us to ensure that we deliver the best outcomes possible for students and that we are well placed to meet the challenges of the recruitment market.

Also we continue to explore opportunities to expand our portfolio of revenue generating activities.

Stakeholder Relationships

In line with other colleges and universities Ravensbourne has many stakeholders. These include:

- Students
- Alumni
- Local, regional and national employers
- Local community organisations
- Staff past and present
- Regional development agencies
- Creative industry networks
- Commercial partners serving the creative industries
- Other higher and further education institutions

We recognise the importance of all stakeholder relationships, and facilitate and nurture these through various channels: intranet, email communications, digital and social platforms, partnership agreements and in-person meetings.

Trade Union Facility Time

As the university does not employ any trade union representatives there is no time cost to the university, so there is nothing to disclose in relation to the Trade Union (Facility Time Publication Requirements) Regulations 2017.

Equal opportunities and employment of disabled persons

Ravensbourne is an equal opportunities employer. As such, the university considers all applications for employment from disabled persons, bearing in mind the aptitudes of the individuals concerned. Where an existing employee becomes disabled every effort is made to ensure that employment with the University continues. The University's policy is to provide training, career development and opportunities for promotion, which are, as far as possible, identical to those for other employees.

Disability statement

The university seeks to achieve the objectives set down in the Equality Act 2010.

Disabled staff policy and procedure

The University recognises and is committed to meeting its responsibilities towards its staff and the community at large to ensure that disabled people are afforded equal opportunities to enter employment and progress within the University.

As such, the university has established the following policy and procedures to ensure this is achieved:

- The university aims to be recognised by the community as an employer which provides good employment opportunities for disabled people, and we would like individuals who apply to us for employment to know that they will receive fair treatment and be considered solely on their ability to do the job. Ravensbourne abides by the Two Ticks Scheme which ensures all candidates who have a disability and meet the essential requirements of the role are given an interview.
- If an employee becomes disabled during the course of their employment with the University, all reasonable steps will be taken to accommodate the individual's disability by making reasonable adjustments to working practices and arrangements, or by offering redeployment and appropriate retraining to enable them to remain in employment with the university wherever that is possible. All disabled employees are offered the opportunity to meet with a member of the HR department on an annual basis to discuss any reasonable adjustments they may require.
- All staffing policies have been reviewed to ensure that the policies, procedures and practices are supportive of disabled staff at the University and its disability management process. Impact assessments are carried out on an annual basis and on changing or introducing new policies to ensure there are no negative impacts on staff with a disability.
- The University aims to continue to raise awareness of disability throughout the organisation in order to promote equality and positive attitudes towards disabled people. For example, the University will continue to provide staff training on disability awareness for all staff involved in recruitment and selection processes and managers are briefed on their responsibilities in relation to equal opportunities, which includes issues relating to disability.

Stakeholder Relationships (continued)

Services for students with disabilities

As a smaller specialist University, we pride ourselves on being able to respond to individual students' requirements flexibly and effectively. Student Services are the first point of contact for any student with a disability who might wish to discuss any requirements they have. Student Services is also the main point of contact for prospective students who wish to discuss any learning requirements prior to coming to Ravensbourne. The service is confidential and offers help and advice on a range of other matters including:

- Providing equipment where appropriate
- Co-ordinating the provision of additional support services such as non-medical helpers and note-takers
- Providing assistance with applications for the Disabled Students' Allowance
- Co-ordinating access to additional learning support and building accessibility
- Providing general advice on concerns or difficulties should they arise
- Facilitating advice from external agencies to help resolve any difficulties and concerns. For example, referral to a disabled person support group.

Disabled students will be provided with the opportunity to review any support at least once per year in a formal way and as often as required informally.

Disclosure of information to auditors

The members who held office at the date of approval of this report confirm that as far as they are each aware, there is no relevant audit information of which the University's auditors are unaware; each member has taken all the steps that he or she ought to have taken to be aware of any relevant audit information and to establish that the University's auditors are aware of that information.

Approved by order of the Board and signed on its behalf by



Chair of the Board of Governors
14 November 2019

Professional Advisers

Bankers

Barclays Bank PLC
1 Churchill Place
Canary Wharf
London E14 5HP

Bank of Scotland PLC
The Mound
Edinburgh EH1 1YZ

Santander UK PLC
2 Triton Square
Regent's Place
London NW1 3AN

Nationwide Commercial
1 Threadneedle Street
London EC2R 8AW

Internal Auditor

KPMG LLP
15 Canada Square East
Canary Wharf
London E14 5GL

External Auditor
Buzzacott LLP
130 Wood St
London EC2V 6DL

Solicitors

Herbert Smith LLP
Exchange House
Primrose St
London EC2A 2HS

Eversheds LLP
85 Queen Victoria St
London EC4V 4JL

Statement of corporate governance and internal control



Introduction

Ravensbourne University London is an independent corporation, established as a higher education corporation under the terms of the Educational Reform Act 1988 and the Further and Higher Education Act 1992. It is an exempt charity for the purposes of the Charity Act 2011. The University title was approved by the Privy Council in May 2018.

The University's objects, powers and framework of governance are set out in the Instrument and Articles of Government, which were updated and approved by the Privy Council in May 2018. The Articles of Government require the University to have a Board of Governors and an Academic Board, each with clearly defined functions and responsibilities, to oversee and manage its activities.

Governance

The Board of Governors applies the HE Code of Governance in its entirety and is confident that the seven primary elements as set out in the code are met as well as application of the HE Senior Staff Remuneration Code. Ongoing adherence to both Codes is monitored by the Audit Committee and HR & Remuneration Committees respectively on an annual basis.

During the forthcoming year a full independent board effectiveness review is planned to start (the last full independent review took place in 2015). A new Chair commenced on 1 October 2019 and will be instrumental in overseeing the review which will include academic governance.

2018-19 saw the recruitment and induction of two new Governors, as well as the recruitment of a new Chair of the Board of Governors. In addition, external expert members were recruited to join our Finance, Audit and HR & Remuneration Committees. A major focus for the Board of Governors is the recruitment of a permanent Vice Chancellor and it is planned that this search will conclude in November 2019.

The University is committed to best practice in all aspects of its corporate governance and to conducting its affairs in a responsible and transparent way. This statement takes into account the requirements of the OfS, the UK Corporate Governance Code as it applies to higher education, and the Higher Education Code of Governance. Its purpose is to help the reader of the financial statements understand how the principles have been applied. Ravensbourne University London's corporate governance statement covers the period 1 August 2018 to 31 July 2019 and up to the date of approval of the audited financial statements.

The Board of Governors

The Board of Governors is the governing body of the University, responsible for the finance, property and staffing of the University. It is specifically required to determine the educational character and mission of the University and to set its general strategic direction. The Board has adopted a Statement of Primary Responsibilities, and delegates day-to-day management responsibility to the Vice-Chancellor, as the Accountable Officer to the OfS, for maintaining a sound system of internal control that supports the achievement of the university's policies, aims and objectives.

All members of the Board are strongly committed to the University's values of creativity, integration with industry and inclusivity. All members are expected to observe the highest standards of corporate governance in exercising their responsibilities, including the Seven Principles of Public Life: selflessness, integrity, objectivity, accountability, openness, honesty and leadership.

The Board of Governors has a majority of independent members appointed in accordance with the University's Instrument and Articles of Government and the Chair and Deputy Chair are appointed from its independent members. Mr Andrew Summers CMG was appointed Chair from 1 October 2019.

There is provision for the appointment of co-opted members, some of whom are members of the staff of the University, and for representatives of the academic staff and of the student body. All members of the Board may claim reasonable expenses but none receive regular remuneration.

The University maintains a Register of Interests of members of the Board and senior officers which may be consulted by arrangement with the Clerk to the Governors, and declarations of any conflicts of interest are made at the start of each committee and board meeting.

Ravensbourne University London

The members who served on the Board of Governors during the year and up to the date of signature of this report are listed below:

Board of Governors

Independent and Co-opted Governors

Professor Jonathan Drori (f,h,n,e)	Chair of the Board & Nominations Committee Resigned 30 September 2019
Mr Andrew Summers CMG (f,h,n)	Chair of the Board, appointed 1 October 2019
Mr Nathan Donaldson (a,h,e)	Chair of the HR & Remuneration Committee
Mr Rod Henwood (a)	Resigned November 2019
Professor Helen Higson (h)	
Ms Tamara Howe (n)	
Mr Jonathan Kingsbury (f,n,e)	Deputy Chair
Dr Lisa Mooney	Appointed January 2019
Mrs Joanne Stimpson (f,h,e)	Chair of the Finance Committee
Mr Alex Phillips (f,n)	
Ms Marta Phillips (a,h,e)	Chair of the Audit Committee
Dr Jonathan Walmsley (a)	Appointed January 2019
Mr David Worthington (f)	
Mr Brett Wigdortz OBE	Resigned May 2019

Ex-Officio

Professor Linda Drew (f,n)	Vice Chancellor, resigned May 2019
Mr Andrew Cook (f,n)	Chief Operating Officer Interim Vice-Chancellor, appointed June 2019

Professional Services Staff Governors

Ms Nike Awoyinka	Appointed September 2018 Resigned November 2019
-------------------------	--

Academic Staff Governors

Ms Louise Prideaux (n)	
Mr Idrees Rasouli	Resigned September 2019

Student Governors

Mr Guy Hurd	Student Union President, appointed July 2019
Mr Alexander Tannatt-Cook	Student Union President, resigned June 2019

External members of committees

Mr Richard Bee (f)	Appointed January 2019
Ms Gerry Murphy (a)	Appointed February 2019
Ms Hannah Reid (h)	Appointed January 2019

Ravensbourne University London (continued)

Other Principal Officers regularly in attendance

Mr Brian Duncan (f)	Director of Finance
Ms Doreen De Bellotte	Director of Human Resources, resigned August 2018
Ms Kathy Steele	Interim Director of Human Resources, appointed September 2018, Resigned September 2019
Ms Margaret Bird	Director of Human Resources, appointed October 2019
Dr Gary Pritchard	Executive Dean, Screen School
Professor Lawrence Zeegen	Executive Dean, Design School
Mr John O'Boyle	Director of Regulation
Ms Katie Germer	Clerk to the Board of Governors

a - Member of the Audit Committee
f - Member of the Finance Committee
h - Member of the HR & Remuneration Committee
n - Member of the Nominations Committee
e- Member of the Emergency Committee

Registered Office
Ravensbourne,
6 Penrose Way,
Greenwich
London
SE10 0EW

Board of Governors, delegation and control

Much of the Board's detailed work is initially handled by committees, the decisions and recommendations of which are reported to the Board in accordance with the agreed formal Scheme of Delegation.

The Vice-Chancellor

The Vice Chancellor is the Head of the University, and has a general responsibility to the Board of Governors for the organisation, direction and management of the University. Under the terms of the Office for Students' Terms & Conditions of Funding, the Vice Chancellor is the Accountable Officer of the University.

As the Chief Executive, the Vice Chancellor exercises considerable influence upon the development of University strategy, the identification and planning of new developments and the shaping of the University ethos. The senior academic and administrative officers contribute in various ways, but the ultimate responsibility for what is done rests with the Vice Chancellor.

The Academic Board

Subject to the overall responsibility of the Board of Governors, the Academic Board has oversight of the academic affairs of the University and draws its membership entirely from the staff and the students of the University. The Academic Board is particularly concerned with general issues relating to the teaching and research work of the University and is chaired by the Vice Chancellor.

Sub-committees of the Board of Governors Much of the Board's detailed work is initially handled by committees, the decisions and recommendations of which are reported to the Board in accordance with the agreed formal Scheme of Delegation, as adopted by the Board in June 2015 and reviewed annually. The Last review took place in September 2019.

The Board's sub-committees are as follows:

Audit Committee

Responsible for:

- Ensuring effective systems for accounting, financial record keeping, payments to employees and creditors.
- Receiving the draft financial statements and reporting to the board with recommendations.
- Keeping under review all matters (including governance, management, quality, reputation and finance) with potential for impact on the University's financial position and viability, and its capacity to achieve its strategic and operational objectives.
- Advising the Board on the appointment and remuneration of internal and external auditors, considering and advising the Board on external audit reports and management letters, and reviewing and agreeing the scope and priorities of the annual internal audit plan.
- Reporting annually to the board and to the OfS on the adequacy and effectiveness of the internal financial and risk monitoring and risk control system, arrangements to deliver value for money, the management and quality of data provided to agencies, implementation of recommendations by internal and external auditors, and compliance with the CUC's Code of Governance.

Board of Governors, delegation and control (continued)

Finance Committee

Responsible for:

- Safeguarding the financial solvency of the University on behalf of the board.
- Considering the budget, financial forecasts and financial statements in detail and recommending them to the Board of Governors.
- Overseeing the University's treasury policies and insurance arrangements

HR & Remuneration Committee

Responsible for:

- Advising the Board upon the remuneration and conditions of service of senior post holders (Vice Chancellor, Chief Operating Officer and the Clerk to the Board).
- Advising the Board upon the determination of pay (including any annual pay award) and conditions of service of other staff, including members of the Executive team who are not senior post holders.
- Compliance with the HE Senior Staff Remuneration Code
- HR strategy
- Severance policy and payments.
- Overseeing procedures governing staff grievances.
- Overseeing matters of equality and diversity.
- Reporting annually to the board on its work over the course of the previous year.

Nominations Committee

Responsible for:

- Seeking out, considering, and making recommendations to the board upon nominations for membership of the board, in accordance with agreed criteria and priorities.
- Organising reviews of the board's effectiveness and for overseeing the implementation of any recommendations arising from such reviews.
- Determining policies and processes related to membership of the board of Governors, i.e. induction, training and development, and appraisal.

Emergency Committee

Responsible for:

- Considering and forming a response to any matters of urgency (the matter will be set up in writing following an initial meeting of the Committee).

Statement of internal control

The University's Board of Governors are ultimately responsible for the University's system of control and for reviewing its effectiveness. Such a system is designed to manage rather than eliminate the risk of failure to achieve business objectives and can only provide reasonable and not absolute assurance against material misstatement or loss.

An ongoing process for identifying, evaluating and managing the University's significant risks is in place. As well as the Executive, the Finance Committee, the Audit Committee and the Board of Governors consider key risks regularly and actively monitor the actions that are being taken to mitigate them. Ravensbourne's risk management framework covers the areas of student recruitment, retention and satisfaction, business continuity, finance, regulatory and legislative compliance, data protection and academic quality. The principal strategic risks, for example student recruitment and student satisfaction, are also covered by substantive agenda items as appropriate throughout the year.

The adequacy of the control environment and the risks being addressed are regularly reviewed by the Executive and corrective action taken where necessary.

The internal Auditors perform an annual programme of work overseen by the Audit Committee and the Audit Committee considers review reports from Internal Audit at every meeting on key aspects of the University's business. The Audit Committee reports annually to the Board of Governors, assuring them of the adequacy and effectiveness of governance and risk management processes and internal control, value for money and management and quality of data.

The key elements of the University's system of internal controls include the following:

- Clear definitions of the responsibilities of, and the authority delegated to, heads of academic and administrative departments.
- A comprehensive medium and short-term planning process, supplemented by detailed annual income, expenditure, capital and cash flow budgets
- Regular defined and formalised requirements for approval and control of expenditure, with investment decisions involving capital or revenue expenditure being subject to formal detailed appraisal and review according to approval levels set by the governing body which are reviewed annually.
- Comprehensive Financial Regulations, detailing financial controls and procedures, approved by the Audit Committee and the Finance Committee.
- A professional Internal Audit team whose annual programme is approved by the Audit Committee and endorsed by the governing body.

Going Concern

After making appropriate enquiries, the Board of Governors considers that the University has adequate resources to continue in operational existence for the foreseeable future. For this reason, it continues to adopt the going concern basis in preparing the financial statements.



Katie Germer
Clerk to the Board of Governors

Statement of Responsibilities of the Board of Governors

The financial statements for the year ended 31 July 2019 have been prepared on behalf of the Vice Chancellor and ultimately the board of Governors by the Director of Finance and reviewed by the Finance Committee and Audit Committee and informed by the opinion of the external auditors. The financial statements confirm that:

- Suitable accounting policies are selected and applied consistently in accordance with UK generally accepted accounting principles and the 'Statement of recommended practice: Accounting for further and higher education', and relevant legislation.
 - Judgements and estimates are made that are reasonable and prudent.
 - Applicable accounting standards have been followed subject to any material departures which would be disclosed and explained in the financial statements.
 - Financial statements are prepared on the going concern basis unless it is inappropriate to presume that Ravensbourne University London will continue in operation. The Board of Governors are satisfied that the University has adequate resources to continue in operation for the foreseeable future. For this reason the going concern basis continues to be adopted in the preparation of the financial statements.
- The Board has taken reasonable steps, through the assurance received through its committees and the Vice Chancellor to ensure:
- Public funds are used only in accordance with the Terms and Conditions of Funding as issued by the OfS or any other conditions that the OfS or other funding bodies may from time to time prescribe
 - Reasonable discretion is exercised in the use of public funds and account taken of any relevant guidance on accountability, sustainability or propriety
 - The establishment and monitoring of systems of control and accountability, including financial and operational controls, with ultimate responsibility for the effective and efficient use of resources
 - Safeguarding of the assets of the University and establishment of systems for prevention and detection of fraud, bribery and wider corruption
 - The University is delivering Value for Money (VfM) from public funds.

Independent Auditor's report to the Board of Governors at Ravensbourne

Opinion

We have audited the financial statements of Ravensbourne University London (the 'parent Institute') and its subsidiaries (the 'group') for the year ended 31 July 2019 which comprise the group statement of comprehensive income, the group and parent Institute balance sheets, the group 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) and the Statement of Recommended Practice, Accounting for Further and Higher Education.

In our opinion

- The financial statements give a true and fair view of the state of affairs of the University and its subsidiary as at 31 July 2019 and of its surplus of expenditure over income, gains & losses changes in reserves, funds and cash flows for the year then ended
- The financial statements have been properly prepared in accordance with the Financial Reporting Standard (FRS102), Generally Accepted Accounting Practice and the Statement of Recommended Practice Accounting for further and higher education and relevant legislation
- In all material aspects, funds received for specific purposes administered by the University have been applied only for the purposes for which they were received and managed in accordance with relevant legislation.
- In all material aspects, funds from the Office for Students administered by the University have been applied only for the purposes for which they were received.
- The requirements of the Office for Students accounts direction have been met.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report.

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

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

Conclusions relating to going concern

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

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

Independent Auditor's report to the board of Governors at Ravensbourne (continued)

Other information

The Governors are responsible for the other information. The other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon. In connection with our audit of the financial statements, our responsibility is to read the other information 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.

Matters on which we are required to report by exception

We have nothing to report in respect of the following matters in relation to which the memorandum of assurance and accountability issued by the Higher Education Funding Council for England and the accounts direction issued by the OfS requires us to report to you if, in our opinion:

- Proper accounting records have not been kept by the parent University

or

- The University's financial statements are not in agreement with the accounting records and returns

or

- We have not received all the information and explanations we require for our audit.

Responsibilities of the governors

As explained more fully in the statement of responsibilities of members of the governors, the governors 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 governors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error. In preparing the financial statements, the governors are responsible for assessing the group's and the parent 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 governors either intends to liquidate the group or the parent college or to cease operations, or has no realistic alternative but to do so.

Independent Auditor's report to the board of Governors at Ravensbourne (continued)

Auditor's responsibilities for the audit of the financial statements

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

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

Use of our report

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



Buzzacott LLP
Statutory Auditor
130 Wood Street,
London EC2V 6DL

29 November 2019

Financial Statements

Year ended 31 July 2019



Consolidated Statement of Comprehensive Income

Year ended 31 July 2019

	Note	2019 £	2018 £
Income			
Tuition fees & education contracts	2	22,531,016	21,594,974
Funding body grants	3	3,917,253	4,095,381
Other income	4	1,137,119	1,188,470
Investment income	5	142,075	92,310
Total income		27,727,463	26,971,135
Expenditure			
Staff costs	6	14,260,161	14,227,940
Other operating expenses	7	10,483,160	10,381,494
Depreciation	11	1,526,688	1,646,897
Interest & other finance costs	8	309,318	366,084
Total expenditure		26,579,327	26,622,415
Surplus before other gains and losses and taxation		1,148,136	348,720
Profit on disposal of fixed assets		20,000	-
Surplus before taxation		1,168,136	348,720
Taxation	9	-	-
Surplus for the year	10, 19	1,168,136	348,720
Actuarial (loss)/gain in respect of pension scheme	16, 18	(2,756,000)	2,630,000
Total comprehensive income for the year		(1,587,864)	2,978,720
Income and expenditure reserves at 1 August		34,827,626	31,848,906
Total comprehensive income for the year		(1,587,864)	2,978,720
Income and expenditure reserves at 31 July		33,239,762	34,827,626

The Consolidated Statement of Comprehensive Income for the year ended 31 July 2019 has been prepared in accordance with the Statement of Recommended Practice (SORP), Accounting for Further and Higher Education 2015 and in accordance with Financial Reporting Standard FRS102.

All income and expenditure relates to unrestricted reserves. There are no revaluations of balances and all amounts are presented in accordance with the historic cost convention. As a result, all changes in reserves are detailed above and no statement of changes in reserves is presented. The income and expenditure reported above is in respect of continuing operations.

Group consolidated balance sheet

31 July 2019

	Note	2019 £	2018 £
Non current assets			
Tangible assets	11	48,471,087	49,723,915
Investments	12	4,278	3,911
Total non-current assets		48,475,365	49,727,826
Current assets			
Debtors	13	682,556	880,937
Investments		13,500,000	10,960,050
Cash and cash equivalents		4,339,828	4,692,148
Total current assets		18,522,384	16,533,135
Creditors			
Amounts due within one year	14	(4,652,245)	(4,912,628)
Net current assets		13,870,139	11,620,507
Total assets less current liabilities		62,345,504	61,348,333
Creditors			
Amounts due after more than one year	15	(22,561,712)	(23,312,309)
Provisions	16	(6,544,030)	(3,208,398)
Net Assets		33,239,762	34,827,626
Reserves			
Income and expenditure – unrestricted	19	33,239,762	34,827,626
Total reserves		33,239,762	34,827,626



Andrew Summers CMG
Chair of the Board of Governors

These Financial Statements were approved by the Governing Body on 14 November 2019.



Andrew Cook
Accountable Officer, Interim Vice-Chancellor

The Group Consolidated Balance Sheet as at 31 July 2019 and 31 July 2018 have been prepared in accordance with the Statement of Recommended Practice (SORP), Accounting for Further and Higher Education 2015 and in accordance with Financial Reporting Standard FRS102.

Higher education corporation balance sheet

31 July 2019

	Note	2019 £	2018 £
Non current assets			
Tangible assets	11	48,471,087	49,723,915
Investments	12	4,379	4,012
Total non-current assets		48,475,466	49,727,927
Current assets			
Debtors	13	679,172	919,918
Investments		13,500,000	10,960,050
Cash and cash equivalents		4,336,078	4,638,640
Total current assets		18,515,250	16,518,608
Creditors			
Amounts due within one year	14	(4,637,039)	(4,897,888)
Net current assets		13,878,211	11,620,720
Total assets less current liabilities		62,353,677	61,348,647
Creditors			
Amounts due after more than one year	15	(22,561,712)	(23,312,309)
Provisions	16	(6,544,030)	(3,208,398)
Net Assets		33,247,935	34,827,940
Reserves			
Income and expenditure – unrestricted	19	33,247,935	34,827,940
Total reserves		33,247,935	34,827,940



Andrew Summers CMG
Chair of the Board of Governors

These Financial Statements were approved by the Governing Body on 14 November 2019.



Andrew Cook
Accountable Officer, Interim Vice-Chancellor

The Higher Education Corporation Balance Sheet as at 31 July 2019 and 31 July 2018 have been prepared in accordance with the Statement of Recommended Practice (SORP), Accounting for Further and Higher Education 2015 and in accordance with financial reporting standard FRS102.

Consolidated statement of cash flows

Year ended 31 July 2019

	Note	2019 £	2018 £
Cash flow from operating activities			
Surplus for the year		1,168,136	348,720
Adjustments for non-cash items			
Release of deferred capital grants	17	(498,077)	(498,077)
Depreciation	11	1,526,688	1,646,897
Profit on disposal of fixed assets		(20,000)	-
Decrease in debtors		218,381	141,932
(Decrease)/increase in creditors		(267,925)	436,353
(Decrease)/increase in provisions		(21,368)	49,747
Gain on investments		(367)	(242)
Pension costs less contributions payable		601,000	633,000
Adjustments for investing or financing activities			
Investment income	5	(142,075)	(92,310)
Interest payable	8	232,318	243,084
Net cash provided by operating activities		2,796,711	2,909,104
Cash flow from investing activities			
Payments made to acquire fixed assets	11	(273,860)	(184,167)
Investment income	5	142,075	92,310
New fixed deposits		(2,539,950)	(3,766,319)
Net cash used in investing activities		(2,671,735)	(3,858,176)
Cash flow from financing activities			
Interest paid	8	(232,318)	(243,084)
Repayments of amount borrowed:			
Bank mortgage		(144,978)	(137,269)
Other loan repayments		(100,000)	(100,000)
Net cash used in financing activities		(477,296)	(480,353)
Decrease in cash in the year		(352,320)	(1,429,425)
Cash and cash equivalents at 1 August		4,692,148	6,121,573
Cash and cash equivalents at 31 July		4,339,828	4,692,148
Decrease in cash in the year		(352,320)	(1,429,425)

Consolidated statement of cash flows

Year ended 31 July 2019 (continued)

	2019 £	2018 £
Reconciliation of movements in investments and cash and cash equivalents as stated in the group balance sheet.		
At 1 August		
Investments	10,960,050	7,193,731
Cash and cash equivalents	4,692,148	6,121,573
	15,652,198	13,315,304
Increase in investments	2,539,950	3,766,319
(Decrease) in cash and cash equivalents	(352,320)	(1,429,425)
Increase in investments and cash and cash equivalents	2,187,630	2,336,894
At 31 July		
Investments	13,500,000	10,960,050
Cash and cash equivalents	4,339,828	4,692,148
	17,839,828	15,652,198

Notes to the Financial Statements

Year ended 31 July 2019



1. Accounting Policies

Basis of Preparation

These financial statements have been prepared in accordance with the Statement of Recommended Practice (SORP): Accounting for Further and Higher Education 2015 ("2015 FE HE SORP") and in accordance with Financial Reporting Standards (FRS102). The University is a public benefit entity and therefore

has applied the relevant public benefit requirement of FRS102. The financial statements are prepared in accordance with the historical cost convention.

Basis of Consolidation

The consolidated financial statements incorporate the financial statements of the University and its subsidiary undertakings for the year ended 31 July 2019.

The University has taken advantage of the exemptions provided in FRS 102 1.12 and the 2015 Further and Higher Education SORP 3.3, and has not included a separate statement of its own cash flows. These cash flows are included within the Consolidated Statement of Cash Flows, and the University balance sheet discloses cash at both the current and preceding reporting dates.

Going Concern

The activities of the University, together with the factors likely to affect its future development and performance are set out in the Governors' Report. The financial position of the University, its cash flow, liquidity and borrowings are presented in the Financial Statements and accompanying Notes. The University currently has £4.2m of loans outstanding and £17.8m of cash, cash equivalents and cash on deposit.

The University's forecasts and financial projections indicate that it will be able to operate within this existing facility and associated covenants for the foreseeable future. Accordingly the University has a reasonable expectation that it has adequate resources to continue in operational existence for the foreseeable future, and for this reason will continue to adopt the going concern basis in the preparation of its financial statements.

Recognition of Income

Grant Funding

Government Grants – Government revenue grants are received from the Office for Students and the Education and Skills Funding Agency. These grants are recognised in income as they become due or as the relevant expenditure is incurred. Government grants to acquire tangible fixed assets are credited to income over the estimated useful life of the individual assets concerned. The portion of such grants, which have not yet been amortised, are included as deferred income within creditors and allocated between creditors due within one year and creditors due after more than one year as appropriate.

Non Government Grants – Grants from non-governmental sources are recognised in income when the University is entitled to the income and when any performance requirements to receive the income have been met. Income received in advance of any performance requirements being met is recognised as deferred income within creditors on the balance sheet and released to income as the conditions are met

Tuition Fees

Tuition fees are accounted for on an accruals basis and are payable on enrolment or on a termly or monthly basis for those electing to pay by instalments. Where fees are paid through tuition fee loans payments are received in three instalments in October, February and May. Where a fee waiver has been granted, the fee income has been stated net of the waiver to reflect the actual fee charged to the student.

1. Accounting Policies (continued)

Pension Scheme Arrangements

The University has fully implemented FRS102 Retirement Benefits in these financial statements and recognized its share of the pension scheme deficit in the Local Government Pension Scheme in its balance sheet. Gains and losses in the scheme have been recognised in the Consolidated Statement of Comprehensive Income.

Under the definitions set out in FRS102 the Teachers' Pension Scheme is a multi-employer pension scheme. The University is unable to identify its share of the underlying assets and consequently the scheme has been accounted for as if it were a defined-contribution scheme.

Enhanced Pension

The actual cost of any enhanced ongoing pension to a former member of staff is paid by the University monthly. An estimate of the expected future costs of any enhancement to the ongoing pension of a former member of staff is charged in full to the University's income and expenditure account in the year of retirement. In subsequent years a charge is made based on actuarial principles.

Employment Benefits

Short term employment benefits such as salaries, accrued holiday entitlement and compensated absences are recognised as an expense in the year in which the employees render service. Any unused benefits are accrued and measured as the amount the University expects to pay.

Termination Payments

Compensation payments for loss of office are accrued where, prior to the reporting date, the staff concerned have been consulted and the University irrevocably committed to the arrangement. Where costs cannot be determined accurately an estimated approach is used.

Borrowing Costs

Borrowing costs are recognised as expenditure in the period in which they are incurred.

Tangible Fixed Assets

Additions to fixed assets are those assets with an individual cost greater than £3,000 and a useful economic life in excess of one year.

Donated assets are capitalised at current value on receipt and are depreciated in the same way as purchased assets. The value of donated assets are credited in full to the Consolidated Statement of Comprehensive Income and Expenditure in the year that the assets were donated. The policy is therefore consistent with a donation being received and then being used to purchase a fixed asset. Fixed asset additions are included at cost. Government capital grants are shown as deferred income in the balance sheet within creditors due within one year and creditors due after more than one year as appropriate.

Non-government capital grants are recorded as deferred income until performance conditions have been met.

Fixtures, fittings and equipment are depreciated by equal annual instalments over their estimated useful lives, commencing from the date that they are brought into use, as follows:

Leasehold land and buildings 50 years

Building fit out costs 20 years

Leased assets period of lease

Other fixtures, fittings and equipment 3-7 years

Depreciation charged to expenditure on assets acquired by government capital grants is funded from the release of the related deferred credits.

A review of impairment of a fixed asset is carried out if events or changes in circumstances indicate that the

carrying value of any fixed asset may not be recoverable.

Shortfalls between the carrying value of fixed assets and their recoverable amounts are recognised as impairments. Impairment losses are recognised in the Statement of Comprehensive Income.

1. Accounting Policies (continued)

Investments

Investments in subsidiaries are accounted for at cost less impairment in the individual financial statements. Cash deposits for more than three months have been disclosed as current asset investments.

Cash and cash equivalents

Cash includes cash in hand, deposits repayable on demand and overdrafts. Deposits are repayable on demand if they are in practice available within 24 hours without penalty. Cash deposits for less than three months have been disclosed as cash and cash equivalents.

Debtors

Debtors are recognised at their settlement amount, less any provision for non-recoverability. Prepayments are valued at the amount prepaid. They have been discounted to the present value of the future cash receipt where such discounting is material.

Creditors

Creditors are recognised when there is an obligation at the balance sheet date as a result of a past event, it is probable that a transfer of economic benefit will be required in settlement, and the amount of the settlement can be estimated reliably. Creditors and provisions are recognised at the amount the University anticipates it will pay to settle the debt. They have been discounted to the present value of the future cash payment where such discounting is material.

Financial Liabilities

Financial liabilities are classified according to the substance of the financial instrument's contractual obligations, rather than the financial instrument's legal form. All loans, investments and short term deposits held by the University are classified as basic financial instruments in accordance with FRS 102. These instruments are initially recorded at the transaction price less any transaction costs (historical cost).

Provisions

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

Operating Leases

Costs in respect of operating leases are charged on a straight line basis over the lease term to the statement of comprehensive income.

Foreign Currency Translation

Transactions denominated in foreign currencies are recorded using the rate of exchange ruling at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies are translated at the rates of exchange ruling at the end of the financial period with all resulting exchange differences being taken to the income and expenditure account in the period in which they arise.

Taxation Status

The University is an exempt charity within the meaning of the Charities Act 2011 and as such, is a charity within the meaning of Section 506 (1) of the Taxes Act 1988.

Accordingly, the University is potentially exempt from taxation in respect of income or capital gains received within categories covered by Section 505 of the Taxes Act 1988 or Section 256 of the Taxation of Chargeable Gains Act 1992 to the extent that such income or gains are applied exclusively for charitable purposes. The University receives no similar exemption in respect of Value Added Tax.

Student Union

The University's student union activities are undertaken entirely by the University and not through any separate entity. Included under "Other operating expenses" is the cost to the University of the Student Union activities during the year.

1. Accounting Policies (continued)

Judgements in applying accounting policies and key sources of estimation uncertainty

In preparing these financial statements, management and the Governing Body have made the following judgements:

- Determining 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
- Determining whether provisions are required in respect of trade debtors. The amount of provisions recognised in the financial statements is based on the University's assessment of the expected recoverable amount.

Other key sources of estimation uncertainty were as follows:

Tangible fixed assets

Tangible fixed assets are depreciated over their useful lives taking into account residual values, where

appropriate. The actual lives of the assets and residual values are assessed annually and may vary depending on a number of factors. In re-assessing asset lives, factors such as technological innovation 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.

Local Government Pension Scheme

The present value of the Local Government Pension Scheme defined benefit liability depends on a number of factors that are determined on an actuarial basis using a variety of assumptions. The assumptions used in determining the net cost (income) for pensions include the discount rate. Any changes in these assumptions, which are disclosed in note 18, will impact the carrying amount of the pension liability. Furthermore a roll forward approach which projects results from the latest full actuarial valuation performed at 31 March 2016

has been used by the actuary in valuing the pensions liability at 31 July 2019. Any differences between the figures derived from the roll forward approach and a full actuarial valuation would impact on the carrying amount of the pension liability.

Accrual for outstanding staff holiday

The accrual for staff holiday is made as a best estimate of the value of holiday entitlement based upon pay rates and outstanding leave at the balance sheet date.

1. Tuition fees and education contracts

	2019 £	2018 £
Home and European Union students	19,984,564	19,678,646
International students	2,546,452	1,916,328
	22,531,016	21,594,974

2. Funding body grants

	2019 £	2018 £
HEFCE - Main allocation	1,866,701	1,949,394
- other	154,915	300,513
SFA/EFA - main allocation	1,609,663	1,609,835
- other	188,154	137,819
	3,819,433	3,997,561
Deferred grants released in year (note 17)		
Buildings	39,640	39,640
Equipment	58,180	58,180
	97,820	97,820
	3,917,253	4,095,381

3. Other income

	2019 £	2018 £
Non grant income	465,865	471,972
Grant income		
Deferred capital grants released in year – Buildings (note 17)	400,257	400,257
Revenue grants received	270,997	316,241
	671,254	716,498
	1,137,119	1,188,470

4. Investment income

	2019 £	2018 £
Income from short-term deposits	142,075	92,310

5. Staff costs

	2019 £	2018 £
The average number of persons employed by the University during the year expressed as full-time equivalents.		
Academic staff	113	113
Administrative and technical staff	146	149
	259	262

	2019 £	2018 £
Wages and salaries, social security and pension costs		
Wages and Salaries	11,208,094	11,224,040
Social security costs	1,057,269	1,052,959
Pension costs	1,458,231	1,426,223
	13,723,594	13,703,222

	2019 £	2018 £
Other staff costs		
Adjustment to contribution to reflect defined pension scheme service costs (note 18)	495,000	486,000
Apprenticeship Levy	41,567	38,718
	536,567	524,718
Total staff costs	14,260,161	14,227,940

	2019 £	2018 £
Analysis of wages and salaries, social security and pension costs		
Academic staff	7,134,782	7,273,574
Administrative and technical staff	6,588,812	6,429,648
	13,723,594	13,703,222

6. Staff costs

	2019 £	2018 £
Compensation paid to former staff, including the Vice Chancellor, in respect of loss of office		
Included within staff costs are amounts paid as compensation to former personnel for loss of office	498,262	522,969
	2019 No	2018 No
Number of personnel receiving payment	17	15

The University has given regard to the guidance in decisions taken about severance payments published by the Committee of University Chairs.

	2019 No	2018 No
Key management personnel		
The number of key management personnel expressed as full time equivalents	7.2	7.7

	2019 £	2018 £
Key management personnel remuneration	1,137,115	1,276,951

With effect from the 1 April 2017 the Chair of the Board waived his right to receive remuneration and received no payment during the year ending 31 July 2019 (31 July 2018: £nil), note 21.

	2019 No	2018 No
Remuneration of higher paid staff, including the Vice-Chancellor, earning over £100,000, excluding employer pension and social security costs. Pension contributions:		
£100,001 - £105,000	2	2
£120,000 - £125,000	1	-
£125,001 - £130,000	1	-
£145,001 - £150,000	-	1

6. Staff costs (continued)

	2019 £	2018 £
Vice-Chancellor's remuneration		
To 31 May 2019		
Basic Pay	121,749	143,234
Compensation for loss of office	145,719	-
Performance related pay	-	5,000
Contribution to defined benefit pension scheme	21,000	24,429
	288,468	172,663
From 1 June 2019		
Basic Pay	24,350	-
Contribution to defined benefit pension scheme	3,044	-
	27,394	-
	315,862	172,663

In reviewing the salaries of senior post holders who fall directly within its remit the HR & Remuneration Committee considers performance in year, internal salary relativity, benchmarking data and affordability in determining any increase.

The HR & Remuneration Committee agrees arrangements for the Vice-Chancellor's remuneration which, in common with most of the sector, consists of base remuneration and a bonus payment. The Committee sets clear performance targets, aligned to Ravensbourne's strategy, which, if reached, trigger the release of a bonus payment.

In determining the level of termination payments made to senior staff, the University has given regard to the 'Higher Education Senior Staff Code' published by the Committee of University Chairs.

As at 31 July 2019, the Vice-Chancellor's basic salary is 3.3 times (2018: 3.3 times) the median pay of staff, where the median pay is calculated on a full time equivalent basis for all staff contracted on an annual salary basis. Including payments for performance related pay the Vice-Chancellor's total remuneration at 31 July 2019 is 3.3 times (2018: 3.4 times) the median total remuneration paid to all staff contracted on an annual salary basis.

7. Other operating expenses

	2019	2018
	£	£
Student residences	31,239	-
Direct course costs	530,624	595,964
Academic services	1,699,215	1,391,248
Premises	2,856,940	2,618,725
Student bursaries	760,281	905,701
Examination and validation expenses	118,835	800,298
Staff recruitment and temporary support	923,397	624,143
Other administration expenditure	3,562,629	3,445,415
	10,483,160	10,381,494

Included within other administration expenditure are amounts payable to the University's auditors in respect of:

Audit fees	45,420	44,148
Other services	3,400	1,550
	48,820	45,698

8. Interest and other finance costs

	2019	2018
	£	£
Interest payable	232,318	243,084
Pension scheme finance costs (note 18)	77,000	123,000
	309,318	366,084

9. Taxation

There was no United Kingdom corporation tax payable on the surplus of the group in the current or prior year.

10. Surplus for the year

	2019 £	2018 £
University's surplus for the year	1,175,995	332,243
Ravensbourne Limited	(7,859)	16,477
Ravensbourne Learning Resource Centre Limited	-	-
Net (loss)/surplus generated by subsidiary undertakings	(7,859)	16,477
Group surplus for the year	1,168,136	348,720

Ravensbourne Limited generated an operating loss of £7,859 (2018: Surplus £41,439), of which £Nil (2018: £24,962) is payable to Ravensbourne University London as a gift aid donation.

Ravensbourne Learning Resource Centre Limited did not trade during the years ended 31 July 2019 and 31 July 2018.

11. Tangible fixed assets

	Leasehold land and building £	Fixtures, Fittings and equipment £	Total £
Group and higher education corporation			
Cost			
At 1 August 2018	56,809,967	10,611,848	67,421,815
Additions	-	273,860	273,860
Disposals	-	(95,000)	(95,000)
At 31 July 2019	56,809,967	10,790,708	67,600,675

Accumulated depreciation			
At 1 August 2018	8,382,786	9,315,114	17,697,900
Charge for the year	1,126,214	400,474	1,526,688
Adjusted for disposals	-	(95,000)	(95,000)
At 31 July 2019	9,509,000	9,620,588	19,129,588

Net book Value

At 31 July 2019	47,300,967	1,170,120	48,471,087
At 31 July 2018	48,427,181	1,296,734	49,723,915

The depreciation charge has been funded by: Group and higher education corporation

	2019 £	2018 £
Deferred capital grants released (note 17)	498,077	498,077
General income	1,028,611	1,148,820
	1,526,688	1,646,897

12. Non-current investments

	Group		Higher Education Corporation	
	2019 £	2018 £	2019 £	2018 £
COIF Memorial Trust				
255 ordinary shares – at market value	4,278	3,911	4,278	3,911
Higher education corporation				
The University owns 100% of the called up share capital of Ravensbourne Limited, a company registered in England and Wales whose principal activity is the provision of short courses.				
100 ordinary shares of £1 each	-	-	100	100
The University owns 100% of the called up share capital of Ravensbourne Learning Resource Centre Limited, a company registered in England and Wales.				
1 ordinary share of £1 each	-	-	1	1
	4,278	3,911	4,379	4,012

13. Debtors

	Group		Higher Education Corporation	
	2019 £	2018 £	2019 £	2018 £
Student debtors	76,550	43,915	76,550	43,915
Trade debtors	196,972	285,802	188,704	252,866
Amounts due from subsidiary undertakings	-	-	4,885	71,918
Interest receivable	59,515	41,236	59,515	41,236
Other debtors	7,049	86,764	7,048	86,763
Prepayments	342,470	423,220	342,470	423,220
	682,556	880,937	679,172	919,918

14. Creditors: Amounts falling due within one year

	Group		Higher Education Corporation	
	2019	2018	2019	2018
	£	£	£	£
Bank and other loans:				
Bank Loan	152,519	144,977	152,519	144,977
Royal Borough of Greenwich	100,000	100,000	100,000	100,000
	252,519	244,977	252,519	244,977
Other amounts falling due within one year:				
Trade creditors	1,084,678	1,106,451	1,082,054	1,105,558
Staff benefits compensation	458,074	438,981	458,074	438,981
Accruals and deferred income (see below)	1,845,468	2,100,634	1,832,886	2,086,787
Tax and social security	513,429	523,508	513,429	523,508
Deferred government capital grants (note 17)	498,077	498,077	498,077	498,077
	4,399,726	4,667,651	4,384,520	4,652,911
	4,652,245	4,912,628	4,637,039	4,897,888

The balance outstanding in respect of bank and other loans represents the current portion of long-term debt (note 15). Included within accruals and deferred income is deferred revenue grant income of £196,131 (2018: £224,771), this amount will be credited to the Consolidated Statement of Comprehensive Income when the University is entitled to the income or where performance conditions have been met.

Under the Statement of Recommended Practice (SORP) Accounting for Further and Higher Education 2015 and Financial Reporting Standard FRS102 the University has utilised the “accruals method” in the accounting for deferred capital government grants at 31 July 2019 and 31 July 2018.

Staff benefits compensation includes a provision as at 31 July 2019 of £375,671 (31 July 2018: £345,643) in respect of the accrued costs of unutilised staff benefits.

15. Creditors: Amounts falling due after more than one year

	2019 £	2018 £
Group and higher education corporation		
Bank loan		
- between one and two years	162,281	152,519
- between two and five years	540,649	512,945
- over five years	3,131,512	3,321,498
	3,834,442	3,986,962
Royal Borough of Greenwich Loan		
- between one and two years	100,000	100,000
- between two and five years	-	100,000
	100,000	200,000
Total Long term loans	3,934,442	4,186,962
Deferred government capital grants (note 17)		
- between one and two years	498,077	498,077
- between two and five years	1,494,230	1,494,230
- over five years	16,634,963	17,133,040
Total deferred grants	18,627,270	19,125,347
	22,561,712	23,312,309

The bank loan represents a long-term mortgage facility. Interest is payable on this loan at a fixed rate of 5.5 per cent per annum.

The loan granted by the London Borough of Greenwich is repayable over a 10-year period which commenced in March 2012. Interest is payable on this loan at a fixed rate of 3 per cent per annum.

Under the Statement of Recommended Practice (SORP) Accounting for Further and Higher Education 2015 and Financial Reporting Standard FRS102 the University has utilised the “accruals method” in the accounting for deferred capital government grants at 31 July 2019 and 31 July 2018.

16. Provisions

	Enhanced Pension Provision	Pension Scheme Provision under FRS102	Total Pension Provisions
	£	£	£
Group and higher education corporation			
At 1 August 2018	(185,398)	(3,023,000)	(3,208,398)
Net payments in year	21,368	-	21,368
Service costs (note 6)	-	(495,000)	(495,000)
Pension finance costs (note 8)	-	(77,000)	(77,000)
Administration expenses	-	(29,000)	(29,000)
Actuarial loss (note 18)	-	(2,756,000)	(2,756,000)
At 31 July 2019	(164,030)	(6,380,000)	(6,544,030)

Enhanced pension provision

The actual cost of enhanced ongoing pension payments to former employees is paid by the University monthly. The University reviews this provision on a regular basis and has concluded that no adjustment is required in respect of the year ended 31 July 2019.

Pension scheme provision under FRS102

Under Financial Reporting Standard FRS102 the University has recognised its share of the pension scheme deficit in the Local Government Pension Scheme in its balance sheet. Financing, servicing costs and gains and losses in the scheme have been recognised in the Consolidated Statement of Comprehensive Income (note 18).

17. Deferred capital grants

	2019 £	2018 £
Group and higher education corporation		
At 1 August		
Buildings	18,915,572	19,355,469
Equipment	707,852	766,032
Total	19,623,424	20,121,501
Released to income and expenditure		
Funding council grants (note 3)		
Buildings	39,640	39,640
Equipment	58,180	58,180
Other grants (note 4)		
Buildings	400,257	400,257
Total	498,077	498,077
At 31 July		
Buildings	18,475,675	18,915,572
Equipment	649,672	707,852
Total	19,125,347	19,623,424

As at 31 July 2019 and 31 July 2018 all balances relate to government grants. Under Financial Reporting Standard 102 the “accruals method” has been applied in respect of these grants, and the amount of deferred

capital grants has been treated as deferred income and included in creditors, amounts falling due within one year and creditors, amounts falling due after more than one year, as below:

Group and higher education corporation		
Due within one year (note 14)	498,077	498,077
Due after more than one year (note 15)	18,627,270	19,125,347
	19,125,347	19,623,424

Group and higher education corporation		
Released against depreciation charges	498,077	498,077

18. Pension costs and obligations

The University's employees belong principally to two pension schemes, the Teachers' Pensions Scheme for academic staff and the London Borough of Bromley Superannuation Scheme for non-academic staff. Both are defined benefit schemes, the assets being held in separate trustee administered funds.

Teachers' Pension Scheme

The Teachers' Pension Scheme (TPS) is a statutory, contributory, defined benefit scheme, governed by the Teachers' Pension Scheme Regulations 2014. These regulations apply to teachers in schools, colleges and other educational establishments. Membership is automatic for teachers and lecturers at eligible institutions. Teachers and lecturers are able to opt out of the TPS.

The TPS is an unfunded scheme and members contribute on a 'pay as you go' basis – these contributions, along with those made by employers, are credited to the Exchequer under arrangements governed by the above regulations. Retirement and other pension benefits are paid by public funds provided by Parliament

Under the definitions set out in FRS 102 (28.11), the TPS is a multi-employer pension plan. The University is unable to identify its share of the underlying assets and liabilities of the plan.

Accordingly, the University has taken advantage of the exemption in FRS 102 and has accounted for its contributions to the scheme as if it were a defined-contribution plan. The University has set out below the information available on the plan and the implications for the University in terms of the anticipated contribution rates.

The valuation of the TPS is carried out in line with regulations made under the Public Service Pension Act 2013. Valuations credit the teachers' pension account with a real rate of return assuming funds are invested in notional investments that produce that real rate of return.

The latest actuarial review of the TPS was carried out as at 31 March 2016. The valuation report was published by the Department for Education (DfE) in April 2019. The valuation reported total scheme liabilities (pensions currently in payment and the estimated cost of future benefits) for service to the effective date of £218 billion, and notional assets (estimated future contributions together with the notional investments held at the valuation date) of £196 billion, giving a notional past service deficit of £22 billion.

As a result of the valuation, new employer contribution rates were set at 23.68% of pensionable pay from September 2019 onwards (compared to 16.48% during 2018/19). The Department for Education has agreed to pay a teacher pension employer contribution grant to cover the additional costs during the 2019/20 academic year.

A full copy of the valuation report and supporting documentation can be found on the Teachers' Pension Scheme website.

The employer's pension costs paid to TPS in the period amounted to £777,415 (2018: £791,008).

18. Pension costs and obligations (continued)

London Borough of Bromley Superannuation Scheme

The London Borough of Bromley Superannuation Scheme is valued every three years by a professional qualified independent actuary, in accordance with the provisions of the Local Government Superannuation Regulations, the rates of contribution payable being determined by the actuary.

The employer's contribution rate was 17.0 per cent throughout the period.

Employer contributions payable to the scheme during the year were £680,816 (2018: £635,215)

For the purposes of meeting the requirements of reporting standard FRS 102, retirement benefits, the actuary has used the triennial valuation dated 31 March 2016 to assess the assets and liabilities of the scheme as at 31 July 2019.

18. Pension costs and obligations (continued)

The financial assumptions used by the actuary were:

	2019	2018	2017
	% per annum	% per annum	% per annum
Rate of increase in Consumer Price Index	2.2	2.1	2.2
Rate of increase in salaries	3.7	3.6	3.7
Rate of increase in pensions and prices	2.3	2.2	2.3
Discount rate	2.2	2.9	2.6

		2019	2018
Life expectancy assumptions used by the actuary were:	Retiring today:		
	Males	23.5 years	23.4 years
	Females	26.2 years	26.1 years
Life expectancy years from age 65:	Retiring in 20 yrs:		
	Males	26.2 years	26.1 years
	Females	28.5 years	28.4 years

The estimated asset allocation for the University is as follows:

	31 July 2019		31 July 2018	
	Allocation of Investments	University Share of fund	Allocation of Investments	University Share of fund
	%	£'000	%	£'000
Equities	62.2	12,359	65.9	11,532
Government Bonds	6.4	1,272	6.5	1,138
Bonds	6.5	1,292	6.5	1,138
Property	4.4	874	1.6	280
Cash/liquidity	1.4	278		
Other	19.1	3,795	19.5	3,413
	100.0	19,870	100.0	17,501

18. Pension costs and obligations (continued)

Net liability in balance sheet

	2019 £'000	2018 £'000
Fair value of scheme assets	19,870	17,501
Present value of funded obligations	(26,250)	(20,524)
Net liability in balance sheet	(6,380)	(3,023)

Reconciliation of assets and liabilities

	2019 £'000	2018 £'000
Defined benefit obligation at 1 August	20,524	19,956
Service cost (net of employee contributions)	1,071	1,051
Interest cost	594	524
Past service cost	117	-
Actuarial loss/(gain)	3,990	(1,397)
Estimated benefits paid (net of transfers in)	(339)	121
Contributions by scheme participants	293	269
Defined benefit obligation at 1 August	26,250	20,524
Fair value of scheme assets at 1 August	17,501	14,936
Expected return on scheme assets	517	401
Actuarial gain	1,234	1,233
Administration expenses	(29)	(24)
Contribution by employer	693	565
Contributions by scheme participants	293	269
Estimated benefits paid (net of transfers in)	(339)	121
Fair value of scheme assets at 1 August	19,870	17,501

18. Pension costs and obligations (continued)

Reconciliation of assets and liabilities

	2019 £'000	2018 £'000
Deficit in scheme at 1 August	(3,023)	(5,020)
Movement in year		
Employer service cost (net of employee contributions)	(1,071)	(1,051)
Employer contributions	693	565
Past service costs	(117)	-
Finance costs on pension scheme liabilities	(77)	(123)
Administration expenses	(29)	(24)
Actuarial (loss)/gain	(2,756)	2,630
Deficit in scheme at 31 July	(6,380)	(3,023)

Analysis of the amount credited/charged to the Consolidated Statement of Comprehensive Income.

	2019 £'000	2018 £'000
Service costs		
Employer service costs (net of employee contributions)	1,071	1,051
Employer contributions	(693)	(565)
Past service cost	117	-
Total operating costs (note 6)	495	486
Pension finance costs		
Expected return on pension scheme assets	517	401
Interest on pension liabilities	(594)	(524)
Pension scheme finance costs (note 8)	(77)	(123)
Administration expenses		
Included within other administration expenditure (note 7)	(29)	(24)

18. Pension costs and obligations (continued)

Analysis of amounts charged to the Consolidated Statement of Comprehensive Income in respect of the actuarial gain/(loss) in the pension scheme.

	2019 £'000	2018 £'000
Actuarial losses in pension scheme		
Changes in assumptions underlying the present value of the scheme liabilities	(3,990)	1,397
Actuarial return less expected return on pension scheme assets	1,234	1,233
Total recognised (losses)/gains for the year	(2,756)	2,630

History of experience gains and losses

	2019 £'000	2018 £'000	2017 £'000	2016 £'000	2015 £'000
Defined benefit obligation	(26,250)	(20,524)	(19,956)	(17,384)	(13,477)
Scheme assets	19,870	17,501	14,936	12,177	9,935
Deficit in pension scheme	(6,380)	(3,023)	(5,020)	(5,207)	(3,542)
Experience adjustments on scheme liabilities	-	-	-	-	-
Percentage of scheme liabilities	-	-	-	-	-
Experience adjustments on scheme assets	1,234	1,233	1,655	1,230	582
Percentage of scheme assets	6.2%	7.0%	11.1%	10.1%	5.9%

Sensitivity analysis at 31 July 2019

	Central £'000	Sensitivity 1 +0.1% pa discount rate £'000	Sensitivity 2 +0.1% pa inflation £'000	Sensitivity 3 +0.1% pa pay growth £'000	Sensitivity 4 +1 year Increase in life expectancy £'000
Liabilities	26,250	25,712	26,799	26,288	26,745
Assets	(19,870)	(19,870)	(19,870)	(19,870)	(19,870)
Deficit	6,380	5,842	6,929	6,418	6,875
Projected service cost for next year	1,472	1,420	1,527	1,472	1,502
Projected net interest cost for next year	133	126	145	134	144

19. Reserves

	Group £	Higher Education Corporation £
Income and expenditure reserve		
At 1 August 2018	34,827,626	34,827,940
Actuarial loss in respect of pension scheme	(2,756,000)	(2,756,000)
Surplus for the year	1,168,136	1,175,995
At 31 July 2019	33,239,762	33,247,935

20. Financial Commitments

	2019 £	2018 £
At 31 July the University had commitments under non-cancellable operating lease		
Operating leases		
Due within one year	-	53,100
At 31 July 2019	-	53,100

21. Related Party transactions

Owing to the nature of the University's operations and the composition of the board of Governors being drawn from local public and private sectors organisations, it is inevitable that transactions will take place with organisations in which a member of the board of Governors may have an interest. All transactions involving such organisations are conducted at arm's length and in accordance with the University's financial regulations and normal procurement procedures. Ravensbourne University

London has the consent of the Privy Council to remunerate the Chairman to a maximum of £15,000 per annum. The Chairman waived his right to a fee from 1 April 2017 and no amounts were paid in respect of the year ending 31 July 2019 (July 2018; £nil). No other Trustee receives payment in respect of their duties, however trustees are entitled to claim expenses and payments totalling £114 were made to two trustees (2018; £46 to one trustees).



**Ravensbourne
University London**
6 Penrose Way
Greenwich Peninsula
London
SE10 0EW