Report and Financial Statements

for the Year Ended 31 July 2017

UNIVERSITY of GREENWICH

A Company limited by guarantee not having a share capital.

An exempt charity for the purposes of the Charities Act 2011.

Registered in England and Wales: Number 986729.

Registered Office: Old Royal Naval College, Park Row, Greenwich, London SE10 9LS.

(Company Registration No. 00986729)

CONTENTS

OFFICERS AND PROFESSIONAL ADVISERS

Chancellor	The Rt Hon the Baroness Scotland of Asthal QC	
Pro-Chancellor and Chair	Ms Marianne Ismail Mr Stephen Howlett	(appointed 1.8.17) (until 31.7.17)
Vice-Chancellor	Professor David Maguire	
Secretary & Clerk to *the* Court	Ms Louise Nadal Mrs Anne Poulson	(until 07.11.17) (appointed 08.11.17)
External Auditors	Grant Thornton UK LLP Chartered Accountants and Registered Auditors 30 Finsbury Square London EC2A 1AG	
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	

ABBREVIATIONS:

HE	Higher Education
HEFCE	Higher Education Funding Council for England
NCTL	National College for Teaching and Leadership

MEMBERSHIP OF *the* COURT

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 7(1) – Vice-Chancellor
Professor D Maguire

Article 7(2)a – Independent Members

Mr A J Albert	(resigned 31.8.16)
Mr J C Barnes	(resigned 31.8.16)
Mr S H Davie	(resigned 31.8.16)
Mr N W Eastwell	(resigned 31.8.17)
Sir S Gass	(appointed 1.9.16)
Mr P F Hazell	
Ms B Hill CBE	(appointed 1.9.16)
Mr S W Howlett	(resigned 31.7.17)
Ms M Ismail	
Mr K Jacob MBE	(appointed 1.9.16)
Mrs D Khanna	
Ms T King	(appointed 1.9.16)
Miss D Larnder	(appointed 1.9.16)
Mr C McWilliam	(appointed 1.9.17)
Mr M Orr	(appointed 1.9.16)
Ms E Passey	(resigned 31.8.16)
Mrs H P Wyatt	
Ms J Wood	(appointed 1.9.17)

Article 7(2)b – Academic Council Members

Dr A Coutroubis	(resigned 31.8.17)
Professor S Keates	(appointed 16.10.17)
Professor P Maras	(resigned 31.8.16)

Article 7(2)c – Student Members

Miss S Dempsey	(resigned 20.2.17)
Ms M Imberg	(appointed 15.5.17)

Article 7(2)d – Co-opted Members

Mr L Devlin	(resigned 31.8.17)
Professor P Griffiths	
Ms S Ragab	(appointed 16.10.17)

MEMBERSHIP OF COURT COMMITTEES

The following are *the* Court 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.

Audit

Mr S H Davie	**(Chair until 31.8.16)**
Miss D Larnder	**(Chair appointed 1.9.16)**
Sir S Gass	(appointed 1.9.16)
Mr K Jacob MBE	(appointed 1.9.16, until 27.9.17)
Mr I Harwood (External)	(resigned 22.6.17)
Mrs D Khanna	
Ms E Passey	(resigned 31.8.16)
Ms J Wood	(appointed 27.9.17)

Finance

Nick Eastwell	**(Chair until 31.8.17)**
Mr M Orr	**(Chair appointed 1.9.17)**
Mr A J Albert	(until 31.8.16)
Mr J C Barnes	(until 31.8.16)
Dr A Coutroubis	(appointed 1.9.16 until 31.8.17)
Miss S Dempsey	(appointed 1.9.16 until 20.2.17)
Professor P Griffiths	(appointed 1.9.17)
Mr P F Hazell	
Ms B Hill CBE	(appointed 1.9.17)
Ms M Imberg	(appointed 15.5.17)
Ms M Ismail	(until 31.7.17)
Ms T King	(appointed 1.9.16)
Professor D Maguire	
Mr C McWilliam	(appointed 1.9.17)

Nominations, Staffing and Remuneration (Established 1.9.2016)

Mr P Hazell	**(Chair)**
Mr L Devlin	(until 31.8.17)
Mr N W Eastwell	(for remuneration only) (until 31.8.17)
Professor P Griffiths	(appointed 1.9.16, until 31.8.17)
Ms B Hill CBE	(appointed 1.9.16)
Mr S W Howlett	(until 31.7.17)
Ms M Ismail	
Professor S Keates	(appointed 16.10.17)
Miss D Larnder	(for remuneration only)
Professor D Maguire	(except when own terms and conditions discussed)
Mr M Orr	(for remuneration only) (appointed 1.9.17)
Ms B Rigg (Co-opted)	(appointed 1.9.17)
Ms S Ragab	(appointed 16.10.17)
Mrs H P Wyatt	

The University of Greenwich is one of the most respected universities in London and Kent, with a tradition in education which dates back more than 125 years. With campuses that are among the most celebrated in the world, it is the academic home to a diverse and talented community of over 38,000 students.

The University helps students achieve academic excellence in a diverse range of disciplines and fields – through its excellent faculties; the Faculty of Architecture, Computing and Humanities, the Business School, the Faculty of Education and Health and the Faculty of Engineering and Science.

STRATEGIC REPORT

(incorporating the report of *the* Court)

1. Legal Status

The University of Greenwich is a company limited by guarantee without share capital and was incorporated in 1970 in the United Kingdom. The University's financial statements comply with the Companies Act 2006. The Higher Education Funding Council for England (HEFCE) is the principal regulator both for the areas which it funds directly and on behalf of the Charity Commission for England and Wales.

The Court 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* Court act as company directors and as charity trustees.

The objectives of the University are set out in its Memorandum and Articles of Association and are to advance learning and knowledge in all its aspects, to enable students to develop their abilities, to contribute to the community and to develop research.

The University, by virtue of its transferrable security, a public bond, (see note 20) 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 22 to 27.

2. Public Benefit

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* Court) 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.

(a) Charitable status

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

The Memorandum of Association sets out the University's charitable objectives which focus primarily on the advancement of education. Its mission statement sets out how the University acts for the benefit of the public.

(b) Mission

The University's 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.

(c) Education and outreach

The University has a commitment to, and considerable success in, widening access and maximising student achievement to ensure that all students fulfil their potential.

The University has a history in supporting students from under-represented backgrounds to succeed in achieving a degree qualification and moving into graduate employment.

The University's outreach programme aims to raise aspirations and enhance achievements of local learners, through its range of taster days and master classes, placing the University's higher education brand at the heart of local schools and colleges. Outreach activities include enhancing numeracy and literacy skills at GCSE level to ensure local prospective students have the prerequisite GCSE qualifications to progress into higher education. Schools with low progression rates to higher education and large proportions of students from under-represented backgrounds are targeted for this purpose.

In order to maximise the opportunities presented by the Government's apprenticeship reforms, the University is developing new Higher and Degree Apprenticeships. Six programmes are already being delivered, we expect further programmes to be available later in the 2017/18 academic year and are looking to develop additional programmes across all of our faculties.

The University provides a wide range of financial support to its students to support them in completing their studies, including support for care leavers and students from low-income households.

The University annually commits to substantial investments in outreach and student success as part of its Access Agreements with the Office of Fair Access. This has yielded substantial success in improving retention, academic outcomes, and the employability of our students.

This commitment, is demonstrated by the University's diverse UK student population:

- 58 per cent are female.
- 50 per cent are from black minority ethnic backgrounds.
- 66 per cent are over 21 years of age.

(d) Research for public benefit

Research and enterprise activities are core to the University's purpose and sit alongside learning and teaching as essential facets which help to deliver public benefit. The University aims to enhance its capability as a research informed institution with a culture of high-quality research embedded in all academic activities and external collaborations. Often undertaken in partnership with industry, charities, governments and other social organisations, the University's research activity is anchored securely in responding to societal need, thus ensuring that its results benefit all.

The dissemination of research is a vital part of the University's academic purpose and the effects of the research undertaken creates benefits beyond an academic impact. The University's researchers continue to make significant research contributions in a range of disciplines, including the Natural Resources Institute (NRI), computer modelling and health.

The benefits to local, national and international communities are significant – there are University trained medical professionals working in local NHS Trusts, while cutting-edge research on an international scale is working to address global issues, such as poverty, sustainable food production and climate change in a way which influences policy making and can achieve social change.

The University's commitment, and the success of its research strategy, is demonstrated through the contributions of its researchers in a range of disciplines. The NRI (part of the University of Greenwich), was recently awarded a highly prestigious Rockefeller grant for their on-going development of the root crop cassava in Africa, the main source of nutrition for half the continent's population.

The University is also expanding its enterprise activities and industry contacts. Close links with outside organisations help to achieve graduate employment for the University's students, opportunities for work experience, the development of high-quality research and consultancy work, and the successful exploitation of ideas.

The University is committed to undertaking work which is relevant to the needs of society and achieves real impact by demonstrating tangible benefits both for the institution and its partners. Enhanced enterprise activity will be stimulated further by an ongoing commitment to develop the entrepreneurial capabilities of the University's staff and students. The direct public benefit of these activities has been reflected in a series of awards and prizes.

The University was nominated in March 2017 for a prestigious Guardian University Award, building on its previous two awards in the Research Impact category. It was shortlisted in the Entrepreneurship category for its new global Annual Enterprise Challenge. The Challenge has inspired students to launch their own enterprises and start-up businesses, with support provided by University experts to develop innovative ideas and business proposals, including mentoring. This initiative has enhanced the University's reputation as a centre of entrepreneurship and has provided a strong foundation for further development.

In 2017, the University was awarded a Queen's Award for Enterprise: Innovation 2017, for permanent capture of the greenhouse gas carbon dioxide using industrial waste and contaminated soils.

(e) 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 this include the University's showcasing of engineering at its Medway Campus through hosting the Robot Wars live shows for the third time, and hosting a festival of mathematics at the Greenwich Campus for the benefit of local school students. The University's drama department also developed a new partnership with a local young person's theatre company to share workshops, venues and expertise.

The University contributes economically to its local area 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. The University achieved first place in the People and Planet Green league tables in 2012 and retained its first class award this year amongst stiff competition.

3. Objectives and Strategy

(a) Strategic plan

In order to deliver the University's mission of ***transforming lives through inspired teaching and research***, the University's strategic plan for the period 2012-17 was developed in consultation with students, staff and other stakeholders and approved by *the* Court in July 2012.

The strategic plan has delivered some notable successes, and the updated strategic plan for the period 2017-22 has ensured continuity. This plan was approved by *the* Court in July 2017.

(b) Objectives of the plan

The 2012-2017 strategic plan was underpinned by four strategic objectives:

- Learning and teaching: maximising the individual potential of students through high quality learning and teaching, and student satisfaction activities.
- Research and enterprise: being a research-informed and enterprising institution with a well-developed culture producing research of international quality and knowledge exchange valued by our partners.
- Community and experiences: creating a strong sense of community and ensuring that all associated with the University have great experiences.
- Services and infrastructure: building effective, efficient and sustainable services and infrastructure that support the University's academic activities.

The 2017-2022 strategic plan develops these themes further, with three strategic objectives:

- Transforming student lives through outstanding teaching and learning.
- Enhancing science and society through transformational research and enterprise.

- Creating inspiring campus experiences and services.

The three strategic objectives articulate the major lines of development. These are complemented by three cross-cutting themes that can be found in each of the strategic objectives:

- Supporting and developing staff.
- Enhancing student employability.
- Internationalising Greenwich.

The strategic plan sets out an ambitious course for the University by building on previous achievements and charts a path to a future based on a clear commitment to delivering high quality education, research and enterprise activities. Success will be demonstrated by significant cultural, economic, environmental and social contributions at local, national and international levels.

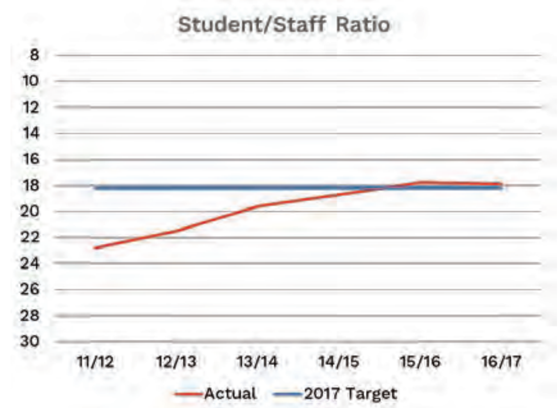
(c) Delivery of the plan

(i) Outstanding teaching and learning

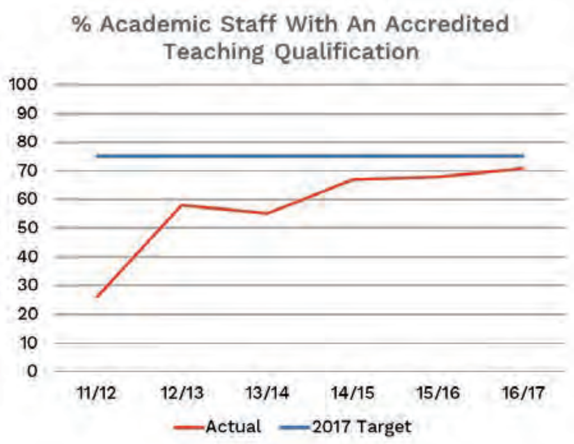
The University places the student at the heart of its mission and aims to provide a distinctive learning experience for all its students through an intensively supported learning environment making appropriate use of new technology.

The resources provided to support this high quality learning experience have included:

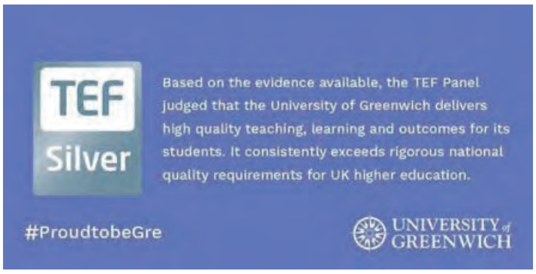
- The introduction of a student analytics ecosystem which encompasses personal tutor management, attendance monitoring, the virtual learning environment and library use.
- The introduction of an enhanced system of personal tutoring.
- Improvements in student/staff ratios.



- A set of initiatives to improve student retention and success.
- Improving teaching skills through ensuring relevant staff have the appropriate professional qualifications.

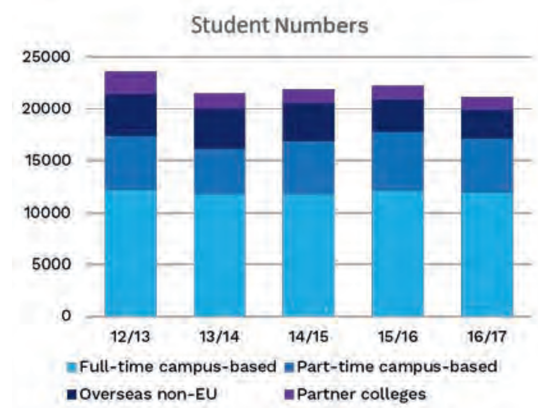


The University's focus on improving the teaching experience is reflected by its award of 'Silver' status in the new Teaching Excellence Framework (TEF).



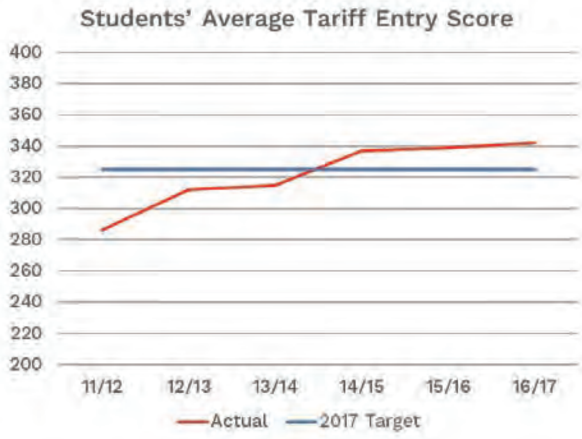
This success builds on both the University's achievement of professional accreditation with the Higher Education Academy in 2015 and the positive outcome of the 2015 Quality Assurance Agency for Higher Education Higher Education Review.

Recruitment of home and international students underpins the University's revenue streams and overall financial outcomes.



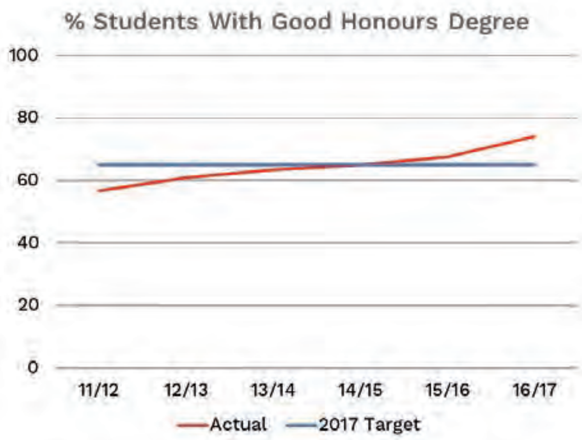
UNIVERSITY of GREENWICH

UK student numbers are 5% lower than the previous year. This is largely due to increased competition and the University's policy to increase tariff entry scores in line with its strategic focus on excellence.



Enrolments of UK based international (non-EU) students declined by 12% reflecting the impact of UK Visa and Immigration (UKVI) policy changes.

A consequence of the focus on teaching and learning has been the success of University students, with record numbers achieving good quality degrees (first and upper second class awards).

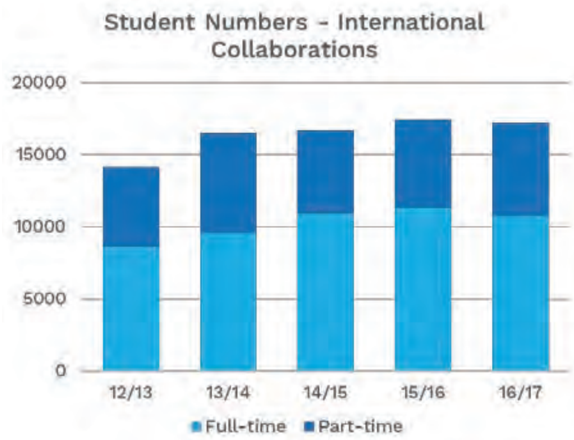


Beyond the academic qualifications that they gain, University of Greenwich students continue to win awards and recognition for outstanding achievement:

- Two students studying with the Faculty of Business won awards at the University Trading Challenge, run by CASS Business School. This required students to demonstrate their ability to trade successfully in the financial markets, as well as make decisions, analyse data from real-life current market trends and come up with winning strategies.
- Two top awards, Best Drama and Craft Excellent Writing, from the Royal Television Society were won by three film students for their final year graduate film.
- An undergraduate student won the British Journal of Midwifery Student Midwife of the Year Award, an award won by students from the University for the second year running.
- An Architecture student won the Bronze Medal Serjeant Award for Excellence in Drawing, as part of the Royal Institutes of Architects Presidents Medals 2016.

The University continues to have a strong network of UK partner institutions, where during 2016-17 1,193 students were enrolled on University of Greenwich accredited programmes of study.

Internationally the University has more than 17,000 students in circa 35 partnerships across 22 countries. This level of international presence is exceeded by only one other University in the UK, and demonstrates the value placed abroad on a degree from the University of Greenwich. Projects are underway to ensure that the quality of delivery can be maintained and improved, and internally the cross-departmental 'Global Greenwich' group has been formed to co-ordinate initiatives.



Finally there has been an active focus on improving student employability and providing them with the confidence, knowledge and skills to secure graduate level jobs. These include mentoring schemes, student employability passports that record their activities in support of future employment, and a focus on placements and work experience.

These initiatives received positive comment in the recent TEF, which noted: "the acquisition of knowledge, skills and understanding that are highly valued by employers, with the majority of students studying on PSRB-accredited courses", and in September 2016 the University received an award for excellence from the Association of Graduate Career's Advisory Services. This award recognised the commitment shown by the Employability and Careers Service in tackling underachievement amongst students from minority groups.

(ii) Transformational research and enterprise

The University continues to be successful in winning funding from UK research councils, the EU, and both philanthropic and industry funders. The Natural Resources Institute (NRI) in particular continues to secure funding from The Bill & Melinda Gates Foundation, the Rockefeller Foundation, the Department for International Development and the EU.

The University has received grant funding from all major UK research councils this year. Notable successful bids for projects funded this year include:

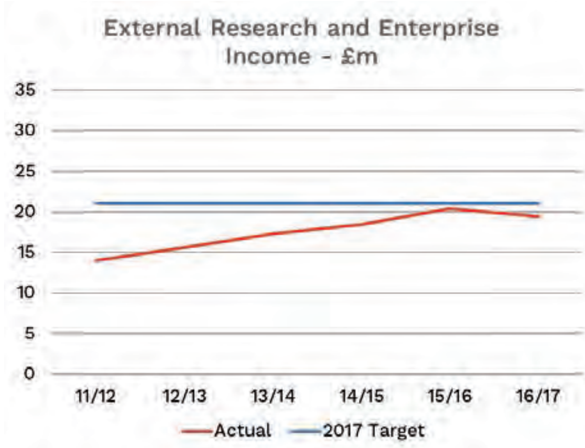
- Contactless Ultrasonic Processing for Liquid Metals (funded by EPSRC).
- Emotion psychology meets cyber security in IoT smart homes (funded by EPSRC).
- Taking the Bite out of Wetlands: Managing Mosquitoes and the Socio-Ecological Value of Wetlands for Wellbeing (funded by NERC).
- Innovation for improved strawberry pollination by commercial bumblebees using caffeine (funded by BBSRC).

The University works closely with its EU partners in delivering impactful research, including:

- Agrinatura Value Chains; a grouping of European universities and research organisations with a common interest in supporting agricultural development in a sustainable manner in order to improve people's lives.
- Enterprise Europe Network; a team of business experts that connect innovators with manufacturers, distributors, co-developers and suppliers overseas, to advise on commercialisation of new ideas and promote success in new markets.
- CoRoT; a project to develop innovative and affordable robot software and hardware, focused on the needs and budgets of SMEs.

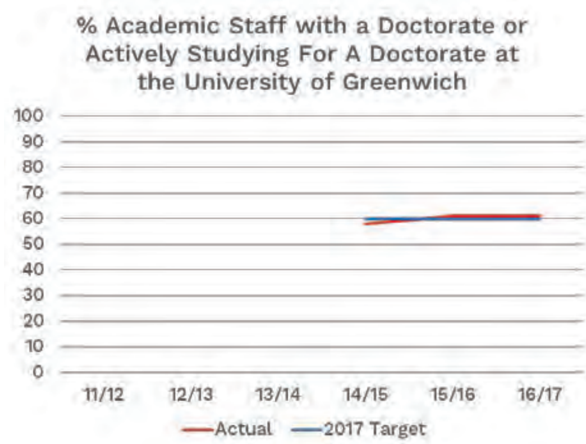
Work with business and industry has also continued well, with new projects established with, amongst others, AstraZeneca plc, GlaxoSmithKline plc, Forza Industries Ltd, TWI Ltd, Unilever plc, Infinieum, and Merck Consumer Healthcare Ltd. The University's support for SMEs in the South East of England has also continued, with the award of a major contract from Innovate UK to provide coaching and mentoring support for high growth firms in the region.

There has been considerable success in growing the research base of the University, and further growth is targeted, with a £1m investment in the new research strategy.



More detail can be found on page 12.

In support of this the University is ensuring that a larger proportion of its teaching staff are engaged in research activity, and that those engaged in research are either qualified to PhD level, or actively working towards their PhD.



Finally, ensuring that the research produced is high quality with international impact is a key priority. As well as the projects listed above, more generally the University is investing significantly in the upskilling of its researcher staff base.

(iii) Inspiring campus experiences and services

An ambitious programme of redevelopment has been set in train which will significantly enhance the student experience.

At the Greenwich campus work is underway on the Dreadnought Student Hub. This will redevelop a building at the heart of the campus, creating state-of-the-art learning, teaching and social spaces, combined with support facilities. It has a planned opening date of September 2018, and will relocate the Students' Union, psychology, public health, social work and non-teacher training education programmes. This building will also be the new home for Student and Academic Services as well as the central computing facility, based around the main server room and extensive IT teaching labs.

The programme of refurbishment of the Cutty Sark (with 231 rooms) and Devonport (with 125 rooms) halls of residence will improve services to students and provide additional income from bed spaces for summer schools.

At the Medway campus a new Student Hub opened this year, featuring an all-new high quality café/bar 'The Deep End', as well as large open-plan spaces for a range of social events. This redevelopment of what was the old swimming pool building provides accommodation for the Student Union, serves food and drink, and hosts dances, bands and other entertainment. The cost of this new facility was shared 50:50 with the University of Kent.

At the Avery Hill campus work on two all-weather football pitches, with new changing facilities, was completed during the year. This has significantly enhanced the existing sports facilities. In addition a number of new and improved teaching spaces within the Mary Seacole building have been created.

A close relationship has been built with the Students' Union to ensure seamless delivery of all aspects of the student experience. Combined with the investment in the Avery Hill sports facilities this has increased the number of students involved in Student Union run events, clubs and sports.

The National Students Surveys (NSS) allows students to give feedback on the quality of their courses and learning experiences. Overall satisfaction has declined, standing at 79% (2016: 83%), in the broader context of a declining sector mean of 84% (2016: 86%); however students rate the University highly in the areas of practice placements, learning resources and the quality of the learning community. The outcome of the NSS is important to the University's strategic objectives, and further measures have been put in place to improve outcomes for future years, in addition to the improved student facilities just coming on stream and the attention being given to teaching qualifications and resources.

The University of Greenwich is committed to promoting Equality, Diversity and Inclusion, and to providing an inclusive and supportive environment in which both students and staff have the opportunity to participate, contribute and attain their full potential. The University strives to select and treat everyone as an individual on the basis of their merits, abilities and aptitude regardless of age, disability, gender, gender reassignment and identity, marriage or civil partnership, pregnancy or maternity status, race, religion or [non] belief or sexual orientation. Maintaining responsibilities in relation to the Equality Act 2010 and Public Sector Equality Duty, good practice has been embedded into a range of University Human Resources documents including: "Transitioning at Work Policy and FAQ's", "Reasonable Adjustment guidance for staff, managers and FAQ's" to effectively support employees and their managers in the workplace.

In the forthcoming year, wellbeing will be an area of focused development, particularly around mental wellbeing to provide improved advice, guidance and training to managers, staff and students, furthering the University's commitment to its shared values and behaviours and enhancing the workplace, in which every individual can thrive.

The University remains committed to seeking appropriate accreditation as a way of measuring its progress in this area.

The University continues to make progress with its Equality, Diversity and Inclusion Strategy 2015-2017 and plans to align its key work priorities with the new University Strategy in the autumn. Currently, the

University holds the Athena Swan Bronze Award as an institution and the Athena Swan Working Group is striving to renew this accreditation by April 2018.

The institution has recently carried out its Disability Confident Employer self-assessment and has been successfully reaccredited with Level 2. In relation to HR Excellence in Research, a submission of the University's bi-annual plan has been made, supported by a telephone interview and the University is currently awaiting confirmation of the continuity of its recognition status. In the 2017 Stonewall Workplace Equality Index the University was placed 82nd out of a total of 439 employers, maintaining its top 100 position. The University also received the prodigious Network Group of the Year 2017 award and it is now completing our 2018 Stonewall submission.

The University is committed to equal opportunities for disabled students and staff and aims to create an environment that enables them to participate fully in University life.

The University is continuing to make progress in the application of sustainability in all areas of its operations and activities. In 2016-17 the University retained its 1st Class Award for People and Planet's University (Green) League amongst stiff competition from its peers. The University continues to place importance on in the provision of sustainable food and has made strong progress in areas including biodiversity, education for sustainable development and programmes focusing on reducing waste and increasing recycling rates.

Efforts in reducing the carbon emissions of the University are progressing and the University has recently produced its latest Carbon Management Plan to help ensure that it continues to make the improvements necessary to realising its ambitious 2020 HEFCE targets. Examples of improvements to the estate include the use of highly efficient LED lighting on the new sports pitches and the creation of a green roof, both at the Avery Hill campus. The University's Estates & Facilities Directorate maintained its certification to ISO 14001 (Environmental Management) this year and is working towards achieving accreditation to the new ISO 14001 (2015) standard in 2018.

4. Financial Review of the Year

Scope of the financial statements

The financial statements comprise the consolidated results of the University (including the NRI) and its wholly owned subsidiary companies, Greenwich University Enterprises Limited (GUEL) and Greenwich Property Limited (GPL). 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 (previously PFI). Note 15 of the financial statements also provides information of the entities with whom the University is associated.

The financial statements have been prepared in accordance with the Statement of Recommended Practice (SORP): Accounting for Further and Higher Education (2015) and Financial Reporting Standards (FRS) 102.

(a) Results for the year

The Group reported a surplus of £4.0m (2016: £6.9m) in the year to 31 July 2017, before gains on investments of £2.2m (2016: £1.6m), currency translation gains of £0.3m (2016: 0.9m), and the actuarial gain in respect of pension schemes of £15.4m (2016: £23.3m actuarial loss). This represents a margin of 2% on total income.

	2017 £'000	Restated 2016 £'000
University (including NRI)	**22,216**	6,620
Greenwich University Enterprises Limited	**12**	(30)
Greenwich Property Limited*	**(18,215)**	301
Group Surplus	**4,013**	6,891

* The results for Greenwich Property Ltd (GPL) are adjusted for the provision for losses on its onerous contract.

The 2017 results of the University and GPL reflect the Gift Aid by GPL to the University of its taxable profit that year, which has resulted from the restatement of the contract for facilities management services. Please see note 35 for further details.

This represents a sound financial performance with consequential improvements to cash reserves, net assets and I&E reserves. These results are important in meeting the capital investment commitments of the University.

(i) Revenues

Total revenues in the year to 31 July 2017 were £200.5m (2016: £203.8m), a 1.6% decrease on the previous year.

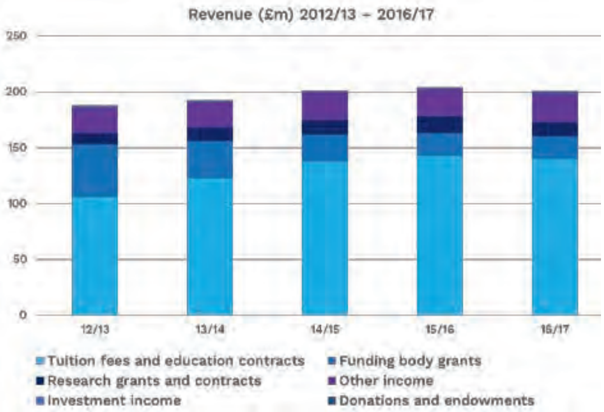
Teaching revenues (made up of tuition fees and education contracts, funding body grants, but excluding HEFCE Research Excellence Framework and Knowledge Exchange funding) were £155.2m, a 1.9% decrease on the previous year. The decrease reflects a 3.2% decrease in total student registrations to 38,343 (2016: 39,613), with decreases in both UK based enrolments and students in international partner institutions.

Research and enterprise revenues were 8% lower at £17.4m (2016: £18.9m), reflecting fluctuations in activity on two large NRI projects and a number of European Commission projects ending. Circa 15% of this was sourced from the EU although there is the risk in the medium term of BREXIT on this source of funding in the future.

Other income is comprised mainly of student residences, catering revenues and consultancy revenues. Overall revenues were flat at £26.0m (£21.2m excluding consultancy revenues).

Investment income of £0.5m was broadly similar to that of the previous year despite increased short-term funds available for investment.

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



(ii) Expenditure

Total revenue expenditure for the year to 31 July 2017 of £196.5m (2016: £196.9m) was 0.2% lower than the previous year, with the change attributable to a rise in staffing costs of 4.5%, offset by a reduction in other operating expenses of 4.5%.

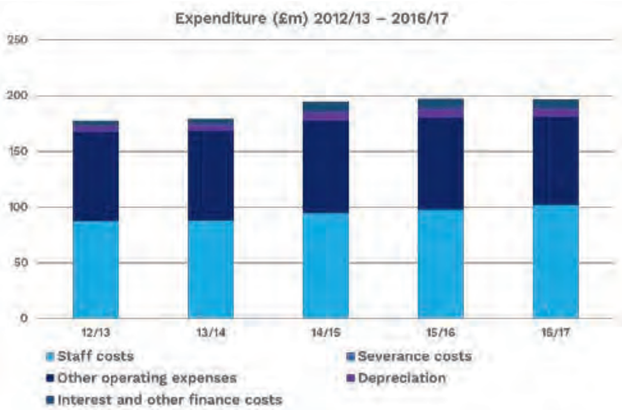
Staff costs increased by 4.5% to £101.3m (2016: £96.9m) due to increased employers national insurance, a 1.1% pay award, increments and an increased FRS102 pension charge driven by increases in CPI.

Other operating expenses were 4.5% lower than the previous year at £78.7m, reflecting lower spend in a number of areas.

Staff severances of £0.9m (2016: £1.1m) reflect ongoing adjustment of the staff base to align with the strategic aims of the University.

Interest and finance costs were £8.2m (2016: £8.6m) comprising of £1.1m in respect of the University's bond, £4.4m payable on service concessions and £2.7m of notional interest on the FRS102 pension deficit on the London Pension Fund Authority (LPFA) defined benefit superannuation scheme.

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



(b) The balance sheet

The Group's balance sheet remains robust, with £83.4m net assets (2016: £61.6m), an increase of £21.8m, which is largely attributable to the actuarial gain of £15.4m on the pension scheme, reflecting strong performance, and the results of the year.

(i) Capital investment and fixed assets

The fixed assets of the Group at the balance sheet date were £249.1m (2016: £248.0m). The University and the University of Kent have jointly invested £5.4m in a new student hub at the Medway Campus, which opened in March 2017. In addition, work continues on the development of the Dreadnought student hub at Greenwich and the refurbishment of the Devonport student residences. The Mansion Site, with a net book value of £3.7m, is earmarked for disposal.

(ii) Long-term borrowing

Long-term borrowing at the balance sheet date was £79.4m (2016: £81.4m), of which £15.0m is the non-current outstanding balance on the University's £30m bond (£25.5m of which remains in issue) and £64.4m (2016: £65.3m) relates to service concession liabilities.

(iii) Pension schemes

The University contributes to the Teachers Pension Scheme (TPS) for its academic staff and the 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 has been 16.48% since September 2015.

The LPFA Scheme is a funded multi-employer Local Government Superannuation Scheme. Its assets and liabilities are identified with individual employers and are therefore accounted for under the provisions of FRS102 section 28 (Defined Benefit Obligations). The University's employer contribution rate in respect of current service cost was revised from April 2017 to 14% (previous 16%), with an additional payment of £2m per annum with the aim of repaying the deficit over 14 years. The liabilities of the scheme exceed its assets, with a FRS102 pension deficit of £101.1m (2016: £111.1m). The FRS102 deficit on the scheme reflects continuing low bond yields used in discounting liabilities but there has been a slight increase in the mortality rates which has accounted for part of the improvement since the previous year.

(iv) Other balance sheet indicators

Other key balance sheet ratios continue to be healthy. Short-term investments and cash equivalents were £98.2m reflecting the strong underlying operating surplus, net of £8.4m of capital spend financed from internal resources.

Creditors due within one year were £59.5m (2016: £58.5m). Net current assets remain strong at £51.6m (2016: £45.2m) while income and expenditure reserves increased by 10% to £141.6m.

(c) Key financial indicators

The 2016/17 financial outturn continues to build on those of the previous years, with the five year summary of key financial drivers and indicators as follows:

	2017	2016	2015	2014	2013
Total campus based students	21,120	22,189	21,895	21,495	23,572
New entrants	9,660	9,934	10,068	9,242	9,277
Tuition & education contracts as % of operating revenues	70%	70%	69%	64%	57%
Funding body grant as % of operating revenues	10%	10%	12%	18%	25%
Operating margin %	2%	3%	3%	7%	6%

(d) Financial instruments

The Group finances its operations from cash generated from trading, 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 Memorandum and Articles, HEFCE's Memorandum of Assurance and Accountability and the Charities Acts. All borrowing must be approved by Finance Committee and Court. The power to invest surplus funds are 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 £16m obligation in respect of a 30 year £30m Guaranteed Secured Bond issued in 1998 (see note 20 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 is given in note 34 of the financial statements.

5. Principal risks and uncertainties

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

(a) BREXIT

The decision of the UK vote 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.

EU Students from 2018/19 may not have access to student support funding, which represents a substantial risk to the University given that 16% of its campus based student population is from EU countries.

Research funding under Horizon 2020 and other EU programmes accounts for circa 15% of 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.

(b) Student recruitment

Home student recruitment: the market for UK students continues to be competitive on the back of expansion by some institutions, new providers, demographics, 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. Additionally the introduction of fees for nursing and midwifery programmes from 2017/18 may affect the University's recruitment to these programmes, which currently account for circa 9% of total teaching revenues.

International student recruitment: revenue from international student enrolments accounts for 16% of total teaching revenues. The key risk associated with this revenue stream is a shortfall against international student recruitment targets with particular reference to:

- Increased international competition (from the USA, Canada and Australia) resulting in a reduction in the UK share of the HE international student market and the perception that Britain is less welcoming to international students than its competitors.
- 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.

(c) International partnerships

The University has more than 17,000 students in circa 35 partnerships across 22 countries. Political, social and economic changes in the countries and regions in which partnerships are located are a risk to their continued operations. 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.

(d) Pension scheme deficits

The two main pension schemes to which the University contributes are in deficit, primarily the result of longevity and the low bond yields used in discounting pension liabilities, with investment performance relatively underperforming.

The key risk to the University of pension scheme deficits are the increased employers' pension contributions required to eliminate the deficit.

(e) Financial, treasury, liquidity and credit risks

The main financial risk to the Group is the availability of funds, as well as the risks associated with the financial instruments. These risks include; the effect of currency fluctuations on the Group's income and expenditure, the exposure to financial loss resulting from credit risk, that the Group will be unable to meet its obligations and interest rate fluctuations will expose the Group to higher debt servicing charges or lower investment returns. Approved policies are in place to mitigate these risks.

6. 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 3 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.

7. Statement of Directors' Responsibility for the Financial Statements

The Statement of Responsibilities of *the* Court for the financial statements is set out on pages 20 and 21 of this report.

8. Auditors

Grant Thornton UK LLP are annually reappointed as auditors in accordance with an elective resolution made under section 737 of the Companies Act 2006.

9. Approval

The Strategic Report was approved by *the* Court on 16 February 2018 and signed on its behalf by:

Ms Marianne Ismail
Chair

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, the principles identified by the Committee on Standards in Public Life, and has regard to the Committee of University Chairs voluntary *Higher Education Code of Governance*.

The University is confident that it has in place all the seven primary elements of governance set out in the Code and meets the requirements of the supporting 'must' statements that prescribe essential components within each element. Following the University's Governance Review in 2015, the consultants' report stated *'We have assessed the University's governance framework against the Committee of University Chairman Higher Education Code of Governance and are satisfied that the institution is in full compliance with the seven core elements of the Code'*. This position was reinforced by the findings of an internal audit in 2017 which confirmed compliance with the seven primary elements and supporting 'must' statements.

This summary describes the University's corporate governance arrangements and the manner in which the University seeks to apply the principles of Codes of Practice published by the Higher Education Funding Council for England (HEFCE), Committee of University Chairs (CUC), Charity Commission and the UK Corporate Governance Code (April 2016), 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, from June 2010 universities in England have been regulated on behalf of the Charity Commission by HEFCE, the principal regulator. The University is governed by its Memorandum and Articles of Association which set out its objects to advance learning and knowledge in all their aspects. Members of *the* Court are legally Directors of the Company and Charity Trustees. *The* Court is specifically required to determine the educational character and mission of the University and to set its strategic direction.
- *The* Court has a majority of lay persons chosen for their expertise in areas relevant to the work of the University. They do not receive any reimbursement for the work that they do. *The* Court appoints lay members following recommendations by the Nominations, Staffing and Remuneration Committee. Staff are appointed and the student member co-opted according to the Articles of Association. The Chair is elected from the lay members.
- Newly appointed members receive induction, briefing and training, as appropriate, on the University, the role of *the* Court and on higher education in general to ensure that they are fully conversant with their responsibilities.
- The Vice-Chancellor, as head of the institution, has a general responsibility to *the* Court for the organisation, direction and management of the University. The Vice-Chancellor is the chief accounting officer, responsible for the development of institutional strategy and the identification and planning of new developments.
- In accordance with the Articles of Association the University Secretary is appointed to act as Secretary to *the* Court and its Committees and as Company Secretary. In that capacity, the University Secretary provides independent advice to Members of *the* Court on matters of governance.
- *The* Court meets at least five times a year. However, much of its business is conducted through the following committees: Audit, Finance, and Nominations, Staffing and Remuneration. All of these Committees have terms of reference and membership approved by *the* Court. All Committees of *the* Court submit their minutes to *the* Court.
- The Finance Committee is responsible to *the* Court for reviewing the University's finances, accounts and investments. It makes recommendations to *the* Court on the annual revenue and capital budgets. It monitors performance in relation to approved allocations.
- The Nominations, Staffing and Remuneration Committee acts on behalf of and is accountable to *the* Court for determining the annual remuneration of

the Vice-Chancellor, Deputy Vice-Chancellors, Pro Vice-Chancellors, Chief Operating Officer, University Secretary, Director of Finance and Director of Human Resources.

- *The* Court 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.
- Subject to the overall responsibility of the University Court, the Academic Council has oversight of the academic affairs of the University. Its membership is drawn from staff and students of the University.

STATEMENT ON INTERNAL CONTROL

1. *The* Court is responsible for ensuring a good 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 duties assigned to it in the Articles of Government and the Memorandum of Assurance and Accountability with HEFCE.
2. 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.
3. 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 2017 and up to the date of the approval of the financial statements. *The* Court believes that the University follows the best practice guidelines of HEFCE 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 2016-2017 and up to the approval date of the financial statements.
4. *The* Court 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 Chair of the Audit Committee reports to each meeting of Court on matters discussed at Audit Committee.
- The Audit 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 Committee approves a programme of work for the year, which is based on a balanced portfolio of risk exposure while focussing on key risks, identified through the institutional risk register and risk management process. It also incorporates work intended to demonstrate value for money.
- 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* Court, as well as being submitted to the Audit and Finance Committees.
- An outsourced internal audit team is in place, whose annual programme of audit work is approved by the Audit Committee.

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* Court, is reviewed regularly, and an internal audit review is undertaken on an aspect of risk management each year.

- The Audit Committee annually reviews the effectiveness of the risk management arrangements; these are managed by the University Secretary who is the secretary to the Audit Committee.
- The Director of Finance and the University Secretary attend meetings of the Audit Committee and have direct and independent access to members of that Committee, as do the external and internal auditors.
- The Corporate Risk Register is updated throughout the year and includes the main risk owners and risk mitigating actions. Risks are prioritised by likelihood and impact and ranked accordingly, and are also linked to the Key Performance Indicators set out in the University's Strategic Plan. The updated Register is reviewed by the Audit Committee three times each year and approved annually by *the* Court. Reports and papers which address the University's approach to the management of specific risks included on the Corporate Risk Register are provided to *the* Court each year. The specific financial risks are reviewed annually by the Finance Committee.

5. The Vice Chancellor in their capacity as accounting officer confirms to *the* Court that matters of academic, corporate, financial, estate and human resource management delegated to the executive have been properly discharged.

6. The University has considered its responsibility to notify HEFCE of material irregularity, impropriety and non-compliance with HEFCE terms and conditions of funding, under the Memorandum of Assurance and Accountability in place between the University and HEFCE. As part of its consideration the University has had due regard to the requirements of the Memorandum of Assurance and Accountability.

7. The Accounting Officer confirms, on behalf of the University, that to the best of its knowledge, the University believes it is able to identify any material irregular or improper use of funds by the University, or material non-compliance with HEFCE's terms and conditions of funding under the Memorandum of Assurance and Accountability. The University further confirms that any instances of material irregularity, impropriety or funding non-compliance discovered to date, have been notified to HEFCE.

The above Corporate Governance Statement and Statement on Internal Control relates to the period from 1 August 2016 to the date of approval of these Financial Statements.

Professor David Maguire
Vice-Chancellor

Ms Marianne Ismail
Chair

STATEMENT OF RESPONSIBILITIES OF *the* COURT

The primary responsibilities of *the* Court are to set the University's strategic aims, monitor the implementation of the activities undertaken to achieve these, and report to stakeholders on their stewardship. To meet its responsibilities *the* Court 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 delegate authority to the Vice Chancellor as chief executive, for the management of the academic, corporate, financial, estate, and Human Resources of the University.
- To ensure the establishment and monitoring of systems of control and accountability, including financial and operational controls and risk assessment.
- 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.
- To establish processes to monitor and evaluate the performance and effectiveness of *the* Court 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 appoint the Vice Chancellor.
- To appoint a secretary to the University Court 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.
- To make such provision as it thinks fit 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 ensure that the University's constitution is followed at all times and that the appropriate advice is available to enable this to happen.

STATEMENT OF RESPONSIBILITIES OF the COURT FOR THE FINANCIAL STATEMENTS

In accordance with the University's Memorandum and Articles of Association, the Court 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 Court (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 Court to prepare financial statements for each financial year. Under that law, the Court 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 Court is required to prepare the financial statements in accordance with the terms and conditions of its Funding agreement agreed with the National College for Teaching and Leadership and the HEFCE Memorandum of assurance and accountability (July 2017), through its accountable officer. Under company law, the Court 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 Court 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 Court 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 Memorandum and Articles of Association, the Statement of Recommended Practice - Accounting for Further and Higher Education as issued in March 2014 and any subsequent amendments, the HEFCE 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 Court has taken reasonable steps to:

- ensure that funds from the National College for Teaching and Leadership, HEFCE and other funding bodies are used only for the purposes for which they have been given and in accordance with the HEFCE memorandum of assurance and accountability (July 2017) and the Funding Agreement with the National College for Teaching and Leadership (NCTL) and any other conditions which the Funding Council 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 Court 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 Court confirms that:

- so far as each Court Member is aware, there is no relevant audit information of the University's auditor is unaware; and
- the Members of *the* Court have taken all the steps that they ought to have taken as Court Members in order to make themselves aware of any relevant audit information and to establish that the University's auditor is aware of that information.

Approved on behalf of *the* Court by:

Ms Marianne Ismail
Chair

Date of Approval: 16 February 2018

INDEPENDENT AUDITOR'S REPORT TO *the* COURT OF THE UNIVERSITY OF GREENWICH

Opinion

Our opinion on the financial statements is unmodified

We have audited the financial statements of the University of Greenwich (the 'University') and its subsidiaries (the 'group') for the year ended 31 July 2017, which comprise the consolidated and University Statements of Comprehensive Income and Expenditure, the consolidated and University Statements of Changes in Reserves, the consolidated and University Balance Sheets, the consolidated Statement of Cash Flows and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' (United Kingdom Generally Accepted Accounting Practice).

In our opinion, the financial statements:

- give a true and fair view of the state of the group's and the University's affairs as at 31 July 2017 and of the group's and the University's surplus for the year, incoming resources and application of resources including income and expenditure, recognised gains and losses and the group's cash flow for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice and the Statement of Recommended Practice: Accounting for Further and Higher Education; and
- have been prepared in accordance with the Companies Act 2006.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the 'Auditor's responsibilities for the audit of the financial statements' section of our report. We are independent of the Group and the University in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard as applied to public interest entities, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Who we are reporting to

This report is made solely to the University's Court, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the University's Court those matters we are required to state to it in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the University and the University's Court as a body, for our audit work, for this report, or for the opinions we have formed.

Conclusions relating to going concern

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

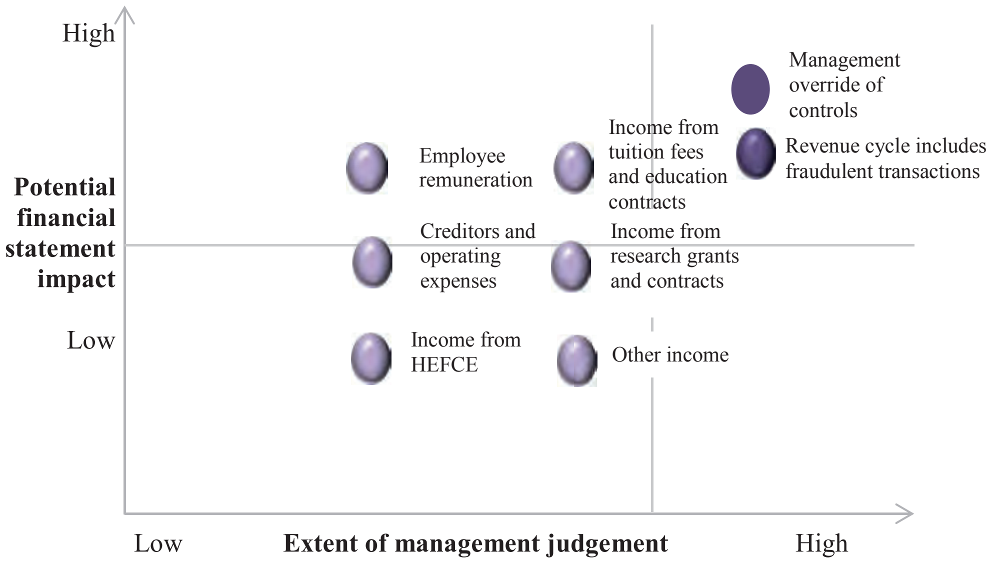
- the University's Court's use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the University's Court has not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the Group's or the 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.

Overview of our audit approach

- Overall materiality: £4,011,000, which represents 2% of the Group's total income.
- Key audit matters were identified as: the risk that the revenue cycle includes fraudulent transactions; and management override of controls.
- We performed full-scope audit procedures on the financial information of the University of Greenwich as well as the financial information of its wholly owned subsidiary companies, Greenwich University Enterprises Limited and Greenwich Property Limited, and on the consolidation process.

Key audit matters

The graph below depicts the audit risks identified and their relative significance based on the extent of the financial statement impact and the extent of management judgement.



Key audit matters are those matters that, in our professional judgment, were of most significance in our 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) that we identified. These matters included those that 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 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.

Key Audit Matters	How the matter was addressed in the audit
The revenue cycle includes fraudulent transactions	
Under ISA (UK) 240 'The Auditor's Responsibilities Relating to Fraud in an Audit of Financial Statements' there is a rebuttable presumed risk that revenue may be misstated due to the improper recognition of revenue. We therefore identified the risk that the revenue cycle includes fraudulent transactions as a significant risk, which was one	Our audit work included, but was not restricted to: • Assessing whether the Group's accounting policy regarding the recognition of revenue is in accordance with FRS 102; • HEFCE income: Agreeing the recorded income to confirmation received directly from HEFCE; • Tuition fee income: Agreeing revenue from a sample of students to the student records system and external fee data; • Research grants and contracts: Ensuring amounts recognised in relation to a sample

Key Audit Matters	How the matter was addressed in the audit
of the most significant assessed risks of material misstatement.	of projects is in line with contracted terms; and • Other income: Agreeing a sample of recorded transactions to supporting documentation. The Group's accounting policy on **revenue** is shown in note **1** to the financial statements and related disclosures are included in notes 2 to 7. Key observations We found all material revenue streams to be correctly recognised in accordance with FRS 102. No misstatements or other findings were noted, and no incidences of fraud were identified.
Management override of controls Under ISA (UK) 240 'The Auditor's Responsibilities Relating to Fraud in an Audit of Financial Statements' there is a non-rebuttable presumed risk that the risk of management override of controls is present in all entities. We therefore identified management override of controls as a significant risk, which was one of the most significant assessed risks of material misstatement.	Our audit work included, but was not restricted to: • Assessing the reasonableness of accounting estimates, judgements and decisions made by management, including the estimate of the bad debt provision, the valuation of the defined benefit pension liability and the valuation of land; • Using data analytics and data interrogation techniques to identify journal entries with increased risk and testing whether journals are in accordance with expectations, including corroborating any unusual entries to source documentation. The Group's accounting policy for estimates and judgements is shown in note 1 to the financial statements. Key observations We noted no issues in relation to management override of control.

Our application of materiality

We define materiality as the magnitude of misstatement in the financial statements that makes it probable that the economic decisions of a reasonably knowledgeable person would be changed or influenced. We use materiality in determining the nature, timing and extent of our work and in evaluating the results of that work.

Materiality was determined as follows:

Materiality measure	Group	University
Financial statements as a whole	£4,011,000, which is 2% of Group revenue. This benchmark is considered the most appropriate because it is a key performance indicator for the Group. Materiality for the current year is lower than the level that we determined for the year ended 31 July 2016 to reflect a decrease in Group revenue.	£3,610,000 which is 2% of the University's revenue, capped at 90% of Group materiality. This benchmark is considered the most appropriate because revenue is also a key performance indicator for the University. Materiality for the current year is lower than the level that we determined for the year ended 31 July 2016 to reflect a decrease in the Group's revenue.
Performance materiality used to drive the extent of our testing	**75%** of financial statement materiality.	**75%** of financial statement materiality.
Specific materiality	We determined a lower level of specific materiality for certain areas such as the remuneration of Court Members and related party transactions.	We determined a lower level of specific materiality for certain areas such as the remuneration of Court Members and related party transactions.
Communication of misstatements to the audit committee	£201,000 and misstatements below that threshold that, in our view, warrant reporting on qualitative grounds.	£181,000 and misstatements below that threshold that, in our view, warrant reporting on qualitative grounds.

The graph below illustrates how performance materiality interacts with our overall materiality and the tolerance for potential uncorrected misstatements.

An overview of the scope of our audit

Our audit approach was based on a thorough understanding of the Group's business and is risk-based. An interim visit was conducted before the year end for all significant components of the Group to complete planning procedures and to evaluate the Group's internal controls environment including its IT systems. The components of the Group were evaluated based on a measure of materiality considering each as a percentage of total Group assets, liabilities, revenues and profit before taxes, to assess the significance of the component and to determine the planned audit response.

Whilst the two subsidiary entities were not identified as significant components in relation to the Group, their financial information was subjected to full-scope audit procedures.

Therefore we performed full-scope audit procedures on the financial information of the University of Greenwich Limited as well as its subsidiaries, Greenwich University Enterprises Limited and Greenwich Property Limited, and on the consolidation process.

Other information

The Court is responsible for the other information. The other information comprises the information included in the annual report set out on pages 1 to 21, other than the financial statements and our auditor's report thereon. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

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

We have nothing to report in this regard.

Our opinion on other matters prescribed by the Companies Act 2006 is unmodified

In our opinion, based on the work undertaken in the course of the audit:

- the information given in the strategic report and the Report of the Court for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the strategic report and the Report of the Court have been prepared in accordance with applicable legal requirements.

Matter on which we are required to report under the Companies Act 2006

In the light of the knowledge and understanding of the Group and the University and its environment obtained in the course of the audit, we have not identified material misstatements in the strategic report or the Report of the Court.

Opinion on other matters prescribed by HEFCE's Memorandum of assurance and accountability dated July 2017 and the funding agreement with the National College for Teaching and Leadership

In our opinion, in all material respects:

- funds from whatever source administered by the Group for specific purposes have been properly applied to those purposes and, if relevant, managed in accordance with relevant legislation;
- funds provided by HEFCE and the National College for Teaching and Leadership have been applied in accordance with the Memorandum of assurance and accountability, the funding agreement with the National College for Teaching and Leadership and any other terms and conditions attached to them; and
- the requirements of HEFCE's accounts direction have been met.

Matters on which we are required to report by exception

We have nothing to report in respect of the following matters in relation to which the Companies Act 2006 requires us to report to you if, in our opinion:

- 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
- the University's financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of the members of the Court's remuneration specified by law are not made; or
- we have not obtained all the information and explanations we require for our audit.

Responsibilities of the Court for the financial statements

As explained more fully in the Statement of Responsibilities of the Court set out on pages 20 to 21, the members of the Court (who are also the directors of the charitable company for the purposes of company law) are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the Court determines 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 Court 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 Court either intends to liquidate the Group or the University or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

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

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

Jennifer Brown
Senior Statutory Auditor
for and on behalf of Grant Thornton UK LLP
Statutory Auditor, Chartered Accountants
London
Date: 19 February 2018

UNIVERSITY of GREENWICH

CONSOLIDATED AND UNIVERSITY STATEMENT OF COMPREHENSIVE INCOME AND EXPENDITURE

FOR THE YEAR ENDED 31 JULY 2017

		Group		University	
					Restated
		2017	2016	**2017**	2016
	Note	**£'000**	£'000	**£'000**	£'000
INCOME					
Tuition fees and education contracts	*2*	**139,404**	142,465	**139,404**	142,465
Funding body grants	*3*	**20,708**	20,728	**20,708**	20,728
Research grants and contracts	*4*	**12,688**	14,848	**12,449**	14,644
Other income	*5*	**26,015**	25,055	**25,029**	23,725
Investment income	*6*	**528**	525	**528**	525
Donations and endowments	*7*	**1,206**	195	**19,573**	195
Total Income		**200,549**	203,816	**217,691**	202,282
EXPENDITURE					
Staff costs	*8*	**101,335**	96,955	**100,430**	96,085
Severance costs	*9*	**985**	1,126	**985**	1,126
Other operating expenses	*11*	**78,715**	82,450	**77,557**	80,983
Depreciation	*13*	**7,308**	7,818	**7,297**	7,780
Interest and other finance costs	*12*	**8,193**	8,576	**9,206**	9,688
Total Expenditure		**196,536**	196,925	**195,475**	195,662
Surplus before other gains/(losses)		**4,013**	6,891	**22,216**	6,620
Gain on investments		**2,190**	1,628	**2,190**	1,628
Currency translation gains		**251**	895	**251**	895
Surplus before tax		**6,454**	9,414	**24,657**	9,143
Taxation	*29*	**-**	-	**-**	-
Surplus for the year after tax before other gains/(losses)		**6,454**	9,414	**24,657**	9,143
Actuarial gain/(loss) in respect of pension schemes	*28*	**15,384**	(23,322)	**15,384**	(23,322)
Total comprehensive income for the year		**21,838**	(13,908)	**40,041**	(14,179)
Represented by:					
Endowment comprehensive income for the year		**(20)**	(4)	**(20)**	(4)
Restricted comprehensive income for the year		**(964)**	988	**(964)**	988
Unrestricted comprehensive income for the year		**22,822**	(14,892)	**41,025**	(15,163)
		21,838	(13,908)	**40,041**	(14,179)

All items of income and expenditure relate to continuing activities. The accompanying notes and policies form part of these financial statements. For details of the University restatement, please see note 35.

CONSOLIDATED AND UNIVERSITY STATEMENT OF CHANGES IN RESERVES

FOR THE YEAR ENDED 31 JULY 2017

	Income and expenditure reserve			Revaluation reserve	Total
	Endowment	*Restricted*	*Unrestricted*		
Consolidated	£'000	£'000	£'000	£'000	£'000
Balance at 1 August 2015	**1,102**	**385**	**26,004**	**48,028**	**75,519**
Surplus for the year after tax	(4)	988	8,430	-	9,414
Actuarial loss in respect of pension schemes	-	-	(23,322)	-	(23,322)
Transfers between revaluation and income and expenditure reserve	-	-	88	(88)	-
Total comprehensive income for the year	**(4)**	**988**	**(14,804)**	**(88)**	**(13,908)**
Balance at 1 August 2016	**1,098**	**1,373**	**11,200**	**47,940**	**61,611**
Surplus for the year after tax	(20)	(964)	7,438	-	6,454
Actuarial gain in respect of pension schemes	-	-	15,384	-	15,384
Transfers between revaluation and income and expenditure reserve	-	-	88	(88)	-
Total comprehensive income for the year	**(20)**	**(964)**	**22,910**	**(88)**	**21,838**
Balance at 31 July 2017	**1,078**	**409**	**34,110**	**47,852**	**83,449**
University					
Balance at 1 August 2015 as previously stated	**1,102**	**385**	**26,124**	**48,028**	**75,639**
Prior year adjustment (note 35)	-	-	(24,961)	-	(24,961)
Balance at 1 August 2015 as restated	**1,102**	**385**	**1,163**	**48,028**	**50,678**
Surplus for the year after tax	(4)	988	8,159	-	9,143
Actuarial loss in respect of pension schemes	-	-	(23,322)	-	(23,322)
Transfers between revaluation and income and expenditure reserve	-	-	88	(88)	-
Total comprehensive income for the year	**(4)**	**988**	**(15,075)**	**(88)**	**(14,179)**
Balance at 1 August 2016 as restated	**1,098**	**1,373**	**(13,912)**	**47,940**	**36,499**
Surplus for the year after tax	(20)	(964)	25,641	-	24,657
Actuarial gain in respect of pension schemes	-	-	15,384	-	15,384
Transfers between revaluation and income and expenditure reserve	-	-	88	(88)	-
Total comprehensive income for the year	**(20)**	**(964)**	**41,113**	**(88)**	**40,041**
Balance at 31 July 2017	**1,078**	**409**	**27,201**	**47,852**	**76,540**

The accompanying notes and policies form part of these financial statements. For details of the restatement, please see note 35.

UNIVERSITY of GREENWICH

(Company Registration No. 00986729)

CONSOLIDATED AND UNIVERSITY BALANCE SHEET

AS AT 31 JULY 2017

	Note	Group		University	
					Restated
		2017	2016	**2017**	2016
		£'000	£'000	**£'000**	£'000
Non-current assets					
Fixed assets	*13*	**249,134**	247,994	**249,134**	247,983
Investments	*15*	**38**	38	**38**	38
		249,172	248,032	**249,172**	248,021
Current Assets					
Stock	*16*	**60**	59	**60**	59
Trade and other receivables	*17*	**12,904**	10,699	**12,541**	10,186
- amounts falling due after more than one year	*17*	**-**	-	**6,634**	6,012
Investments	*18*	**61,785**	64,589	**61,785**	64,589
Cash and cash equivalents	*25*	**36,413**	28,420	**36,258**	28,344
		111,162	103,767	**117,278**	109,190
Less: Creditors: amounts falling due within one year	*19*	**(59,491)**	(58,526)	**(60,245)**	(75,489)
Net Current Assets		**51,671**	45,241	**57,033**	33,701
Total Assets less Current Liabilities		**300,843**	293,273	**306,205**	281,722
Creditors: amounts falling due after more than one year	*20*	**(109,920)**	(113,146)	**(122,191)**	(126,707)
Provisions					
Pension obligation	*21*	**(107,474)**	(117,540)	**(107,474)**	(117,540)
Other provisions	*22*	**-**	(976)	**-**	(976)
Total Net Assets		**83,449**	61,611	**76,540**	36,499

(Company Registration No. 00986729)

CONSOLIDATED AND UNIVERSITY BALANCE SHEET (continued)

AS AT 31 JULY 2017

	Note	Group		University	
					Restated
		2017	2016	**2017**	2016
		£'000	£'000	**£'000**	£'000
Restricted Reserves					
Income and expenditure reserves:					
- endowment funds	*23*	**1,078**	1,098	**1,078**	1,098
- restricted reserve	*24*	**409**	1,373	**409**	1,373
Unrestricted Reserves					
Income and expenditure reserve - unrestricted		**141,584**	128,740	**134,675**	103,628
Pension reserve	*21*	**(107,474)**	(117,540)	**(107,474)**	(117,540)
Revaluation Reserve		**47,852**	47,940	**47,852**	47,940
Total Reserves		**83,449**	61,611	**76,540**	36,499

The accompanying notes and policies form part of these financial statements. For details of the restatement, please see note 35.

The Financial Statements on pages 28 to 65 were approved by *the* Court on 16 February 2018 and signed on its behalf by:

Professor David Maguire, Vice-Chancellor

Ms Marianne Ismail, Chair

UNIVERSITY of GREENWICH

CONSOLIDATED STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED 31 JULY 2017

	Note	**2017** £'000	Restated 2016 £'000
Cash flow from operating activities			
Surplus for the year		**6,454**	9,414
Adjustment of non-cash items :-			
Depreciation	*13*	**7,308**	7,818
Gain on investments		**(2,190)**	(1,628)
Increase in stock	*16*	**(1)**	-
(Increase)/decrease in debtors	*17*	**(2,198)**	2,635
Increase/(decrease) in creditors		**1,501**	(1,269)
Increase in pension provision (excluding actuarial gain)	*21*	**5,318**	4,334
Decrease in provisions		**(976)**	-
Adjustment for investing or financing activities:-			
Capital grants utilised in the year		**(1,258)**	(1,265)
Translation gains on currency bank accounts		**(251)**	(895)
Investment income	*6*	**(528)**	(525)
Interest payable	*12*	**5,541**	5,592
Endowment income	*7*	**(1,206)**	(195)
Net cash inflow from operating activities		**17,514**	24,016
Cash flows from investing activities			
Withdrawal from deposits/(new deposits)		**4,993**	(15,000)
Investment income		**528**	525
Capital grants received		**118**	433
Payments made to acquire fixed assets		**(8,765)**	(9,229)
		(3,126)	(23,271)
Cash flows from financing activities			
Interest paid - Bond	*12*	**(1,068)**	(1,127)
Interest element of service concession payments		**(4,473)**	(4,500)
Repayments of amounts borrowed		**(1,105)**	(1,045)
		(6,646)	(6,672)
Translation gains on currency bank accounts		**251**	895
Increase/(decrease) in cash and cash equivalents in the year	*25*	**7,993**	(5,032)
Cash and cash equivalents at the beginning of the year		**28,420**	33,452
Cash and cash equivalents at the end of the year		**36,413**	28,420
		7,993	(5,032)

The accompanying notes and policies form part of these financial statements. For details of the restatement, please see note 35.

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 (2015) and in accordance with Financial Reporting Standard (FRS) 102.

The financial statements have been prepared on a going concern basis informed by the University's future financial forecasts. 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 and the Avery Hill freehold buildings. The functional currency is GBP Sterling.

The University has taken advantage of the exemption under paragraph 1.12 of FRS102 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 and Greenwich University Enterprises Limited.

Greenwich Property Ltd has taken advantage of the early adoption permitted under the FRS 102 triennial review (2017) in relation to gift aid payments and the tax effects thereon.

Intra-group revenues, 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 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:

- Valuation of land – the University took advantage of the exemption to first-time adopters of FRS102 to revalue certain assets at the date of transition to FRS102 to their fair value. The University revalued its land assets on transition to £54.88m which were previously held at cost (£14.08m).
- Defined benefit pension liability - the University has made key assumptions in conjunction with the schemes' actuaries which have been used in the calculation of the defined benefit liability.
- Bad debt provision – the University has made a judgement on the recoverability of both student and commercial debtors based on historical experience and other external factors.
- Depreciation – as stated in the Fixed Assets accounting policy, depreciation is based on the University's evaluation of the useful economic life of the relevant assets.
- Service concessions are recognised as such in line with FRS 102. In 1996 the University paid Greenwich Property Ltd (GPL) 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.

d) Income recognition

Income from the sale of goods or services is credited to the Statement of Comprehensive Income 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 to reflect the delivery of teaching to students. This includes short course income, and income from International Partner Colleges. Bursaries and scholarships are accounted for as expenditure gross as expenditure and not deducted form income.

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

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

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

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

e) Grant funding

Grant funding, including funding council and government research grants, are recognised in the Statement of Comprehensive Income 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.

Other grants and donations from non-government sources (including research grants), are recognised in the Statement of Comprehensive Income 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 in line with such conditions being met.

Projected losses on long-term contracts are recognised immediately in the Statement of Comprehensive Income.

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 when 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. Income is retained within the restricted reserve until such time that it is utilised in line with such restrictions at which point the income is released to general reserves.

Donations with no restrictions are recorded within income when the University is entitled to the funds.

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

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

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. 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. Land and certain freehold buildings that have been revalued on or before 1 August 2014 are 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. Leasehold land and buildings are amortised over the period of the lease up to a maximum of 50 years. Improvements to buildings are depreciated over 10 years.

Where buildings are acquired with the aid of specific government grants they are capitalised and depreciated as above. The related grants are deferred and released to the Statement of Comprehensive Income over the expected useful economic life of the related asset on a basis consistent with the depreciation policy. Where land is acquired with the aid of a government grant or where land and buildings are acquired with the aid of a non-government grant, the related grant is credited to the Statement of Comprehensive Income when the University is entitled to the income, subject to any performance conditions being met.

Finance costs that are directly attributable to the construction of buildings are capitalised as part of the cost of those assets.

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. 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 brought into use.

l) Equipment and motor vehicles

Equipment costing less than £6,000 per individual item is written off to the Statement of Comprehensive Income 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:

IT equipment	5 years
Motor Vehicles and other general equipment	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) 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 by 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, less accumulated depreciation and 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.

n) 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 minimum lease term.

o) 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.

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 662-bedroom 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 has raised the finance for the construction of buildings, which have subsequently been 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 now reflected in the Accounts for the University itself and GPL as a service concession, and are set off in the Consolidated Statement of Comprehensive Income. The Consolidated Balance Sheet therefore includes the buildings as a fixed asset with a consequential, and matching, long-term creditor.

p) Investments

Non-current asset investments are held on the Balance Sheet at amortised cost less impairment.

Investments in associates and subsidiaries are carried at cost less impairment.

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

q) 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.

r) 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.

s) 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.

Deferred tax is provided in full on timing differences which result in an obligation at the balance sheet date to pay more tax, or a right to pay less tax, at a future date, at rates expected to apply when they crystallise based on current rates and law. Timing differences arise from the inclusion of items of income and expenditure in taxation computations in periods different from those in which they are included in the financial statements. Deferred tax assets are more likely than not to be recovered. Deferred tax assets and liabilities are not discounted.

t) 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). These are defined benefit schemes and are externally funded. The funds are valued every three years for LPFA and not less than every four years for the TPS by professionally qualified independent actuaries.

The LPFA scheme is accounted for as a defined benefit scheme in accordance with FRS102. 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 employers 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 the Statement of 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 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.

u) The bond

The University has an obligation in respect of a 30 year £30m Guaranteed 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 over 30 years using the effective interest method.

v) 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, in accordance with section 11 of FRS 102.

Loans and receivables 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.

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. Finance charges, including premiums payable on settlement or redemption and transaction costs, are charged to the Statement of Comprehensive Income 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.

w) 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 FRS102 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.

x) 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.

		Group		University	
					Restated
		2017	2016	**2017**	2016
		£'000	£'000	**£'000**	£'000
2.	**Tuition fees and educational contracts**				
	Full-time home and EU students	**91,109**	93,020	**91,109**	93,020
	Part-time home and EU students	**7,353**	7,142	**7,353**	7,142
	Overseas students	**25,829**	27,441	**25,829**	27,441
		124,291	127,603	**124,291**	127,603
	Health Service contract	**15,113**	14,862	**15,113**	14,862
		139,404	142,465	**139,404**	142,465
3.	**Funding body grants**				
	HEFCE:-				
	Recurrent grant	**15,055**	15,743	**15,055**	15,743
	Specific grants	**4,031**	3,334	**4,031**	3,334
	Reimbursement of inherited liabilities	**335**	333	**335**	333
	Deferred grant income	**1,022**	1,029	**1,022**	1,029
	National College for Teaching and Leadership:-				
	Recurrent grant	**220**	251	**220**	251
	Other	**45**	38	**45**	38
		20,708	20,728	**20,708**	20,728
4.	**Research grants and contracts**				
	Research Council	**1,318**	876	**1,079**	876
	UK based charities	**673**	475	**673**	475
	UK central govt/health & hospital authorities	**1,670**	1,387	**1,670**	1,387
	European Commission	**1,871**	3,071	**1,871**	3,071
	Other grants and contracts	**7,156**	9,039	**7,156**	8,835
		12,688	14,848	**12,449**	14,644
5.	**Other income**				
	Student residences and catering	**18,214**	18,042	**18,026**	17,640
	Other revenue grants	**4,773**	4,043	**3,711**	2,788
	Other income	**3,028**	2,970	**3,292**	3,297
		26,015	25,055	**25,029**	23,725

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	Group		University	
				Restated
	2017	2016	**2017**	2016
	£'000	£'000	**£'000**	£'000
6. Investment Income				
Return on endowment funds	**16**	16	**16**	16
Other investment income	**512**	509	**512**	509
	528	525	**528**	525
7. Donations and endowments				
Endowments received	**6**	18	**6**	18
Donations with restrictions	**1,200**	177	**19,567**	177
	1,206	195	**19,573**	195

The University received a donation from its subsidiary company, Greenwich Property Ltd, in 2017 of £18.4m (2016: £nil).

8. Staff

(i) Staff Costs

	Group 2017 £'000	Group 2016 £'000	University 2017 £'000	University Restated 2016 £'000
Salaries	**77,681**	75,968	**76,982**	75,288
Social Security costs	**8,124**	7,072	**8,035**	6,997
Pension costs	**15,530**	13,915	**15,413**	13,800
	101,335	96,955	**100,430**	96,085

	No.	No.	**No.**	No.
Average staff numbers by major category:-				
Academic and research	**1,020**	1,036	1,008	1,024
Administrative & technical support	**1,171**	1,177	1,166	1,171
Premises	**36**	39	36	39
Student residences	**21**	20	19	17
	2,248	2,272	**2,229**	2,251

	2017	2016
	No.	No.
Remuneration of higher paid staff, excluding employer's pension contributions were:-		
£100,001 - £110,000	**3**	1
£110,001 - £120,000	**2**	6
£120,001 - £130,000	**3**	-
£130,001 - £140,000	**3**	2
£230,001 - £240,000	**1**	1

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

	2017 £	2016 £
Salary	**236,655**	230,648
Taxable benefit	**472**	1,125
	237,127	231,773
Employers pension contribution	**37,904**	35,659
	275,031	267,432

(ii) Governors

No Governors received remuneration from the University in the year for serving in their capacity as Governors. Total expenses paid on behalf of Governors (one, 2016: one) for travel and subsistence was £215 (2016: £355).

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 (2016: 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, Director of Finance, University Secretary and Director of Human Resources. Their remuneration including employer national insurance and superannuation costs are included in Staff Costs (note 8), with overall costs as follows:

	2017 £'000	2016 £'000
Key management personnel remuneration	**1,779**	1,780

9. Severance costs

	Group		University	
	2017 £'000	2016 £'000	**2017 £'000**	Restated 2016 £'000
Severance costs	**985**	1,126	**985**	1,126
	985	1,126	**985**	1,126

10. Directors

The University is a company limited by guarantee with the liability of its directors limited to £1. Its professional indemnity insurance provides £10 million of group cover for its Governors (directors) in any one-year period.

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	Group		University	
				Restated
	2017	2016	**2017**	2016
	£'000	£'000	**£'000**	£'000
11. Other operating expenses				
Fees to other colleges	**8,075**	8,267	**8,075**	8,267
Student recruitment	**2,577**	2,448	**2,577**	2,448
Books and periodicals	**1,532**	2,025	**1,532**	2,025
Consumables and laboratory expenditure	**1,984**	2,556	**1,984**	2,556
Computers, software and IT maintenance	**4,400**	4,118	**4,400**	4,118
Bursaries and scholarships	**7,950**	8,526	**7,950**	8,526
Students union subvention grant	**1,625**	1,415	**1,625**	1,415
Residence, catering and conferences	**10,125**	9,717	**9,013**	8,728
Rents, service charges, rates and insurance	**3,466**	2,834	**3,466**	2,834
Electricity, gas and water	**2,597**	2,585	**2,597**	2,585
Building maintenance and repair	**3,785**	6,554	**3,785**	6,554
Security	**2,203**	2,250	**2,203**	2,250
Cleaning, caretaking and waste management	**2,123**	2,222	**2,123**	2,222
Publicity and advertising	**2,368**	2,915	**2,368**	2,915
Research and consultancy	**946**	903	**946**	903
Subcontractors' fees and expenses	**4,743**	5,745	**4,743**	5,745
Printed communication	**1,631**	1,589	**1,631**	1,589
Telephone and other communication costs	**585**	429	**585**	429
Legal and professional fees	**1,786**	1,851	**1,786**	1,851
Non-contracted and agency staff	**2,795**	3,567	**2,795**	3,567
Staff recruitment	**175**	258	**175**	258
Consultancy fees	**2,049**	1,614	**2,049**	1,614
Staff development	**841**	928	**841**	928
Subscriptions	**1,099**	1,003	**1,099**	1,003
Travel and subsistence	**1,911**	1,972	**1,911**	1,972
Transportation	**1,073**	1,112	**1,073**	1,112
Furniture and equipment	**1,561**	1,059	**1,561**	1,059
Pension increase payment	**336**	349	**336**	349
Other expenses	**2,374**	1,639	**2,328**	1,161
	78,715	82,450	**77,557**	80,983

Group other operating expenses are stated after charging:-

		2017	2016
Auditors remuneration	- fees payable to the external auditors for the audit of the financial statements	**95**	74
	- fees payable to external auditors for:		
	- taxation services	**-**	5
	- other services	**6**	4
	- fees payable to internal auditors	**87**	89
	- fees payable to other audit firms	**12**	16
Rentals under operating leases	- equipment and vehicles	**507**	525
	- property: campuses	**1,557**	1,557
	- property: student residences	**973**	963

	Group		University	
				Restated
	2017	2016	**2017**	2016
	£'000	£'000	**£'000**	£'000
12. Interest and other finance costs				
Loan interest	**1,068**	1,127	**1,068**	1,127
Service concession interest	**4,473**	4,500	**5,486**	5,612
Currency gains/(losses) on conversion	**(50)**	(35)	**(50)**	(35)
Net charge on pension schemes	**2,702**	2,984	**2,702**	2,984
	8,193	8,576	**9,206**	9,688

13. Fixed 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 2016	160,899	83,710	68,271	24,003	383	337,266
Additions	18	8,129	-	291	10	8,448
At 31 July 2017	**160,917**	**91,839**	**68,271**	**24,294**	**393**	**345,714**
Depreciation						
At 1 August 2016	(23,506)	(33,318)	(12,426)	(19,680)	(342)	(89,272)
Charge for year	(2,140)	(2,055)	(1,381)	(1,711)	(21)	(7,308)
At 31 July 2017	**(25,646)**	**(35,373)**	**(13,807)**	**(21,391)**	**(363)**	**(96,580)**
Net Book Value						
At 31 July 2017	**135,271**	**56,466**	**54,464**	**2,903**	**30**	**249,134**
At 31 July 2016	137,393	50,392	55,845	4,323	41	247,994

(b) University

	Freehold £'000	Lease-hold £'000	Service Concess-ions £'000	Equip-ment £'000	Vehicles £'000	Total £'000
Cost or Valuation						
At 1 August 2016	160,899	83,710	68,271	23,654	383	336,917
Additions	18	8,129	-	291	10	8,448
At 31 July 2017	**160,917**	**91,839**	**68,271**	**23,945**	**393**	**345,365**
Depreciation						
At 1 August 2016	(23,506)	(33,318)	(12,426)	(19,342)	(342)	(88,934)
Charge for year	(2,140)	(2,055)	(1,381)	(1,700)	(21)	(7,297)
At 31 July 2017	**(25,646)**	**(35,373)**	**(13,807)**	**(21,042)**	**(363)**	**(96,231)**
Net Book Value						
At 31 July 2017	**135,271**	**56,466**	**54,464**	**2,903**	**30**	**249,134**
At 31 July 2016	137,393	50,392	55,845	4,312	41	247,983

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 has been 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.

14. 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 231 en-suite student residence.

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 2017 is £54,462,576 (2016: £55,843,009). The movement is due to depreciation of £1,380,433 (2016: £1,380,433).

The total liabilities relating to service concessions included in the Balance Sheet as at 31 July 2017 is £67,293,525 (2016: £67,698,195). The movement is due to interest in the year of £4,473,502 (2016: £4,500,756), less repayments of £4,878,172 (2016: £4,747,398).

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	2,866	5,788	58,639	67,293
Finance charge	2,137	15,523	73,124	90,784
	5,003	**21,311**	**131,763**	**158,077**

15. Investments

(i) Investments :-

	Group		University	
	2017 £'000	2016 £'000	**2017 £'000**	Restated 2016 £'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.

	University	
	2017 £	2016 £
Investment in subsidiaries at cost		
Greenwich University Enterprises Limited	**2**	2
Greenwich Property Limited	**2**	2
	4	4

(ii) Investment in subsidiary companies:-

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 2017 are consolidated in these financial statements with those of the University. Greenwich University Enterprises Limited has an equity shareholding in the following spin off company:-

- 200 ordinary shares (10.0%) 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 2017 are consolidated in these financial statements with those of the University.

(iii) Other arrangements, which are not required to be consolidated:-

The Laurel Trust (formerly Southern Educational Leadership Trust): The Trust must have 2 out of a total of 17 trustees that are University of Greenwich employees. The Trust is a company limited by guarantee. The objectives of the Trust include the advancement of education in particular by promoting and developing education leadership in schools, local education authorities or other organisations. The company was incorporated on 7 April 2006.

Thames Gateway Kent Partnership: The University is a party to a forum that co-ordinates activities aimed at facilitating the regeneration of the Kent Thameside (North Kent) area. The University does not contribute to, or receive money from, this body.

AIRTO Limited: The University is one of sixty-one members of AIRTO Limited. AIRTO Limited is the Association of Independent Research and Technology Organisations, the foremost membership body for organisations operating in the UK's intermediate research and technology sector.

GOETEC Limited: The University is one of five equal partners in GOETEC Limited, a company limited by guarantee. The company's vision is to represent the ICT interest of the higher education, further education and research communities and to develop, promote and provide ICT related shared services.

16. Stock

	Group		University	
				Restated
	2017	2016	**2017**	2016
	£'000	£'000	**£'000**	£'000
Catering consumables	**60**	59	**60**	59

	Group		University	
				Restated
	2017	2016	**2017**	2016
	£'000	£'000	**£'000**	£'000
17. Trade and other receivables				
Due within one year				
Trade receivables	**9,603**	8,065	**9,428**	7,715
Research grants receivables	**202**	161	**202**	161
Other receivables	**235**	234	**78**	72
Prepayments and accrued income	**2,816**	2,180	**2,785**	2,179
Amounts due from HEFCE/NCTL	**48**	59	**48**	59
	12,904	10,699	**12,541**	10,186
Due in more than one year				
Amounts due from subsidiaries	**-**	-	**6,634**	6,012
	12,904	10,699	**19,175**	16,198

18. Current asset investments

	Group 2017 £'000	Group 2016 £'000	University 2017 £'000	University Restated 2016 £'000
Equities and investment funds	**16,782**	14,599	**16,782**	14,599
Charities Official Investment Fund shares	**84**	78	**84**	78
Debt service reserve (bond) - note 20	**2,412**	2,412	**2,412**	2,412
Short term deposits	**42,507**	47,500	**42,507**	47,500
	61,785	64,589	**61,785**	64,589

The market value of listed equities and investment funds at 31 July 2017 was £16.782m (2016: £14.599m).

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 2017 the weighted average interest rate of fixed rate deposits was 0.64% (2016: 1.05%) per annum and the remaining weighted average period for which the interest rate is fixed on these deposits was 114 days (2016: 191 days). The fair value of these deposits was not materially different from the book value.

	Group		University	
				Restated
	2017	2016	**2017**	2016
	£'000	£'000	**£'000**	£'000

19. Creditors: Amounts falling due within one year

Secured loan - Bond	**1,046**	983	**1,046**	983
Unsecured loan - HEFCE Revolving Fund	**122**	122	**122**	122
Service concessions (note 14)	**2,866**	2,428	**2,027**	1,705
Trade payables	**7,167**	7,125	**7,164**	7,108
Amounts owed to subsidiaries	**-**	-	**2,787**	18,945
Social security and other taxation payable	**2,255**	2,318	**2,255**	2,318
Other creditors	**8,607**	8,517	**8,574**	8,484
Accruals and deferred income	**37,428**	37,033	**36,270**	35,824
	59,491	58,526	**60,245**	75,489

Accruals and deferred income of £37.4m (2016: £37.0m) include the following deferred revenues that have specific performance related conditions that will be met in future accounting periods.

Research grants received on account	**8,445**	7,757	**8,228**	7,598
Grant income	**860**	1,606	**860**	1,606
Donations	**-**	1,000	**-**	1,000
Other income	**5,096**	3,055	**4,185**	2,081
	14,401	13,418	**13,273**	12,285

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

Deferred grants	**30,490**	31,706	**30,490**	31,706
Service concessions (note 14)	**64,428**	65,270	**51,989**	51,993
<u>Loans</u>				
Secured loan - Bond	**15,002**	16,048	**15,002**	16,048
Unsecured loan - HEFCE Revolving Fund	**-**	122	**-**	122
Unsecured loan - Greenwich Property Ltd	**-**	-	**24,710**	26,838
	109,920	113,146	**122,191**	126,707

	Group		University	
				Restated
	2017	2016	**2017**	2016
	£'000	£'000	**£'000**	£'000
Loans - Analysis of repayments:-				
Repayable between one and two years				
Secured loan - Bond	**1,114**	1,046	**1,114**	1,046
Loan - HEFCE Green Fund	**-**	122	**-**	122
Loan - Greenwich Property Limited	**-**	-	**2,303**	2,127
	1,114	1,168	**3,417**	3,295
Repayable between two and five years				
Secured loan - Bond	**3,792**	3,562	**3,792**	3,562
Loan - Greenwich Property Limited	**-**	-	**8,111**	7,493
	3,792	3,562	**11,903**	11,055
Repayable after five years				
Secured loan - Bond	**10,096**	11,440	**10,096**	11,440
Loan - Greenwich Property Limited	**-**	-	**14,296**	17,218
	10,096	11,440	**24,392**	28,658
	15,002	16,170	**39,712**	43,008

The 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.

AMBAC Assurance UK Limited guarantees re-payments of interest and principal, for which guarantee the University paid a premium covering the 30-year period. The University is required to maintain a debt service reserve comprising cash, or cash equivalents, sufficient to meet two bond repayment instalments. Payments are semi-annual on 31 January and 31 July.

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 rate method. At 31 July 2017, the market price of the bond as quoted on the Luxembourg Stock Exchange was £119.02 per £100 unit (2016: £122.40 per £100 unit).

21. Pension provisions (Group and University)

	Group and University			
	Defined Benefit Scheme (note 28)	USS Pension Deficit	Enhanced Pensions	Total
	£'000	£'000	£'000	£'000
At 1 August 2016	111,124	367	6,049	117,540
Staff Cost	2,514	-	-	2,514
Admin Cost	197	-	-	197
Interest cost	2,696	-	29	2,725
Payments in year	-	-	(231)	(231)
Revaluation of enhanced pension liability	-	-	152	152
Actuarial (gain)/loss	(15,384)	-	-	(15,384)
Decrease in provision	-	(39)	-	(39)
At 31 July 2017	**101,147**	**328**	**5,999**	**107,474**

The enhanced pension provision of £6.0m 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% resulting in a £0.1m decrease (2016: 0.5m increase) in the provision.

22. Other provisions (Group and University)

	£'000
At 1 August 2016	976
Released in year	(976)
At 31 July 2017	**-**

Other provisions related to a decontamination provision for the former pyrotechnic site at North Dartford that was acquired by the University some years ago and is currently earmarked for disposal. A number of studies had been commissioned to establish the degree of contamination of the site and the cost of decontamination. A study commissioned in 2007 carried out by a firm of consultant engineers estimated its decontamination cost (assuming disposal for commercial usage). However, at the year end, discussions regarding the sale of the site to a potential purchaser were sufficiently well advanced for the University to be confident that the provision would no longer be required. The sale was subsequently completed in August 2017.

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23. Endowment Reserves (Group and University)

	Restricted Permanent £'000	Restricted Expendable £'000	2017 Total £'000	2016 Total £'000
Balances at 1 August 2016				
Capital	300	56	**356**	303
Accumulated income	167	575	**742**	799
	467	631	**1,098**	1,102
New endowments	-	6	**6**	18
Investment income	9	7	**16**	16
Expenditure	(6)	(43)	**(49)**	(42)
Transfers	-	-	**-**	-
	3	(36)	**(33)**	(26)
Increase in market value	7	-	**7**	4
At 31 July 2017	477	601	**1,078**	1,098
Represented by:				
Capital	308	56	**364**	356
Accumulated income	169	545	**714**	742
	477	601	**1,078**	1,098
Analysis by type of purpose:				
Scholarships and bursaries	446	438	**884**	897
Prize funds	30	22	**52**	52
General	-	142	**142**	149
	476	**602**	**1,078**	1,098

24. Restricted Reserves (Group and University)

	2017 £'000	2016 £'000
Balances at 1 August 2016	**1,373**	385
New donations	**212**	1,151
Expenditure	**(1,176)**	(163)
At 31 July 2017	**409**	1,373

25. Cash and cash equivalents

	1 August 2016 £'000	Cash Flows £'000	Non-cash changes £'000	31 July 2017 £'000
Cash and cash equivalents	28,420	7,993	-	**36,413**
Total	28,420	7,993	-	**36,413**

26. Lease obligations

	Group		**University**	
				Restated
	2017 £'000	2016 £'000	**2017 £'000**	2016 £'000
Operating lease obligations:-				
Leasehold properties				
Payable within one year	**2,530**	2,520	**2,530**	2,520
Payable between two and five years	**10,016**	10,080	**10,016**	10,080
Payable after five years	**198,858**	201,121	**198,858**	201,121
	211,404	213,721	**211,404**	213,721
Equipment				
Payable within one year	**401**	435	**401**	435
Payable between two and five years	**678**	269	**678**	269
	1,079	704	**1,079**	704

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

27. Capital commitments

Provision has not been made for the following capital commitments at 31 July 2017:

Commitments contracted	**9,583**	843	**9,583**	843
Commitments authorised but not contracted	**14,482**	30,521	**14,482**	30,521
	24,065	31,364	**24,065**	31,364

The total commitments are comprised of the Dreadnought Student Hub, £20.211m, and the capital refurbishment of the Cutty Sark and Devonport halls of residence, £3.853m.

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 TPS and LPFA are defined benefit schemes, whose financial position, income and expenditure are disclosed in their annual audited financial statements. 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 FRS102, 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 2012 (published June 2014). The report revealed total Scheme liabilities for service to the valuation date of £191.5bn and notional assets of £176.6bn, giving a notional past service deficit of £15.0bn. Based on the detailed valuation analysis, the employer contribution rate was increased from 1 September 2015 to 16.4% of pensionable pay.

The next valuation of the Scheme will be carried out as at 31 March 2016 (to be published 2018). This will set the employer contribution rate payable from 1 April 2019, determine the opening value of the cost cap fund and provide the cost cap analysis as required by the Directions for future valuations.

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 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 2016. The total value of the Fund as at 31 March 2016 was £4,550m.

The main actuarial assumptions used in the 2016 valuation were:

Consumer Price Inflation (CPI)	2.4%
Discount Rate	5.7%
Annual rate of pay increases	3.9%
Annual rate of pension increases	2.4%

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.

The University's contribution rate has been assessed at 14% plus an additional lump sum payment of £2,027m p.a. for past service costs.

Pension costs are charged to the Statement of Comprehensive Income in the year to which the salaries on which they are payable relate. Other creditors include £681,949 (2016: £737,436) payable to the LPFA in respect of the University's pension contributions on July 2017 salaries.

The following disclosures in relation to LPFA are a requirement of FRS102.

Assumptions as at:-	**31 July 2017**	31 July 2016	31 July 2015
	Nominal % pa	Nominal % pa)	Nominal % pa)
RPI increases	**3.5%**	3.0%	3.4%
CPI increases	**2.4%**	1.9%	2.5%
Salary increases	**3.4%**	2.9%	3.9%
Pension increases	**2.4%**	1.9%	2.5%
Discount rate	**2.7%**	2.5%	3.7%

Mortality Assumptions:-
The post retirement mortality is based on Club Vita analysis. These base tables are then projected using the CMI 2015 model, allowing for a long-term rate of improvement of 1.5% per annum.

The assumed life expectations from age 65 are:

	2017		2016	
	Males	**Females**	Males	Females
Current Pensioners	**21.5 years**	**24.5 years**	22.0 years	25.1 years
Future Pensioners	**23.8 years**	**26.7 years**	24.4 years	27.4 years

The asset allocation for the University as at 31 July 2017 was as follows:

Asset Class	**Fair Value at 31 July 2017 £'000**	Fair Value at 31 July 2016 £'000
Equities	**110,159**	77,811
Target return portfolio	**37,274**	36,775
Cash	**12,456**	6,291
Liability Driven Investments	**-**	13,216
Commodities	**-**	808
Property	**11,702**	5,654
Infrastructure	**8,098**	10,685
Total	**179,689**	151,240

The return on the fund (on a bid to bid value basis) for the year to 31 July 2017 is estimated to be 15%. Based on the above, the University's share of the assets of the Fund is approximately 3%.

Analysis of the amount shown in the balance sheet	**2017 £'000**	2016 £'000
Present value of defined benefit obligation	**(280,451)**	(261,955)
Fair value of Fund assets (bid value)	**179,689**	151,240
Deficit	**(100,762)**	(110,715)
Present value of unfunded obligations	**(385)**	(409)
Deficit in scheme - net pension liability	**(101,147)**	(111,124)

Analysis of the amount that is debited to finance costs

Interest cost	**6,513**	8,249
Expected return on employer assets	**(3,817)**	(5,271)
Net cost	**2,696**	2,978

Analysis of the amount recognised in the Statement of Comprehensive Income and Expenditure

Actual return less expected return on pension scheme deficits	**19,340**	2,311
Experience gain/(loss)	**8,514**	(3)
Other actuarial gains	**2,582**	-
Change in demographic assumptions	**3,153**	-
Changes in assumptions underlying the present value of the scheme liabilities	**(18,205)**	(25,630)
Actuarial gain/(loss)	**15,384**	(23,322)

	2017	2016
	£'000	£'000
Movement in deficit during the year		
Deficit at beginning of the year	**(111,124)**	(83,793)
Current service cost	**(9,179)**	(7,499)
Employer contributions	**6,975**	6,701
Contributions in respect of unfunded benefits	**34**	34
Impact of settlements and curtailments	**(344)**	(55)
Administration expenses	**(197)**	(212)
Net return on assets	**(2,696)**	(2,978)
Actuarial gain/(loss)	**15,384**	(23,322)
Deficit at end of year	**(101,147)**	(111,124)

Analysis of the movement in the present value of the scheme liabilities		
Opening defined benefit obligation	**262,364**	224,884
Current service cost	**9,179**	7,499
Interest cost	**6,513**	8,249
Contributions by members	**2,080**	1,992
Change in demographic assumptions	**(3,153)**	-
Change in financial assumptions	**18,205**	25,630
Experience (gain)/loss on on defined benefit obligation	**(8,514)**	3
Losses on curtailments	**344**	55
Unfunded benefits payments	**(34)**	(34)
Estimated benefits paid net of transfers in	**(6,148)**	(5,914)
Closing defined benefit obligation	**280,836**	262,364

Analysis of the movement in the market value of the scheme assets		
Opening fair value of employer assets	**151,240**	141,091
Interest on assets	**3,817**	5,271
Return on assets less interest	**19,340**	2,311
Other actuarial gains	**2,582**	-
Administration expenses	**(197)**	(212)
Contributions by members	**2,080**	1,992
Contributions by the employer including unfunded	**7,009**	6,735
Estimated benefits paid plus unfunded net of transfers in	**(6,182)**	(5,948)
Closing fair value of employer assets	**179,689**	151,240

Analysis of projected amount to be charged to operating profit for the year to 31 July 2018:-

	£'000
Estimated current service cost & total operating charge	10,056
Net interest on the defined liabilty	2,649
Administration expenses	234
Expected loss / (profit)	12,939
Employer contributions	6,093

The 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
- No members will take up the option under the new LGPS to pay 50% of contributions for 50% of benefits.

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.

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.

The Universities Superannuation Scheme

The University participates in the Universities Superannuation Scheme (USS), a defined benefit scheme which is contracted out of the State Second Pension (S2P). The assets of the scheme are held in a separate fund administrated 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(28), accounts for the scheme as if it were a defined contribution scheme.

The latest triennial actuarial valuation of the scheme was at 31 March 2014. At this date there was a funding shortfall of £5.3bn, equivalent to a funding level of 89%. The actuary carries out regular reviews of the funding levels and the updated position as at 31 March 2016 was a shortfall of £10bn, equivalent to a funding level (the ratio of assets to liabilities) of 83%. The deterioration in the Scheme's funding level since the 2014 valuation is mainly due to the reduced assumption for future investment returns, offset to some degree by higher than expected investments returns on the scheme's assets over the period and the actual pension increases granted over the last two years.

As part of the 2014 valuation, the Trustee determined, after consultation with Universities UK, a recovery plan to pay off the shortfall by 31 March 2031.
With effect from 1 April 2016, the employers contribution rate is 18% and this includes a provision for the correction of the past service deficit as at 31 March 2014. The total contribution rate will be reviewed at the next actuarial valuation (currently in progress); it is only applicable once the hybrid element (see the changes mentioned below) of the Scheme is in place, from 1 October 2016.

From 31 March 2016 future service benefits and accrued benefits will no longer be linked to salary. For the period from 31 March 2016 to 30 September 2016 the 1/75ths (Career Revalued Benefits (CRB) benefit accrual applied to full salary and on this basis, the Employer future service rate for the period between 31 March 2016 and 30 September was calculated as 21.2% of total salaries.

From April 2016 the following key changes were implemented:

- For Final Salary section members – accrued entitlement up to 31 March 2016 is now calculated using pensionable salary and pensionable service immediately prior to this date. Going forwards, those accrued benefits will revalue in line with increases in official pensions which for the purposes of this valuation is assumed to be in line with CPI (subject to certain limits when CPI exceeds 5%).
- Future defined benefit accrual after 1 April 2016 will be on a CRB (Career Revalued Benefits) basis for all members with a pension accrual of 1/75th – and a cash lump sum of 3/75ths - of salary for each year of service in respect of salary up to a salary threshold, initially £55,000 per annum.
- Member contributions increased to 8% of salary.
- A new defined contribution benefit for salary in excess of the salary threshold, at a total level of 20% of salary in excess of the salary threshold (including member contributions of 8% of salary in excess of the salary threshold).
- Optional additional contributions payable into defined contribution section of which the first 1% of salary is to be matched by the Employer.

The next actuarial valuation is currently taking place with an effective date no later than 31 March 2017. The Scheme is subject to some potentially material risks that are, to an extent, outside the Trustee's control, but could affect the funding level. Any material worsening of the funding level will mean more contributions are needed (either at an increased rate or at the same rate over a longer period) to be able to provide the benefits built up in the Scheme – unless experience acts in other ways to improve the funding level. The Trustee has developed parameters for managing the acceptable levels of risk, its "Financial Management Plan", which sets out in detail the interaction of its assessment of the employer's covenant, investment strategy and funding and the level of risk that it is prepared to operate within. It has also put in place governance and procedural structures to monitor and maintain the plan.

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.

FRS102 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 increases are charged to the Income Statement, recorded as a liability on the balance sheet and unwound over time as the liability is discharged. An amount of £328k is included within the University's pension provision (note 21) for USS and the decrease in the provision for 2016-17 of £39k has been credited to Staff Costs (note 8).

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

	2017	2016
	£'000	£'000
TPS	**6,291**	6,163
USS	**138**	214
LPFA	**9,086**	7,523
NEST	**15**	15
Total pension costs **(note 8)**	**15,530**	13,915

29. Taxation

	2017 £'000	2016 £'000
UK corporation tax:-		
Greenwich University Enterprises Limited	-	-
Greenwich Property Limited	-	-
	-	-

30. Contingent liabilities

The University is a member of U. M. Association Limited (UMAL) for cover against property and business interruption terrorism risks. UMAL is a discretionary Mutual Association owned by over 150 Higher Education and Further Education Institutions. It was formed to provide an alternative to traditional insurance. By self-managing the pool created by retaining funds in respect of such claims, the Members have gained control of costs, pricing and the cover provided. Traditional insurance is purchased in the general insurance market by the Association for catastrophe claims. No claims from the University of Greenwich, or any other member, have been made during the year ended 31 July 2017 in respect of terrorism risks.

The University of Greenwich will continue to support Greenwich University Enterprises Limited, by providing adequate financial assistance to enable the company to continue its business operations as a going concern for the foreseeable future.

31. Post balance sheet events

There were no post balance sheet events.

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 University is one of five equal partners in GOETEC Limited, a company formed on 1 April 2002, and limited by guarantee, maintaining microwave radio links between HE institutions in Kent. In the year to 31 July 2017 the University received NIL (2016: NIL) from GOETEC and paid GOETEC Limited £12,180 (2016: £23,862) with no balance outstanding at the year end (2016: NIL).

The president of the Students' Union, University of Greenwich is a member of the University's Court. The University paid a subvention grant to the Students' Union of £1,209,000 in the year (2016: £1,142,600).

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

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33. The National College for Teaching and Leadership

	1 Aug 2016 £'000	Rec'd In Year £'000	Disbursed £'000	31 July 2017 £'000	31 July 2016 £'000
ITT Training bursaries	(11)	2,059	(1,887)	**161**	(11)
LLN bursaries	(1)	208	(205)	**2**	(1)
Early Years bursaries	-	15	(15)	**-**	-
SKE bursaries	(5)	78	(89)	**(16)**	(5)
Early Years employers fees	7	42	(42)	**7**	7
	(10)	2,402	(2,238)	**154**	(10)

NCTL bursaries are available solely for students with the University acting as the paying agent. These funds and related disbursements are excluded from the Statement of Comprehensive Income.

34. 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* Court 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**	
	2017 £'000	2016 £'000	**2017 £'000**	Restated 2016 £'000
Financial assets				
Equities and investment funds	**16,782**	14,599	**16,782**	14,599
Loans and receivables:				
Receivables (excludes prepayments)	**10,088**	8,519	**9,756**	8,007
Amounts owed by subsidiaries	**-**	**-**	**6,634**	6,012
Investments	**45,003**	49,912	**45,003**	49,912
Cash and cash equivalents	**36,413**	28,420	**36,258**	28,344
	108,286	101,450	**114,433**	106,874
Financial liabilities				
Trade & other payables (excludes deferred income)	**18,029**	17,962	**17,993**	17,912
Loan - HEFCE Revolving Fund	**122**	244	**122**	244
Bond	**16,048**	17,031	**16,048**	17,031
Service concession arrangements	**67,294**	67,698	**54,016**	53,698
Loan - Greenwich Property Limited	**-**	-	**26,838**	28,803
	101,493	102,935	**115,017**	117,688

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 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:

	Trade & other payables £'000	HEFCE Green Loan £'000	Bond £'000	Service Concess-ions £'000
As at 31st July 2017				
In one year or less or on demand	18,029	122	2,050	5,003
In more than one year but not more than two years	-	-	2,050	5,129
In more than two years but not more than five years	-	-	6,151	16,182
In more than five years	-	-	12,303	131,763
	18,029	122	22,554	158,077
As at 31st July 2016 (restated)				
In one year or less or on demand	17,962	122	2,050	6,902
In more than one year but not more than two years	-	122	2,050	6,096
In more than two years but not more than five years	-	-	6,151	16,491
In more than five years	-	-	14,353	133,581
	17,962	244	24,604	163,070

(iii) *Credit risk*

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* Court.

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 Months	7 to 12 Months	More than 1 Year
	£'000	£'000	£'000	£'000
As at 31st July 2017				
Accommodation	405	405	-	-
Commercial	8,873	8,873	-	-
Tuition	325	325	-	-
	9,603	**9,603**	**-**	**-**
As at 31st July 2016				
Accommodation	275	275	-	-
Commercial	7,118	6,878	240	-
Tuition	322	322	-	-
	7,715	**7,475**	**240**	**-**

Commercial debtors not due at 31 July 2017, net of bad debt provision, were £5,410k (2016: £3,770k).

(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 and 19% percent of the total borrowing relates to the University's 30 year bond (2028) with the remainder in respect of the financing of student residences, services concession arrangements and HEFCE Revolving Green Fund.

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

	As at 31 July 2017			As at 31 July 2016		
	Total £'000	**Floating /fixed**	**Weighted interest rate**	Total £'000	Floating /fixed	Weighted interest rate
Financial assets:-						
Equities and investment funds	**16,782**	**-**	**-**	14,599	-	-
Debt service reserve	**2,412**	**Fixed**	**0.39%**	2,412	Fixed	0.40%
Fixed term & notice bank deposits						
Sterling	**42,507**	**Floating**	**0.65%**	47,500	Floating	1.05%
	61,701			64,511		

	As at 31 July 2017			As at 31 July 2016		
	Total £'000	**Floating /fixed**	**Weighted interest rate**	Total £'000	Floating /fixed	Weighted interest rate
Financial liabilities:-						
Loan - HEFCE Green Fund	**122**	**-**	**-**	244	-	-
Bond	**16,048**	**Fixed**	**6.97%**	17,031	Fixed	6.97%
Avery Hill Student Village loan	**-** **13,277**	**Fixed**	**8.00%**	14,000	Fixed	8.00%
	29,447			31,275		

(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 Court 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.

Approximately 55% of the Group's 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:

Currency	Assets 2017 £'000	Assets 2016 £'000	Liabilities 2017 £'000	Liabilities Restated 2016 £'000
Sterling	**103,470**	89,586	**101,493**	102,935
EURO	**2,584**	4,387	-	-
US $	**1,782**	6,906	-	-
Other	**450**	571	-	-
	108,286	101,450	**101,493**	102,935

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 20).

35. Prior Year Adjustment

The prior period adjustment reflected in these financial statements arises from a change in accounting policy in relation to revenue recognition for the University's subsidiary company, Greenwich Property Ltd (GPL), relating to the facilities management contract with the University.

In 1996 the University paid £18.0m as consideration for the provision of 30 years facilities management services by GPL for the Avery Hill PFI student residence. Under its previous accounting policy:

(a) Facilities management sales (turnover) in GPL was based on facilities management income received in advance together with interest thereon recognised in the profit and loss account over the 30 year period of the contract, to match facilities management expenditure to which it relates.
(b) No surpluses were recognised on the facilities contract until the outcome of the contract was reasonably certain.

GPL's accounting for its 30 year facilities management contract was based on recognising profit on the contract only when its outcome was certain in respect of its overall profitability. Facilities management revenues over the 30 years of the contract was comprised of 8% p.a. interest income on the £18.0m prepayment together with the prepayment itself. Over the past 20 years of the contract actual facilities management costs increased at an average of 5.2% p.a., substantially lower than the 8% p.a. interest income. The effect of this was that the company built up substantial levels of deferred profits. The directors reviewed this policy and decided that a more appropriate policy would be to recognise profits at an earlier point in the contract. Specifically:

(a) The prepayment received by GPL for 30 years facilities management services would be recognised on a linear basis in the statement of comprehensive income and expenditure across the 30 years of the contract.
(b) Interest income on the £18.0m prepayment would be recognised on a receivable basis.

The impact of these adjustments on the Statement of Income and Expenditure and Statement of Financial Position for the University are as follows:

- The prepaid balance has been adjusted by £24,961k, to reflect as a deferred expense the £18.0m prepayment less expenditure recognised on a straight line basis to date, with interest paid on the loan from GPL to the University treated as expensed in full in the years in which it accrued. The income and expenditure reserve brought forward has been adjusted to reflect this accordingly.
- The 2016 results have been adjusted by the change in other income, and facilities management expenditure, increasing distributable profits by £301k.

The impact of these adjustments on the Statement of Income and Expenditure and Statement of Financial Position for the University are as follows:

		University £'000
Summary of prior year adjustment:		
Adjustments prior to 2016:		
- Decrease in Debtors	- adjustment to deferred balance	(24,961)
Profit and Loss Account balance as adjusted		(24,961)
Effect on Statement of Income and Expenditure:		
- Adjustment to Expenditure	- as detailed above	24,961
Decrease in distributable profits		24,961
Adjustment to 2016 Statement of Income and Expenditure:		
- Increase in income		(300)
- Increase in expenditure		601
Increase in distributable profits		301
Adjustment to 2016 Statement of Financial Position		
- Increase in Debtors	- adjustment to deferred income	300
- Decrease in Debtors	- facilties management costs	(601)
Increase in distributable profits		(301)

There is no effect relating to these adjustments on the Statement of Income and Expenditure and Statement of Financial Position of the Group.

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