



Report and Financial Statements

for the Year Ended
31 July 2020

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UNIVERSITY of
GREENWICH

University of Greenwich

The University of Greenwich has a proud history of more than 125 years of providing quality education at three historic campuses in London and Kent. With a diverse community of 21,592 students on its campuses, it is a truly global university welcoming students from all over the world.

Sitting at the heart of everything the university does is the desire to transform lives. This creates a supportive environment in which each and every student can realise their full potential. It has also earned the university a Silver rating in the Teaching Excellence Framework.

The university offers hundreds of courses, many of which are accredited by professional bodies, as well as a number of apprenticeship degrees. Its strong links with business and industry, including major international firms, provide students with mentoring, work placement and internship opportunities.

Research at the university is very much focused on finding solutions to local and global problems. It has won a series of national awards, including its fifth Queen's Anniversary Prize for Higher and Further Education awarded to the Natural Resources Institute.

The university continues to invest in its facilities to ensure that students have the best possible experience and gain the academic knowledge and practical skills they need to achieve their ambitions.



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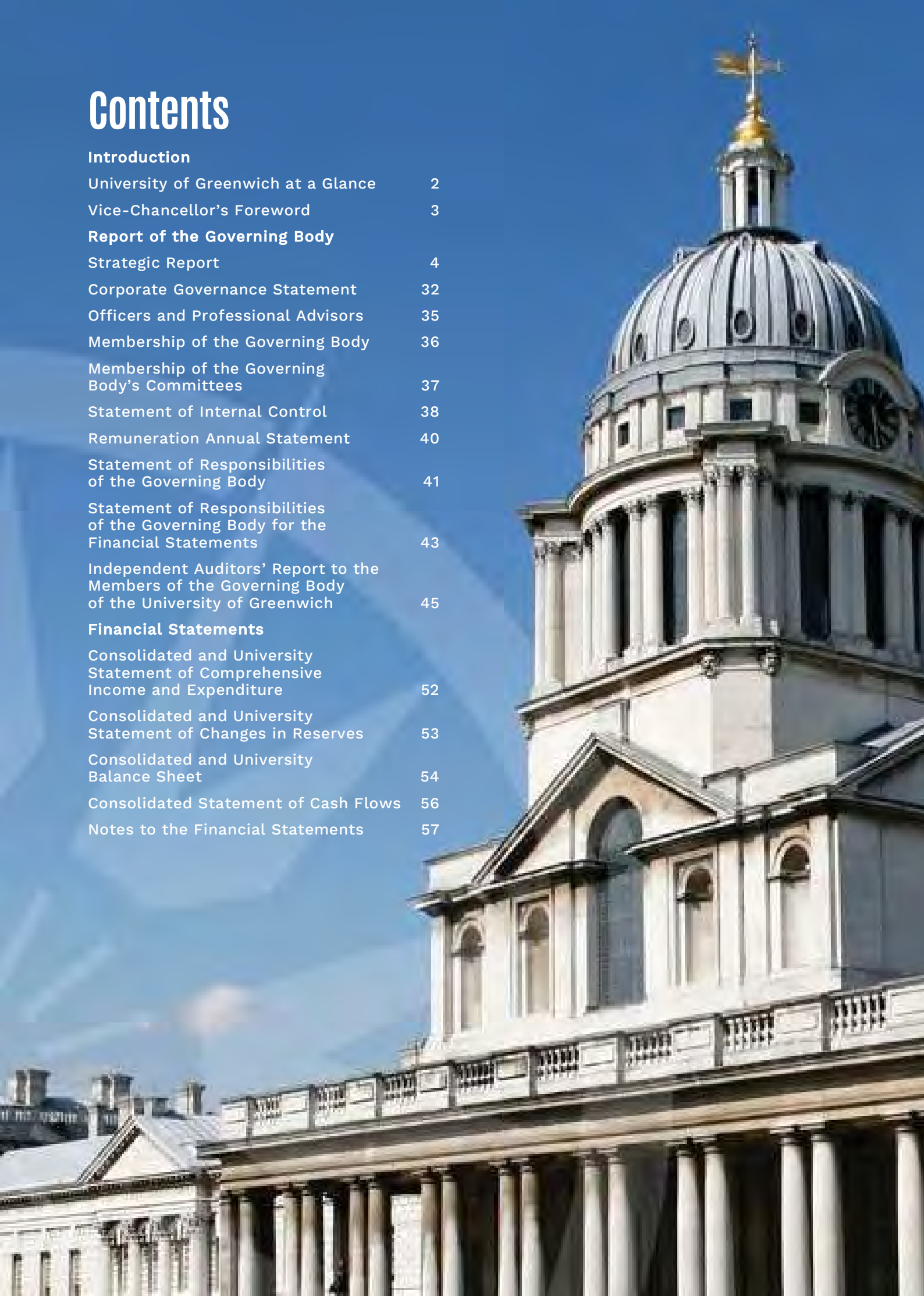
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University of Greenwich at a glance

Students

36,743

Total students

21,592

Students studying
in the UK

Home/EU	17,335
International	4,257
Undergraduate	70%
Postgraduate	30%

15,151

Students studying
wholly overseas



Employability

95%

Of students in work
or further study 15
months after graduation
(UK-domiciled, full-time
first-degree leavers)



5 Queen's Anniversary
Prizes for Higher
& Further Education

Staff*

1481

Home Staff

(76% of total staff)

244

EU staff

(12% of total staff)

242

International staff
(12% of total staff)

*These numbers do not include
staff who are paid hourly
or non-contractual staff

50+

Overseas partner
organisations



Teaching



Silver rating in the
Teaching Excellence
Framework

Finance

£214.9

million

Annual turnover



Environment 1st class

Rating by the People & Planet
University League for our
environmental and ethical
performance



Research

£22.3

million



External research
and enterprise revenue

10,000+

Downloads
of research articles

Vice-Chancellor's foreword

Since joining the University of Greenwich in December 2019, I have been impressed by the energy and commitment of everyone who works and studies here. Greenwich is a world-leading university, and our achievements are recognised both in the UK and across the globe. We've won the prestigious Queen's Anniversary Prize for our research a total of five times. **The latest award, which we received in 2019**, was for our life-changing research on tackling pests that cause plague, famine and disease.

We also gained our second Nobel Prize winner in 2019. Greenwich graduate and current Ethiopian Prime Minister **Abiy Ahmed was awarded a Nobel Prize** for his efforts to achieve peace and international co-operation.

We take equality and inclusivity very seriously and are proud of our diverse body of students and staff. In June 2020, we signed the **Social Mobility Pledge**. Co-founded by former Education Secretary Justine Greening, this aims to level up opportunities in Britain, particularly in the wake of Covid-19.

We know how important practical skills and work experience are for our students. That's why so many of our courses are professionally accredited, feature placements, or run as degree apprenticeships. Our focus on practical, employer-friendly skills may be one reason we achieved a Silver rating in the Teaching Excellence Framework.

The last academic year was difficult due to Covid-19, but the university community rose to the challenge. We rapidly and successfully moved to online teaching, ran virtual graduations, and undertook an enormous amount of preparation to be ready for the start of the 2020/21 session. This features blended teaching, mixing online learning with socially distanced teaching on campus.

For many staff and students, the Covid-19 outbreak was an opportunity to help the wider community. Many joined the front line, working in the NHS. Others worked tirelessly to supply PPE to healthcare workers or get vital equipment into local NHS trusts.

The year ahead will be challenging. We will still be operating in a global pandemic and the Brexit transition period will end. We also expect further policy announcements from the Department for Education on the Teaching Excellence Framework and post-16 qualifications. To ensure we are ready for this, we will refresh our university-wide strategy, and set out our new ambitions and priorities and ways to reach them.

I am sure that we have everything that it takes to be the best modern university in the UK and that we will keep on going from strength to strength.

Professor Jane Harrington

Vice-Chancellor, University of Greenwich



Strategic Report

The Strategic Plan

The core mission of the university is to transform lives through inspired teaching and research. The 2017-22 strategic plan has six key objectives that underpin this mission:

- Changing students' lives through outstanding teaching and learning
 - Enhancing science and society through inspiring research and enterprise
 - Creating engaging campus environments and services
 - Supporting and developing staff
 - Internationalising Greenwich
 - Enhancing student employability.
- The performance of the university's support services in meeting the needs of its students and staff is improving, as measured by three quarters of staff being engaged with the university's mission, and national student satisfaction being above the TEF benchmarks.

The first three objectives are supported by the last three, which explore broad themes that are important across the university's wide range of activities.

The mission and strategic objectives establish a clear commitment to high-quality education, research and enterprise activities. Success will be demonstrated by significant cultural, economic, environment and social contributions at local, national and international levels. In particular, the critical success factors depend upon:

- Continuing to improve in learning and teaching, as evidenced by enhanced Teaching Excellence Framework (TEF) and National Student Survey (NSS) scores
- At least 150 full-time-equivalent staff achieving world-leading/international quality (3*/4* level) outputs in the Research Excellence Framework (REF) 2020/21

In December 2019, Professor Jane Harrington joined the university as its new Vice-Chancellor, succeeding previous incumbent Professor David Maguire. Following on from Jane's appointment, a refreshed strategy will be formed. The university remains committed to improving the student experience, quality teaching and learning, excellent research and building ever stronger links in our local and international communities.

Professor Harrington was previously Deputy Vice-Chancellor and Provost at the University of the West of England (UWE). She was an integral part of improving UWE's performance in the National Student Survey and achieving Gold in the Teaching Excellence and Student Outcomes Framework in 2018.

Professor Harrington has worked in higher education for over 25 years and her specific interests include teaching excellence, the student experience, widening access into higher education and social mobility, improving partnership working across the business and university sectors, and creating an inclusive student and staff community.

Outstanding teaching and learning

The university believes that everyone deserves the opportunity to learn and develop. Its central aim is to transform lives through education by providing a supported learning environment in which students can reach their full potential.

Teaching and learning is a partnership between student groups and academic staff, working together to ensure the university meets the needs of all students. The Academic and Student Experience Strategy, launched in 2018/19, has led to a number of initiatives that empower learners. These include the introduction of curriculum consultants, current students employed by Greenwich Students' Union who critically challenge curricula and work with academics to develop more inclusive content.

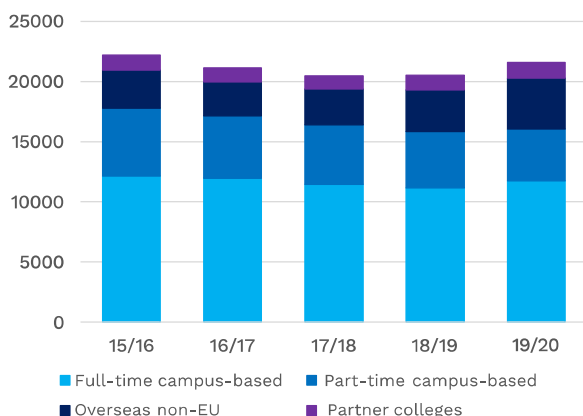
Widening participation is a key objective and the university has a range of services to help students who may face barriers to study. The latest is LevelUp@GRE, an online course for students about to embark on their undergraduate studies who may need extra support. The university also continues to develop its student analytics ecosystem, which includes attendance monitoring and helps personal tutors to identify any issues early on.

Technology plays an important role, and a robust digital infrastructure was already in place before Covid-19. From 23 September 2019 to 18 March 2020, 65% of scheduled lectures were automatically recorded through the video platform Panopto, enabling students to access them at their convenience. The university has also teamed up with the online service Studiosity, providing students with 24/7 access to academic experts who can help them improve their academic writing skills.

Hands-on learning and applied knowledge is central to the university's teaching, which earned a Teaching Excellence Framework Silver award in 2017. A large number of courses are professionally accredited, and employers are involved in everything from curriculum development to student mentoring schemes. The university also continues to develop its degree apprenticeship courses in partnership with employers.

Many staff members have professional backgrounds and are encouraged to maintain their professional links. Greenwich Learning and Teaching fosters learning and teaching excellence across the university. Launched in August 2019, it provides support and development of staff, opportunities for development and recognition, and help to achieve an accredited teaching qualification.

Student Numbers – UK



UK student numbers were up on the previous year, reflecting continuing investment in recruitment. The university has a strong network of UK partner institutions, at which 1,287 students were enrolled on University of Greenwich accredited programmes in 2019/20.

The university's students

University of Greenwich students continue to win awards and recognition for outstanding achievement. These include:

Hannah Phillips, who is in the final year of her early years degree, was awarded a British Empire Medal for her services to charity in the New Year Honours list. An ambassador to two charities, Evelina London Children's Hospital and Rays of Sunshine, she gives her time to a range of causes, including helping people in the transition period from child to adult care when they are in hospital.

Katty O'Brien-Quilty, a chemistry student, was named the Royal Society of Chemistry's Chemical Sciences Apprentice of the Year. She was awarded the prize for her proficiency in a variety of analytical techniques, which she used to test water samples at Thames Water. The prize also recognised her work as an advocate and brand ambassador for Thames Water, apprenticeships and chemistry.

Joe Woodman and **Samuel Hall**, both graphics and digital design students, won a prestigious D&AD New Blood award for their project on dealing with the effects of living in highly polluted areas. Their submission included an app that would find the cleanest air routes through city streets. They designed this to engage children by portraying pollution as a series of monsters.

Samiur Rahman won a Silver commendation at the Royal Institute of British Architects' 2019

President's awards for his project exploring the future of social media within the built environment. Despite stiff competition – more than 410 institutions were invited to submit work – fellow Greenwich architecture student **Paula Pocol** won a Bronze commendation at the same event.

Noreen Diba Rahman and **Elisabeth Magnisson**, both human resource management students, received two annual CIPD branch awards. Noreen, who won Student of the Year, impressed the programme team with her focus, energy and enthusiasm for her studies. As a student buddy, she also provided support to new students. Elisabeth won Dissertation of the Year for her work which looked at the generation influence on trust perceptions and knowledge-sharing behaviours.

Serpil Tas, a law graduate who completed her degree in 2020, beat off stiff competition to receive a Lincoln's Inn scholarship. Serpil also won an essay competition sponsored by 7BR, a set of leading barristers' chambers in London. The prize for Serpil was a mini pupillage working alongside barristers at 7BR.

Pierre Gonnet, who graduated with an MSc in international banking and finance, won the Lombard Prize from the Worshipful Company of International Bankers (WCIB). He was awarded the prestigious award for a dissertation he wrote about Basel III, a set of international banking regulations which promote stability in the international financial system.



Transformative knowledge

The university’s research and enterprise activity continues to expand. Income remains strong at £22.3 million, and the university is working with a wider set of funders than ever before. These include an increasing number of successful awards from UK research councils and the university’s partners in Europe. The university also has an impressive record of gaining income from philanthropic and industrial funders.

The greater quality and quantity of research illustrates how the university has grown over the last five years or so. The number of research-active academics has climbed from around 200 to close to 400. Post-doctoral (and equivalent) degree completions have increased by a similar amount.

Knowledge through research benefits both the university and the wider world. An example of this is the award made by the Research England ‘Expanding Excellence in England’ (E3) Fund to the university’s Natural Resources Institute (NRI). This will boost NRI’s capabilities in areas such as climate change, food loss and waste, sustainable agriculture, and food systems for better nutrition. It will also impact on developing countries, particularly in Africa, where NRI carries out much of its work to improve livelihoods.

The Institute for Lifecourse Development, based in the Faculty of Education, Health & Human Sciences, is also making a wide-ranging impact. The institute brings together researchers and stakeholders from public, charitable and voluntary organisations to develop lifecourse solutions for significant challenges facing society, both local and global.

The university shares its knowledge with businesses, charities and industries. Knowledge exchange (KE) will become more and more important in the coming years. It will impact on agriculture, materials, healthcare, education and wellbeing, finance, politics, information technology, social science and

many other disciplines. Subjects explored by the university’s KE activity include the impact of home drinking, nutrition, facial recognition, and global warming. Evacuation modelling of buildings, social networks, inequality and growth, whistleblowing, and human rights within supply chains are also covered.

New Research Fellows support key areas of research. These areas include racism and racialisation, regional divergence and divisions, and multi-scale computer modelling. The changing nature of work and employment, intergroup relations in multicultural settings, and the commercialisation of microalgae are also among the areas being supported.

The university works with global companies such as Boehringer Ingelheim, Aesica Pharmaceuticals, Roche, Unilever and Infinium. Small and medium-sized, high-growth enterprises around London and the South East also benefit. The university provides business support, coaching and mentoring to these smaller companies through a contract with Innovate UK.

The university’s research is highly collaborative. Over 80% of the research outputs in the Scopus database are co-authored with a non-Greenwich partner. Over half of this content has an international element (see pie chart below). The university’s Research & Enterprise Training Institute (RETI) helps the university to expand its research activity. Set up to provide mentoring and support for researcher staff, RETI also boosts researchers’ skills so they are able to take on a wider range of research challenges.

Innovation and entrepreneurship are key attributes of both the university’s academic staff and its students. To tap into this resource, the university has opened the Cooper Powerhouse, a space that brings together staff, students and the local community to run social and commercial enterprises.



University of Greenwich Collaborations, Outputs and Citations		Scholarly Output	Citations
International collaboration	56.6%	1,408	8,147
National collaboration	19.3%	480	1,937
Institutional collaboration	12.5%	312	1,074
Single authorship	11.6%	289	601

University research

The university has received grant funding from the majority of major UK research councils this year. In addition, the university also receives funding from philanthropic and industrial funders. Notable successful bids for projects include:

- Agrinatura Nutrition Research Facility (European Commission)
- Assuring powder-machine compatibility of direct compression formulations for continuous manufacturing processes in relation to segregation and blend flowability (Roche)
- Bolstering resilience to cross-border disasters (Royal Academy of Engineering)
- CHAI: Cyber Hygiene in AI enabled domestic life (EPSRC)
- ENSURESEC: End-to-end security of the digital single market's e-commerce and delivery service ecosystem (Horizon 2020)
- FACET: Facilitate the Adoption of Circular Entrepreneurship in the Tourism and leisure sector (EU Interreg 2 Seas)
- Feasibility and pilot study of functional family therapy – gangs (Youth Endowment Fund)
- Fish in food systems in Africa (WorldFish – Malaysia)
- GREHacks (Office for Students)
- Identification of the sex pheromone of *Nesidiocoris tenuis*, a damaging pest of commercial tomato (BBSRC)
- Managerialism and academic professional autonomy: Power and resistance in post-1992 and Russell group universities: The case of lecture capture technology (SRHE)
- None in Three Global – a centre for the development, application, research and evaluation of prosocial games for the prevention of gender-based violence (AHRC)
- Optimising AVATAR therapy for distressing voices: a multi-centre randomised controlled trial (Wellcome Trust)
- SAPIENS: Sustainability And Procurement in International, European, and National Systems (Horizon 2020)
- SECONDO: a Security ECONOMics service platform for smart security investments and cyber insurance pricing in the beyond 2020 netwOrking era (Horizon 2020)
- 'Space Plague': An interactive, immersive experience to engage publics with research
- Sustainable and industrially scalable ultrasonic liquid phase exfoliation technologies for manufacturing 2D advanced functional materials (EcoUltra2D) (EPSRC)
- Valorisation of oil drilling wastes with CO₂ for the manufacture of a construction product (CAIRN India Ltd)

Transforming campus experiences

Across three campuses, an ambitious redevelopment programme is bringing improved facilities to help the university community learn, work, live and socialise.

Greenwich Campus

Thanks to a refurbishment of Queen Mary Court, students can get enhanced careers support in a new-and-improved employability centre. This ground floor space brings together expert careers staff from across two campuses. The refurbishment, which was completed at the end of 2019, also created extra teaching and social spaces.

The first term of 2019/20 saw improved facilities for students at the University of Greenwich International College. The college, which helps students to improve their academic and language skills before they start their degree courses, now has a new IT lab and additional classrooms in Stephen Lawrence Building.

The university also refurbished 40 of its rooms in Cutty Sark Hall, part of a continuing programme to improve its halls of residence.

Avery Hill Campus

In March 2019, the university agreed the sale of Mansion Site, one of two sites that make up Avery Hill Campus, to the Secretary of State for Housing, Communities and Local Government.

An extensive building and refurbishment programme is now under way on the campus's Southwood Site. This will create a vibrant learning zone centred on the new library and health science building. This opened in September 2020, alongside sector-leading skills labs for nurses, midwives and paramedics in David Fussey Building.

A newly refurbished Mary Seacole Building now has a new adaptable teaching environment. This includes an additional lecture theatre, as well as new classrooms, group study rooms and tutorial/interview rooms.

Work at Sparrows Farm is due to end in November 2020. A large area has been transformed into additional space for hands-on sports science teaching. As well as a dedicated strength and conditioning area, this will include an environmental chamber for studying the effects of extreme environments on the human body.

Students from other subjects will also benefit from the Sparrows Farm redevelopment. A first-floor flat will become a simulation area where trainee paramedics and nurses can test out their new skills in a residential setting. A new music room/multi-use classroom for general teaching is also under construction.

Medway Campus

A prestigious award from Research England (Expanding Excellence in England) has enabled the Natural Resources Institute (NRI) to improve facilities for its world-leading research on food and nutrition security. New facilities include a climate-controlled greenhouse for plant growth experiments conducted under a range of environmental conditions. The additional greenhouse space, which complements existing quarantine greenhouse facilities, supports NRI's work on agroecology and crop disease management, and will enable research on indigenous plants. The award also provides funding for agronomy and food innovation labs.



Recycling

Batteries



Assorted household batteries
Throwing these in other bins
Think & Care to

only
No other
Batteries
into place

Find

No food
No containers
No dirty

Find out



&
news



**Drink & milk
bottles**



Waste



Coffee cups



Food leftovers



Food packets
& wrappers



Tissues &
paper towels



Polystyrene &
hard plastics



Dirty packaging

Your actions will make a difference
Think & Care to get it right

Is it recyclable

Remember to look for
recycling bins around
There will be some

Find out

Streamlined energy and carbon report

The University of Greenwich is committed to applying sustainability principles to its estates and operations and has a first-class rating by the People & Planet University League for its environmental and ethical performance. The information required to meet the streamlined energy and carbon reporting (SECR) requirements is hereby set out.

The university undertook a number of actions in 2019/20 as part of its efforts to deliver energy and carbon savings. It launched its second carbon management plan, which focuses on improving the efficiency of systems and processes. This includes the building management system and the review of areas for further energy saving, for example, heating in student halls.

On Avery Hill Campus, the agreed sale of the Mansion Site will see a 3-4% reduction in energy use from 2020/21. Staff and students from the site have moved to the Southwood Site (also on Avery Hill Campus) which has required estate redevelopment there. This has provided an opportunity to improve the space utilisation of buildings, reducing energy demand per student and m². There have been improvements to existing buildings and the addition of new and repurposed modular buildings with energy-saving lighting systems.

The redevelopment of part of Cooper Building on Greenwich Campus provided an opportunity to install smart LED lighting with daylight harvesting and presence detection. New, more energy-efficient heating systems were commissioned at Medway Campus (upper site), as well as Queen Mary Court and Queen Anne Court on Greenwich Campus. This included the replacement of boilers, heat exchangers and variable pump motors, which have delivered energy savings. Continued investment in audio-visual systems and controls in teaching spaces continues to deliver energy savings and to improve teaching quality.

The university has launched a new integrated facilities management partnership with a single supplier, which includes a clear focus on energy reduction within the estate. These clear roles, responsibilities and procedures will mean more targeted energy and carbon management. This will deliver significant savings for the university's electricity and gas usage. The university also subscribes to Student Switch Off, an inter-hall sustainability competition run by Students for Sustainability in 2019/20.

Over the past year, total energy consumption has decreased. This, in part, is due to the reduction of energy demand during the Covid-19 campus closures. There was a larger reduction in electricity than gas usage owing to the timing of the closures, which came at the end of the university's heating period. See 'Table 1: University of Greenwich energy consumption (kWh)' at the end of this report. It must also be noted that the university occupies heritage buildings at its Greenwich and Medway Campuses. These buildings have characteristics that pose challenges to energy usage.

All gas and electricity consumption data is taken from supplier invoices as meter readings. The university's fleet consumption is taken from data collected on the university's fuel card account and staff mileage data. Combined heat and power (CHP) consumption is calculated from automated meter readings on the CHP plant, and renewable electricity generation is undertaken through manual meter reads.

Greenhouse gas emissions

Total carbon emissions have continued to decline over the five-year period and have reduced by 7,452 tonnes CO₂ from the university's 2005/06 baseline of 14,633 tonnes CO₂. Natural gas is predominantly used for space heating and its consumption has remained relatively stable. The energy savings due to the Covid-19 shutdown of the university's estates largely benefited electricity consumption and carbon emissions. Significant decarbonisation of the electricity grid has also benefited electricity-related carbon reduction figures. The CHP plant, which runs on refined used cooking oil, generated lower carbon heat and electricity while further improvements to the university's fleet and its use led to associated carbon reductions.

The carbon emissions per energy source is included in the table. See 'Table 2: University of Greenwich scope 1 and 2 carbon emissions (kg CO₂)' at the end of this report.

Energy and carbon intensity ratios

The Gross Internal Area (GIA) of the university estate and the staff and student full-time equivalent numbers (FTE) are used as benchmarks to enable comparative analysis of the university's progress. GIA benchmarks to energy efficiency of the university estate. Staff and student FTE provides an understanding of the average carbon footprint of these key stakeholders and energy consumers.

'Table 3: Energy and carbon ratios' illustrates that kWh per m² and kWh per staff and

student FTE has fallen in 2019/20 when compared to the previous year. Using kg CO₂ per m² and staff and student FTE, the reduction of carbon at the university means that both intensity ratios show good improvement over the five years.

The university only has a physical presence in the UK and all the information provided relates to these operations and covers the last five years. The university uses Defra carbon conversion factors to calculate CO₂ equivalent emissions from the energy it consumes and in the calculation of selected fuel kWh figures.

Table 1: University of Greenwich energy consumption (kWh)

	2019/20	2018/19	2017/18	2016/17	2015/16
Grid electricity	16,998,945	19,691,750	20,365,047	20,057,285	19,436,000
Natural gas	17,533,823	18,768,826	18,352,943	16,512,426	16,914,734
Biofuels	336,304	145,665	59,324	0	0
Renewable energy	36,209	40,595	35,093	37,110	41,656
University vehicles diesel & petrol	1,576	2,695	4,238	3,861	4,306
University business vehicles	6,047	9,852	10,893	15,158	16,476
Total energy consumption	34,912,904	38,659,383	38,827,538	36,625,840	36,413,172

Table 2: University of Greenwich scope 1 and 2 carbon emissions (kg CO₂)

	2019/20	2018/19	2017/18	2016/17	2015/16
Grid electricity	3,927,436	5,033,211	5,764,734	7,051,339	8,008,604
Natural gas	3,223,944	3,450,649	3,376,207	3,040,928	3,112,311
Biofuels	12,299	1,340	685	0	0
University vehicles	15,559	26,363	41,726	38,304	42,846
Staff vehicles (business use)	2,238	4,677	8,054	6,503	13,047
Total scope 1 & 2 carbon emissions	7,181,476	8,516,240	9,191,406	10,137,074	11,176,808

Table 3: Energy and carbon intensity ratios

	2019/20	2018/19	2017/18	2016/17	2015/16
Energy intensity kWh per m ²	227	251	273	259	238
Energy intensity kWh per student & staff FTE	1,769	2,071	2,078	1,918	1,836
Carbon intensity kg CO ₂ per m ²	47	55	65	72	73
Carbon intensity kg CO ₂ per staff & student FTE	464	551	591	642	702

The university's stakeholders

The University of Greenwich builds successful relationships with its many stakeholder groups. It values what they have to say and uses this feedback to make informed decisions. For the university, the Governors are equivalent to Directors and Trustees.

This section sets out the university's statement on stakeholder engagement and how the university has approached and met its responsibilities under Section 172 of the Companies Act 2006. This is followed by examples of the university working in partnership with its stakeholders.

Section 172 statement

As required by Section 172 of the UK Companies Act 2006, the Governing Body has acted, and continues to act, in good faith and in a manner which is most likely to promote the success of the university for the benefit of its stakeholders as a whole.

The duty to promote the success of the university (company) is defined in the Companies Act 2006, Section 172:

"A director of a company must act in the way he/she considers, in good faith, would be most likely to promote the success of the company for the benefit of its members as a whole, and in doing so have regard (amongst other matters) to:

- (a) The likely consequences of any decision in the long term
- (b) The interests of the company's employees
- (c) The need to foster the company's business relationships with suppliers, customers and others
- (d) The impact of the company's operations on the community and the environment
- (e) The desirability of the company maintaining a reputation for high standards of business conduct
- (f) The need to act fairly as between members of the company."

Stakeholders and strategic decisions

Many of the university's decision-making bodies include representatives from its stakeholder groups. Among these are:

- Staff and student members on the Governing Body
- A wide range of stakeholders at subcommittee level
- Student representatives on academic committees

Processes for gathering stakeholder views

Methods for gathering feedback include:

- National Student Survey (final-year students)
- Greenwich Student Survey (students from other years)
- Annual staff survey
- Pulse staff surveys (short surveys on a specific topic)
- Module evaluations surveys (students rate their course modules)

Stakeholder engagement

The university reaches out to its stakeholders through:

- Video messages to staff and students from the Vice-Chancellor
- Campus tours by the Vice-Chancellor to meet staff and students
- Online 'Planning ahead' Q&A sessions for staff led by the Vice Chancellor and her Executive team
- Relationships with employers, such as its partnership with Charlton Athletic Football Club
- Support for the wider community, such as the university's response during the Covid-19 crisis
- Internal news hub with separate news sections for students and staff
- Regular Internal communications via email, Yammer (an Internal communications and social network platform) and more targeted communications via the use of Microsoft Teams groups

Working with stakeholders

Stakeholder representation on the Governing Body

The Governing Body is the university's main decision-making body. It has 17 members, including three university employees drawn from teaching and research staff, professional services staff and the Academic Council.

University welcomes new Vice-Chancellor

Staff and students from across the university played an important part in recruiting its new Vice-Chancellor. A survey of staff and students helped identify the attributes and priorities that were important for the role and, following a call for applications, four members of staff were appointed to the Governing Body's selection committee. Special panels were set up to enable staff and students to meet candidates invited for interview.

The successful candidate, Professor Jane Harrington, joined the university in December 2019. She met students and staff during campus visits, and through online video messages sought opinions from staff and students on the university's priorities. In the summer, she led a series of live online 'Planning ahead' sessions with the university's Chief Financial Officer, Louise Watson.

Students shape their education

The student voice is heard at all levels of the university. Greenwich Students' Union has around 1,000 student representatives in many different roles. The majority are programme representatives, who are elected by their fellow students to speak for the year group for their course. Other representatives include faculty officers, who represent students at faculty level, and curriculum consultants, who work with academics to build course curriculums with more inclusive content.

Gathering student feedback

Each year, students are invited to give their views on the university and its services. The annual National Student Survey, which is conducted by Ipsos MORI, gathers the opinions of nearly half a million final-year undergraduates across the UK. The University of Greenwich invites students in other years to complete its own survey, which is heavily promoted by the university and Students' Union. The university uses feedback from these and other surveys to improve the experience for students by developing its courses and facilities.

Working with Charlton Athletic

The university has a long and successful relationship with Charlton Athletic Football Club. As well as sharing a belief in the power of sport, the two organisations are neighbours in Eltham, south-east London. This proximity allows the university to offer internships and placements at a professional football club. Many of the interns and placement students work in sports science and coaching alongside the club's players and staff. Some enter other areas vital to a professional club, such as events management, finance and video production. The university also works with Charlton Athletic Community Trust, an initiative to empower communities and change lives by improving health, education and employment.

University community responds to Covid-19

University of Greenwich staff and students have made a vital contribution in responding to the Covid-19 epidemic. Some took up frontline roles in the NHS, working in intensive care units or supporting worried patients with Covid-19 symptoms. Others taught patient care at the Nightingale hospital facility in east London or upskilled former NHS staff returning to help during the crisis. The university's staff also played a vital role on social media, helping patients find dental treatment after surgeries shut down in March. They also created a video for King's College Hospital on using personal protection equipment and resuscitation methods for Covid patients.

As we start the new academic year, the university is hosting Covid-19 local testing sites at its Medway and Avery Hill Campuses for the benefit of students, staff and the local community, with a further site planned at Greenwich Campus. In our response to Covid-19, we have engaged closely with the local authorities in Greenwich and Medway, Public Health England, and our university partners at Medway, and we are represented on the Royal Borough of Greenwich's Health Protection Board.

Covid-19

Like all universities, the University of Greenwich faces unprecedented challenges as a result of the Covid-19 pandemic. It has adapted to the 'new normal' while staying focused on a key priority: the safety and wellbeing of its students and staff.

The university established a Scenario Planning Strategy Group to plan for the next academic year and explore ways to emerge from lockdown successfully. The group created a risk assessment template to support staff and students as well as Covid-19 secure planning guidance. The guidance ensures campuses meet the Government's definition of Covid-secure and will be reviewed and updated to reflect changes in Government advice. Such work helped underpin the phased return of staff and students to campus.

The group also worked with the Faculty of Engineering & Science (FES) to develop a code of practice to allow safe partial access to research facilities after the end of full lockdown. This enabled FES to restart some of its research and enterprise activity, with research staff members beginning to return to campus in June. Similar codes of practice were developed to allow research facilities to re-open in the other faculties.

The Space, Campuses and Travel Task Group modelled and reviewed the use of space across all campuses based on both 1 metre and 2 metre social distancing.

Staff have been involved in the university's response to Covid-19 through six online 'Planning Ahead' Q&A sessions. They have also received regular updates from the Vice-Chancellor and other senior members of staff and were invited to complete an anonymous 'My University My Voice' staff survey. This provided a snapshot of people's general sense of wellbeing and how well they were adapting to remote working.

The university is committed to ensuring a safe working and teaching environment as well as the introduction of blended learning. Other commitments include the provision of sufficient technology, software licences, and additional cleaning and bus hire.

Throughout the pandemic, the university has sought to be as flexible as possible. In recognition that lockdown was out of the control of students, the university offered term 3 accommodation refunds in 2019/20. As there continues to be uncertainty the university has made an accommodation pledge that includes a coronavirus break clause, in the event that the university becomes completely virtual. The university implemented a no detriment policy stating that students would not receive a lower overall grade based on assessments prior to March 2020. It also moved quickly and swiftly to a working from home environment due to historic investment in IT security and equipment, and the flexibility and diligence of staff.

For the new 2020/21 academic year, activities are continuing by repurposing existing resources. For instance, the sports hall on Medway Campus has been transformed into a general-purpose laboratory, enabling the university to meet the social distancing requirements for its labs. Current students have been asked if they wish to take up places in halls of residence normally filled by new entrants. New January courses give potential students worried about committing to university in the summer a chance to reconsider their options.

It is difficult to predict how the Covid-19 outbreak will impact on UK universities. The risks specific to Greenwich are discussed within the principal risks and uncertainties section on page 30. Given the aforementioned work and the detailed plans, the university is very well placed to deal with future issues as they emerge. There are also opportunities brought about by the predicted rise in the number of 18–19 year-olds in the population across the country, particularly in London.

One university: three campuses

The university has three campuses, all of which have good public transport links into central London. An intercampus bus service connects all three campuses and student accommodation is situated either on campus or a few minutes' walk away.

Greenwich Campus

The university's largest campus has one of the most beautiful settings in London, an **UNESCO World Heritage Site** on the banks of the Thames. If its iconic domes look familiar, it is because the site is often used as a backdrop to films and TV shows.

As well as being steeped in history, the campus has excellent facilities equipped with the latest technology. The Stockwell Street Building is home to a high-tech library, film and TV studios, and one of Europe's largest teaching and learning green roof landscapes. Dreadnought Building is an 18th-century façade with state-of-the-art teaching and social spaces inside, following a £30-million investment programme.

Avery Hill Campus

Set in a peaceful location in south-east London and surrounded by beautiful parkland, Avery Hill is the university's specialist sports hub. It has two floodlit artificial pitches, grass pitches and a four-court sports hall. Its extensive teaching facilities include sports science labs and clinical skills ones that replicate NHS wards.

The university has invested in social and teaching facilities, with new teaching and library spaces and skills laboratories due to open on-site in the 2020/21 academic year. The campus is a short walk from Eltham High Street where there are shops, restaurants, bars and a cinema complex, and there are fast transport links to central London.

Medway Campus

A specialist centre for engineering and science, Medway Campus sits on a former naval base by Chatham's Historic Dockyard near the Medway towns of Chatham, Gillingham and Rochester.

Its redbrick buildings and green spaces make it an attractive setting and students have access to industry-standard laboratories, cutting-edge technology and an extensive library. There are outdoor and indoor social spaces, tennis courts and a sports hall.

The campus is home to the **Natural Resources Institute**, an award-winning specialist research centre whose work is transforming and saving lives around the world.

There is a large shopping centre by the campus with retail stores, restaurants, bars and a multiplex cinema, and the historic town of Rochester is a short bus ride away.

Supporting and developing staff

The university takes pride in developing its people to help them achieve both their personal and professional aspirations and contribute to its mission of transforming lives through inspired teaching and research. Since March, there has also been a significant focus on supporting staff wellbeing in response to the Covid-19 pandemic.

Wellbeing

The University of Greenwich is one of just nine universities taking part in a national pilot with the charity Mind and Goldman Sachs to improve student and staff wellbeing. Being part of the two-year pilot programme, Mentally Healthy Universities, has enabled the university to anticipate and meet the needs of students and colleagues during the Covid-19 pandemic. There is now a strong network of nearly 50 trained mental health and wellbeing champions providing a range of support and activities to staff. There are also plans to launch a resilience hub to support remote working and blended learning. Staff views are helping to inform the return to working on campus through a series of wellbeing and staff engagement surveys. The university's wellbeing hub also provides specific information to support people who have additional needs during the Covid-19 pandemic.

Core training programme

The staff development hub has a range of training opportunities for academic and professional services staff. They include continuing professional development sessions and staff development events to help support the implementation of the university's strategic plan and the university's values and behaviours.

Greenwich Certificate in Academic Programme Leadership

All programme leaders and staff with similar associated roles have access to the Greenwich Certificate in Academic Programme Leadership. Approved by the Institute of Leadership and Management, the programme is designed to provide transferable skills as well as personal and professional development. This year, a focus on managing through uncertainty is helping key people to coach and develop their teams as they deal with rapid change.

Leadership development – faculty senior management

The university has launched a leadership development programme which is open to all faculty leaders. It aims to support senior managers to lead their areas through the changes required to implement the Academic and Student Experience Strategy (2018/22). This strategy focuses on the core objective of changing students' lives through outstanding teaching and learning.

Aurora

Aurora is a leadership development programme for all those who identify as women and is designed to help address the low number of women in senior posts in higher education. Organised by Advance HE, the programme aims to enable a wide range of women in academic and professional roles to think of themselves as future leaders and to develop leadership skills and strategies.

Publications and compliance

The university published its third Equality Diversity and Inclusion (EDI) report, for the year 2019/20, recording progress against the university's strategic EDI objectives. The EDI Strategy 2019/22 aims to deliver measurable equality and inclusion outcomes for students and staff; promote inclusion, fairness and dignity at work; and ensure the university complies with the legislative requirements.

Due to the Covid-19 outbreak, the Government Equalities Office and the Equality and Human Rights Commission took the decision to suspend enforcement of the gender pay gap deadlines for this reporting year (2019/20). Employers are, therefore, not expected to report their data. The university continues to review and monitor its data internally.

The university's third annual report on trade union facility time was published in accordance with the revised Government guidelines for reporting in September 2020.

Internationalising Greenwich

The University of Greenwich welcomes students from 146 nations, making it a truly global university.

As well as students based in the UK, the university has over 15,000 students overseas. They study at over 30 partnership organisations across 19 countries. Only one other university in the UK has a bigger international presence.

The university's successful research and enterprise activities have attracted partners from over 50 countries, including international agencies, Government departments and global corporations. Over the past five years, the university's academics have collaborated on papers with research institutions in over 80 countries.

The university is reviewing its current international strategies to ensure they meet the needs of the fast-changing international market. Among these initiatives is the university's successful Global Greenwich strategy, which aims to:

- Develop courses to ensure they are right for international students
- Provide more opportunities for exchange programmes so students and staff can gain international experience and build relationships overseas
- Increase international student numbers on campus
- Increase investment in recruitment methods for international students
- Enhance international transnational education partnerships to ensure they are financially successful and deliver high-quality education
- Develop valuable research with international partners.

The Global Greenwich strategy has led to:

- More overseas students in the past year, both from within and outside the EU, despite Brexit
- New partnership proposals from high-quality institutions
- More students enrolled on the Erasmus+ scheme in 2019
- Students taking up places in summer schools in Spain, China, South Korea and Sweden
- Continued delivery of research and enterprise activities with international content, such as the Natural Resources Institute's life-changing work in developing countries
- Academic partnerships with Leuven, the University of New South Wales in Australia, the Ministry of Education China, and Northeastern University in the US, plus many other institutions across all continents.

The university has a successful partnership with Oxford International who manage the University of Greenwich International College (UGIC). UGIC prepares students from outside the UK for the university's courses by boosting their English language and study skills. UGIC welcomed its first group of students in September 2018, and many have now begun their degree courses.

Enhancing student employability

Many of the university's students want to progress to graduate jobs once they have completed their studies. Others want to start their own businesses or go on to postgraduate study.

Performance is measured by the new Graduate Outcomes survey. Early indications are that the university's results are impressive: 95% of 2017/18 leavers are in work or further study 15 months after the end of their course (of those working, studying or seeking work). Of those in work, 72% are in highly skilled employment. While this reflects well on the investments made in this area, the university is determined to improve further. Outcomes vary across the university, so it is important to ensure that all students receive a consistent, high level of support.

Moving on to graduate employment

The university supports students so they can move on to high-quality graduate jobs. This strategic approach incorporates both their academic programmes of study and extracurricular activities:



The Greenwich Employability Passport provides a portfolio of evidence that students have taken part in extracurricular activities that enrich their CVs. Students get points for activities, which include part-time work, volunteering, taking up positions of responsibility in the student community, and attending career workshops. As students accumulate points, they qualify for rewards, such as an invitation to a networking reception with employers and a recommendation on their LinkedIn profile. The scheme launched university-wide in 2018 after running successfully in the Business School. Some 3,215 students took part in 2019/20.

During the year, over 600 students from across all four faculties took part in careers mentoring, which matches students with professionals in industry for employability advice and support. Many organisations continued to mentor students this year, including J.P. Morgan, EY, Barclays and Northern Trust. Others took part for the first time, including Ford Motor Company, Drax Group, the NHS and ArcelorMittal Kent Wire. Many of the university's alumni support students through mentoring. This unified approach to careers mentoring will continue throughout the upcoming year with an increased focus on supporting and engaging BAME and care leaver students. This support is a key theme of the university's Access and Participation Plan.

Student and graduate entrepreneurs

Many students want to start their own business or social enterprise, either as soon as they graduate or after a few years getting experience in the world of work. The university offers a range of events to help students get started while they are still at university. These include #GreStartUp, a biannual enterprise boot camp which recruits 120 students each year. Student entrepreneurs can then progress to the Enterprise Challenge, where they can pitch their ideas for a business and compete for prizes worth a total of £14,000. Free workspace for student and graduate entrepreneurs is available in the Cooper Powerhouse, a new enterprise hub opened in November 2019.

Postgraduate study

Many students progress directly to Master's-level study after graduation. Although there are loans available for postgraduate study, some students are deterred by the prospect of taking on further debt. Such students may be supported through the Fast-Forward Master's Scholarship, which awards £5,000 scholarships to high-performing Greenwich graduates with limited financial means. In 2018/19, 65 students benefited from such scholarships. Dedicated staff across the university provide advice and guidance to students and graduates considering postgraduate study.

Student employability

“The support I received from the employability team during my final year of studies was crucial to me securing a graduate placement. I now feel more confident and capable when it comes to attending interviews.”

Konstantinos Fane

BEng Hons Mechanical Engineering

“I received advice on how the application process works for graduate students and lots of support in how to tailor my CV and covering letter.”

Noah Ergen

BA Hons Politics and International Relations

“Achieving the highest points on the Greenwich Employability Passport scheme gave me more confidence. I have become more mature, trying new activities by going to different conferences and events. It has been amazing.”

Felipe Angulo Diaz

BA Hons Business Entrepreneurship and Innovation

“I would definitely recommend doing a placement. I’ve managed to network not just with the people in my firm [PwC] but also with the clients I work with.”

Harriet Tolhurst

BSc Hons Finance and Investment Banking

“Having the opportunity to take a graphic design internship at Charlton Athletic FC not only gave me invaluable experience, but I got my dream job out of it too.”

Kashane Smith

BSc Hons Digital Media Technologies

“The mentoring scheme is a great opportunity to get to know yourself better as an individual and make you more employable after graduating. I definitely feel more confident in finding a job that I like.”

Victoria Lionel

BSc Hons Forensic Science with Criminology

“[As a student ambassador] I am trying to get students with disabilities into the university. It involves talking about myself as a student with a disability and encouraging them to not be closed minded about the idea of going to university.”

Bradley Cory

BSc Hons Biological Sciences

“I was impressed by the passion and enthusiasm of the team and knowing that the recruitment process would be managed by the university was reassuring. All of the shortlisted candidates were enthusiastic and well prepared, and we were able to hire an excellent candidate in a very short time.”

Penny Midgley

Former HR Business Partner, AEG Europe



Financial Review of the Year

University Finances Explained

The university's mission is to transform lives through inspired teaching and learning. All of its activities – including how it earns and spends money – are focused on its strategic objectives which, as well as changing our students' lives through providing outstanding teaching, includes enhancing science and society through research and enterprise. The university aims to make a surplus annually to reinvest in improving facilities and enhancing outcomes for students and for research. This is essential for long-term sustainability. In the year to 31 July 2020 the university's finances were heavily affected by Covid-19. Despite the considerable financial challenges, collective responsibility was taken to manage costs. This effort, alongside a strong recruitment cycle has enabled the university to deliver a moderate surplus which creates a stable position going into 2020/21.

Scope of the financial statements

The financial statements comprise the consolidated results of the university (including the Natural Resources Institute (NRI)) and its wholly owned subsidiary companies, Greenwich University Enterprises Limited (GUEL), Greenwich Property Limited (GPL), GDCC Newco ("G") Limited (GDCC Newco) and Greenwich Devonport Conference Centre Limited (GDCC). GUEL undertakes commercial activities that fall outside of the university's charitable aims of teaching and research; its profits are covenanted to the university under the Gift Aid scheme. GPL is a special purpose company established to facilitate the development of a student residents' scheme under a service concession arrangement. GDCC Newco is a holding company which holds 100% of the share capital of GDCC, which in turn holds the sub-lease of Devonport House. Note 16 of the financial statements also provides full information on the university's subsidiaries.

The financial statements have been prepared in accordance with the Statement of Recommended Practice (SORP): Accounting for Further and Higher Education (2019) and Financial Reporting Standards (FRS) 102 and the OfS Accounts Direction for accounting periods beginning on or after 1 August 2019.

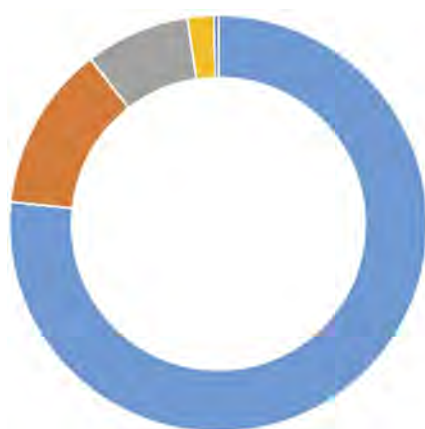
Results for the year

The Group reported a surplus of £6.6m (2019: £9.4m) in the year to 31 July 2020, before losses on investments of £0.4m (2019: £0.6m gain), currency translation losses of £0.2m (2019: £0.3m gain), and the actuarial loss in respect of pension schemes of £19.2m (2019: £5.7m). The surplus before other losses equates to a margin of 3.1% on total income. This represents a sound financial performance despite Covid-19. There have been consequential improvements to both cash reserves and Income and Expenditure (I&E) reserves. These results are important in meeting the capital investment commitments of the university. There has however been a significant worsening to the pension provision.

To put this level of surplus into context, the university invested £14.2m in tangible fixed asset additions during the year ended 31 July 2020. The capital additions largely represent the redevelopments at the Avery Hill campus, including a new library in the form of a modular building and a state-of-the-art clinical skills and simulation centre. This investment has been afforded through careful management of university finances over the years. Other examples of reinvesting past surpluses include the Dreadnought student hub, the library at Stockwell Street and the student hub at Medway.

Revenues

University Income (£214.9m 2019/20)



University Income 2019/20 £214.9m

	%
Teaching Revenues	76.7
Research & Consulting	12.9
Student Residences & Catering	8.1
Other Income	2.0
Interest and Donations	0.3

Total revenues in the year to 31 July 2020 were £214.9m (2019: £209.9m), a 1.1% increase on the previous year.

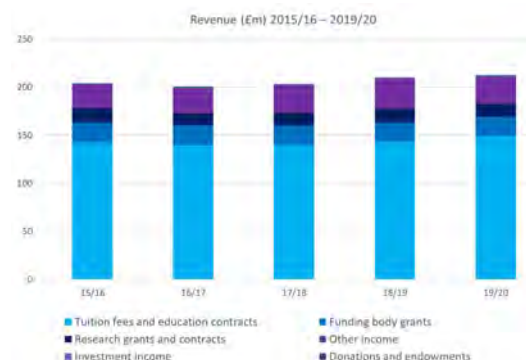
The increase was largely driven by tuition fees and education contract income growing by 6.2% to £152.1m (2019: £143.2m). This was due to an increase in student numbers studying in the UK which was 21,592 (2019: 20,513). Funding body grants were broadly in line with last year at £19.9m (2019: £20.1m).

Research grants and contract income decreased to £13.3m (2019: £14.1m). The decrease is attributed in part to a significant grant coming to an end which contributed strongly to 2019 revenues.

Other income decreased by £2.8m to £29.0m (2019: £31.8m) largely due to loss of income from residential, catering and conferencing related income over the summer period following the Covid-19 lockdown restrictions. Other income is inclusive of £3.2m relating to term three accommodation fees that were subsequently refunded and recognised as an operating expense.

During the year the university had a number of staff on furlough leave and due to an uncertain financial outlook were eligible to submit a claim under the Government's Coronavirus Job Retention Scheme (CJRS). Following improved financial performance due to effective cost control, the university decided it was no longer appropriate to retain this money and repaid the full amount back to HMRC in October 2020.

The sources of revenue for the year under review are outlined in the following diagram:



Expenditure

University Expenditure (£208.2m 2019/20)



University Expenditure 2019/20 £208.3m		%
Direct Teaching Cost		44.3
Direct Research Cost		12.4
Student Residences & Catering		6.7
Buildings and Facilities		11.9
Admin & Professional Services		23.4
Scholarships & Bursaries		1.3

Total expenditure for the year to 31 July 2020 of £208.3m (2019: £200.4m) was 3.9% higher than in 2019. Like many Universities, there were a number of material cost headwinds relating to pensions and Term 3 accommodation fee refunds for students returning home due to the Government enforced lockdown. In response there was a collective resolve across the university to minimise spend in the last quarter. This along with reduced activity due to the lockdown has helped contain the scale of the cost increase.

Staff costs rose to £108.7m (2019: £103.1m) due to the following factors; salary inflation of circa 1.8%, an increase in Teachers Pension employers contributions rate to 23.68% (previously 16.48% until 1 September 2019) and a modest increase in headcount (note 8).

Other operating expenditure increased to £84.0m (2019: £81.5m). This was a combination of:

- Increased student recruitment agency fees as the proportion of overseas students grew.
- Cost increases directly associated with Covid-19 including the term three accommodation refund and an impairment loss of £3.0m due to a fall in the underlying value of Devonport House hotel as the hospitality sector faced challenges
- Cost reductions in response to and as a direct result of Covid-19. Travel and subsistence

- Expenditure stopped in Q4 due to travel restrictions and cost containment led to a reduction in spend on consumables
- Lower spend in computers, software and IT maintenance expenditure is distorted by the major computer replacement exercise that was carried out in 2018/19. This put the university in a good position to respond to the need for greater online teaching provision.

In May 2020 the university signed an award winning Integrated Facilities Maintenance contract which is expected to yield cost efficiencies into the future alongside a partnership arrangement creating an employability opportunity for students.

The sources of expenditure for the year are outlined in the following diagram:



The balance sheet

The Group's balance sheet remains robust, with £91.6m net assets (2019: £104.7m). The decrease of £13.1m is primarily a result of the actuarial loss on pension schemes and the resulting increase to the provision.

Capital investment and fixed assets

The fixed assets of the Group at the balance sheet date were £292.0m (2019: £286.5m). Capital expenditure during the year covered the Avery Hill developments, notably the installation of a modular building and a full refurbishment of the Fussey Skills lab. The Mansion Site, with a net book value of £3.3m, is earmarked for disposal during 2021. Terms with a buyer have been agreed and the site is held for sale accordingly.

Long-term borrowing

Long-term borrowing (note 21) at the balance sheet date was £72.5m (2019: £75.0m), of which £11.4m is the non-current outstanding balance on the university's £30m bond (£25.5m of which remains in issue) and £61.1m (2019: £62.3m) relates to service concession liabilities in respect of student residence and facilities management.

Pension schemes

The university contributes to the Teacher's Pension Scheme (TPS) for the majority of its academic staff and the London Pension Fund Authority (LPFA) for its support staff.

The TPS is an unfunded, contributory, public service occupational pension scheme, governed by statutory regulations. As it has no assets, it is accounted for on a pay as you go basis. The employer contribution rate rose to 23.68% as of September 2019.

The university does however, recognise an enhanced pension provision in respect of TPS. At 31 July 2020 this is £5.5m in respect of enhanced superannuation entitlements of former employers whose services were severed under a voluntary severance arrangement available at the relevant time.

The LPFA Scheme is a funded multi-employer Local Government Superannuation Scheme. Its assets and liabilities are identified with individual employers and are accounted for under the provisions of FRS 102 section 28 (Defined Benefit Obligations). The university's employer cash contribution rate is currently 16.3% (previously 14% until 31 March 2020) with an additional deficit payment of £1.3m per annum with the aim of repaying the university's share of the deficit over the next 7 years. The university's share of the scheme liabilities exceed its share of assets, with an FRS 102 pension deficit of £137.7m (2019: £110.7m). The FRS102 deficit on the scheme reflects continuing low bond yields used in discounting liabilities, which increases the present value of liabilities.

The university also has fewer than 10 members within the Universities Superannuation Scheme (USS). The employer contribution rate is currently 21.1%. The university's apportionment of the pension deficit associated with USS is £273k (2019: £705k).

Other balance sheet indicators

Other key balance sheet ratios continue to be healthy. Short-term investments and cash equivalents were £87.2m (2019: £85.3m) reflecting a track record of strong financial performance, which will help support future strategic investment activity.

The university has strength in its ability to meet liabilities as they fall due with net current assets remaining strong at £44.8m (2019: £39.9m)

Total net assets also indicate a healthy base at £91.6m (£104.7m) with the actuarial loss on pension schemes eroding some of the 2019 balance.

Key financial indicators

The 2019/20 financial outturn continues to build on those of the previous years, with the

five-year summary of key financial drivers and indicators as follows:

	2020	2019	2018	2017	2016
Total UK Campus based students	21,592	20,513	20,506	21,120	22,189
New Entrants	10,154	9,743	9,223	9,660	9,934
Tuition & education contracts as % of operating revenues	70%	68%	69%	70%	70%
Funding body grants as % of operating revenues	9%	10%	10%	10%	10%
Operating margin %	3%	4%	2%	3%	3%

Financial instruments

The Group finances its activities through cash generated from operations, retained surpluses, current liabilities, as well as long term borrowing.

The power of the university to raise funds and the conditions attached are defined by the university's Articles of Association, the OfS's Terms and Conditions of Funding for higher education institutions, and the Charities Acts. All borrowing must be approved by Finance Committee and Governing Body. The power to invest surplus funds is governed by the Trustee Act 2000 and the university's Treasury Management policy. This policy encompasses the management of the institution's cash flow, banking and capital market transactions, the effective control of risk associated with these activities and the pursuit of optimum performance consistent with that risk.

The university operates a prudent investment policy, with deposits limited by amount and maturity across financial institutions with minimum credit rating requirements (A-), which are approved by Finance Committee. The Group's policy is that no trading in financial instruments shall be undertaken. The

university has a £12.7m obligation in respect of a 30 year £30m Guaranteed Secured Bond issued in 1998 (see notes 20 and 21 for details).

Disclosures required under the Large and Medium-sized Companies and Groups (Accounts and Reports) Regulations 2008 in respect of financial instruments and their exposure to risk are given in note 33 of the financial statements.

Going concern

In response to the uncertain environment across the Higher Education sector exacerbated by Covid-19, greater analysis has been carried out to assist the going concern assessment. Three high level scenarios reflecting worsening income performance were created to test the adequacy of cash reserves and compliance with banking/bond covenants to support the going concern assumption. On the basis of this assessment, the Governing Body approved preparation of the financial statements on a going concern basis. More detail can be found within the accounting policies in note 1.

Legal Status and Public Benefit

Legal Status

The University of Greenwich (the university) is a company limited by guarantee without share capital and was incorporated in 1970 in the United Kingdom. The university's predecessor, Thames Polytechnic, was granted the power to award degrees on 4 June 1992 by an order of the Privy Council under s.76 of the Further and Higher Education Act 1992. On 16 June 1992 the Privy Council consented to the adoption of the name of 'University of Greenwich' by Thames Polytechnic under s.77 of the Further and Higher Education Act 1992.

The university's financial statements comply with the Companies Act 2006.

The Governing Body is responsible for the setting and monitoring of the university's strategic direction and for ensuring the effective management of the institution. Members of the Governing Body act as company Directors and as charity trustees.

The objectives of the university are set out in its Articles of Association and are to;

- establish, carry on and conduct a university
- to advance learning and knowledge in all their aspects
- to educate students so that they are able to develop their abilities and aptitudes and to contribute to the life of their communities
- to provide courses at any level of and in any branch of higher education
- to provide opportunities and facilities for development and research of any kind; and to provide for the recreational and social needs of students of the university.

Charitable Status and Public Benefit

The university is an exempt charity and is thus exempt from registration with the Charity Commission. It is monitored by the Office for Students as its Principal Regulator, in accordance with the Charities Act 2011. It is a public benefit entity under Financial Reporting Standard (FRS) 102.

The university is required to report on how it has delivered its charitable purposes for the public benefit. In making this statement, the Trustees (the members of the Governing Body) have complied with their duty to have due regard to the guidance on public benefit published by the Charity Commission in exercising their powers or duties.

The Articles of Association sets out the university's charitable objectives which, as indicated above, focus primarily on the advancement of learning and knowledge and conducting research. Its mission is "transforming lives through inspired teaching and research". The university aims to achieve this through high-quality education, research and enterprise activities and measures its success by achieving significant cultural, economic, environmental and social contributions at local, national and international level.

Further details of how the university carried out its charitable objectives for the public benefit in 2019/20 are set out in these financial statements.

Education and outreach

The University of Greenwich has a proud history of widening participation that dates back to its foundation over 125 years ago as Woolwich Polytechnic, the second Polytechnic to be founded in the UK. The university remains committed to social mobility, increasing access to higher education and maximising student achievement, enabling students to fulfil their potential and their ambitions in employment and further study. This is evidenced in the diverse student population, highlighting the university's commitment to educational excellence by providing higher education for those who have potential, irrespective of background.

Recent data from the Office for Students highlights the university's success at recruiting students from the most disadvantaged areas using the Index of Multiple Deprivation (IMD) scale. In 2018/19, 28.6% (17/18 26.3%) of the university's student population were from the most disadvantaged areas (Q1), compared to a sector average of 22.1%. Our success at recruiting BAME students also reinforces the university's diverse student population; in 2018/19 Black students accounted for 20.0% of the student population, compared to a sector average of 10.3%.

The university delivers an extensive range of outreach interventions, including engaging local pre-entry learners in schools and colleges that have high numbers of students from disadvantaged backgrounds. Aspirations towards studying in higher education and supporting achievements are raised through a range of taster days and master classes, which helps to communicate the university's brand. Through the new GREat Skills programme, outreach activities now have a specific focus on the academic skills of pre-entry learners, ensuring they have the required skills for success in higher education.

Additionally, the university plays a strategic role in the governance of local partner schools. More university staff are being encouraged to become Governors at local schools, ensuring the Greenwich footprint increases in London and the South East.

To ensure that higher education is available to a range of under-represented groups the university has fully engaged with the Government's apprenticeship programme, delivering new programmes to enable learners to work and earn at the same time.

Engaging students in partnership with the Greenwich Students' Union has highlighted the importance of the university delivering financial support for the most disadvantaged students. The university offers support for students who live in households with family incomes of less than £25,000, by committing to provide a bursary of £700 to all new entrants within this group.

The university continues to commit substantial investments in outreach and student success as part of its Access and Participation Plan (APP) which has been approved by the Office for Students. The strategic interventions that have been

delivered to improve the access, continuation, attainment and progression of our students from disadvantaged backgrounds can be seen in the university's APP which is placed on the university's website:

<https://docs.gre.ac.uk/rep/communications-and-recruitment/access-agreements>.

More detail on 2019/20 expenditure can be found at note 10.

Research for public benefit

Research and education go hand-in-hand, and the vibrant research and enterprise activity undertaken by the academic staff at the university enriches its teaching provision and therefore its graduates. Last year, the university secured its highest ever level of research income, (£22.3m). The £22.3m represents an internal metric and in the consolidated statement of comprehensive income and expenditure is presented within research grants and contracts and other income. It partners with a wide range of external stakeholders, encompassing industry, charity, Government and other social organisations, and is driven and motivated by its contribution to addressing the future challenges of society.

The university is flexible and adept at forging functional relationships with a range of different stakeholders. Indeed, engaging with the stakeholder community is crucial to the successful exploitation of the knowledge generated within the university. The university's services and expertise are accessible via a range of mechanisms, including short-term business guidance, consultancy, collaborative knowledge generation projects, as well as long-term research partnerships. Through its many apprenticeship programmes, the university is able to work with partners to develop the skills base of their existing staff, as well as provide highly trained graduates.

Enhanced enterprise activity is being stimulated and incorporated into the academic activity through an ongoing commitment to develop the entrepreneurial capabilities of the university's staff and students, with a programme of annual competitions and prizes.

Cultural impact and environmental sustainability

The university acknowledges its responsibility to develop and enrich the intellectual and cultural lives of its local communities and works actively to develop and sustain them. It has established a number of mutually beneficial collaborative initiatives supporting projects linked to student and staff volunteering, providing community access to the university's learning and research resources, and ensuring that its physical assets are used for the good of local citizens and community groups.

Examples of initiatives the university participates in, include the University of Greenwich Green Week, the Ethical Food and Fairtrade Fortnight, 'Student Switch Off' and the Halls End of Term reuse programme.

The University contributes economically to its local area's and provides a graduate workforce which raises productivity and stimulates economic growth.

The university is fully committed to functioning as a socially responsible and sustainable institution. It aims to minimise the impact on the environment of its activities. This year the university maintained its First-Class Award in the People and Planet University (Green) League and is ranked 14th in a competitive field of 154 higher education institutions. Further information on our sustainability can be found within the SECR on page 13.

The university operates both an Anti-Bribery and an Anti-Slavery & Trafficking Policy. These policies integrate with international operations and the university is committed to implementing and monitoring effective systems and controls to ensure modern slavery is not taking place anywhere in its own business or any of its supply chains.

Directors

The Governors of the university are Directors of the company.

The Governors who served during the year and/or in the period to the date of approval of the financial statements, are listed on page 36 of this report. No director had any interest in any contract made by the university during the financial year, other than a contract of employment as a member of staff.

The university is a company limited by guarantee with the liability of its Directors limited to £1. Its professional indemnity insurance provides £5 million of group cover for its Governors (Directors) in any one-year period.

Statement of Directors' Responsibility for the Financial Statements

The Statement of Responsibilities of the Governing Body for the financial statements is set out on pages 43 to 44 of this report.

Independent Auditors

PricewaterhouseCoopers LLP were reappointed as external auditors.

The university, by virtue of its transferrable security, a public bond, (see note 21) has been designated as a public interest entity, the key implications of which are the greater scrutiny of the Financial Statements and requirement for transparency, as seen by the extended independent auditors report on pages 45 to 51.

Principal risks and uncertainties

The principal risks and uncertainties of the university are noted below.

Covid-19

Whilst inextricably linked to all of the other risks and uncertainties detailed in this section, Covid-19 is a principal risk and uncertainty in itself. Operationally, the provision of education and research is limited by social distancing considerations, restrictions on travel and the threat of infection.

The university continues to closely monitor developments and continues to have dedicated working groups and committees heavily involved in Covid safe planning. Fortunately, the technological capacity of the university is such that education continues in a blended online and face to face approach for 2020/21.

Brexit

The decision of the UK to leave the EU gives rise to substantial risk in relation to future student recruitment from EU countries and research grants received from the European Commission.

The decision means future EU Students may not have access to student support funding, which represents a substantial risk to the university given the population of campus-based students from EU countries.

Research funding under Horizon 2020 and other EU programmes contributes considerably to the university's research revenues. In the absence of alternative funding through UK research agencies this would result in a material reduction in the university's research activities.

Developments are monitored regularly by the Governing Body and other university channels.

Student recruitment

Home student recruitment: the market for UK students continues to be competitive on the back of expansion by some institutions, new providers, the recent challenges to A-level grades combined with the removal of the student numbers cap and increased provision by further education institutions. This presents recruitment challenges. The university manages this risk by investing in its academic provision, facilities and the quality of the student experience.

International student recruitment: revenue from overseas student enrolments accounts for 26% of total tuition fee and education contract revenues. The key risk associated with this revenue stream is a shortfall against international student recruitment targets with particular reference to:

- Covid-19 and the associated international travel restrictions
- Increased international competition (from the USA, Canada and Australia) resulting in a reduction in the UK share of the HE international student market
- The number of international students who wish to study in the UK and the impact of UKVI policy changes
- Progressive increases in in-country provision that will over time reduce the size and shape of the international student market
- Increased competition from UK based HE providers who are seeking to increase international student recruitment

The university continues to manage this risk by making decisions informed by segmental market analysis and investing in marketing and recruitment in its chosen market segments and making good on line provision for students unable to travel.

International partnerships

The university has around 15,000 students in more than 30 partnerships across 19 countries. Political, social and economic changes in the countries and regions in which partnerships are located are a risk to their continued operations, not to mention Covid-19 and country specific issues. Any adverse impact on provision may also be reputationally damaging. This risk is managed by continuous monitoring of political, social and economic developments in these countries/regions and rigorous assessment when forming new partnerships.

Pension scheme deficits

The university's pension scheme deficits are in excess of £143m. The deficit is primarily the result of improving longevity and the low bond yields used in discounting pension liabilities.

The key risks to the university of the pension scheme deficit is the increased employers' pension contributions necessary to recover a worsening of the deficit should bond yields fall further and the reduction in net assets on the balance sheet.

The vast majority of the deficit relates to the LPFA scheme. The 31 March 2019 triennial valuation has been completed and employers contributions rose to 16.3%. The university takes some comfort that the triennial actuarial valuation is substantially lower than the FRS 102 valuation. For more details see note 28.

Financial, treasury, liquidity and credit risks

The main financial risks to the Group are; liquidity risk, that the Group will be unable to meet its financial obligations as they fall due, currency risk, that currency fluctuations will impact on the Group's income and expenditure, credit risk, the exposure to financial loss if a counterparty fails to meet its obligations, and interest rate risk, that the Group's income and expenditure will be impacted by moves in interest rates. Approved policies are in place to mitigate these risks.

The Strategic Report was approved by the Governing Body on 24 November 2020 and signed on its behalf by:

Bronwyn Hill CBE

Chair of Governing Body

Corporate Governance Statement

The university is committed to demonstrating best practice in all aspects of corporate governance and takes account of the provisions of the Charities Act 2011 and the principles identified by the Committee on Standards in Public Life. The university has adopted the Higher Education Code of Governance (2014, updated 2018; new version issued September 2020), the Higher Education Senior Staff Remuneration Code (June 2018) and the Higher Education Audit Committees Code of Practice (May 2020) issued by the Committee of University Chairs (CUC). The Higher Education Senior Staff Remuneration Code was reflected in decisions on senior staff remuneration made over the course of 2019/20. As it enters the new academic year, the university is reviewing its governance in light of the new version of the Higher Education Code of Governance published in September 2020 and will make any necessary changes over the course of 2020-21.

The university is confident that during the year it had in place all of the seven primary elements of governance set out in the 2018 edition of the Higher Education Code of Governance that applied in 2019/20 and met the requirements of the supporting 'must' statements that prescribed essential components within each element. This assurance is derived from periodic external reviews of the effectiveness of the university's governance. In July 2018, the final report of a governance effectiveness review by Advance HE concluded that "the standard of governance at Greenwich university is good with independent governors being committed and passionate about doing a thorough job... Greenwich has governance processes, practices and policies which are 'fit for purpose' and meet current expectations for HE governance... The findings from this report support previously undertaken work that the Court [Governing Body] complies with the CUC HE Code of Governance". In October 2019 the Governing Body received a report on the review which noted that actions to address all of Advance HE's recommendations had been implemented, and the review had led to a number of improvements in the Governing Body's processes which were now embedded as 'business as usual'.

This summary describes the university's corporate governance arrangements and the manner in which the university seeks to comply with the Management and Governance Condition of the Office for Students (OfS) Regulatory Framework, as well as the

guidance and codes of practice published by the Committee of University Chairs, the Charity Commission and the UK Corporate Governance Code, insofar as they are applicable to Higher Education Institutions.

- The university is a company limited by guarantee and an exempt charity. It is not required to register with the Charity Commission as, under the Charities Act 2011, universities in England are regulated on behalf of the Charity Commission by the Office for Students as the principal regulator.
- The university is governed by its Articles of Association which set out its objects, which focus primarily on the advancement of education and research. New Articles of Association were approved by the Court (now Governing Body) on 2 July 2018 (replacing the previous Memorandum and Articles dating from 1996) and came into effect on 1 September 2018, following approval by the Privy Council. The changes to the Articles (the Memorandum is no longer required as a stand-alone document) align the Articles with best governance practice and the Companies Act 2006; reduce the weight of unnecessary detail; set out the Articles in a more contemporary, accessible and comprehensible form; deliver an accurate reflection of the current business of the university that is both relevant and future proof; and reform and update employment-related provisions. The requirements of the Office for Students Regulatory Framework are reflected in provisions relating to academic freedom and freedom of speech.
- Members of the Governing Body are legally Directors of the Company and Charity Trustees. The Governing Body is responsible for managing the university and exercising the powers assigned to the university in the Articles. It sets the university's strategic aims, monitors the implementation of the activities undertaken to achieve these, and reports to stakeholders on its stewardship.
- The Governing Body has a majority of Independent Governors, who are not staff or students of the university, who are chosen for their expertise in areas

relevant to the work of the university. The Governing Body appoints Independent Governors following recommendations by the Nominations, Staffing and Remuneration Committee. The Chair and Vice-Chair of the Governing Body are appointed from the Independent Governors.

- Up to three Staff Governors (who are members of staff of the university) are appointed by the Governing Body on the recommendation of the Nominations, Staffing and Remuneration Committee following a call for applications. At least one Staff Governor is a member of the Academic Council. The Vice-Chancellor is a member of the Governing Body ex officio.
- To ensure that students have opportunities for engagement with the University's governance, a Student Governor (traditionally, the President of the Students' Union) is appointed following nomination by the students. The Student Governor is also a member of the Finance Committee. Student representatives also serve on the Academic Council and its committees.
- Newly appointed Governors receive induction, briefing and training, as appropriate, on the university, the role of the Governing Body and on higher education in general to ensure that they are fully conversant with their responsibilities. Through appropriate due diligence processes, the university ensures that Governors are fit and proper persons. Governors do not receive remuneration for serving as Governors although expenses may be reclaimed.
- The Vice-Chancellor, as chief executive of the institution, has a general responsibility to the Governing Body for the organisation, direction and management of the university. The Vice-Chancellor is responsible for the development of institutional strategy and the identification and planning of new developments, and is the university's accountable officer under the Office for Students Regulatory Framework.
- In accordance with the Articles of Association the University Secretary is appointed to act as Secretary to the Governing Body and its Committees and also acts as Company Secretary. In that capacity, the University Secretary provides independent advice to Governors on matters of governance.
- The Governing Body meets at least five times a year, with additional strategy days. However, much of its business is conducted through the following committees: Audit and Risk; Finance; Nominations, Staffing and Remuneration; and the Academic Council. All of these Committees have terms of reference and membership approved by the Governing Body. All Committees of the Governing Body submit their minutes to the Governing Body.
- The Audit and Risk Committee plays a key role in the University's system of internal control (see below). The Committee oversees the work of the University's internal and external auditors and monitors the auditors' performance. It also keeps under review the effectiveness of the risk management, culture, control and governance arrangements of the university; satisfies itself that suitable arrangements are in place to ensure the sustainability of the university and to promote economy, efficiency and effectiveness; and satisfies itself that effective arrangements are in place to ensure appropriate and accurate data returns are made to external stakeholders and regulatory bodies. The Committee consists solely of Independent Members of the Governing Body and at its option, one external co-opted member; no members are also members of the Finance Committee. In September 2020 the Committee adopted revised terms of reference reflecting the CUC's Higher Education Audit Committees Code of Practice, and the Committee is considering the implications of the new Code for its operation.
- The Finance Committee is responsible to the Governing Body for reviewing the university's finances, accounts and investments. It makes recommendations to the Governing Body on the annual revenue and capital budgets, the annual financial statements and the financial forecasts. It monitors performance in relation to approved allocations.
- The Nominations, Staffing and Remuneration Committee has three main areas of responsibility. It keeps under review the membership of the Governing Body and its committees and makes recommendations to the Governing Body on appointments; it provides governance oversight for strategic staffing matters, including the implementation of the University's

People Strategy; it determines policy on staff remuneration and, as the Remuneration Committee, oversees the remuneration of the executive.

- Subject to the overall control and direction of the Governing Body, the Academic Council is responsible for overseeing the teaching and research of the university and is responsible for the academic quality and standards of the university and the admission and regulation of students. Its membership is drawn from staff and students. The Governing body receives and tests assurance from the Academic Council that academic governance, including the standard of university awards, the student academic experience and student outcomes, are adequate and effective.
- The University's Articles provide for the declaration of interests by Governors and the management of potential conflicts of interest. The Governing Body maintains a Register of Interests of its members and senior officers, which is updated annually and can be viewed on request to the University Secretary.
- The University's Articles provide for staff, while engaged in teaching and research, to have freedom within the law to question and test received wisdom and to put forward new ideas and controversial or unpopular opinions, without placing themselves in jeopardy of losing their jobs or privileges. The university is also required by the Articles to take steps to ensure that freedom of speech within the law is secured for its

students and staff and for visiting speakers.

- The Governing Body ensures that there are adequate and effective arrangements in place to provide transparency about value for money and to ensure public funds are managed appropriately in line with the conditions of grant and the principles of regularity, propriety and value for money, and to protect the interests of taxpayers and other stakeholders. As indicated, the Finance Committee is responsible for oversight of the University's finances and performance in relation to approved allocations. The University's internal auditors are required to provide an annual report to the University's Audit and Risk Committee and the Governing Body expressing the internal auditors' opinion on the adequacy and effectiveness of the university's arrangements for value for money. The Audit and Risk Committee, in turn, provides an annual report to the Governing Body which includes the Committee's opinion on the adequacy and effectiveness of the university's arrangements for value for money.
- The University's external auditors are required by the OfS's Accounts Direction to provide an opinion to the Governing Body on whether funds (including public funds) have been applied for the intended purposes. This opinion is included in the Independent Auditors' Report to the Members of the Governing Body in the University's Report and Financial Statements.

Officers and Professional Advisors

Chancellor	The Rt Hon the Lord Boateng
Pro-Chancellor and Chair	Ms Bronwyn Hill (from 01.08.20) Ms Marianne Ismail (until 31.07.20)
Vice-Chancellor	Professor Jane Harrington (from 01.12.19) Professor David Maguire (until 30.11.19)
Secretary & Clerk to the Governing Body	Mr Peter Garrod
External Auditors	PricewaterhouseCoopers LLP 1 Embankment Place, London WC2N 6RH
Internal Auditors	BDO LLP 55 Baker Street, London W1U 7EU
Bankers	Barclays Bank PLC 1 Churchill Place, Canary Wharf, London E14 5HP
Registered Office	Old Royal Naval College, Park Row, Greenwich, London SE10 9LS
Company Registration No.	00986729

Membership of the Governing Body

The following served as Governors during the year and/or in the period to the date of approval of the financial statements. In the case of those who became or ceased to be Governors during this period, the appropriate dates are shown.

Article 9.3.1

Vice-Chancellor

Professor J Harrington
(from 01.12.19)

Vice-Chancellor

Professor D Maguire
(until 30.11.19)

Article 9.3.2(a)

Staff Governors

Mr L Devlin
Ms S Ragab
Professor A Westby
(from 24.02.20)

Article 9.3.2(b)

Student Governor

Mr B Ijaz (from 01.07.20)
Mr H Setter (until 30.06.20)

Article 9.3.2 (c)

Independent Governors

Sir S Gass (resigned 31.08.19)
Mr P F Hazell (until 31.08.19)
Mr R Hicks (from 01.08.20)
Ms B Hill CBE
Ms M Ismail (until 31.07.20)
Mrs D Khanna
Ms T King
Miss D Larnder
Ms A Mehta (from 01.08.20)
Mr C McWilliam
Mr M Orr
Mrs W Palmer
Mr S Saluja (from 11.05.20)
Mr A Sharma (from 01.09.19)
Mrs E Sideris
Ms J Wood (until 31.08.20)

Membership of Governing Body's Committees

The following are the Governing Body's Committees and their membership during the year and/or in the period to the date of approval of the financial statements. In the case of those who became or ceased to be members during this period, the appropriate dates are shown.

Finance

Mr M Orr (Chair)
Mr L Devlin
Professor J Harrington (from 01.12.19)
Mr P F Hazell (until 31.08.19)
Ms B Hill CBE (until 31.07.20)
Mr B Ijaz (from 01.09.20)
Ms T King (until 24.02.20)
Professor D Maguire (until 30.11.19)
Mr C McWilliam
Mr S Saluja (from 01.08.20)
Mr H Setter (until 30.06.20)
Professor A Westby (from 01.09.20)

Professor D Maguire (resigned 30.11.19) (not a member when sitting as the Remuneration Committee)
Mr M Orr (for remuneration only)
Ms S Ragab
Mrs J Wood (from 14.10.19, until 03.02.20)

Nominations, staffing and remuneration

Mr P Hazell (Chair) (until 31.8.19)
Mrs E Sideris (Chair) (from 01.09.19)
Mr L Devlin (from 01.09.20)
Professor J Harrington (from 01.12.19) (not a member when sitting as the Remuneration Committee)
Mr R Hicks (from 01.08.20)
Ms B Hill CBE
Ms M Ismail (until 31.07.20)
Ms T King (from 24.2.20)
Miss D Larnder (for remuneration only)

Audit and risk

Miss D Larnder (Chair)
Sir S Gass (resigned 31.8.19)
Mrs D Khanna
Ms A Mehta (from 01.08.20)
Mrs W Palmer (from 01.9.2019)
Mr A Sharma (co-opted until 31.8.19 membership as a Governor from 01.9.19)

Statement of Internal Control

The Governing Body is responsible for ensuring an effective system of internal control to support the university's policies and objectives. It is responsible for safeguarding the public and other funds available to it in accordance with the Terms and Conditions of Funding of the Office for Students (OfS), the OfS Regulatory Framework and the Terms and Conditions of UK Research and Innovation Funding administered through Research England.

Internal control 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. It is also designed to prevent and detect fraud and other irregularities.

The system of internal control is informed by a continuous process which identifies, evaluates and manages the university's significant risk of all types. This process has been in place for the year ended 31 July 2020 and up to the date of the approval of the financial statements. The Governing Body believes that the university follows the requirements and best practice guidelines of the OfS, Research England, the Committee of University Chairs and British Universities Finance Directors Group in its approach to risk management, and can confirm that the processes and procedures in place for risk management have provided a robust framework for ensuring that institutional risk is adequately recognised, evaluated and planned for throughout the financial year 2019/20 and up to the approval date of the financial statements.

The Governing Body is responsible for reviewing the effectiveness of the system of internal control and does so in the following ways:

Internal Control

Matters related to the mission, strategy and educational character of the university are discussed on a regular basis.

The Audit and Risk Committee reports to each meeting of the Governing Body on matters discussed at Audit and Risk Committee.

The Audit and Risk Committee receives reports from Internal Auditors at each of its meetings, which provide an independent opinion on the adequacy and effectiveness of the internal control systems together with recommendations for approval.

Each year the Audit and Risk Committee approves a programme of work for the year, including for the outsourced internal audit team, which is based on a balanced portfolio of risk exposure while focussing on key risks, identified through the Corporate Risk Register and risk management process.

Regular reviews are undertaken of institutional performance and financial results during the year, including quarterly updates of the forecast outturn.

Clearly defined and formalised regulations are in place for the approval and control of expenditure, with investment-related decisions being subject to formal review and approval arrangements.

Comprehensive financial regulations, including procedures relating to financial controls, are reviewed regularly and approved by the Governing Body, as well as being submitted to the Audit and Risk, and Finance Committees.

The Chief Financial Officer and the University Secretary attend meetings of the Audit and Risk Committee and have direct and independent access to members of that Committee, as do the external and internal auditors, and others are invited to attend.

The Audit and Risk Committee, in its annual report to the Governing Body, provides an annual opinion on the adequacy and effectiveness of the university's arrangements for risk management, control and governance.

Risk Management

There is a clear policy and plan of risk management which has been communicated throughout the university and is reviewed annually. Risk appetite has been clearly defined by the Governing Body and is reviewed regularly, and an internal audit review is regularly undertaken on an aspect of risk management.

The Audit and Risk Committee annually reviews the university's risk management framework (including the university's Risk Management Policy, risk management guidance and Statement of Risk Appetite), which is managed by the University Secretary. Any changes to the framework are recommended by the Committee to the Governing Body for approval.

A hierarchy of risk registers is in place to identify key risks and their owners and mitigating controls and actions. The likelihood and impact of risks before and after mitigations are identified, along with the associated risk thresholds derived from the Statement of Risk Appetite. Risks are linked to the objectives in the University's Strategic Plan. Faculty and directorate risk registers are maintained to a common template and are reviewed each quarter at a meeting of the risk owners in the Chief Operating Officer's Operations Management Group. This in turn informs the quarterly updating of the University's Corporate Risk Register. The Corporate Risk Register is approved by the university's executive prior to its presentation with a quarterly risk management report to the Audit and Risk Committee. The Governing Body considers the full Corporate Risk Register annually and, on a quarterly basis, considers a risk management report which summarises the Corporate Risk Register and highlights any changes to strategic risks. The Governing Body's business is planned using a 'strategic scorecard' which ensures that business is planned with reference to the risks in the Corporate Risk Register.

The Vice Chancellor, in their capacity as accountable officer, is responsible to the Governing Body for ensuring compliance with the Terms and Conditions of Funding of the Office for Students and the Terms and Conditions of UK Research and Innovation Funding administered through Research England.

The university confirms that it has notified the OfS of all reportable events where reporting to the OfS is required by the OfS Regulatory Framework. This includes an event that materially affects or could materially affect the university's legal form or business model, and/or its willingness or ability to comply with its conditions of registration, including events with possible financial viability or sustainability implications.

The Governing Body, through the Audit and Risk Committee, has reviewed the effectiveness of the system of internal control operating in 2019/20 and up to the date of approval of the financial statements.

There were no significant internal control issues during the year and up to the date of the signing of these financial statements.

The above Corporate Governance Statement and Statement on Internal Control relates to the period from 1 August 2019 to the date of approval of these Financial Statements.

Professor Jane Harrington

Vice-Chancellor

Bronwyn Hill CBE

Chair of Governing Body

Remuneration Annual Statement

The university has adopted the Higher Education Senior Staff Remuneration Code published by the Committee of University Chairs (CUC) in June 2018 and applied it to decisions made by the University's Remuneration Committee in 2019/20.

The University's Governing Body approved a Senior Staff Remuneration Framework to guide the university's implementation of the CUC's Remuneration Code in 2019/20. Information about senior staff remuneration in 2019/20 is provided in the Remuneration Committee's 2019/20 Remuneration Annual Report and Statement, which is published on the university's website (<https://www.gre.ac.uk/hr/pay-and-pensions>).

As mentioned on page 17, The university has an Equality, Diversity and Inclusion Strategy. The strategy includes (a) full and fair consideration of applications for employment made by disabled persons, having regard to their particular aptitudes and abilities; (b) continuing the employment of, and arranging training for employees who have become disabled persons while employed; and (c) otherwise for the training, career development and promotion of disabled persons.

During the financial year the university has strived to: provide employees systematic information on pertinent matters, consulting employees or representatives on a regular basis, encouraging involvement of employees in the university's performance and strived to achieve a common awareness of the financial and economic factors affecting university performance. Examples of this included weekly emails to all staff summarising news and events at the university, a weekly newsletter to all staff from the Vice-Chancellor, staff meetings, and termly meetings of the Leadership Forum to brief staff with significant management responsibility. The Joint Negotiating Committee, bringing together representatives of management and the university's recognised trade unions (UCU, Unison, GMB and Prospect), met regularly during the year, with additional emergency meetings being called following the outbreak of the Covid-19 pandemic.

Trade Union facility time statistics

For the year from 1 April 2019 to 31 March 2020, the trade union facility time statistics were as follows:

Employees at the university:

- 1501 to 5000 employees

Trade union representatives and full-time equivalents:

- Trade union representatives: 21
- FTE trade union representatives: 19.8

Percentage of working hours spent on facility time:

- 0% of working hours: 0 representatives
- 1 to 50% of working hours: 21 representatives
- 51-99% of working hours: 0 representatives
- 100% of working hours: 0 representatives

Total pay bill and facility time costs:

- Total pay bill: £109,137,000
- Total cost of facility time: £145,359
- Percentage of pay spent on facility time: 0.13%

Paid trade union activities:

- Hours spent on paid facility time: 4,439
- Hours spent on paid trade union activities: 750
- Percentage of total paid facility time hours spent on paid trade union activities: 16.90%

Statement of Responsibilities of the Governing Body

The primary responsibilities of the Governing Body are to set the university's strategic aims, monitor the implementation of the activities undertaken to achieve these, and report to stakeholders on its stewardship. To meet its responsibilities the Governing Body undertakes to carry out the following activities:

- To approve the mission and strategic vision of the university, long-term academic and business plans and key performance indicators, and to ensure that these meet the interests of stakeholders.
- To ensure processes are in place to monitor and evaluate the performance and effectiveness of the university against the plans, delivery and approved key performance indicators, which should be, where possible and appropriate, benchmarked against other comparable institutions.
- As appropriate and in accordance with the University's Articles of Association, to delegate authority to the Vice Chancellor as chief executive, for the academic, corporate, financial, estate, and human resource management of the university, and to delegate authority to committees reporting to the Governing Body
- To establish and keep under regular review the policies, procedures and limits within such delegated functions shall be undertaken by and under the authority of the Vice-Chancellor and committees.
- To ensure the establishment and monitoring of systems of control and accountability, including financial and operational controls and risk assessment, and procedures for handling internal grievances and for managing conflicts of interest. To ensure that the university has an active process for the management and control of risk which shall include a requirement for the Governing Body's Audit and Risk Committee to report to it on a regular basis.
- To receive and test assurance from the Academic Council that academic governance, including the standard of university awards, the student academic experience and student outcomes are adequate and effective.
- To take such steps as are reasonably practical to ensure that freedom of speech within the law is secured for its students and staff and for visiting speakers and that the use of the premises of the university is not denied to any individual or body of persons on any ground connected with their beliefs or views, or their policy or objectives.
- To establish processes to monitor and evaluate the performance and effectiveness of the Governing Body itself.
- To conduct its business in accordance with best practice in higher education corporate governance and with the principles of public life drawn up by the Committee on Standards in Public Life.

- To safeguard the good name and values of the university.
- To take steps to ensure that the Students' Union of the university acts fairly and democratically and is accountable for its finances.
- To appoint the Vice-Chancellor and to put in place suitable arrangements for monitoring his/her performance.
- To appoint a secretary to the Governing Body and to ensure that, if the person appointed has managerial responsibilities, there is an appropriate separation in the lines of accountability.
- To be the employing authority for all staff and to be responsible for establishing a human resources strategy.
- To be the principal financial and business authority of the university, to ensure that proper books of account are kept, to approve the annual budget and financial statements, and to have overall responsibility for the university's assets, property and estate.
- To be the university's legal authority and, to ensure that systems are in place for meeting all the institution's legal obligations, including those arising from contracts and other legal commitments made in the university's name, and the requirements of the Office for Students Regulatory Framework.
- To receive assurance that adequate provision has been made for the general welfare of students, in consultation with the Academic Council.
- To act as trustee for any property, legacy, endowment, bequest or gift in support of the work and welfare of the university.
- To make, alter, add to or repeal such Regulations as the Governing Body may deem necessary or expedient for the proper conduct and management of the university.
- To ensure that the University's Articles of Association and Regulations are followed at all times and that appropriate advice is available to enable this to happen

Statement of Responsibilities of the Governing Body for the Financial Statements

In accordance with the University's Articles of Association, the Governing Body is responsible for the administration and management of the affairs of the university and is required to present audited financial statements for each financial year.

The members of the Governing Body (who are also the Directors of the university for the purposes of company law) are responsible for preparing the Strategic Report and the financial statements in accordance with applicable law and regulations.

Company law requires the Governing Body to prepare financial statements for each financial year. Under that law, the Governing Body is required to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law) including FRS 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland'. In addition, the Governing Body is required to prepare the financial statements in accordance with the terms and conditions of its grant funding agreement with the Department for Education and the OfS Terms and Conditions of Funding, through its accountable officer. Under company law, the Governing Body must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the university and the Group and of the surplus or deficit, gains and losses, changes in reserves and cash flows of the University and the Group for that year.

In preparing the financial statements, the Governing Body is required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and accounting estimates that are reasonable and prudent;
- state whether applicable UK accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the university and group will continue in business.

The Governing Body is responsible for keeping adequate accounting records that are sufficient to show and explain the university's transactions and disclose with reasonable accuracy at any time the financial position of the University and enable it to ensure that the financial statements comply with the Articles of Association, the Statement of Recommended Practice - Accounting for Further and Higher Education, the OfS Accounts Direction and the Companies Act 2006. They are also responsible for safeguarding the assets of the university and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

The Governing Body has taken reasonable steps to:

- ensure that funds from the Department for Education, the OfS and other funding bodies are used only for the purposes for which they have been given and in accordance with the OfS Terms and Conditions of Funding and the grant funding agreement with the Department for Education and any other conditions which funding bodies may from time to time prescribe;
- ensure that there are appropriate financial management controls in place to safeguard public funds and funds from other sources;
- ensure that the university has a robust and comprehensive system of risk management, control and corporate governance, which includes the prevention and detection of corruption, fraud, bribery and irregularities; and secure the economic, efficient and effective management of the university's and the Group's resources and expenditure.

The Governing Body is responsible for the maintenance and integrity of the corporate and financial information included on the university's website. Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

The Governing Body confirms that:

- so far as each Governor is aware, there is no relevant audit information of which the university's auditors are unaware; and
- the Members of the Governing Body have taken all the steps that they ought to have taken as Governors in order to make themselves aware of any relevant audit information and to establish that the university's auditors are aware of that information.

Approved on behalf
of the Governing Body by:

Bronwyn Hill CBE

Chair of Governing Body

Date of Approval: 24 November 2020

Independent auditors' report to the Governing Body of University of Greenwich (‘the University’)

Report on the audit of the financial statements

Opinion

In our opinion, University of Greenwich’s group financial statements and University financial statements (the “financial statements”):

- give a true and fair view of the state of the group’s and of the University’s affairs as at 31 July 2020 and of the group’s and the University’s income and expenditure, gains and losses, changes in reserves and of the group’s cash flows for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards, comprising FRS 102 “The Financial Reporting Standard applicable in the UK and Republic of Ireland”, and applicable law);
- have been properly prepared in accordance with the requirements of the Office for Student’s Accounts Direction (OfS 2019.41); and
- have been prepared in accordance with the requirements of the Companies Act 2006.

We have audited the financial statements, included within the Report and Financial Statements (the “Annual Report”), which comprise the Consolidated and University Balance Sheet as at 31 July 2020; the Consolidated and University Statement of Comprehensive Income and Expenditure, the Consolidated and University Statement of Changes in Reserves and the Consolidated Statement of Cash Flows for the year then ended; and the notes to the financial statements, which include a description of the significant accounting policies.

Our opinion is consistent with our reporting to the Audit and Risk Committee.

Basis for opinion

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

Independence

We remained independent of the group in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, which includes the FRC’s Ethical Standard, as applicable to listed public interest entities, and we have fulfilled our other ethical responsibilities in accordance with these requirements.

To the best of our knowledge and belief, we declare that non-audit services prohibited by the FRC’s Ethical Standard were not provided to the group or the University.

Other than those disclosed in note 11 to the financial statements, we have provided no non-audit services to the group or the University in the period from 1 August 2019 to 31 July 2020.

Our audit approach

Overview



- Overall group materiality: £2,124,600 (2019: £2,090,000), based on 1% of total income.
 - Overall University materiality: £2,018,370 (2019: £2,069,000), based on 1% of total income.
-
- The group comprises the University and four subsidiary companies.
 - We conducted a full scope of audit of the University as the only significant component within the group.
 - These audit procedures covered 99% of the group's income and 100% of the group's total assets.
-
- Judgements associated with revenue recognition and the provision associated with recoverability of debtors (relates to group and University financial statements).
 - Accounting for the London Pension Fund Authority pension scheme (relates to group and University financial statements).
 - Accounting for fixed assets (relates to group and University financial statements).
-

The scope of our audit

As part of designing our audit, we determined materiality and assessed the risks of material misstatement in the financial statements.

Capability of the audit in detecting irregularities, including fraud

Based on our understanding of the group and industry, we identified that the principal risks of non-compliance with laws and regulations related to the Office for Students' regulatory framework, including the terms and conditions of funding, and we considered the extent to which non-compliance might have a material effect on the financial statements. We also considered those laws and regulations that have a direct impact on the preparation of the financial statements such as the Companies Act 2006, the Office of Students' Accounts Direction and Education Reform Act 1988. We evaluated management's incentives and opportunities for fraudulent manipulation of the financial statements (including the risk of override of controls), and determined that the principal risks were related to posting inappropriate journal entries to reduce the reported surplus and management bias in accounting estimates. Audit procedures performed by the group engagement team included:

- review of the financial statement disclosures regarding compliance with the Office for Students' Accounts Direction;
- evaluation of management's controls designed to prevent and detect irregularities;
- enquiries of management and internal audit, including consideration of known or suspected instances of non-compliance with laws and regulation;
- challenging assumptions and judgements made by management in its significant accounting estimates; and
- testing journal entries, in particular of journal entries posted with unusual account combinations to the Statement of Comprehensive Income and Expenditure which reduce the surplus in the current financial year.

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

Key audit matters

Key audit matters are those matters that, in the auditors' professional judgement, were of most significance in the audit of the financial statements of the current period and include the most significant assessed risks of material misstatement (whether or not due to fraud) identified by the

auditors, including those which had the greatest effect on: the overall audit strategy; the allocation of resources in the audit; and directing the efforts of the engagement team. These matters, and any comments we make on the results of our procedures thereon, were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. This is not a complete list of all risks identified by our audit.

Key audit matter	How our audit addressed the key audit matter
<p><i>Judgements associated with revenue recognition and the provision associated with recoverability of debtors (relates to group and University financial statements)</i></p> <p>See note 1 of the financial statements for the group and University's disclosure of the related accounting policies, note 18 for the trade receivables balance and notes 20 and 21 for the amount of deferred income recognised in the financial statements.</p> <p>The group recognises a bad debt provision of £5.4m (2019: £5.1m) in respect of debts which it considers are impaired. This is a significant provision in the context of the financial statements and the results of the group and University.</p> <p>The University also recognises deferred income where income has been received but performance obligations have not been met. Deferred income total £50.6m (2019: £54.6m) and are material liabilities in the context of the group and University financial statements.</p>	<p>We understood the basis for making the bad debt provision recognised. Management consider debt relating to students separately from other debt.</p> <p>For student related debt, we tested the basis of the bad debt provision and, in doing so, considered previous provisions for student debt against amounts recovered. We found the provision recognised to be reasonable, although prudent.</p> <p>We tested the basis for the bad debt provision for other debts by testing the rationale for each provision. We noted no material exceptions.</p> <p>We tested a sample of deferred income balances recognised to assess whether the deferral was in line with the University's and group's accounting policies.</p> <p>Overall, we found the judgements made to be reasonable.</p>
<p><i>Accounting for the London Pension Fund Authority pension scheme (relates to group and University financial statements)</i></p> <p>See note 1 of the financial statements for the group and University's disclosure of the related accounting policies and notes 22 and 28 for an analysis of the pension provisions recognised in the financial statements.</p> <p>The University is a member of the London Pension Fund Authority's pension fund ("LPFA").</p> <p>The group recognises a net defined benefit liability in respect of the LPFA scheme of £137,704k (2019: £110,667k). This liability is calculated by an external actuary using the projected unit cost method and is a significant liability in the context of the group and University financial statements.</p> <p>Defined pension scheme liabilities are material to the Group and are affected by the value of the scheme's underlying assets and the actuarial assumptions, such as discount rates, inflation and life expectancy, used to calculate the value of the pension liabilities. There is a range of assumptions that can be used by actuaries depending upon the individual circumstances of the scheme, and a change in the assumptions can have a significant financial impact on the year-end pension liability.</p>	<p>We engaged our internal actuarial experts to assist us with the audit of the scheme's liabilities. They:</p> <ul style="list-style-type: none"> • compared key financial assumptions, including the discount rate used and future estimates of RPI and CPI to internally developed benchmarks; • assessed the reasonableness of the assumptions used in calculating mortality assumptions; and • considered how scheme's actuary estimated the impact of specific events arising in the period. <p>We also audited how the scheme's actuary calculated the share of plan assets attributable to the University and tested the underlying members data used to calculate the defined benefit pension liability.</p> <p>We found the assumptions used to be reasonable. We examined disclosures in the financial statements and consider these to be appropriate.</p>

Accounting for fixed assets (relates to group and University financial statements)

The group and University have a large fixed asset portfolio held at £290.5m at 31 July 2020 (2019: 272.4m). This includes £50.3m (2019: £51.7m) of service concessions, with freehold and leasehold property held at £139.2m (2019: £131.2m) and £98.4m (2019: £101.8m) respectively.

The University opted to take advantage of the FRS102 transition opportunity to rebase the carried cost value to fair value for its freehold land. As such, there is a heightened impairment risk attached to this aspect of the portfolio. See note 1 of the financial statements for the group and University's disclosure of the related accounting policies, significant judgements and estimates, and note 14 of the financial statements for an analysis of the tangible fixed assets recognised in the financial statements.

There have been two matters involving fixed assets held by the group that have required focus:

- the group agreed the terms of sale for the Mansion site; and
- there was a £3.3m impairment recognised on the valuation of the Devonport House leasehold interest held by the University.

There was also an impairment of £5.2m in the value of the University's investment in its subsidiary, Greenwich Devonport Conference Centre Limited (GDCC). This arose as a result of the Devonport House property under-lease being impaired, as a consequence of factors affecting the property's day-to-day operations as a hotel.

We examined the contract for the sale of the Mansion Site and were satisfied that the criteria for recognising a disposal had not been met at the Balance Sheet date.

We tested the disclosures made in the financial statements regarding the site being classified as an asset held for sale, together with the post balance sheet events disclosures relating to the sale, concluding these were appropriate.

In assessing the Devonport House leasehold interest impairment, we have:

- Inspected reports provided by management's valuation experts, Lambert Smith Hampton ("LSH") on the leasehold property of Devonport Conference Centre and challenged the reasonableness of key assumptions, particularly in relation to:
 - the outlook for the London hotel sector for 2021 as Devonport House has been operating as a hotel under GDCC,
 - the considerations of an extended period of time through which the property will be left unoccupied,
 - the length of time it will take to re-establish as earnings in the London hotel market rebuild back to stabilised trading levels due the impact of COVID-19, and
 - the capital expenditure required;
- Tested completeness of the source data provided to LSH through the valuation instructions, validating that a complete and accurate account of the institution's estate was instructed to the valuer; and
- Tested the accounting entries made by management.

In doing this we have engaged our in-house valuation experts who have independently evaluated the work of the valuers. We examined management's impairment assessments of Devonport House and the University's investment in GDCC and concluded that both the impairments of £3.3m in the leasehold interest and £5.2m in the subsidiary investment were appropriately determined.

We also assessed the disclosures relating to the impairments, including those relating to the potential impact of management reviewing the future use of the property. We consider these to be appropriate.

We examined management's impairment assessment of the rest of the fixed asset estate and concluded that no further impairments were required.

How we tailored the audit scope

We tailored the scope of our audit to ensure that we performed enough work to be able to give an opinion on the financial statements as a whole, taking into account the structure of the group and the University, the accounting processes and controls, and the industry in which they operate.

The group comprises the University and four subsidiaries. Audit procedures over the subsidiaries are also performed concurrently with the group audit.

The full scope audits undertaken by the group team covered 99% of the group's income and 100% of the group's total assets.

Materiality

The scope of our audit was influenced by our application of materiality. We set certain quantitative thresholds for materiality. These, together with qualitative considerations, helped us to determine the scope of our audit and the nature, timing and extent of our audit procedures on the individual financial statement line items and disclosures and in evaluating the effect of misstatements, both individually and in aggregate on the financial statements as a whole.

Based on our professional judgement, we determined materiality for the financial statements as a whole as follows:

	<i>Group financial statements</i>	<i>University financial statements</i>
Overall materiality	£2,124,600 (2019: £2,090,000)	£2,018,370 (2019: £2,069,000)
How we determined it	1% of total income	1% of total income
Rationale for benchmark applied	A key performance indicator for the group and this is a generally accepted measure to calculate overall materiality when auditing organisations with social objectives.	A key performance indicator for the University and this is a generally accepted measure to calculate overall materiality when auditing organisations with social objectives.

For the University and each subsidiary subject to statutory audits, we allocated a materiality that is less than our overall group materiality. The range of materiality allocated across the University and each subsidiary was between £3,000 and £2,018,370. Certain subsidiaries were audited to a local statutory audit materiality that was also less than our overall group materiality.

We agreed with the Audit and Risk Committee that we would report to them misstatements identified during our audit above £106,200 (group audit) (2019: £104,000) and £100,890 (University audit) (2019: £103,000) as well as misstatements below those amounts that, in our view, warranted reporting for qualitative reasons.

Conclusions relating to going concern

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

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

However, because not all future events or conditions can be predicted, this statement is not a guarantee as to the group's and University's ability to continue as a going concern.

Reporting on other information

The other information comprises all of the information in the Annual Report other than the financial statements and our auditors' report thereon. The Governing Body are responsible for the other information. Our opinion on the financial statements does not cover the other information and, accordingly, we do not express an audit opinion or, except to the extent otherwise explicitly stated in this report, any form of assurance 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 an apparent material inconsistency or material misstatement, we are required to perform procedures to conclude whether there is a material misstatement of 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 based on these responsibilities.

With respect to the Strategic Report and Report of the Governing Body, we also considered whether the disclosures required by the UK Companies Act 2006 have been included.

Based on the responsibilities described above and our work undertaken in the course of the audit, ISAs (UK) require us also to report certain opinions and matters as described below.

Strategic Report and Report of the Governing Body

In our opinion, based on the work undertaken in the course of the audit, the information given in the Strategic Report and Report of the Governing Body for the year ended 31 July 2020 is consistent with the financial statements and has been prepared in accordance with applicable legal requirements.

In light of the knowledge and understanding of the group and University and their environment obtained in the course of the audit, we did not identify any material misstatements in the Strategic Report and Report of the Governing Body.

Responsibilities for the financial statements and the audit

Responsibilities of the Governing Body for the financial statements

As explained more fully in the Statement of Responsibilities of the Governing Body for the Financial Statements set out on page 43, the Governing Body (who are also the directors of the University for the purposes of company law) is responsible for the preparation of the financial statements in accordance with the applicable framework and for being satisfied that they give a true and fair view. The Governing Body is also responsible for such internal control as they 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 Governing Body is responsible for assessing the group's and the University's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Governing Body either intend to liquidate the group or the University or to cease operations, or have no realistic alternative but to do so.

Auditors' 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 auditors' 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 FRC's website at: www.frc.org.uk/auditorsresponsibilities.

This description forms part of our auditors' report.

Use of this report

This report, including the opinions, has been prepared for and only for the Governing Body of the University of Greenwich, in accordance with Article 29 of the University's Articles of Association, section 124B of the Education Reform Act 1988 as amended by section 71 of the Further and Higher Education Act 1992 and Chapter 3 of Part 16 of the Companies Act 2006 and for no other purpose. We do not, in giving these opinions, accept or assume responsibility for any other purpose or to any other person to whom this report is shown or into whose hands it may come save where expressly agreed by our prior consent in writing.

Other required reporting

Opinions on other matters prescribed in the Office for Student's Accounts Direction (OfS 2019.41)

In our opinion, in all material respects:

- funds from whatever source administered by the University for specific purposes have been properly applied to those purposes and, if relevant, managed in accordance with relevant legislation; and
- funds provided by the Office for Students, UK Research and Innovation (including Research England), the Education and Skills Funding Agency and the Department for Education have been applied in accordance with the relevant terms and conditions.

Under the Office for Student's Accounts Direction, we are required to report to you, if we have anything to report in respect of the following matters:

- The University's grant and fee income, as disclosed in note 4 to the financial statements has been materially misstated; or
- The University's expenditure on access and participation activities for the financial year, as disclosed in note 10 of the financial statements, has been materially misstated.

We have no matters to report arising from this responsibility.

Companies Act 2006 exception reporting

Under the Companies Act 2006 we are required to report to you if, in our opinion:

- we have not received all the information and explanations we require for our audit; or
- adequate accounting records have not been kept by the University, or returns adequate for our audit have not been received from branches not visited by us; or
- certain disclosures of directors' remuneration specified by law are not made; or
- the University financial statements are not in agreement with the accounting records and returns.

We have no exceptions to report arising from this responsibility.

Appointment

Following the recommendation of the Audit and Risk Committee, we were appointed by the Governing Body on 25 February 2019 to audit the financial statements for the year ended 31 July 2019 and subsequent financial periods. The period of total uninterrupted engagement is 2 years, covering the years ended 31 July 2019 to 31 July 2020.

Jonathan Sturges (Senior Statutory Auditor)
for and on behalf of PricewaterhouseCoopers LLP
Chartered Accountants and Statutory Auditors, London
26 November 2020

Consolidated and University Statement of Comprehensive Income and Expenditure

For the Year ended 31 July 2020

		Group		University	
	Note	2020 £'000	2019 £'000	2020 £'000	2019 £'000
Income					
Tuition fees and education contracts	2	152,060	143,223	152,060	143,223
Funding body grants	3	19,948	20,084	19,948	20,084
Research grants and contracts	4	13,250	14,071	13,155	13,894
Other income	5	29,007	31,776	26,388	28,821
Investment income	6	500	584	531	619
Donations and endowments	7	154	124	1,578	1,074
Total income		214,919	209,862	213,660	207,715
Expenditure					
Staff costs	8	108,709	103,057	107,982	102,014
Severance costs	9	830	752	830	752
Other operating expenses	11	83,995	81,471	82,262	79,911
Depreciation and amortisation	13,14	7,103	7,213	6,936	7,046
Interest and other finance costs	12	7,634	7,935	8,327	8,739
Total expenditure		208,271	200,428	206,337	198,462
Surplus before other gains		6,648	9,434	7,323	9,253
(Losses)/gains on investments		(445)	617	(445)	617
Currency translation (losses)/gains		(157)	330	(157)	330
Surplus before tax		6,046	10,381	6,721	10,200
Taxation	29	-	-	-	-
Surplus for the year		6,046	10,381	6,721	10,200
Actuarial loss in respect of pension schemes	28	(19,200)	(5,672)	(19,200)	(5,672)
Total comprehensive (expense)/income for the year		(13,154)	4,709	(12,479)	4,528
Represented by:					
Endowment comprehensive expense for the year		(1)	(3)	(1)	(3)
Restricted comprehensive (expense)/income for the year		(44)	27	(44)	27
Unrestricted comprehensive (expense)/income for the year		(13,109)	4,685	(12,434)	4,504
		(13,154)	4,709	(12,479)	4,528

All items of income and expenditure relate to continuing activities.
The accompanying notes and policies form part of these financial statements.

Consolidated and University Statement of changes in reserves

For the Year ended 31 July 2020

	Income and expenditure reserve			Revaluation reserve	Total
	<i>Endowment</i>	<i>Restrict-ed</i>	<i>Unrest-ri-cted</i>		
<u>Consolidated</u>	£'000	£'000	£'000	£'000	£'000
Balance at 1 August 2018	1,067	381	50,799	47,764	100,011
(Deficit)/Surplus for the year after tax	(3)	27	10,357	-	10,381
Actuarial loss in respect of pension schemes	-	-	(5,672)	-	(5,672)
Transfers between revaluation and income and expenditure reserve	-	-	88	(88)	-
Total comprehensive (expense)/income for the year	(3)	27	4,773	(88)	4,709
Balance at 31 July 2019	1,064	408	55,572	47,676	104,720
(Deficit)/Surplus for the year after tax	(1)	(44)	6,091	-	6,046
Actuarial loss in respect of pension schemes	-	-	(19,200)	-	(19,200)
Transfers between revaluation and income and expenditure reserve	-	-	88	(88)	-
Total comprehensive expense for the year	(1)	(44)	(13,021)	(88)	(13,154)
Balance at 31 July 2020	1,063	364	42,551	47,588	91,566
<u>University</u>					
Balance at 1 August 2018	1,067	381	44,078	47,764	93,290
(Deficit)/Surplus for the year after tax	(3)	27	10,176	-	10,200
Actuarial loss in respect of pension schemes	-	-	(5,672)	-	(5,672)
Transfers between revaluation and income and expenditure reserve	-	-	88	(88)	-
Total comprehensive (expense)/income for the year	(3)	27	4,592	(88)	4,528
Balance at 31 July 2019	1,064	408	48,670	47,676	97,818
(Deficit)/Surplus for the year after tax	(1)	(44)	6,766	-	6,721
Actuarial loss in respect of pension schemes	-	-	(19,200)	-	(19,200)
Transfers between revaluation and income and expenditure reserve	-	-	88	(88)	-
Total comprehensive expense for the year	(1)	(44)	(12,346)	(88)	(12,479)
Balance at 31 July 2020	1,063	364	36,324	47,588	85,339

The accompanying notes and policies form part of these financial statements.

Consolidated and University Balance Sheet

As at 31 July 2020

		Group		University	
	<i>Note</i>	2020 £'000	2019 £'000	2020 £'000	2019 £'000
Non-current assets					
Intangible assets	13	1,370	-	1,370	-
Tangible assets	14	290,598	286,461	272,399	265,125
Investments	16	38	38	38	38
Investment in subsidiaries	16	-	-	18,200	21,496
		292,006	286,499	292,007	286,659
Current Assets					
Stock	17	40	64	40	64
Trade and other receivables	18	13,163	15,194	12,993	14,532
- amounts falling due after more than one year	18	-	-	4,393	5,138
Investments	19	24,538	24,941	24,538	24,941
Cash and cash equivalents	26	62,612	60,343	62,408	59,669
		100,353	100,542	104,372	104,344
Less: Creditors: amounts falling due within one year	20	(55,542)	(60,644)	(57,686)	(61,968)
Net current assets		44,811	39,898	46,686	42,376
Total assets less current liabilities		336,817	326,397	338,693	329,035
Creditors: amounts falling due after more than one year	21	(99,456)	(103,012)	(107,559)	(112,557)
Provisions					
Pension provisions	22	(143,524)	(116,907)	(143,524)	(116,907)
Other provisions	23	(2,271)	(1,758)	(2,271)	(1,753)
Total net assets		91,566	104,720	85,339	97,818

Consolidated and university Balance Sheet (continued)

As at 31 July 2020

		Group		University	
		2020	2019	2020	2019
		£'000	£'000	£'000	£'000
Restricted Reserves					
Income and expenditure reserves:					
- endowment reserve	24	1,063	1,064	1,063	1,064
- restricted reserve	25	364	408	364	408
Unrestricted Reserves					
Income and expenditure reserve - unrestricted		186,075	172,479	179,848	165,577
Pension reserve	22	(143,524)	(116,907)	(143,524)	(116,907)
Revaluation Reserve		47,588	47,676	47,588	47,676
Total Reserves		91,566	104,720	85,339	97,818

The accompanying notes and policies form part of these financial statements.

The Financial Statements on pages 52 to 89 were approved by the Governing Body on 24th November 2020 and signed on its behalf by:

Professor Jane Harrington
Vice-Chancellor

Bronwyn Hill CBE
Chair

Consolidated Statement of Cash Flows

For the Year ended 31 July 2020

The accompanying notes and policies form part of these financial statements.

	<i>Note</i>	2020 £'000	2019 £'000
Cash flow from operating activities			
Surplus before tax		6,046	10,381
<i>Adjustment of non-cash items :-</i>			
Depreciation and amortisation	13,14	7,103	7,213
Decrease in stock	17	24	12
Decrease/(increase) in debtors	18	2,031	(1,402)
Decrease in creditors		(7,115)	(1,585)
Increase in pension provision (excluding actuarial gain)	22	7,417	8,825
Increase/(decrease) in provisions	23	513	(244)
Impairment loss	14	2,970	-
<i>Adjustment for investing or financing activities:-</i>			
Losses/(gains) on investments		445	(617)
Currency translation losses/(gains)		157	(330)
Capital grant income		(1,022)	(1,279)
Investment income	6	(500)	(584)
Interest payable	12	5,335	5,460
Donations and endowments	7	(154)	(124)
Net cash inflow from operating activities		23,250	25,726
Cash flows from investing activities			
Payments made to acquire tangible assets		(14,761)	(32,595)
(New deposits)/withdrawal from deposits		(40)	34,944
Investment income		500	584
		(14,301)	2,933
Cash flows from financing activities			
Interest paid - Bond	12	(865)	(937)
Interest element of service concession payments		(4,470)	(4,523)
Repayments of amounts borrowed		(1,188)	(1,113)
		(6,523)	(6,573)
Translation (losses)/gains on currency bank accounts		(157)	330
Increase in cash and cash equivalents in the year	26	2,269	22,416
Cash and cash equivalents at the beginning of the year		60,343	37,927
Cash and cash equivalents at the end of the year		62,612	60,343
		2,269	22,416

Notes to the Financial Statements

1. Principal Accounting Policies

a) Basis of preparation and accounting

These financial statements have been prepared in accordance with the Statement of Recommended Practice (SORP): Accounting for Further and Higher Education (2019), Financial Reporting Standard (FRS) 102 and the Office for Students Regulatory advice 9: Accounts direction for periods beginning on or after 1 August 2019.

The financial statements have been prepared on a going concern basis informed by the University's future financial forecasts taking account of possible changes in performance. In arriving at its assessment, the Governors have reviewed forecasts covering a period of 16 months from the balance sheet date. In developing this assessment, the Governors have noted that the University successfully reacted to the impact of COVID-19 during the year by controlling costs. The forecasts considered best, moderate and severe case scenarios that the university could face over the period assessed as a result of the pandemic. The moderate and severe scenarios assumed various sensitivities such as falls in income and increases in costs. Falls in income focussed on overseas tuition fees, accommodation income, and increases in costs were assumed specifically in employer pensions contributions. In concluding, the university has a strong cash position at the balance sheet date and adequate resources to ensure the future operation of the university. The financial statements have been prepared in accordance with the historical cost convention, modified by the revaluation of land on transition to FRS 102. The functional currency is GBP Sterling.

The University has taken advantage of the exemption under paragraph 1.12 of FRS 102 for qualifying entities from preparing its own cash flow statement.

b) Basis of consolidation

Consolidated financial statements have been prepared for the University and its subsidiaries Greenwich Property Limited, Greenwich University Enterprises Limited, GDCC Newco ("G") Limited and Greenwich Devonport Conference Centre Limited.

Intra-group income, costs and financial assets/liabilities are eliminated on consolidation.

The activities of the Students' Union University of Greenwich have not been consolidated with those of the University, as the University does not have sufficient control and significant influence over policy decisions to warrant consolidation.

c) Use of estimates and judgements

The preparation of the Group's financial statements requires the use of certain judgements, estimates and assumptions that determine the reported amounts of assets, liabilities and expenses. Estimates and judgements are based on historical experience and other factors, including expectation of future events that are believed to be reasonable under the circumstances.

The items in the financial statements where judgements and estimates have been made include:

Judgements

- Service concessions are recognised as such in line with FRS 102. In 1996 the University paid Greenwich Property Limited (GPL), a subsidiary company, for the lease of the Avery Hill Student Village for a term of 125 years, and for the provision of facilities management services for a period of 30 years. Judgement has been used to record this as an asset sale and a prepayment, with the prepayment being recognised as turnover equally spread over the 30 year term. A loan made in 1996 by GPL to the University at 8% interest is recorded as such in both the University and GPL accounts, with the interest treated as an interest expense by the University, and as interest income by GPL.
- The University's subsidiary GDCC Newco ("G") Limited and its wholly owned subsidiary Greenwich Devonport Conference Centre Limited (GDCC) has been treated as the acquisition of assets and liabilities rather than a business. The amount paid to acquire the companies has been allocated to the trading assets and liabilities held by the companies with the residual amount (£21.5m)

treated as the amount paid to acquire the lease held by GDCC which permits it to use part of Devonport House. The leasehold interest acquired is capitalised within non-current tangible assets, which is in line with the Group's long term intentions of utilising the asset. The acquisition took place in 2018/19 and the judgement remains but there has been a further judgement to impair the carrying value down to £18.2m based on the revised valuation of the Devonport House headlease.

- The sale of Mansion Site is disclosed in note 31 as a post balance sheet event because terms have been agreed but the sale has not yet completed. Mansion Site is classified as an asset held for sale.

Estimates

- Defined benefit pension liability - the University has made key assumptions (refer to note 28) in conjunction with the schemes' actuaries which have been used in the calculation of the defined benefit liability. In relation to the LPFA pension provision, some approximate sensitivities are considered;
 - Discount rate +/- 0.1% would affect the provision by £7.2m
 - Long term salary increases +/- 0.1% would affect the provision by £0.7m
 - Pension increases +/- 0.1% would affect the provision by £6.6m
 - Adjustment to life expectancy +/- 1 year would affect the provision by £11.9m
- The University's valuation of its interest in Devonport House is on the basis of future cashflows, which has been independently prepared by a professional surveyor. The cashflows include a Covid-19 re-establishment period of 2.5 years. A change in the re-establishment period of +/- 1 year would affect the valuation by approximately £1.8m. The future use of the property is also under review by the Governing Body, and it is understood that any decision to change the current intended use could potentially result in a further impairment being required.
- Bad debt provision – the University has made an estimate on the recoverability of both student and commercial debtors based on historical experience and other external factors.

d) Income recognition

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

Tuition fee income is stated gross of any expenditure which is not a discount and is recognised in the Statement of Comprehensive Income and Expenditure to reflect the delivery of teaching to students over the period of the tuition to which the fee relates. This includes short course income, and income from International Partner Colleges. Bursaries and scholarships are accounted for as expenditure and not deducted from income.

Income from education contracts is recognised in the Statement of Comprehensive Income and Expenditure in the period to which it relates, to reflect the delivery of teaching to students.

Investment income from short-term deposits is credited to the Statement of Comprehensive Income and Expenditure on a receivable basis.

Other income, which includes income relating to residences and catering, and consultancy, is recognised in the Statement of Comprehensive Income and Expenditure when the services have been supplied to the customers or the terms of the contract have been satisfied.

With specific relation to accommodation, which forms part of the residences and catering income, income is recognised in the Statement of Comprehensive Income and Expenditure when the University reasonably expects payment, i.e. at the point an invoice is raised. Any subsequent fees waived are recognised as an expense.

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

e) Grant funding

Government grant funding, including funding council and Government research grants, is recognised in the Statement of Comprehensive Income and Expenditure over the periods over which the University recognises the related costs for which the grant is intended to fund. Where part of a Government grant is deferred it is recognised as deferred income within creditors and allocated between creditors due within one year and due after more than one year, as appropriate based on the period in which it is expected to be recognised.

The University had a number of staff on furlough leave and had made a claim to the Government's Coronavirus Job Retention Scheme in August 2020. Subsequent to the claim a decision has been made to repay the monies, given the operating surplus for the year. As such this grant has not been recognised as income during the year to 31 July 2020.

Other grants and donations from non-government sources (including research grants), are recognised in the Statement of Comprehensive Income and Expenditure when the University is entitled to the income and performance related conditions have been met. Income received in advance of performance related conditions being met is deferred on the Balance Sheet and released to the Statement of Comprehensive Income and Expenditure in line with such conditions being met.

Projected losses on onerous long-term contracts, where income on a long-term contract is expected to be below the cost of provision, are recognised immediately in the Statement of Comprehensive Income and Expenditure.

f) Donations and endowments

Donations and endowments are non-exchange transactions with or without performance related conditions and/or restrictions. (Non-exchange transactions are defined as where an entity receives value from another entity without directly giving approximately equal value in exchange.) Donations and endowments with donor-imposed restrictions are recognised in income when the University is entitled to the funds, the receipt is probable and can be measured reliably. Income is retained within a restricted reserve until such time that it is utilised in line with such restrictions at which point the income is released to general reserves.

Donations with no restrictions are recorded within income when the University is entitled to the funds, the receipt is probable and can be measured reliably.

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

Donations and endowments with restrictions are classified as restricted reserves with additional disclosure provided within the notes to the financial statements.

There are four main types of donations and endowments with restrictions:

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

g) Capital grants

Government capital grants are recognised in income over the expected useful life of the asset in accordance with the accruals model. Non-government capital grants are recognised in income when the University is entitled to the funds subject to any performance related conditions being met.

h) Foreign currencies

Transactions in foreign currencies are translated to the respective functional currencies of Group entities at the foreign exchange rate ruling at the date of the transaction. Foreign exchange differences arising on translation are recognised in the Statement of Comprehensive Income and Expenditure. Monetary assets and liabilities denominated in foreign currencies at the balance sheet date are translated to the functional currency at the foreign exchange rate ruling at that date and are recognised in the Total Comprehensive Income for the year.

i) Employment benefits

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

j) Fixed assets

Fixed assets are stated at cost/deemed cost less accumulated depreciation and accumulated impairment losses. The Group took advantage of the transitional provisions within section 35 of FRS 102. The cost of land that has been revalued on 1 August 2014 is measured on the basis of deemed costs, being the revalued amount at the date of that revaluation having taken advantage of the transitional relief in section 35 of FRS 102.

k) Land and buildings

The University has not adopted a policy of annual revaluations. Freehold land is not depreciated as it is considered to have an indefinite useful life. Freehold buildings are depreciated on a straight line basis over their expected useful economic life to the University of 50 years. The fair value on the acquisition of leasehold land and buildings is amortised on a straight line basis over the period of the lease.

Major capital additions/refurbishments to freehold and leasehold buildings are amortised on a straight line basis over periods up to 50 years; other refurbishments and improvements to buildings are depreciated on a straight line basis over 10 years. Temporary (prefabricated) buildings are depreciated on a straight line basis over 7 years. Where a major capital addition/refurbishment extends the useful economic life of a building, the capital cost of the addition/refurbishment together with the book value of the existing asset are depreciated on a straight line basis over the new expected useful economic life of the building.

Assets are assessed for indicators of impairment at each balance sheet date. If there is objective evidence of impairment, an impairment loss is recognised in the Statement of Comprehensive Income and Expenditure. Assets are considered to be impaired if their recoverable value is less than book value.

Buildings under construction are accounted for at cost, based on the value of architects' certificates and other direct costs incurred to the balance sheet date. They are depreciated once available for use.

l) Equipment and vehicles

Equipment costing less than £6,000 per individual item is written off to the Statement of Comprehensive Income and Expenditure in the year of acquisition. All other equipment is capitalised at cost.

Capitalised equipment is depreciated on a straight line basis over its useful economic life, as follows:

Equipment	5 years
Vehicles	5 years
Equipment acquired for specific research or other projects	project life

Equipment purchased by the University on behalf of clients, for use on projects commissioned by them, is written off as an expense in the year of purchase where the client retains an interest in the equipment and the right to give instructions on its disposal when it is no longer required.

m) Intangible assets

Intangible assets consist of computer and network software and their associated incremental costs of implementation and are amortised over ten years representing the estimated economic life of the assets.

n) Finance leases

Leases in which the University assumes substantially all the risks and rewards of ownership of the leased asset are classified as finance leases.

Leased assets acquired under finance lease and associated lease liability are stated at the lower of fair value and the present value of the minimum lease payments at inception of the lease. Lease assets are then depreciated over the shorter of the useful life of the asset or the length of the lease, less any impairment losses.

Lease payments are apportioned between the finance charge and the reduction of the outstanding liability. The finance charge is allocated to each period during the lease term to produce a constant periodic rate of interest on the remaining balance of the liability.

o) Operating leases

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

p) Service concession arrangements

Fixed assets held under service concession arrangements are recognised on the Balance Sheet at the present value of the minimum lease payments when the assets are brought into use with a corresponding financial liability. The asset is then depreciated on a straight line basis over the term of the service concession (note 15).

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

In 1996, through its subsidiary company, Greenwich Property Limited (GPL), the University entered into a service concession arrangement with a contractor for the construction of a student's residence, and the provision of facilities management services for those premises for a period of 30 years. Under the terms of the scheme the contractor raised the finance for the construction of buildings, which were subsequently let on a long lease to GPL. As part of these arrangements the University paid £35.4m to its subsidiary company for an occupational lease of 30 years, and the subsidiary company made a loan of £34.6m to the University repayable in variable amounts, over a 30-year period. These transactions are reflected in the Accounts for the University itself and GPL as a service concession, and are offset in the Consolidated Statement of Comprehensive Income and Expenditure. The Consolidated Balance Sheet therefore includes the buildings as a fixed asset with a consequential, and matching, long-term creditor.

q) Investments

Non-current asset investments are not listed investments and their fair value can not be readily determined. Therefore, they are held on the Balance Sheet at amortised cost less impairment.

Current asset investments are held at fair value with movements recognised in the Statement of Comprehensive Income and Expenditure below surplus for the year after tax.

r) Provisions, contingent liabilities and contingent assets

Provisions are recognised where the University, as a result of a past event, has a present legal or constructive obligation, 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.

The amount recognised as a provision is determined by discounting the expected future cash flows at a pre-tax rate that reflects risks specific to the liability.

A contingent liability arises from a past event that gives the University a possible obligation whose existence will only be confirmed by the occurrence or otherwise of uncertain future events not wholly within the control of the University. Contingent liabilities also arise in circumstances where a provision would otherwise be made but either it is not probable that an outflow of resources will be required or the amount of the obligation cannot be measured reliably.

A contingent asset arises where an event has taken place that gives the University a possible asset whose existence will only be confirmed by the occurrence or otherwise of uncertain future events not wholly within the control of the University.

Contingent assets and liabilities are not recognised in the Balance Sheet but are disclosed in the notes.

s) 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 equivalents are short term liquid investments, readily convertible to known amounts of cash with insignificant risk of change in value. These include term deposits and other instruments held as part of the University's treasury management activities. They exclude any such assets held as Endowment Asset Investments.

t) Taxation

The University is an exempt charity within the meaning of Part 3 of the Charities Act 2011 and as such is a charity within the meaning of Para 1 Schedule 6 to the Finance Act 2010. Accordingly, the University is potentially exempt from taxation in respect of income or capital gains received within categories covered by sections 478-488 of the Corporation Tax Act 2010 (CTA 2010) or Section 256 of the Taxation of Chargeable Gains Act 1992 to the extent that such income or gains are applied to exclusively charitable purposes. The University receives no similar exemption in respect of VAT. The University's subsidiary companies are subject to corporation tax and VAT in the same way as any commercial organisation.

u) Accounting for retirement benefits

The two main pension schemes for the University's staff are the Teachers' Pension Scheme (TPS) and the London Pension Fund Authority (LPFA), both defined benefit schemes. The LPFA is externally funded, whilst the TPS is unfunded. The LPFA is valued every three years and the TPS not less than every four years by professionally qualified independent actuaries.

The LPFA scheme is accounted for as a defined benefit scheme in accordance with FRS 102. Under a defined benefit scheme, the University's obligation is to provide the agreed benefits to current and former employees, and actuarial risk (that benefits will cost more or less than expected) and investment risk (that returns on assets set aside to fund the benefits will differ from expectations) are borne, in substance, by the University. This defined benefit liability is measured as the estimated amount of benefit that employees have earned in return for their service in the current and prior periods, discounted to determine its present value, less the fair value (at bid price) of plan assets. The calculation is performed by the scheme actuary using the projected unit credit method. Where the calculation results in a net asset, recognition of the asset is limited to the extent to which the University is able to recover the surplus either through reduced contributions in the future or through refunds.

Actuarial gains and losses are included in Other Comprehensive Income.

The TPS is an unfunded scheme and as it is not possible to identify separately each institution's share of the underlying liabilities, it is treated as a defined contribution scheme under FRS102.

The University is also a member of the Universities Superannuation Scheme, a multi-employer scheme where it is not possible to identify the University's share of assets and liabilities and which is currently in deficit with an agreed deficit recovery plan, for a small number of employees. In accordance with FRS102, an institution belonging to a multi-employer pension scheme with a deficit recovery plan must provide for its contractual obligation to fund its share of the deficit.

v) Secured loan - bond

The University has an obligation in respect of a 30 year £30m Secured Bond issued in 1998. Its accounting policy in respect of this financial liability is initial recognition at its fair value and subsequent measurement at amortised cost, with any difference between the initial carrying value and the redemption value recognised in the Statement of Comprehensive Income and Expenditure over 30 years using the effective interest method.

w) Financial instruments

Financial assets and liabilities are accounted for in accordance with section 11 of FRS 102 (Basic Financial Instruments). The University has no non-basic financial instruments.

The Group's financial instruments comprise equity investments (including investment funds), loans and receivables, cash and cash equivalents, trade payables and borrowings. All financial assets are recognised when the Group becomes a party to the contractual provisions of the instrument, and are measured at amortised cost using the effective interest method, with the exception of equity investments (including investment funds) which are measured at fair value through the Statement of Comprehensive Income and Expenditure, in accordance with section 11 of FRS 102.

Receivables and inter-company loans are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market, and are measured subsequent to initial recognition at amortised cost less provision for impairment. Any change in their value through impairment or reversal of impairment is recognised in the Statement of Comprehensive Income and Expenditure.

Provision against trade receivables is made when there is objective evidence that the Group will not be able to collect all amounts due to it in accordance with the original terms of those receivables. The amount of the write-down is determined as the difference between the asset's carrying amount and the present value of estimated future cash flows.

Financial liabilities are obligations to pay cash or other financial assets and are recognised when the Group becomes a party to the contractual provisions of the instrument.

Financial liabilities are recorded at amortised cost using the effective interest method, with interest-related charges recognised as a finance expense in the Statement of Comprehensive Income and Expenditure. Finance charges, including premiums payable on settlement or redemption and transaction costs, are charged to the Statement of Comprehensive Income and Expenditure on an accruals basis using the effective interest method and are added to the carrying amount of the instrument to the extent that they are not settled in the period in which they arise.

x) Medway School of Pharmacy

The University has an agreement with the University of Kent with respect to the Medway School of Pharmacy, sharing revenue and costs equally. In accordance with FRS 102 paragraph 15.7 this arrangement has been accounted for as a Jointly Controlled Asset reflecting the University's share of the assets, liabilities and results for the year within the financial statements.

y) Reserves

Reserves are allocated between restricted and unrestricted reserves. Restricted endowment reserves include balances which, through endowment to the University, are held as a permanently restricted fund.

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

z) Segmental analysis

No segmental analysis is provided in the financial statements as there are no meaningful operating segments for which bottom line accountability rests with chief operating decision makers; this is with reference to the University's core activities of teaching and research where there is considerable overlap, the organisation of and accountability for its faculty operations, and its geographical activities (international academic partnerships).

2. Tuition fees and education contracts

	Group		University	
	2020 £'000	2019 £'000	2020 £'000	2019 £'000
Full-time home and EU students	105,281	96,557	105,281	96,557
Part-time home and EU students	5,383	6,570	5,383	6,570
Overseas students	38,943	32,221	38,943	32,221
	149,607	135,348	149,607	135,348
Health Service contract	2,453	7,875	2,453	7,875
	152,060	143,223	152,060	143,223

3. Funding body grants

OfS:-				
Recurrent grant	10,020	11,388	10,020	11,388
Specific grants	3,789	3,460	3,789	3,460
Reimbursement of inherited liabilities	350	305	350	305
Deferred grant income	1,001	1,036	1,001	1,036
Research England:-				
Recurrent grants	4,153	3,297	4,153	3,297
Specific grants	437	425	437	425
Department for Education:-				
Recurrent grant	198	173	198	173
	19,948	20,084	19,948	20,084

4. Research grants and contracts

Research Councils	4,483	2,026	4,483	2,026
UK charities	394	579	394	579
UK government and health authorities	882	735	882	735
UK other	1,048	872	1,031	784
European Commission	1,681	1,412	1,681	1,412
EU charities	26	11	24	11
EU other	311	1,215	309	1,150
Non-EU charities	3,680	6,331	3,606	6,331
Non-EU other	745	890	745	866
	13,250	14,071	13,155	13,894

The source of grant and fee income, included in notes 2 to 4 is as below and follows the OfS defined categories:

	Group		University	
	2020	2019	2020	2019
	£'000	£'000	£'000	£'000
Grant and Fee income				
Grant income from the OfS	15,160	16,189	15,160	16,189
Grant income from other bodies	9,271	5,921	9,271	5,921
Fee income for taught award	140,417	125,560	140,417	125,560
Fee income for research awards	1,314	1,427	1,314	1,427
Fee income from non-qualifying courses	10,329	16,236	10,329	16,236
Total grant and fee income	176,491	165,333	176,491	165,333

5. Other income

Student residences and catering	17,417	19,878	17,164	19,523
Other revenue grants	7,518	7,164	6,313	5,717
Other income	4,072	4,734	2,911	3,581
	29,007	31,776	26,388	28,821

6. Investment income

Return on endowment funds	7	17	7	17
Other investment income	493	567	524	602
	500	584	531	619

7. Donations and endowments

Donations with restrictions	154	124	1,578	1,074
	154	124	1,578	1,074

Group		University	
2020 £'000	2019 £'000	2020 £'000	2019 £'000

8. Staff costs

(i) Staff Costs

Salaries	79,235	76,639	78,649	75,811
Social Security costs	8,423	8,050	8,361	7,955
Pension costs	21,051	18,368	20,972	18,248
	<u>108,709</u>	<u>103,057</u>	<u>107,982</u>	<u>102,014</u>

Average staff numbers by major category:-

	No.	No.	No.	No.
Academic and research	1,052	1,037	1,040	1,020
Administrative & technical support	1,124	1,117	1,118	1,111
Premises	20	28	20	28
Student residences	14	18	13	17
	<u>2,210</u>	<u>2,200</u>	<u>2,191</u>	<u>2,176</u>

Staff numbers are calculated as an average full time equivalent and pro-rated by the proportion of the relevant year worked.

Remuneration of higher paid staff, excluding employer's pension contributions were:-

	2020 No.	2019 No.
£100,000 - £104,999	2	5
£105,000 - £109,999	2	1
£110,000 - £114,999	1	-
£115,000 - £119,999	1	1
£120,000 - £124,999	-	2
£125,000 - £129,999	2	2
£130,000 - £134,999	3	2
£145,000 - £149,999	-	1
£150,000 - £154,999	1	1
£245,000 - £249,999	-	1

The emoluments of the highest paid director (Vice-Chancellor) were:

Professor David Maguire (from 01 August 2019 to 31 December 2019):

	2020 £'000	2019 £'000
Salary	102	246
Taxable benefit	-	-
	102	246
Employers pension contribution	-	-
	102	246

Professor Jane Harrington (from 01 December 2019 to 31 July 2020):

Salary	159	-
Taxable benefit	1	-
	160	-
Employers pension contribution	38	-
	198	-

The Vice Chancellor's basic salary is 6.16 times the median pay of staff, where the median pay is calculated on a full-time equivalent basis for the salaries paid by the University to its staff. The equivalent multiple for the outgoing Vice Chancellor, David Maguire, was 6.28 (2019: 6.35).

The Vice Chancellor's total remuneration is 6.65 times the median total remuneration of staff, where the median total remuneration is calculated on a full-time equivalent basis for the total remuneration by the University to its staff. The equivalent multiple for the outgoing Vice Chancellor, David Maguire, was 5.46 (2019: 5.57). The outgoing Vice Chancellor was not in receipt of pension contributions, explaining the lower total remuneration.

The pay multiples have been prepared under the OfS Regulatory advice 9: Accounts direction for accounting periods beginning before 1 August 2019, which states that all staff should be included in the calculation who are required to be in real-time reporting to HMRC. The comparatives for David Maguire have been restated accordingly. The new method removes the requirement to include agency staff.

The University's operating context and performance in 2019/20 are described in detail in the strategic report. Senior staff remuneration is set in the context of an institution which is one of the largest higher education providers in London, with an annual turnover of £214.9m, over 36,000 students (including students in UK and international partnerships) and over 2,000 staff, with activities across three campuses in London and Kent. Like other modern universities, the University operates in a highly competitive student recruitment environment. Major risks include the risks to revenue and health and safety presented by the Covid-19 pandemic, Brexit, increasing competition for student numbers, international partnerships and pension scheme deficits. Significant achievements during the year included meeting student recruitment targets in autumn 2019, the implementation of a major integrated facilities management (FM) contract, planning for and starting the redevelopment of the Avery Hill campus, the rapid and successful move of teaching and other services online in March 2020 in response to the Covid-19 pandemic, and planning for the resumption of on-campus teaching in a Covid-secure way in autumn 2020. Despite the challenges, the University achieved a group surplus of £6.6m (3.1% of total income) for the year, which will be reinvested to support the University's activities.

During the year the University completed the recruitment of a new Vice-Chancellor, with Professor Jane Harrington (referred to in this report as the 'incoming Vice-Chancellor') commencing as Vice-Chancellor and accountable officer on 1 December 2019 following a recruitment process which included extensive engagement with staff and students. The previous Vice-Chancellor, Professor David Maguire (referred to in this report as the 'outgoing Vice-Chancellor') ceased to be employed by the University on 31 December 2019.

The remuneration for 2019/20 of the incoming Vice-Chancellor, Professor Jane Harrington was agreed by the University's Remuneration Committee as part of the recruitment process. The Committee also decided that the remuneration of the outgoing Vice-Chancellor, Professor David Maguire, should remain unchanged in light of his pending retirement in December 2019.

In light of the outgoing Vice-Chancellor, Professor David Maguire's impending retirement, it was decided that his remuneration should remain unchanged. The Vice-Chancellor's remuneration in 2019/20 is disclosed in these financial statements in accordance with the Office for Students' Accounts Direction.

The Committee considers the remuneration of the incoming and outgoing Vice-Chancellors for 2019/20 to be fair, appropriate and justifiable, given the University's operating context and performance in 2019/20 outlined earlier in this annual report and statement.

Further information about decisions made in relation to senior staff remuneration in 2019/20 is provided in the Remuneration Committee's 2019/20 Remuneration Annual Report and Statement, (<https://www.gre.ac.uk/hr/pay-and-pensions>).

(ii) Governors (excluding Vice-Chancellor)

No Governors received remuneration from the University in the year for serving in their capacity as Governors. Total expenses paid on behalf of three Governors, (2019: none) was £494 (2019: £nil) in their capacity as Governors.

The University operates interest-free loan schemes, available to all employees, for the purchase of travel season tickets and computers. No loans were made to Governors during the course of the year (2019: None).

(iii) Key management personnel

Key management personnel are those members of the executive having authority and responsibility for planning, directing and controlling the activities of the University.

Key management personnel of the University are members of the Vice-Chancellors Group comprising the Vice-Chancellor, Deputy Vice-Chancellors, Pro Vice-Chancellors, Chief Operating Officer, Chief Financial Officer, University Secretary and Director of Human Resources. There were 11.17 (2019: 11.42) full time equivalent key management personnel in the year. Their remuneration including employer national insurance and superannuation costs is included in Staff Costs (note 8), with overall costs as follows:

	2020	2019
	£'000	£'000
Key management personnel remuneration	<u>2,003</u>	<u>1,949</u>

9. Severance Costs

	Group		University	
	2020	2019	2020	2019
	£'000	£'000	£'000	£'000
Severance costs	830	752	830	752
	<u>830</u>	<u>752</u>	<u>830</u>	<u>752</u>

Severance terms were agreed with 51 former staff members in the year, (2019: 43).

10. Access and Participation Expenditure

The total costs associated with the University's Access and Participation Plan (APP) are listed:

	Group 2020 £'000	University 2020 £'000
Access and Participation		
Access Investment	1,647	1,647
Financial Support	1,194	1,194
Disability Support	682	682
Research and Evaluation	153	153
	<u>3,676</u>	<u>3,676</u>

Of this expenditure £2.043m relates to staff costs and is included within note 8. The staff time is an apportionment based upon time spent on the various APP interventions. The remaining costs are included within other operating expenditure in note 11.

2019/20 is the first year of disclosure and there is no requirement to include comparatives for 31 July 2019. The disclosure applies to OfS regulated institutions only with an APP. The University of Greenwich 2019/20 APP can be found at the following link –

<https://docs.gre.ac.uk/rep/communications-and-recruitment/access-agreements>

11. Other operating expenses

Surplus before other gains is stated after charging:

	Group		University	
	2020 £'000	2019 £'000	2020 £'000	2019 £'000
Fees to other colleges	6,957	6,663	6,957	6,663
Student recruitment	8,529	5,691	8,529	5,691
Books and periodicals	1,484	2,061	1,483	2,060
Consumables and laboratory expenditure	1,833	2,438	1,699	2,348
Computers, software and IT maintenance	3,647	4,889	3,628	4,872
Bursaries and scholarships	4,333	4,738	4,317	4,723
Students union subvention grant	1,977	1,873	1,977	1,873
Residence, catering and conferences	11,005	11,747	9,133	10,051
Accommodation fees waived	3,246	-	3,246	-
Rents, service charges, rates and insurance	3,621	3,634	3,621	3,634
Electricity, gas and water	2,848	3,225	2,848	3,225
Building maintenance and repair	5,440	4,147	5,417	4,694
Security	2,389	2,368	2,387	2,363
Cleaning, caretaking and waste management	2,319	2,557	2,319	2,556
Publicity and advertising	1,644	1,776	1,636	1,770
Research and consultancy	3,349	2,053	3,349	2,071
Subcontractors' fees and expenses	4,457	5,940	4,457	5,940
Printed communication	676	769	676	764
Telephone and other communication costs	391	364	391	364
Legal and professional fees	901	1,667	901	1,656
Non-contracted and agency staff	2,814	2,793	2,809	2,786
Staff recruitment	345	532	345	532
Consultancy fees	1,362	1,951	1,307	1,872
Staff development	543	889	539	883
Subscriptions	1,161	1,458	1,155	1,446
Travel and subsistence	1,206	1,983	1,164	1,915
Transportation	1,541	1,278	1,541	1,277
Furniture and equipment	481	798	481	795
Impairment in fair value of property	2,970	-	3,296	-
Pension increase payment	340	104	340	104
Other expenses	186	1,085	314	983
	83,995	81,471	82,262	79,911

Group other operating expenses are stated after charging:-

Auditors remuneration	- fees payable to the external auditors for:		
	- the audit of the University and Group financial statements	122	94
	- the audit of the University's subsidiaries	22	22
	- the audit of the financial statements of University's subsidiaries on acquisition	-	15
	- audit-related assurance services	21	19
Non external audit	- fees payable to internal auditors	105	112
	- fees payable to other accounting firms	14	36
Rentals under operating leases	- equipment and vehicles	472	451
	- property: campuses	1,747	1,747
	- property: student residences	1,064	1,053

Group		University	
2020	2019	2020	2019
£'000	£'000	£'000	£'000

12. Interest and other finance costs

Loan interest	865	937	865	937
Service concession finance charge	4,470	4,523	5,163	5,327
Exchange differences	30	(14)	30	(14)
Net interest cost	2,269	2,489	2,269	2,489
	<u>7,634</u>	<u>7,935</u>	<u>8,327</u>	<u>8,739</u>

13. Intangible Assets (Group and University)

	Software £'000
Cost or Valuation	
At 1 August 2019	-
Additions	1,399
At 31 July 2020	<u>1,399</u>
Accumulated Amortisation	
At 1 August 2019	-
Charge for year	(29)
At 31 July 2020	<u>(29)</u>
Net Book Value 31 July 2020	<u>1,370</u>
Net Book Value 31 July 2019	-

14. Tangible Assets

(a) Group

	Freehold £'000	Lease- hold £'000	Service Concess- ions £'000	Equip- ment £'000	Vehicles £'000	Total £'000
Cost or Valuation						
At 1 August 2019	160,751	141,850	68,271	25,621	576	397,069
Additions	9,568	2,608	-	2,006	-	14,182
Impairment in fair value	-	(2,970)	-	-	-	(2,970)
Disposals	-	-	-	-	-	-
At 31 July 2020	170,319	141,488	68,271	27,627	576	408,281
Accumulated Depreciation						
At 1 August 2019	(29,634)	(40,093)	(16,569)	(23,863)	(449)	(110,608)
Disposals	-	-	-	-	-	-
Charge for year	(1,483)	(3,008)	(1,381)	(1,164)	(39)	(7,075)
At 31 July 2020	(31,117)	(43,101)	(17,950)	(25,027)	(488)	(117,683)
Net Book Value						
At 31 July 2020	139,202	98,387	50,321	2,600	88	290,598
At 31 July 2019	131,117	101,757	51,702	1,758	127	286,461

(b) University

Cost or Valuation						
At 1 August 2019	160,751	120,347	68,271	25,272	576	375,217
Additions	9,568	2,608	-	2,006	-	14,182
Disposals	-	-	-	-	-	-
At 31 July 2020	170,319	122,955	68,271	27,278	576	389,399
Accumulated Depreciation						
At 1 August 2019	(29,634)	(39,926)	(16,569)	(23,514)	(449)	(110,092)
Disposals	-	-	-	-	-	-
Charge for year	(1,483)	(2,841)	(1,381)	(1,164)	(39)	(6,908)
At 31 July 2020	(31,117)	(42,767)	(17,950)	(24,678)	(488)	(117,000)
Net Book Value						
At 31 July 2020	139,202	80,188	50,321	2,600	88	272,399
At 31 July 2019	131,117	80,421	51,702	1,758	127	265,125

University and Group freehold tangible fixed assets contains £3.3m relating to Mansion Site and Winter Gardens which are assets held for sale. Terms have been agreed with a buyer to sell Mansion Site, with the anticipated completion date being before 31 July 2021. This will be accounted for in the 31 July 2021 financial statements subject to successful completion of the sale. Contingent on the sale, the University has also have agreed terms to dispose of the Winter Gardens, buildings and land to the Royal Borough of Greenwich along with a payment of £4.75m.

Under FRS 102 transitional arrangements, the University opted to revalue its freehold land at 1 August 2014 (other than the Mansion Site which is in the process of disposal). This resulted in a valuation of £54.9m, £40.8m higher than the book value of £14.1m. This valuation was treated as deemed cost at 1 August 2014. Freehold land with a book value of £57.3m is not depreciated.

The University has a 30 year bond (£25.5m in issue). Under its terms there is a fixed charge on specific assets and a floating charge on all other assets, other than those that are not capable of

being charged under the conditions of relevant leases on service concessions. There is a negative pledge over other assets, preventing the creation of any security interests over these assets.

15. Service concessions

Service concessions (previously Private Finance Initiative (PFI) schemes) are arrangements under which an entity (the Concession Operator), by contract with a Concession Provider (usually the Government), receives a right and incurs an obligation to provide public services. The service concession arrangement often gives the Concession Operator the right to use specified tangible assets, intangible assets, and/or financial assets, in exchange for the Concession Operator committing to provide the services according to certain terms and conditions during the concession period and, when applicable, committing to return at the end of the concession period the rights received at the beginning of the concession period and/or acquired during the concession period. Service concession arrangements within the Higher Education sector are typically student residences.

The University has three service concessions reflected on its Balance Sheet: Avery Hill Student Village (through its subsidiary company Greenwich Property Limited) for the construction of 662 en-suite student bedrooms and the provision of facilities management services for 30 years from 1996; Daniel Defoe Halls, a 358 en-suite student residence opened in 2014 with provision of facilities management services for 35 years and Cutty Sark Halls, a 45 year concession for a 231 en-suite student residence which excludes facilities management services. The assets and liabilities of the schemes are recognised in the Group's balance sheet.

Movement in service concession assets and liabilities:-

The asset value of the service concessions included in the Balance Sheet as at 31 July 2020 is £50.3m (2019: £51.7m). The movement is due to depreciation of £1.4m (2019: £1.4m).

The total liabilities relating to service concessions included in the Balance Sheet as at 31 July 2020 is £65.2m (2019: £66.1m). The movement is due to interest in the year of £4.5m (2019: £4.5m), less repayments of £5.4m (2019: £5.2m).

Future commitments:-

The future commitments on service concessions are as follows:

	Payable in 1 year £'000	Payable in 2-5 years £'000	More than 5 years £'000	Total £'000
Liability repayments	4,099	7,854	53,209	65,162
Finance charge	1,397	15,208	64,930	81,535
	5,496	23,062	118,139	146,697

16. Investments

(i) Investments :-

	Group		University	
	2020 £'000	2019 £'000	2020 £'000	2019 £'000
Shares in CVCP Properties Plc	38	38	38	38
	38	38	38	38

CVCP Properties Plc was formed in June 1995 to fund the acquisition and refurbishment of new offices for Universities UK (UUK). All UK HE institutions were required to subscribe for ordinary shares in the company in proportion to an agreed subscription formula. On this basis the University of Greenwich acquired 37,714 (0.9%) of the ordinary shares of the company.

(ii) **Investment in subsidiary companies:-**

	University	
	2020	2019
	£	£
Investment in subsidiaries at cost less impairment loss		
Greenwich University Enterprises Limited	2	2
Greenwich Property Limited	2	2
GDCC Newco ("G") Limited	18,200,000	21,495,857
	18,200,004	21,495,861

Greenwich University Enterprises Limited

The University holds 100% of the issued share capital (£1 Ordinary Shares) of Greenwich University Enterprises Limited incorporated in the UK (registered office address is that of the University) and whose principal activities are the provision of consultancy services, analytical testing, events/short lets and software sales. The results for the year ended 31 July 2020 are consolidated in these financial statements with those of the University. Greenwich University Enterprises Limited has an equity shareholding in the following company:-

- 19,999 ordinary shares (7.9%) in Carbon8 Systems Limited.
- 1 preference share (10%) in Carbon8 Systems Limited.

Greenwich Property Limited

The University holds 100% of the issued share capital (£1 Ordinary Shares) of Greenwich Property Limited, a company registered in England and operating in the UK (registered office address is that of the University). Its principal activity is to facilitate the provision of student accommodation for the benefit of the University's students. The results for the year ended 31 July 2020 are consolidated in these financial statements with those of the University.

GDCC Newco ("G") Limited

On 14 August 2018, the University of Greenwich acquired 100% of the issued shares (both £1 ordinary and £1 deferred shares) in GDCC Newco ("G") Limited for a consideration of £21,502,875, paid out of the University's own cash reserves. The sole asset of GDCC Newco ("G") Limited is its 100% shareholding (£1 ordinary shares) in Greenwich Devonport Conference Centre Limited, whose major business activity is its ownership of a lease on a property that is subleased to One Space Venues (previously De Vere Venues). The lease owned is a lease from the University of Greenwich and runs to 2032 but can be extended at the option of Greenwich Devonport Conference Centre Limited every five years until 2148. The results for the year to 31 July 2020 are consolidated in these financial statements with those of the University. Both GDCC Newco ("G") Limited's and Greenwich Devonport Conference Centre Limited's registered office address is that of the University. During the year ended 31 July 2020 an impairment loss was recognised in respect of GDCC Newco ("G") Limited of £3.3m (University only) which is on the basis of expected future cashflows. The impairment reflects the uncertainty in the hotel and conferencing industry. The valuation was carried out by an independent professional surveyor.

17. Stock

	Group		University	
	2020	2019	2020	2019
	£'000	£'000	£'000	£'000
Catering consumables	40	64	40	64

	Group		University	
	2020 £'000	2019 £'000	2020 £'000	2019 £'000
18. Trade and other receivables				
<i>Due within one year</i>				
Trade receivables	7,578	8,993	7,447	8,474
Research grants receivables	2,186	2,702	2,186	2,702
Amounts due from group undertakings	-	-	157	140
Other receivables	331	530	149	278
Prepayments and accrued income	2,862	2,864	2,848	2,833
Amounts due from OfS/DfE	206	105	206	105
	13,163	15,194	12,993	14,532
<i>Due in more than one year</i>				
Amounts due from group undertakings	-	-	4,393	5,138
	13,163	15,194	17,386	19,670

Trade receivables are net of bad debt provisions to the value of £5.4m (2019: £5.1m). The amounts due from group undertakings are unsecured and interest bearing at rates up to 3%.

19. Investments

Equities and investment funds	9,310	9,757	9,310	9,757
Charities Official Investment Fund shares	100	98	100	98
Debt service reserve (bond)	2,412	2,412	2,412	2,412
Short term deposits	12,716	12,674	12,716	12,674
	24,538	24,941	24,538	24,941

The market value of listed equities and investment funds at 31 July 2020 was £9.310m (2019: £9.757m).

Deposits are held with UK banks regulated by the Financial Conduct Authority with more than three months maturity at the balance sheet date. The interest rates for deposits are fixed for the duration of the deposit at time of placement.

At 31 July 2020 the weighted average interest rate of fixed rate deposits was 0.26% (2019: 0.81%) per annum and the remaining weighted average period for which the interest rate is fixed on these deposits was 93 days (2019: 92 days). The fair value of these deposits was not materially different from the book value.

	Group		University	
	2020	2019	2020	2019
	£'000	£'000	£'000	£'000

20. Creditors: Amounts falling due within one year

Secured loan - Bond	1,262	1,186	1,262	1,186
Service concession arrangements - note 15	4,098	3,719	2,842	2,615
Trade payables	5,896	8,960	5,886	8,950
Amounts due to group undertakings	-	-	3,952	3,439
Social security and other taxation payable	2,918	2,259	2,918	2,207
Other creditors	7,640	7,791	7,588	7,764
Accrued expenditure	10,126	12,082	10,070	12,031
Deferred income	23,602	24,647	23,168	23,776
	55,542	60,644	57,686	61,968

Deferred income of £23.6m (2019: £24.6m) relates to revenues that have specific performance related conditions that will be met in future accounting periods. Amounts due to group undertakings is unsecured, repayable on demand and interest bearing at rates up to 3%.

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

Deferred income	26,952	27,975	26,952	27,975
Service concessions - note 15	61,064	62,334	51,951	51,965
<u>Loans</u>				
Secured loan - Bond	11,440	12,703	11,440	12,703
Unsecured loan - Greenwich Property Ltd	-	-	17,216	19,914
	99,456	103,012	107,559	112,557

Deferred income of £26.9m (2019: £28.0m) relates to revenues that have specific performance related conditions that will be met in future accounting periods.

Loans - analysis of repayments:-

Repayable between one and two years

Secured loan - Bond	1,343	1,262	1,343	1,262
Unsecured loan - Greenwich Property Ltd	-	-	2,920	2,698
	1,343	1,262	4,263	3,960

Repayable between two and five years

Secured loan - Bond	4,575	4,297	4,575	4,297
Unsecured loan - Greenwich Property Ltd	-	-	10,287	9,503
	4,575	4,297	14,862	13,800

Repayable after five years

Secured loan - Bond	5,522	7,144	5,522	7,144
Unsecured loan - Greenwich Property Ltd	-	-	4,009	7,713
	5,522	7,144	9,531	14,857
	11,440	12,703	28,656	32,617

Secured loan - Bond

On 14 October 1998, the University issued a 30 year £30m Guaranteed Secured Bond (coupon rate 6.36%), of which £4.5m was repurchased and cancelled on 12 January 2010. The effective interest rate for the issue was 6.97%, after account was taken of issue and guarantee costs. The bonds are quoted on the Luxembourg Stock Exchange.

When issued, AMBAC Assurance UK Limited (formerly Ambac Insurance UK Limited) (AMBAC) guaranteed re-payments of interest and principal, for which guarantee the University paid a premium. The University is required to maintain a debt service reserve comprising cash, on six-month deposit with a bank, sufficient to meet two bond repayment instalments (see note 19). Payments are semi-annual on 31 January and 31 July.

On 13 June 2019 an extraordinary resolution was passed to release AMBAC from its obligations pursuant to the financial guarantee insurance policy dated 14 October 1998 and endorsement issued thereto by AMBAC in respect of the bond and to remove AMBAC as Controlling Party in respect of the bond.

The bond is secured by a fixed charge over certain properties, and a first floating charge over all of the University's assets, other than those not capable of being so charged by the conditions under relevant leases and service concessions. There is a negative pledge over other assets.

In line with the requirements of Section 11 of FRS 102 (Basic Financial Instruments), the outstanding value of the bond is stated in these financial statements at amortised cost using the effective interest rate method. At 31 July 2020, the market price of the bond as quoted on the Luxembourg Stock Exchange was £118.63 per £100 unit (2019: £118.11 per £100 unit).

Unsecured loan – Greenwich Property Limited

The loan is unsecured, bears interest at 8% and is repayable in equal instalments.

22. Pension provisions (Group and University)

	Defined Benefit Scheme (note 28) £'000	USS Pension Deficit £'000	Teachers Pension - Enhanced Pensions £'000	Total £'000
Deficit at 1 August 2019	110,667	705	5,535	116,907
Movement on liability due to service in the period	5,305	-	-	5,305
Admin cost	274	-	-	274
Net interest cost	2,258	11	-	2,269
Payments in year	-	-	(232)	(232)
Revaluation of enhanced pension liability	-	-	244	244
Actuarial loss	19,200	-	-	19,200
Decrease in provision	-	(443)	-	(443)
At 31st July 2020	<u>137,704</u>	<u>273</u>	<u>5,547</u>	<u>143,524</u>

The enhanced pension provision of £5.5m is in respect of enhanced superannuation entitlements of former employees whose services were severed under a voluntary severance arrangement available at the relevant time. This provision was revalued during the year using actuarial tables from the Government Actuary's Department. The net interest rate used was 0.0% (2019: 0.0%) which meant no interest costs arose. The deficit in the year increased slightly (2019: £0.2m decrease).

More information on contributions to pension funds can be found in note 28.

	Group		University	
	2020 £'000	2019 £'000	2020 £'000	2019 £'000
23. Other provisions				
Balances at 1 August	1,758	2,002	1,753	1,977
Provided in year	638	-	639	-
Utilised in year	(125)	(244)	(121)	(224)
At 31st July	2,271	1,758	2,271	1,753

Other provisions relate to a provision for salaries, a dilapidation provision to bring part of the Mansion Site, currently earmarked for disposal (note 14), to the standard required by a restrictive covenant, and provisions for future losses on various onerous research contracts arising from the increase in 2019 in employer contributions to the Teachers' Pension Scheme.

24. Endowment Reserve (Group and University)

	Restricted Permanent £'000	Restricted Expendable £'000	2020 Total £'000	2019 Total £'000
Balances at 1 August 2019				
Capital	316	56	372	364
Accumulated income	180	512	692	703
	496	568	1,064	1,067
New endowments	-	-	-	-
Investment income	5	2	7	17
Expenditure	(5)	(5)	(10)	(28)
	-	(3)	(3)	(11)
Increase in market value	2	-	2	8
At 31st July 2020	498	565	1,063	1,064
Represented by:				
Capital	318	56	374	372
Accumulated income	180	509	689	692
	498	565	1,063	1,064
Analysis by purpose:				
Scholarships and bursaries	466	403	869	870
Prize funds	31	21	52	53
General	142	-	142	141
	639	424	1,063	1,064
Analysis by asset:				
Charities Official Investment Fund shares			100	98
Cash and short term deposits			963	966
			1,063	1,064

	Group		University	
	2020 £'000	2019 £'000	2020 £'000	2019 £'000
25. Restricted reserve (Group and University)				
Balances at 1 August	408	381	408	381
New donations	154	124	154	124
Other income	80	85	80	85
Expenditure	(278)	(182)	(278)	(182)
At 31st July	364	408	364	408

26. Cash and cash equivalents

	1 August 2019 £'000	Cash Flows £'000	Non-cash changes £'000	31 July 2020 £'000
Group	60,343	2,426	(157)	62,612
University	59,669	2,896	(157)	62,408

27. Lease obligations

	Group		University	
	2020 £'000	2019 £'000	2020 £'000	2019 £'000
Operating lease obligations:-				
<i>Leasehold properties</i>				
Future minimum lease payments due:				
Payable within one year	2,811	2,800	2,811	2,800
Payable between two and five years	10,838	10,897	10,838	10,897
Payable after five years	216,233	218,793	216,233	218,793
	229,882	232,490	229,882	232,490
<i>Equipment</i>				
Future minimum lease payments due:				
Payable within one year	247	141	247	141
Payable between two and five years	741	197	741	197
	988	338	988	338

Leasehold properties held under operating leases pertain to 30 year leases for two student residences at Medway, and a 150 year lease for the Greenwich campus.

28. Contributions to pension funds

The University participates in four active pensions schemes: the Teachers' Pension Scheme (TPS), the London Pension Fund Authority (LPFA), Universities Superannuation Scheme (USS) and the National Employee Savings Trust (NEST). The employers' contribution rates are reviewed periodically based on actuarial valuations.

Teachers' Pension Scheme

The Teachers' Pension Scheme (TPS) provides pensions to teachers who have worked in schools and other establishments in England and Wales. The Scheme is an unfunded statutory public service pension scheme with the benefits underwritten by the Government. It is a multi-employer defined benefits scheme and it is not possible or appropriate to identify the liabilities of the TPS, which are attributable to the University. As required by FRS 102, the University accounts for the scheme on a defined contribution basis. The Scheme is financed by payments from the employer and from those current employees who are members of the Scheme, who pay contributions at different rates, which depend on their salaries. The rate of employer contributions is typically set following an actuarial valuation.

The most recent valuation of the Scheme took place at 31 March 2016. The report revealed total Scheme liabilities for service to the valuation date of £218.1bn and notional assets of £196.1bn, giving a notional past service deficit of £22.0bn. Based on the detailed valuation analysis, the employer contribution rate was increased from 1 September 2019 to 23.68% of pensionable pay (including the 0.08% administration levy).

A new scheme ("the 2015 Scheme") was introduced 1 April 2015 under separate regulations. Most existing Scheme members transferred to the 2015 Scheme on this date. Under transitional arrangements aimed at providing protection for those nearest retirement age, some older members will continue in the existing scheme until they leave due to retirement or otherwise, while others will transfer to the new Scheme at a later date.

The existing TPS is currently a final salary scheme with two main sections (the normal pension age NPA 60 and NPA 65 sections). The NPA 60 section has an accrual rate of 1/80 (with an automatic lump sum of three times the accrued pension). The NPA 65 section has an accrual rate of 1/60 (with lump sum by commutation only). The 2015 Scheme is a career average scheme with NPA equal to State Pension Age, an accrual rate of 1/57, and revaluation of CPI+1.6% a year while in service and CPI out of service. Member contribution rates are tiered in relation to members' salaries and the same rates and tiers will apply under both the final salary and career average schemes.

London Pension Fund Authority (LPFA)

The LPFA Scheme falls within the Local Government Pension Scheme regulations. It provides superannuation benefits for administration and technical staff.

The most recent actuarial valuation of the Scheme took place as at 31 March 2019. The market asset valuation of the fund as at 31 March 2019 was £6,053m.

The main actuarial assumptions used in the 2019 valuation were:

Consumer Price Inflation (CPI)	2.6% p.a.
Discount Rate	1.7% - 5.7% p.a.
Annual rate of pay increases	3.6% p.a.

On 1 April 2014 The Local Government Pension Scheme Regulations 2013 and the Local Government Pension Scheme (Transitional Provisions and Savings) Regulations 2014 came into effect. The benefits for service from 1 April 2014 are based on the Local Government Pension Scheme Regulations 2013. The main changes were to move from a final salary pension scheme based on 60ths accrual and a retirement age of 65 to a career average revalued earnings pension scheme based on 49ths accrual and a retirement age equal to State Pension Age. The Local Government Pension Scheme (Transitional Provisions and Savings) Regulations 2014 serve the dual propose of retaining the previous benefit structure for service up to 31 March 2014 and introducing new protections for members close to retirement to ensure that they are not disadvantaged by the benefit changes. These provisions have since been challenged by the McCloud pension ruling, which is discussed in more detail below.

As of 01 April 2020 the University's contribution rate has been assessed at 16.3% plus an additional lump sum payment of £1.284m p.a. for past service costs. This had previously been 14% and £2.125m.

Pension costs are charged to the Statement of Comprehensive Income and Expenditure in the year to which the salaries on which they are payable relate. Other creditors include £590,484 (2019: £729,283) payable to the LPFA in respect of the University's pension contributions on July 2020 salaries.

The following disclosures in relation to LPFA are a requirement of FRS 102.

FRS 102 assumptions as at:-	31 July 2020	31 July 2019	31 July 2018
	Nominal % pa	Nominal % pa	Nominal % pa
RPI increases	3.05%	3.40%	3.35%
CPI increases	1.95%	2.30%	2.25%
Salary increases	2.00%	3.30%	3.25%
Pension increases	1.95%	2.30%	2.25%
Discount rate	1.50%	2.10%	2.65%

The FRS 102 actuarial calculations are based on the following assumptions:

- Members will exchange half of their commutable pension for cash at retirement;
- Members will retire at one retirement age for all tranches of benefit, which will be the pension weighted average tranche retirement age; and
- The proportion of the membership that had taken up the 50:50 option at the previous valuation date will remain the same.

In calculating the scheme assets and liabilities, the fund's actuaries made a number of assumptions on events and circumstances in the future. These assumptions represent the best estimate of expected outcomes but it is possible that actual outcomes will differ from those included in the accounts. Any differences between expected and actual outcomes are reported through the Statement of Comprehensive Income and Expenditure.

The pension charge for the year includes an amount in respect of enhanced pension entitlements of staff taking early retirement under voluntary severance arrangements. Provision was made for the cost of early retirement, based on the total capital cost of providing enhanced pensions with allowance for future investment returns at 0.5% in excess of price inflation.

McCloud/Sargeant judgement:

Analysis provided by the Government Actuary's Department (GAD) has been used to estimate the possible impact on the ruling on the University. GAD estimated that the past service liability would be 3.2% of liabilities for active members at 31 March 2019 based on a salary increase assumption of CPI + 1.5%. This has then been adjusted to take into account the University's salary growth assumptions and additional amounts earned up to 31 July 2019 and, also, to ignore members who joined the scheme after the revisions were made to the scheme. These adjustments mean that the impact on the University's liabilities is 1.2% of liabilities for active members, which is around 0.5% of the University's total liabilities. These results have been rolled forward and remeasured to obtain the accounting results as 31 July 2020.

GAD analysis has also been used to compute the impact on service cost. GAD estimated that the impact on service cost to be 3% of payroll based on a salary increase assumption of CPI + 1.5%. Once adjusted to take account of the University's salary growth assumptions and to ignore members who joined the scheme after the revisions were made to the scheme, the impact is 0.7% of the University's payroll cost, equivalent to 1.9% of service cost

Mortality Assumptions:

The post retirement mortality is based on Club Vita analysis. These base tables are then projected using the CMI 2018 model, allowing for a long-term rate of improvement of 1.25% per annum, smoothing parameter of 7.0 and an initial addition to improvement of 0.5% p.a.

The assumed life expectations from age 65 are:

	<u>2020</u>		<u>2019</u>	
	<u>Males</u>	<u>Females</u>	<u>Males</u>	<u>Females</u>
Current Pensioners	21.3 years	24.0 years	20.6 years	23.6 years
Future Pensioners	22.7 years	25.5 years	22.4 years	25.5 years

The asset allocation for the University as at 31 July 2020 was as follows:

Asset Class	Fair Value at 31 July 2020 £'000	Fair Value at 31 July 2019 £'000
Equities	120,292	114,829
Target return portfolio	49,833	53,523
Cash	13,452	11,117
Property	20,304	19,199
Infrastructure	15,139	12,077
Total	219,020	210,745

The return on the fund (on a bid to bid value basis) for the year to 31 July 2021 is estimated to be 5% (2019: 10%). Based on the above, the University's share of the assets of the Fund is approximately 3.6% (2019: 3%).

<u>Analysis of the amount shown in the balance sheet</u>	2020 £'000	2019 £'000
Present value of defined benefit obligation	(356,421)	(321,088)
Fair value of Fund assets (bid value)	219,020	210,745
Deficit	(137,401)	(110,343)
Present value of unfunded obligations	(303)	(324)
Deficit in scheme - net pension liability	(137,704)	(110,667)

Analysis of the amount that is debited to finance costs

Interest cost	6,691	7,564
Expected return on employer assets	(4,433)	(5,082)
Net cost	2,258	2,482

<u>Analysis of the amount recognised in the Statement of Comprehensive Income and Expenditure</u>	2020 £'000	2019 £'000
Actual return less expected return on pension scheme deficits	6,777	13,869
Experience loss	(11,344)	(14)
Change in demographic assumptions	1,053	15,155
Changes in assumptions underlying the present value of the scheme liabilities	(12,298)	(34,682)
Other actuarial losses	(3,388)	-
Actuarial loss	(19,200)	(5,672)

Movement in deficit during the year

Deficit at beginning of the year	(110,667)	(96,793)
Current service cost	(11,888)	(9,905)
Employer contributions	6,910	6,517
Contributions in respect of unfunded benefits	33	33
Impact of settlements and curtailments	(360)	(458)
Past service cost - impact of McCloud pension ruling	-	(1,658)
Administration expenses	(274)	(249)
Net interest cost	(2,258)	(2,482)
Actuarial loss	(19,200)	(5,672)
Deficit at end of year (Note 22)	(137,704)	(110,667)

Analysis of the movement in the present value of the scheme liabilities

Opening defined benefit obligation	321,412	288,290
Current service cost	11,888	9,905
Interest cost	6,691	7,564
Contributions by members	2,247	2,114
Change in demographic assumptions	(1,053)	(15,155)
Change in financial assumptions	12,298	34,682
Experience loss on on defined benefit obligation	11,344	14
Losses on curtailments	360	458
Past service cost - impact of McCloud pension ruling	-	1,658
Unfunded benefits payments	(33)	(33)
Estimated benefits paid net of transfers in	(8,430)	(8,085)
Closing defined benefit obligation	356,724	321,412

Analysis of the movement in the market value of the scheme assets

Opening fair value of employer assets	210,745	191,497
Interest on assets	4,433	5,082
Return on assets less interest	6,777	13,869
Other actuarial losses	(3,388)	-
Administration expenses	(274)	(249)
Contributions by members	2,247	2,114
Contributions by the employer including unfunded	6,943	6,550
Estimated benefits paid plus unfunded net of transfers in	(8,463)	(8,118)
Closing fair value of employer assets	219,020	210,745

The Universities Superannuation Scheme

The University participates in the Universities Superannuation Scheme (USS), a hybrid pension scheme, providing defined benefits (for all members) as well as defined contribution benefits. The assets of the Scheme are held in a separate fund administered by the trustee, Universities Superannuation Scheme Limited. The Scheme's assets are not hypothecated to individual Universities and a scheme-wide contribution rate is set. The University is therefore exposed to actuarial risks associated with other Universities' employees and is unable to identify its share of the underlying assets and liabilities of the scheme on a consistent and reasonable basis and therefore, as required by FRS 102 Section 28, accounts for the scheme as if it were a defined contribution scheme.

Following the completion of the 2018 actuarial valuation, a new deficit recovery plan has been agreed. This amends the existing deficit recovery plan as set out in the 2017 valuation Schedule of Contributions. This new plan requires deficit payments of 2% of salaries from 1 October 2019 to 30 September 2021 and then payments of 6% of salaries from 1 October 2021 to 31 March 2028.

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

FRS 102 requires deficit recovery plans for multi-employer schemes such as USS to be recognised as a provision for a liability. The initial liability and any change are recognised in the Income Statement, recorded as a liability on the balance sheet and unwound over time as the liability is discharged. An amount of £273k is included within the University's pension provision (note 22) for USS and the increase in the provision for 2019/20 of £443k has been credited to Staff Costs (note 8).

The 2018 actuarial valuation was finalised after the year end which indicated a scheme shortfall of £3.6 billion.

The total pension contributions for the University and its subsidiaries were:-

	2020	2019
	£'000	£'000
TPS	9,259	6,161
USS	122	553
LPFA	11,647	11,637
NEST	23	17
Total pension costs (note 8)	21,051	18,368

29. Taxation

UK corporation tax:-

Greenwich University Enterprises Limited
Greenwich Property Limited
Greenwich Devonport Conference Centre Limited
GDCC Newco ("G") Limited

-	-
-	-
-	-
-	-
-	-

30. Contingent liabilities

The University of Greenwich will support Greenwich University Enterprises Limited, Greenwich Property Limited and Greenwich Devonport Conference Centre Limited by providing adequate financial assistance to enable each company to continue its business operations as a going concern for the foreseeable future. The University has also agreed to provide support to the Students' Union.

31. Post balance sheet events

Mansion Site:

Terms have been agreed to dispose of the Mansion Site (excluding the Winter Gardens, buildings and land), with the anticipated completion date being after 31 July 2020. This will be accounted for in the 2020/21 financial statements subject to successful completion of the sale. Principal terms have been agreed to dispose of the Winter Gardens, buildings and land to the Royal Borough of Greenwich, along with a payment to Royal Borough of Greenwich of £4.75m, which will also be accounted for in the 2020/21 financial statements, subject to successful completion of the sale.

The Mansion site's carrying value at 31 July 2020 is £3.3m

32. Related party transactions

(i) *Subsidiary companies*

Related party transactions between the University and its wholly owned subsidiaries are not disclosed in these financial statements under a specific exemption allowed by FRS 102 Section 33 (Related Party Disclosures).

(ii) *Other matters*

The president of the Students' Union, University of Greenwich is a member of the University's Governing Body. The University paid a subvention grant to the Students' Union of £1,349,732 in the year (2019: £1,281,690). Additionally, in 2019/20 the University contributed £152,057 to the Students Union for specific projects and initiatives. A letter of support is provided by the University of Greenwich to the Students' Union, University of Greenwich annually.

A register of Governors' interests is maintained by the University, and any transaction involving organisations in which a member of the Governing Body may have an interest is conducted at arm's length, and in accordance with the University's financial regulations and procedures.

33. Financial instruments - Group

(i) *Overview*

The Group's financial instruments comprise borrowings cash and liquid resources and trade creditors. The main risks arising from the Group's financial instruments, that the Governing Body has oversight of, are; liquidity risk, credit risk, interest rate risk and currency risk.

This note presents information about the Group's exposure to each of the above risks.

Categories of financial instruments	Group		University	
	2020 £'000	2019 £'000	2020 £'000	2019 £'000
<u>Financial assets</u>				
Equities and investment funds	9,310	9,757	9,310	9,757
Loans and receivables:				
Receivables (excludes prepayments)	10,301	12,330	9,988	11,559
Amounts owed by subsidiaries	-	-	4,393	5,138
Investments	15,228	15,184	15,228	15,184
Cash and cash equivalents	62,612	60,343	62,408	59,669
	97,451	97,614	101,327	101,307
<u>Financial liabilities</u>				
Trade & other payables (excludes deferred income)	16,454	19,010	16,392	18,921
Bond	12,702	13,889	12,702	13,889
Service concession arrangements	65,162	66,053	54,793	54,580
Loan - Greenwich Property Limited	-	-	17,216	19,914
	94,318	98,952	101,103	107,304

These financial assets and liabilities are all basic financial instruments in accordance with section 11 of FRS 102. They are measured at amortised cost with the exception of equities and investment funds which are measured at fair value through profit or loss.

(ii) Liquidity risk

Liquidity risk is the risk that the Group will be unable to meet its financial obligations as they fall due. This risk is managed by the application of measures set out in the University's Treasury Management Policy and by ensuring the timely recovery of funds owed to the Group, forecasting cash requirements and matching requirements to maturity dates of deposits.

Under the terms of the University's bond, the Group is required to maintain a ratio of current assets to current liabilities at not less than 1:1. It is also required to retain 12 months of bond servicing cost (currently £2.4m), in a charged account (see note 19) and to maintain a minimum cash balance (including fixed term and bank deposits) of the higher of £5m or 5% of the group's total expenditure.

The Group has no undrawn borrowing facilities.

The maturity profile of the Group's financial liabilities, stated at contractual maturity values including future interest where applicable, is as follows:

(iii) Credit risk

	<u>Trade & other payables</u> £'000	<u>Bond</u> £'000	<u>Service Concess- ions</u> £'000
<u>As at 31st July 2020</u>			
In one year or less or on demand	16,454	2,050	5,496
In more than one year but not more than two years	16,454	2,050	5,635
In more than two years but not more than five years	-	6,151	17,429
In more than five years	-	6,152	118,139
	<u>32,908</u>	<u>16,403</u>	<u>146,699</u>
<u>As at 31st July 2019</u>			
In one year or less or on demand	19,010	2,050	5,353
In more than one year but not more than two years	-	2,050	5,490
In more than two years but not more than five years	-	6,151	17,319
In more than five years	-	8,202	123,611
	<u>19,010</u>	<u>18,453</u>	<u>151,773</u>

Credit risk is the Group's exposure to financial loss if a customer or counterparty to a financial instrument fails to meet its contractual obligations. It arises principally on the University's receivables and its short-term investments.

The Group's short-term investments, bank balances, and trade debtors represent its maximum exposure to credit risk on its financial assets.

The credit risk on short-term investments and bank balances has increased in the current economic climate with many UK and European financial institutions downgraded by the major credit rating agencies. The Group manages this risk by its policy of agreed counterparty lists and minimum credit rating criteria for counterparty banks and deposit takers. Counterparties are approved by the Governing Body.

The credit risk for trade debtors (student and commercial debt) is assessed as medium/low. This risk is managed by the application of measures set out in the University's credit management policies, and the continuous assessment of the Group's aggregate exposure to non-payment of student and commercial debt. The amounts disclosed in the balance sheet are net of allowances for bad and doubtful debts, the latter informed by the quality of the debtor book.

The maturity of the Group's trade debtors, analysed by type and net of bad debt provision, is as follows:

	Total	0 to 6	7 to 12	More than
	£'000	Months	Months	1 Year
		£'000	£'000	£'000
As at 31st July 2020				
Accommodation	350	350	-	-
Commercial	5,155	5,040	115	-
Tuition	2,065	2,065	-	-
	7,570	7,455	115	-
As at 31st July 2019				
Accommodation	350	350	-	-
Commercial	6,623	6,623	-	-
Tuition	2,020	2,020	-	-
	8,993	8,993	-	-

(iv) Interest rate risk

Interest rate risk is the Group's exposure to higher debt servicing charges, and/or lower investment returns on changes in interest rates/yields.

The Group's borrowings are at fixed lending rates. The main financial liabilities relate to the University's 30 year bond (2028) and the financing of student residences and service concession arrangements.

The weighted average interest rate of the University's interest earning financial assets and interest bearing financial liabilities are as follows:-

	As at 31st July 2020				As at 31st July 2019		
	Total	£'000	Floating /fixed	Weighted interest rate	Total £'000	Floating /fixed	Weighted interest rate
<i>Financial assets:-</i>							
Equities and investment funds		9,310	-	-	9,757	-	-
Debt service reserve		2,412	Fixed	0.04%	2,412	Fixed	0.87%
Fixed term & notice bank deposits							
Sterling		12,716	Floating	0.39%	12,674	Floating	0.79%
		24,438			24,843		
	As at 31st July 2020				As at 31st July 2019		
	Total	£'000	Floating /fixed	Weighted interest rate	Total £'000	Floating /fixed	Weighted interest rate
<i>Financial liabilities:-</i>							
Bond		12,702	Fixed	6.97%	13,889	Fixed	6.97%
Avery Hill Student Village loan		10,369	Fixed	8.00%	11,473	Fixed	8.00%
		23,071			25,362		

(iv) Currency risk

Currency risk is the risk that currency rate fluctuations will adversely impact the Group's income or expenditure or the value of its financial instruments. The Group's currency risk policy is set out in the Currency Risk Management Policy which was approved by the Governing Body in November 2015. The main element of the policy is to recognise and manage the currency risk where currency fluctuations can have a material impact on the University's business.

The Group has research and consultancy contracts are denominated in foreign currencies. The Group's policy is to mitigate currency exposures on contracts by reviewing currency risk as part of its risk assessment on these contracts. Where appropriate a contingency is built into the contract price, and subcontracting is priced in the currency of the contract. All other turnover is denominated in sterling. The University did not enter into any hedging arrangements during the year.

The carrying amounts of the Group's foreign currency denominated financial assets and financial liabilities at the reporting date are as follows:

	Assets		Liabilities	
	2020 £'000	2019 £'000	2020 £'000	2019 £'000
Currency				
Sterling	89,319	91,822	94,318	98,952
EURO	4,408	2,006	-	-
US \$	3,724	3,641	-	-
Other	-	145	-	-
	97,451	97,614	94,318	98,952

The University did not enter into any hedging arrangements during the year.

(v) Fair values of financial instruments

Fair value is defined as the amount at which a financial instrument could be exchanged in an arm's length transaction between two informed and willing parties. The fair values of the Group's financial instruments are equal to book values except for the bond which is stated at amortised cost (see Note 21).


34. Capital commitments

Provision has not been made for the following capital commitments at 31 July 2020:

	Group		University	
	2020 £'000	2019 £'000	2020 £'000	2019 £'000
Commitments contracted	7,392	821	7,392	821
Commitments authorised but not contracted	75	3,811	75	3,811
	7,467	4,632	7,467	4,632

35. Reconciliation of net debt

	Group		University	
	2020 £'000	2019 £'000	2020 £'000	2019 £'000
Net debt balances at 01 August	19,599	43,826	28,714	53,914
Movement in cash and cash equivalents	(2,269)	(22,416)	(2,739)	(21,861)
Loans and service concession balances repaid	(2,078)	(1,811)	(3,672)	(3,339)
Net debt balances at 31 July	15,252	19,599	22,303	28,714
Change in net debt	(4,347)	(24,227)	(6,411)	(25,200)
<u>Analysis of net debt:</u>				
Cash and cash equivalents	62,612	60,343	62,408	59,669
Borrowings: amounts falling due within one year				
Secured loans	1,262	1,186	1,262	1,186
Service concession arrangements	4,098	3,719	2,842	2,615
	5,360	4,905	4,104	3,801
Borrowings: amounts falling due after one year				
Service concession arrangements	61,064	62,334	51,951	51,965
Secured loans	11,440	12,703	11,440	12,703
Unsecured loans	-	-	17,216	19,914
	72,504	75,037	80,607	84,582
Net debt balances at 31 July	15,252	19,599	22,303	28,714



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