Report and Financial Statements

for the Year Ended 31 July 2018

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.

UNIVERSITY of GREENWICH

(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	(appointed 1.8.17)
Vice-Chancellor	Professor David Maguire	
Secretary & Clerk to the Governing Body	Mr Peter Garrod Mrs Anne Poulson	(appointed 26.02.18) (appointed 08.11.17, until 25.02.18)
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
OfS	Office for Students (replaced HEFCE from April 2018)
NCTL	National College for Teaching and Leadership

MEMBERSHIP OF THE GOVERNING BODY

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

Article 9.3.1 – Vice-Chancellor
Professor D Maguire

Article 9.3.2(a) – Staff Governors

Dr A Coutroubis	(resigned 31.8.17)
Mr L Devlin	(resigned 31.8.17)
Professor P Griffiths	(resigned 31.8.18)
Professor S Keates	(appointed 16.10.17)
Ms S Ragab	(appointed 16.10.17)
Mr P Taylor	(appointed 1.9.18)

Article 9.3.2(b) – Student Governor
Ms M Imberg

Article 9.3.2 (c) – Independent Governors

Mr N W Eastwell	(resigned 31.8.17)
Sir S Gass	
Mr P F Hazell	
Ms B Hill CBE	
Ms M Ismail	
Mr K Jacob MBE	(resigned 2.7.18)
Mrs D Khanna	
Ms T King	
Miss D Larnder	
Mr C McWilliam	(appointed 1.9.17)
Mr M Orr	
Mrs H P Wyatt	(resigned 31.8.18)
Ms J Wood	

MEMBERSHIP OF GOVERNING BODY'S COMMITTEES

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

Audit and Risk

Miss D Larnder	**(Chair)**
Sir S Gass	
Mr K Jacob MBE	(resigned 2.10.17)
Mrs D Khanna	
Mr A Sharma (Co-opted)	(appointed 2.8.18)
Ms J Wood	(appointed 1.9.17)

Finance

Nick Eastwell	**(Chair) (until 31.8.17)**
Mr M Orr	**(Chair) (appointed 1.9.17)**
Dr A Coutroubis	(until 31.8.17)
Professor P Griffiths	(appointed 1.9.17) (resigned 31.8.18)
Mr P F Hazell	
Ms B Hill CBE	(appointed 1.9.17)
Ms M Imberg	
Ms T King	
Professor D Maguire	
Mr P Taylor	(appointed 15.10.18)
Mr C McWilliam	(appointed 1.9.17)

Long Term Strategy Group (established 24 July 2018)

Ms M Ismail	**(Chair)**
Sir S Gass	
Mr P Hazell	
Miss D Larnder	
Professor D Maguire	
Mr M Orr	
Ms B Hill CBE	
Mr C McWilliam	

Nominations, Staffing and Remuneration

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	(until 31.8.17)
Ms B Hill CBE	
Ms M Ismail	
Professor S Keates	(appointed 1.9.17)
Miss D Larnder	(for remuneration only)
Professor D Maguire	(not a member when sitting as the Remuneration Committee)
Mr M Orr	(for remuneration only) (appointed 1.9.17)
Ms B Rigg (Co-opted)	(appointed 1.9.17) (resigned 31.8.18)
Ms S Ragab	(appointed 16.10.17)
Mrs H P Wyatt	(resigned 31.8.18)

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 36,000 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 (renamed the Faculty of Liberal Arts and Sciences from 1 August 2018), the Business School, the Faculty of Education and Health and the Faculty of Engineering and Science.

STRATEGIC REPORT

(incorporating the report of the Governing Body)

1. Legal Status

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

The University's financial statements comply with the Companies Act 2006. The Office for Students (formerly HEFCE) regulates the University as a higher education provider and is the University's principal regulator for charity law purposes on behalf of the Charity Commission for England and Wales.

The Governing Body (known as the Court until 1 September 2018, when the University's new Articles of Association came into effect) is responsible for the setting and monitoring of the University's strategic direction and for ensuring the effective management of the institution. Members of the Governing Body act as company directors and as charity trustees.

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

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 25 to 30.

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 Governing Body) have complied with their duty to have due regard to the guidance on public benefit published by the Charity Commission in exercising their powers or duties.

(a) Charitable status

The University is an exempt charity and is thus exempt from registration with the Charity Commission. It is monitored by the Office for

Students as its Principal Regulator, in accordance with the Charities Act 2011. It is a public benefit entity under Financial Reporting Standard (FRS) 102.

The Articles of Association sets out the University's charitable objectives which, as indicated, focus primarily on the advancement of learning and knowledge and conducting research. 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 extensive experience and history of delivering widening access work to increase the participation of groups who are currently underrepresented in the higher education sector, which dates back to the founding of Woolwich Polytechnic in 1891. This is reinforced by a long term commitment to educational excellence by providing higher education for those who possess potential, irrespective of background.

The University has a track record in generating applications from students from the most disadvantaged areas. Around three quarters of the student populations in the schools and colleges where the majority of the University's outreach is delivered reside in the most deprived 40% of neighbourhoods in England, according both to the Index of Multiple Deprivation and the Income Deprivation Affecting Children Index. Registration of students from these areas has increased over the past five years, and stands above the Higher Education Statistics Agency (HESA) benchmark.

Despite the changing funding structure for widening access work, the University continues to deliver an extensive outreach and success programme, engaging local pre-entry learners to raise their aspirations towards study in higher education and support their achievements through its range of taster days and master classes, placing the University's higher education brand at the heart of local schools and colleges. The University additionally plays a strategic role in the governance of a number of local schools, where academic success and student transition to higher education is supported through the provision of governors.

Outreach activities also include enhancing the academic skills of pre-entry learners, ensuring they have the required skills for success at level 3 and into higher education. To ensure that higher education is available to a range of underrepresented groups the University has fully engaged with the Government's apprenticeship programme, delivering new programmes to enable learners to work and earn at the same time.

During this year the University assessed the impact of its financial support to its students from disadvantaged backgrounds, re-profiling them for the 2019-20 academic year to better 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 and Participation Plan, which is subject to the approval of the Office for Students. Performance assessment of students from the most disadvantaged groups highlights an improving picture, where their recruitment, success and progression have all improved.

The University's commitment to the Government's social mobility agenda is demonstrated by the University's diverse UK student population:

- 58 per cent are female.
- 50 per cent are from black, Asian and minority ethnic (BAME) backgrounds.
- 66 per cent are over 21 years of age.

(d) Research for public benefit

The University has a vibrant research and enterprise activity that complements its educational mission, delivering societal benefit for many. During 2017-18, the University secured some £20.7m of research and enterprise income. As a research informed institution, it embeds a culture of high-quality research and scholarship into all its academic activities. Through its partnership with a wide range of external collaborations - industry, charity, governmental or other social organisations - the University securely anchors its research activity in responding to societal need.

The reach and impact of the University is significant and growing. Dissemination is a vital part of the University's academic purpose, which is having a beneficial effect on its many stakeholders and their communities; for example, relieving poverty through sustainable food production, the identification of individuals involved in crime, the treatment of parasitic diseases, and developing strategies for building and vehicle evacuation. The benefits are particularly tangible to local communities through the University's close collaboration with several local NHS Trusts. 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.

Partnership is an important cornerstone to the successful exploitation of ideas, and the level of engagement with external partners is growing. There are numerous avenues to access the knowledge and expertise within the University, from shorter term business guidance and technical consultancy through to longer term, collaborative knowledge generation projects. Through its many apprenticeship programmes, the University is able to work with partners to develop the skills base of their existing staff, as well as provide highly-trained graduates.

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

(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, and hosting a festival of mathematics at the Greenwich Campus for the benefit of local school students. The University's drama department has also developed a new partnership with a local young persons' 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 has continued to maintain a First Class Award in the People and Planet University (Green) League and retained a top 20 place in the League amongst all UK Universities.

3. Objectives and Strategy

(a) Strategic plan

Making Greenwich Great II, the University's 2017-22 Strategic Plan, approved by the Court in July 2017, sets the ambition of building on the University's achievements to take forward Greenwich's mission of transforming lives through inspired teaching and research, as the second phase of a ten-year strategy.

(b) Objectives of the plan

The University's six core strategic objectives for 2017-22 build on those in the previous Strategic Plan:

- Changing students' lives through outstanding teaching and learning;
- Enhancing science and society through inspiring research and enterprise;
- Creating engaging campus environments and services;
- Supporting and developing its staff;
- Internationalising Greenwich;
- Enhancing student employability.

The first three strategic objectives articulate the major lines of development, and are complemented by the last three, which represent cross-cutting themes. In pursuing these objectives, the University will embed its values – ambition, creativity, determination, excellence, and inclusivity – in all that it does.

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.

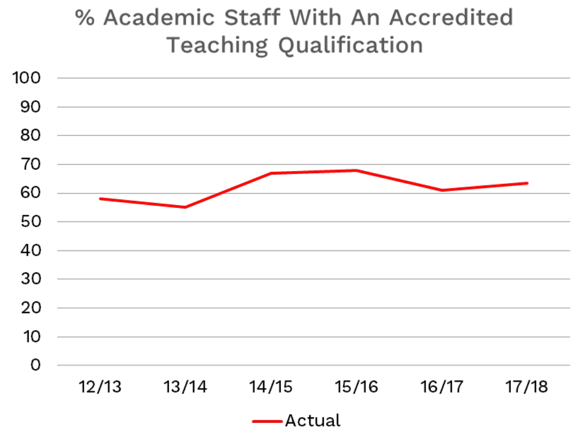
(c) Delivery of the plan

(i) Outstanding teaching and learning

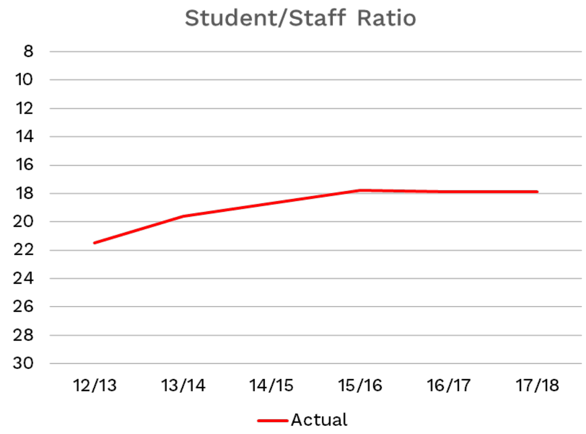
The University places students at the heart of its mission and aims to provide a distinctive learning experience for all its students through a supported learning environment, making appropriate use of new technology. Over half of its programmes are professionally accredited.

The resources provided to support this high quality learning experience include:

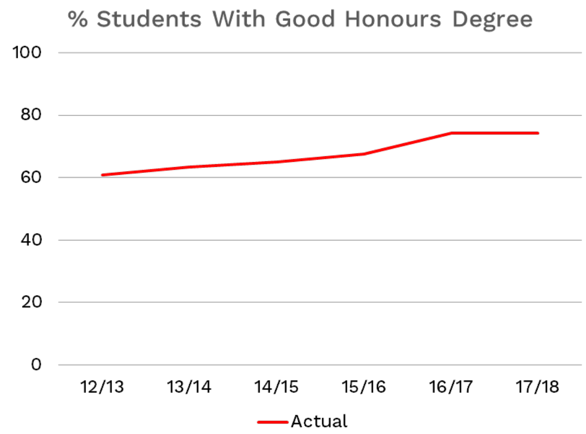
- Continued enhancement of the University's student analytics ecosystem which encompasses personal tutor management, attendance monitoring, the virtual learning environment and library use.
- Initiatives to improve student retention and success.
- Continued enhancement of the personal tutoring system.
- Improving teaching skills through ensuring relevant staff have the appropriate professional qualifications.



- Varied and comprehensive staff development programmes, e.g. supporting academic Programme Leaders.



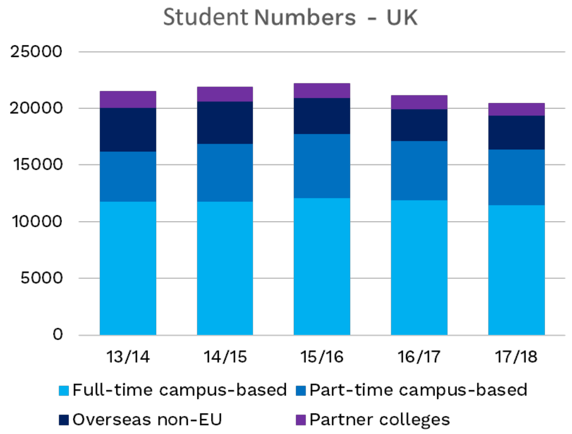
The University's focus on improving the teaching experience is reflected by its award of 'Silver' status in the Teaching Excellence Framework (TEF). A consequence of the focus on teaching and learning has been the success of University students, with record numbers achieving good quality degrees (first and upper second class awards).



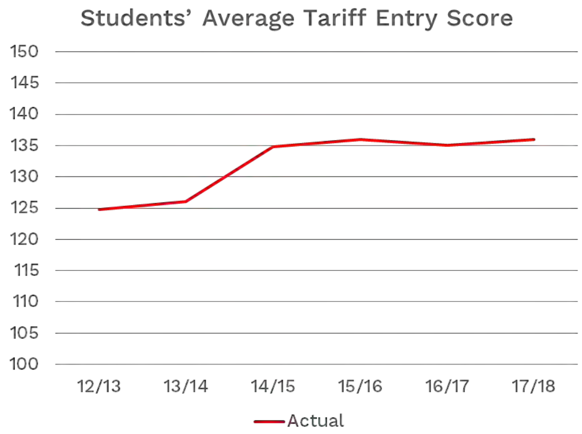
Over 200 staff were nominated by students for teaching and support awards in a student-led awards scheme for academic and professional services staff.

The University has developed a new Academic and Student Experience Strategy for implementation from 2018-19. A staff strategy group with student representatives and a student reference group have worked to shape the strategy, illustrating the University's commitment to co-production with students.

Recruitment of home and international students underpins the University's revenue streams and overall financial outcomes. The University has a diverse community of around 40,000 students and staff from over 140 countries, with a range of backgrounds, ages and experiences. Many staff have professional backgrounds and the University encourages staff to continue their links with their professions. The University also involves a wide range of employers in its work, for example in curriculum development and student mentorship schemes. A suite of degree apprenticeship programmes is being developed in partnership with employers.



UK student numbers were however 3% lower than the previous year. This was largely due to increased competition and the University's decision to maintain tariff entry scores in line with its strategic focus on excellence.



*Students' average tariff entry scores prior to 2015-16 have been converted as an approximation.

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

Claire Axcell was named Student Midwife of the Year by the British Journal of Midwifery in 2017, and has been awarded a 2018 scholarship.

Steven Hutt was awarded the 2018 RIBA Norman Foster Travelling Scholarship for his proposal 'East of Eden' which investigates how urban wildlife is adapting to the rapid rise of mega-cities in east Asia.

Recent alumna **Emily George,** whose third year project 'The Whale Bowl' has been shortlisted for the student BAFTAs 2018 in Los Angeles.

There have also been significant awards for staff this year, including:

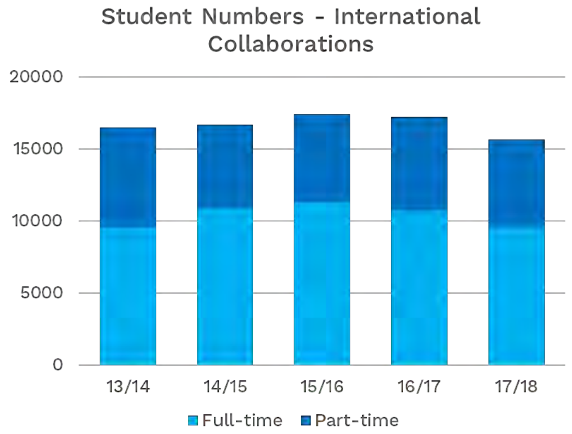
Dr Colin Coulson-Thomas, Lecturer in Human Resources & Organisational Behaviour, who has been presented with the CSR Lifetime Achievement Award 2018. Colin's award is for creating awareness on social issues, serving the people and excellent contribution to the worlds of Corporate Governance and Corporate Sustainability & Responsibility (CSR).

Dr Louise Owusu-Kwarteng, Senior Lecturer in Sociology, who has been awarded an ICONS2018 Award for Altruistic Endeavours and Inspirational Impact by the Xn Foundation for her work to support and challenge the narrative for BAME students, and was nominated by Greenwich students for this award.

Dr John Morton and **Professor Andrew King** were awarded the Colby Prize by The Research Society for Victorian Periodicals.

The University continues to have a strong network of UK partner institutions, where during 2017-18, 1,106 students were enrolled on University of Greenwich accredited programmes of study.

Internationally the University has around 16,000 students in circa 36 partnerships across 22 countries. This level of international presence is exceeded by only one other University in the UK. 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.



A new partnership which aims to help international students start their undergraduate and postgraduate degrees has been agreed between the University and Oxford International. The University of Greenwich International College (UGIC) welcomed its first group of students in September 2018. UGIC will prepare students from outside the UK to continue onto University of Greenwich undergraduate and postgraduate programmes by developing students' university level study skills and their English language level.

(ii) Transformational research and enterprise

The University continues to be successful at present 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 the majority of major UK research councils this year. Notable successful bids for projects funded this year include:

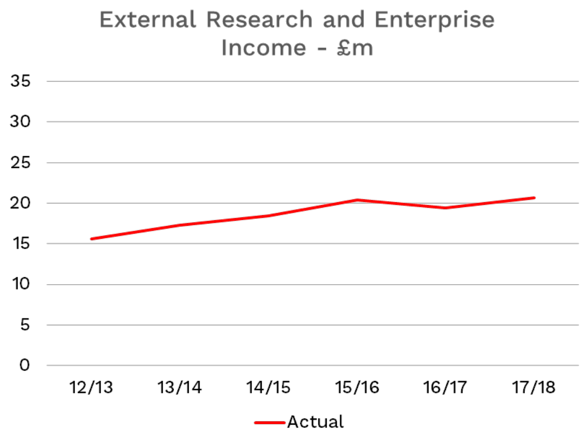
- Digitally Enhanced Advanced Services Network+ (funded by EPSRC).
- Development and Evaluation of Novel Nutrient Formulations for Microalgal Cultivations (funded by BBSRC).
- Robotics and Additive Manufacturing in Built-Environment for Off-site Manufacturing of Homes (funded by Innovate UK).
- Hybrid Engagement Architecture Layer for Trusted Human-Centric IOT (funded by EPSRC).
- The Effect of Inequalities and Economic Policies in Macroeconomic Performance (funded by ESRC).
- UK Acoustics Network: Noise SIG Management (funded by EPSRC).
- Fit-for-purpose, affordable body-powered prostheses (funded by EPSRC).

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

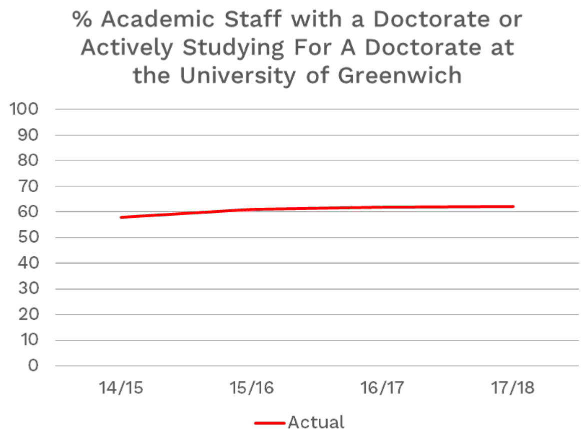
- Cost Effective Solutions and Assistive Technologies for Low-Income Aging Populations (funded by British Council Newton Fund).
- Ecoffins (funded by European Regional Development Fund).
- Biochain-Enhanced IoT – Towards the Transformation of Makkah and Madinah as Next Generation Smart City (funded by British Council).
- Education Management for Enhanced Learning Outcomes (funded by SMTC Nigeria).
- Identifying Netherlands "Super-Matchers" (funded by Ministry of the Interior and Kingdom Relations).

Work with business and industry has also continued, 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 small and medium-sized enterprises 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.



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, with the establishment of the Research and Enterprise Training Institute (RETI), the University is investing significantly in the upskilling of its researcher staff base, to ensure it continues to make significant contributions to societal challenges of the future.

(iii) Inspiring campus experiences and services

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

The Dreadnought Student Hub has been completed and opened for the academic year 2018-19. At the heart of the Greenwich campus, this is a state-of-the-art learning, teaching and social space, combined with support facilities. As a result the Students' Union, psychology, public health, social work and non-teacher training education programmes have all been relocated from other parts of the University. This building is also 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.

On 14 August 2018, after the year end, the University bought back its interest in Devonport House, an historic Grade II listed building in the heart of Greenwich, through acquiring 100% of the share capital of GDCC Newco ("G") Limited. The building was rescued from Historic England's 'Heritage at Risk' register in 2002 by a specialist regeneration property developer, and converted to a conference centre and hotel which is now managed by De Vere. Longer term this acquisition will increase the range of strategic options available to the University on the Greenwich campus, sited as it is between existing the Old Royal Naval College buildings, the Stockwell Street building, and the Dreadnought student hub.

The programme of refurbishment of the Cutty Sark (with 231 rooms) and Devonport (with 125 rooms) halls of residence is continuing; upon completion of this phase all areas (internal and external) of Devonport House will have been fully refurbished. This will improve services to students and provide additional income from bed spaces for summer schools.

The University of Greenwich International College (UGIC) has been created in the ground floor of the Devonport House; this is a prime location for UGIC, offering 3 teaching rooms, an IT Lab and staff offices. The students will complete studies at UGIC and may progress onto degrees with the University.

A chemical engineering laboratory is being created within the Hawke Building on the Medway Campus. The newly refurbished area will house various engineering rigs demonstrating various material and water change processes. Similarly, the Nelson Laboratory is being refurbished with new flooring, decoration of walls and new specialist laboratory furniture and equipment.

The sports science department has been relocated from the Grenville Building at the Medway Campus to Sparrows Farm at the Avery Hill Campus in time for the 2018-19 academic year. The refurbishment of Sparrows Farm and the sports science department should provide an improved student experience and it is anticipated that the relocation to Avery Hill should increase student numbers.

The National Student Survey (NSS) allows students to give feedback on the quality of their courses and learning experiences. The overall student satisfaction rating for the University is unchanged, standing at 79% (2017: 79%). This is in the broader context of the sector as a whole which has seen declines in the student satisfaction rating, with the sector mean now standing at 83% (2017: 84%). As compared with the previous year the University has improved its performance on 22 of the 27 questions, and noticeably outperforms the sector for the quality of the learning community and learning resources. 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 providing staff with the opportunity and environment which supports both their personal and professional aspirations. Activities over the last twelve months to support this include the following:

Academic recruitment and promotions:

The implementation of new academic recruitment and promotion frameworks is providing consistent mechanisms for assessing and rewarding academic excellence aligned to the University career pathways and an individual's contribution to academic life. The first round of academic promotions has now concluded and 9 staff will be promoted across the 3 career pathway specialisms – teaching and learning, research, and enterprise.

Core programme and Academic Programme Leaders:

The core programme offers support to all staff on mandatory and essential knowledge in order that they can support the delivery of the University's strategic objectives. A communication programme for all the University's staff development opportunities has now been established.

Coaching Network:

The Coaching Network was launched in February 2017 in order to embed a coaching culture within the University. Staff have been trained to be qualified coaches, and have coached 40 staff members.

Wellbeing:

An information hub was made available on the University's webpages, bringing together information and guidance on wellbeing support for students and staff. Staff are able to request confidential counselling from the Employee Assistance Provider service.

Publications and Compliance:

The University published its first Gender Pay Gap report, in line with statutory reporting requirements, using the snapshot date of 31 March 2017.

The University published its Equality Diversity and Inclusion (EDI) report for the year ended 31 July 2017 recording progress against the University's strategic EDI objectives.

An Employing Migrant Workers guide was published to support managers and staff in complying with UKVI regulations to prevent illegal working.

A Personal Relationships policy was published, addressing the issue of relationships between staff and students. The University also published a Sexual Violence policy outlining the University's commitment to responding to sexual violence within its community.

The University's first annual report on Trade Union Facility Time was also published in line with statutory requirements which came into force this year. This is disclosed on page 15 of this report, in line with these requirements.

The University continues to meet sustainability responsibilities, progressing in areas that are important to its reputation, risk management and its finances. This year the University maintained its First Class Award in the People and Planet University (Green) League, retaining a top 20 place in a competitive field. Progress has been made in terms of carbon reduction and the University is currently exceeding the HEFCE 2020 carbon reduction target (a 43% reduction based on a 2005-06 baseline).

Improvements have been put in place to better capture and utilise key resource data to assist with planning and management. Estates & Facilities are now accredited to the new ISO 14001 (2015) standard, one that puts more emphasis on strategic application and delivery of sustainability. Programmes focused on waste reduction and increasing recycling rates, sustainable food, education for sustainable development, and building sustainability into the University's estates have helped progress and engage others in sustainability outcomes.

4. Financial Review of the Year

Scope of the financial statements

The financial statements comprise the consolidated results of the University (including the Natural Resources Institute (NRI)) and its wholly owned subsidiary companies, Greenwich University Enterprises Limited (GUEL) 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 £3.3m (2017: £4.0m) in the year to 31 July 2018, before gains on disposal of property, plant and equipment of £0.5m (2017: £nil), gains on investments of £0.8m (2017: £2.2m), currency translation gains of £0.1m (2017: 0.3m), and the actuarial gain in respect of pension schemes of £11.8m (2017: £15.4m). This surplus equates to a margin of 2% on total income. This represents a sound financial performance with consequential improvements to cash reserves 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 2018 were £202.7m (2017: £200.5m), a 1% increase on the previous year.

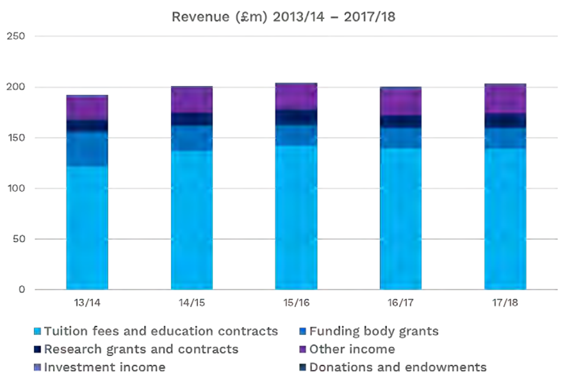
Teaching revenues, comprised of tuition fees and education contracts and funding body grants but excluding HEFCE Research Excellence Framework and Knowledge Exchange funding of £4.9m (2017: £4.9m), were £154.3m (2017: £155.2m), a 0.6% decrease on the previous year. The decrease largely reflects the 3% decrease in UK student registrations to 20,506 (2017: 21,120). The reduction in the Health Service contract income was due to the change in the funding model, and was largely offset by an increase in tuition fee revenue.

Research and enterprise revenues were 18% higher at £20.7m (2017: £17.4m), due to a number of new University projects and fluctuations in activity on large NRI projects. Circa 11% of this was sourced from the EU although there is the risk in the medium term of BREXIT to this source of funding in the future.

Other income is comprised mainly of student residences, catering revenues and consultancy revenues. Overall revenues were £2.9m higher at £29.0m (£22.2m excluding consultancy revenues (2017: £26.0m, £21.2m excluding consultancy revenues)).

Investment income of £0.4m (2017: £0.5m) was lower than the previous year due to lower average funds being held 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 2018 of £199.4m (2017: £196.5m) was 1% higher than the previous year, with the change attributable to a rise in staffing costs of 2% and increased severance costs, offset by a reduction in depreciation charges of 5%.

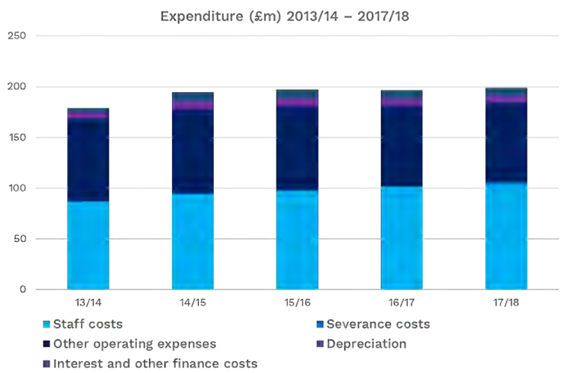
Staff costs increased by 2% to £103.7m (2017: £101.3m) due to increased employers national insurance, a 1.7% pay award, increments, an increase in the apprenticeship levy in this year and an increased FRS102 pension charge.

Other operating expenses were slightly lower with the previous year at £78.2m (2017: £78.7m).

Staff severances of £2.4m (2017: £1.0m) increased on the previous year, reflecting a programme of restructures and voluntary severance across the University, which has resulted in 89 ex-staff members leaving the University.

Interest and finance costs were £8.2m (2017: £8.2m) comprising of £1.0m in respect of the University's bond, £4.5m 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 £100.0m net assets (2017: £83.4m), an increase of £16.6m, which is largely attributable to the actuarial gain of £11.8m on the pension scheme and the results of the year.

(i) Capital investment and fixed assets

The fixed assets of the Group at the balance sheet date were £262.2m (2017: £249.1m). Work has continued on the development of the Dreadnought student hub at Greenwich, which opened in September 2018, 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 £77.3m (2017: £79.4m), of which £13.9m is the non-current outstanding balance on the University's £30m bond (£25.5m of which remains in issue) and £63.4m (2017: £64.4m) relates to service concession liabilities.

(iii) Pension schemes

The University contributes to the Teachers Pension Scheme (TPS) for its academic staff and the London Pension Fund Authority (LPFA) for its support staff.

The TPS is an unfunded, contributory, public service occupational pension scheme, governed by statutory regulations. As it has no assets, it is accounted for on a pay as you go basis. The employer contribution rate 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% (previously 16%), with an additional payment of £2.1m per annum with the aim of repaying the deficit over the next 13 years. The liabilities of the scheme exceed its assets, with a FRS102 pension deficit of £96.8m (2017: £101.1m). The FRS102 deficit on the scheme reflects continuing low bond yields used in discounting liabilities.

(iv) Other balance sheet indicators

Other key balance sheet ratios continue to be healthy. Short-term investments and cash equivalents were £97.2m (2017: £98.2m) reflecting the strong underlying operating surplus, despite capital investments.

Creditors due within one year were £61.9m (2017: £59.5m). Net current assets remain strong at £48.8m (2017: £51.7m) while income and expenditure reserves increased by 8% to £153.2m (2017: £141.6m).

(c) Key financial indicators

The 2017-18 financial outturn continues to build on those of the previous years, with the five year summary of key financial drivers and indicators as follows:

	2018	2017	2016	2015	2014
Total UK campus based students	20,506	21,120	22,189	21,895	21,495
New entrants	9,223	9,660	9,934	10,068	9,242
Tuition & education contracts as % of operating revenues	69%	70%	70%	69%	64%
Funding body grant as % of operating revenues	10%	10%	10%	12%	18%
Operating margin %	2%	3%	3%	3%	7%

The movement in student numbers is highlighted on page 8.

(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 Articles of Association, the OfS's Terms and Conditions of Funding for higher education institutions, and the Charities Acts. All borrowing must be approved by Finance Committee and Governing Body. The power to invest surplus funds 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 £15m 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.

(e) Post balance sheet events

On 14 August 2018, after the year end, the University acquired 100% of the share capital of GDCC Newco ("G") Limited (GDCC). The major asset of GDCC is a lease on Devonport House, an historic Grade II listed building in the heart of Greenwich, held by GDCC's wholly-owned subsidiary, Greenwich Devonport Conference Centre Limited.

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 2020-21 may not have access to student support funding, which represents a substantial risk to the University given that 18% of its campus based student population is from EU countries.

Research funding under Horizon 2020 and other EU programmes accounts for circa 11% 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.

Developments are monitored regularly by the Governing Body and other forums within the University.

(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.

International student recruitment: revenue from international student enrolments accounts for 17% 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 around 16,000 students in circa 36 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 improving longevity and the low bond yields used in discounting pension liabilities.

The key risks to the University of pension scheme deficits are the increased employers' pension contributions required to eliminate the existing deficit, and a worsening of the deficit should bond yields fall. In particular, the University has a small number of members in the USS pension scheme, which has not yet completed its latest valuation. There is a risk that the year end provision will not reflect the position following the final outcome of negotiations. For more details see note 28.

(e) Financial, treasury, liquidity and credit risks

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

6. Trade union facility time statistics

For the year from 1 April 2017 to 31 March 2018, the trade union facility time statistics were as follows:

- Employees at the University:
  - 1501 to 5000 employees

- Trade union representatives and full time equivalents:
  - Trade union representatives: 23
  - FTE trade union representatives: 20.8

- Percentage of working hours spent on facility time:
  - 0% of working hours: 3 representatives
  - 1 to 50% of working hours: 20 representatives
  - 51-99% of working hours: 0 representatives
  - 100% of working hours: 0 representatives

- Total pay bill and facility time costs:
  - Total pay bill: £98,626,411.98
  - Total cost of facility time: £131,835.33
  - Percentage of pay spent on facility time: 0.13%

- Paid trade union activities:
  - Hours spent on paid facility time: 4099
  - Hours spent on paid trade union activities: 0
  - Percentage of total paid facility time hours spent on paid TU activities: 0.00%

7. 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.

8. Statement of Directors' Responsibility for the Financial Statements

The Statement of Responsibilities of the Governing Body for the financial statements is set out on pages 23 and 24 of this report.

9. 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.

10. Approval

The Strategic Report was approved by the Governing Body on 26 November 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 and the principles identified by the Committee on Standards in Public Life. The University has adopted the *Higher Education Code of Governance* (2014, revised June 2018) and *Higher Education Senior Staff Remuneration Code* (June 2018) issued by the Committee of University Chairs (CUC). The *Higher Education Senior Staff Remuneration Code* will be reflected in decisions on senior staff remuneration that are made over the course of 2018-19.

The University is confident that it has in place all the seven primary elements of governance set out in the *Higher Education Code of Governance* and meets the requirements of the supporting 'must' statements that prescribe essential components within each element. This assurance is derived from periodic external reviews of the effectiveness of the University's governance. Following a governance review by the Good Governance Institute in 2015, the consultants' report stated *'We have assessed the University's governance framework against the CUC 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. In July 2018, the final report of a governance effectiveness review by Advance HE concluded that "*the standard of governance at Greenwich University is good with independent governors being committed and passionate about doing a thorough job... Greenwich has governance processes, practices and policies which are 'fit for purpose' and meet current expectations for HE governance... The findings from this report support previously undertaken work that the Court complies with the CUC HE Code of Governance".*

This summary describes the University's corporate governance arrangements and the manner in which the University seeks to comply with the Management and Governance Condition of the Office for Students (OfS) Regulatory Framework, as well as guidance and codes of practice published by the Committee of University Chairs, the 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, universities in England are regulated on behalf of the Charity Commission by the Office for Students as the principal regulator.

- The University is governed by its Articles of Association which set out its objects, which focus primarily on the advancement of education and research. New Articles of Association were approved by the Court on 2 July 2018 (replacing the previous Memorandum and Articles dating from 1996) and came into effect on 1 September 2018, following approval by the Privy Council. The changes to the Articles (the Memorandum is no longer required as a stand-alone document) align the Articles with best governance practice and the Companies Act 2006; reduce the weight of unnecessary detail; set out the Articles in a more contemporary, accessible and comprehensible form; deliver an accurate reflection of the current business of the University that is both relevant and future proof; and reform and update employment-related provisions. The requirements of the Office for Students Regulatory Framework are reflected in provisions relating to academic freedom and freedom of speech. Following implementation of the new Articles, the Court has been renamed the Governing Body.

- Members of the Governing Body are legally Directors of the Company and Charity Trustees. The Governing Body is responsible for managing the University and exercising the powers assigned to the University in the Articles. It sets the University's strategic aims, monitors the implementation of the activities undertaken to achieve these, and reports to stakeholders on its stewardship.

- The Governing Body has a majority of Independent Governors who are not staff or students of the University, who are chosen for their expertise in areas relevant to the work of the University. The

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

- Up to three Staff Governors (who are members of staff of the University) are appointed by the Governing Body following nominations in accordance with arrangements approved by the Governing Body. At least one Staff Governor must be member of the Academic Council. The Vice-Chancellor is a member of the Governing Body ex officio.

- To ensure that students have opportunities for engagement with the University's governance, a Student Governor (traditionally, the President of the Students' Union) is appointed following nomination by the students. Student representatives also serve on the Academic Council and its committees.

- Newly appointed Governors receive induction, briefing and training, as appropriate, on the University, the role of the Governing Body and on higher education in general to ensure that they are fully conversant with their responsibilities. Through appropriate due diligence processes, the University ensures that Governors are fit and proper persons. Governors do not receive remuneration for serving as Governors although expenses may be reclaimed.

- The Vice-Chancellor, as chief executive of the institution, has a general responsibility to the Governing Body for the organisation, direction and management of the University. The Vice-Chancellor is responsible for the development of institutional strategy and the identification and planning of new developments, and is the University's accountable officer under the Office for Students Regulatory Framework.

- In accordance with the Articles of Association the University Secretary is appointed to act as Secretary to the Governing Body and its Committees and also acts as Company Secretary. In that capacity, the University Secretary provides independent advice to Governors on matters of governance.

- The Governing Body meets at least five times a year. However, much of its business is conducted through the following committees: Audit and Risk; Finance; Nominations, Staffing and Remuneration; the Long-term Strategy Group; and the Academic Council. All of these Committees have terms of reference and membership approved by the Governing Body. All Committees of the Governing Body submit their minutes to the Governing Body.

- The Audit and Risk Committee plays a key role in the University's system of internal control (see below). The Committee oversees the work of the University's internal and external auditors and monitors the auditors' performance. It also keeps under review the adequacy and effectiveness of the University's arrangements for risk management, control and governance; economy, efficiency and effectiveness (value for money); and the management and quality assurance of data submitted to the Higher Education Statistics Agency (HESA) and other bodies. The Committee consists solely of Independent Members of the Governing Body and one external co-opted member; no members are also members of the Finance Committee. In October 2018, the Governing Body approved the change of the name of the Committee to the Audit and Risk Committee to reflect the Committee's responsibility for reviewing the University's risk management framework.

- The Finance Committee is responsible to the Governing Body for reviewing the University's finances, accounts and investments. It makes recommendations to the Governing Body on the annual revenue and capital budgets, the annual financial statements and the financial forecasts. It monitors performance in relation to approved allocations.

- The Nominations, Staffing and Remuneration Committee has three main areas of responsibility. It keeps under review the membership of the Governing Body and its committees and makes recommendations to the Governing Body on appointments; it provides governance oversight for strategic staffing matters, including the implementation of the University's People Strategy; and it determines policy on staff remuneration and, as the Remuneration Committee, oversees the remuneration of the executive.

- The Long-term Strategy Group (LTSG) is a committee of the Governing Body established to consider the University's long-term strategic direction over the life of the 2017-2022 Strategic Plan and beyond. Through engagement between Governors and the executive, the LTSG oversees the development of options and recommendations for the Governing Body to secure the University's long-term success and sustainability.

- Subject to the overall control and direction of the Governing Body, the Academic Council is responsible for overseeing the teaching and research of the University, and is responsible for the academic quality and standards of the University and the admission and regulation of students. Its membership is drawn from staff and students of the University. The Governing body receives and tests assurance from the Academic Council that academic governance, including the standard of University awards, the student academic experience and student outcomes, are adequate and effective.

- The University's Articles provide for the declaration of interests by Governors and the management of potential conflicts of interest. The Governing Body maintains a Register of Interests of its members and senior officers, which is updated annually and can be viewed on request to the University Secretary.

- The University's Articles provide for staff, while engaged in teaching and research, to have freedom within the law to question and test received wisdom and to put forward new ideas and controversial or unpopular opinions, without placing themselves in jeopardy of losing their jobs or privileges. The University is also required by the Articles to take steps to ensure that freedom of speech within the law is secured for its students and staff and for visiting speakers.

- The Governing Body ensures that there are adequate and effective arrangements in place to provide transparency about value for money and to ensure public funds are managed appropriately in line with the conditions of grant and the principles of regularity, propriety and value for money, and to protect the interests of taxpayers and other stakeholders. The University's Audit and Risk Committee receives an annual report on value for money arrangements and outcomes and the implementation of the University's Value for Money Strategy, prior to the presentation of the report to the Governing Body. The University's internal auditor is required by the Terms and Conditions of Funding with the OfS to provide an annual report to the University's Audit and Risk Committee and the Governing Body which expresses the internal auditor's opinion on the adequacy and effectiveness of the University's arrangements for value for money. The Audit and Risk Committee, in turn, provides an annual report to the Governing Body which includes the Committee's opinion on the adequacy and effectiveness of the University's arrangements for value for money.

- The University's external auditor is required by the Terms and Conditions of Funding with the OfS to provide an opinion to the Governing Body on whether funds (including public funds) have been applied for the intended purposes. This opinion is included in the Independent Auditor's Report to the Members of the Governing Body in the University's Report and Financial Statements.

STATEMENT OF INTERNAL CONTROL

1. The Governing Body 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 Terms and Conditions of Funding of the Office for Students (OfS) and the Terms and Conditions of UK Research and Innovation Funding administered through Research England.

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 2018 and up to the date of the approval of the financial statements. The Governing Body believes that the University follows the requirements and best practice guidelines of the OfS, Research England, the Committee of University Chairs and British Universities Finance Directors Group in its approach to risk management, and can confirm that the processes and procedures in place for risk management have provided a robust framework for ensuring that institutional risk is adequately recognised, evaluated and planned for throughout the financial year 2017-18 and up to the approval date of the financial statements.

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

Internal Control

- Matters related to the mission, strategy and educational character of the University are discussed on a regular basis.
- The Chair of the Audit and Risk Committee reports to each meeting of the Governing Body on matters discussed at Audit and Risk Committee.
- The Audit and Risk Committee receives reports from Internal Auditors at each of its meetings, which provide an independent opinion on the adequacy and effectiveness of the internal control systems together with recommendations for approval.
- Each year the Audit and Risk Committee approves a programme of work for the year, including for the outsourced internal audit team, which is based on a balanced portfolio of risk exposure while focussing on key risks, identified through the Corporate Risk Register and risk management process. 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 Governing Body, as well as being submitted to the Audit and Risk, and Finance Committees.
- The Director of Finance and the University Secretary attend meetings of the Audit and Risk Committee and have direct and independent access to members of that Committee, as do the external and internal auditors, and others are invited to attend.
- The Audit and Risk Committee, in its annual report to the Governing Body, provides an annual opinion on the adequacy and effectiveness of the University's arrangements for risk management, control and governance.

Risk Management

- There is a clear policy and plan of risk management which has been communicated throughout the University and is reviewed annually. Risk appetite has been clearly defined by the Governing Body, is reviewed regularly, and an internal audit review is undertaken on an aspect of risk management each year.
- The Audit and Risk Committee annually reviews the effectiveness of the risk management arrangements, which are managed by the University Secretary.
- 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 Corporate Risk Register and a report on risk management are regularly reviewed by the Audit and Risk Committee and by the Governing Body.

The specific financial risks are reviewed annually by the Finance Committee.

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

6. The University has considered its responsibility to notify the OfS (and through the OfS, Research England) of material adverse events, such as a significant and immediate threat to the University's financial position, significant fraud or impropriety or major accounting breakdown. The accountable officer confirms, on behalf of the University, that to the best of its knowledge, the University believes it is able to identify any material adverse events or material non-compliance with the Terms and Conditions of Funding of the OfS and the Terms and Conditions of UK Research and Innovation Funding administered through Research England. The University further confirms that any material adverse events to date have been notified.

7. The Governing Body, through the Audit and Risk Committee, has reviewed the effectiveness of the system of internal control operating in 2017-18 and up to the date of approval of the financial statements.

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

The above Corporate Governance Statement and Statement on Internal Control relates to the period from 1 August 2017 to the date of approval of these Financial Statements.

Professor David Maguire
Vice-Chancellor

Ms Marianne Ismail
Chair

REMUNERATION ANNUAL STATEMENT

The University has adopted the Higher Education Senior Staff Remuneration Code published by the Committee of University Chairs (CUC) in June 2018 and will apply it to decisions made by the University's Remuneration Committee in 2018-19.

The University's Governing Body has approved a Senior Staff Remuneration Framework to guide the University's implementation of the CUC's Remuneration Code in 2018-19. The Framework, which will be reviewed annually, and includes the following information which the CUC Remuneration Code requires to be published annually by providers:

- The post holders within the remit of the Remuneration Committee;
- The University's policy on the remuneration of those post holders;
- The comparator institutions/organisations used when setting senior staff remuneration;
- The University's policy on income derived from external activities.

The pay multiple of the remuneration of the Vice-Chancellor and the median earnings of the University's staff, which the Remuneration Code requires to be published, is included in these financial statements.

The University will continue to develop its approach to publishing information on senior staff remuneration in light of its implementation of the Remuneration Code, taking into account guidance from the CUC.

STATEMENT OF RESPONSIBILITIES OF THE GOVERNING BODY

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

- To approve the mission and strategic vision of the University, long-term academic and business plans and key performance indicators, and to ensure that these meet the interests of stakeholders.
- To 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 Governing Body itself.
- To conduct its business in accordance with best practice in higher education corporate governance and with the principles of public life drawn up by the Committee on Standards in Public Life.
- To appoint the Vice Chancellor.
- To appoint a secretary to the Governing Body and to ensure that, if the person appointed has managerial responsibilities, there is an appropriate separation in the lines of accountability.
- To be the employing authority for all staff and to be responsible for establishing a Human Resources strategy.
- To be the principal financial and business authority of the University, to ensure that proper books of account are kept, to approve the annual budget and financial statements, and to have overall responsibility for the University's assets, property and estate.
- To be the University's legal authority and, to ensure that systems are in place for meeting all the institution's legal obligations, including those arising from contracts and other legal commitments made in the University's name.
- 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 GOVERNING BODY FOR THE FINANCIAL STATEMENTS

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

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

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

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

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

The Governing Body is responsible for keeping adequate accounting records that are sufficient to show and explain the University's transactions and disclose with reasonable accuracy at any time the financial position of the University and enable it to ensure that the financial statements comply with the Articles of Association, the Statement of Recommended Practice - Accounting for Further and Higher Education as issued in March 2014 and any subsequent amendments, the OfS Accounts Direction and the Companies Act 2006. They are also responsible for safeguarding the assets of the University and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

The Governing Body has taken reasonable steps to:

- ensure that funds from the National College for Teaching and Leadership, the OfS and other funding bodies are used only for the purposes for which they have been given and in accordance with the OfS Terms and Conditions of Funding and the 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 Governing Body is responsible for the maintenance and integrity of the corporate and financial information included on the University's website. Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

The Governing Body confirms that:

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

Approved on behalf of the Governing Body by:

Ms Marianne Ismail
Chair

Date of Approval: 26 November 2018

INDEPENDENT AUDITOR'S REPORT TO THE GOVERNING BODY 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 'parent University') and its subsidiaries (the 'group') for the year ended 31 July 2018, 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 parent University's affairs as at 31 July 2018 and of the group's and the parent University's surplus for the year, and its income and expenditure, gains and losses, changes in reserves 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 published in March 2014; and
- have been prepared in accordance with the Companies Act 2006.

Basis for opinion

We have been appointed as auditor under the Companies Act 2006 and the Education Reform Act 1988 and report in accordance with regulations made under those Acts. 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 Governing 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 Governing Body 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 Governing 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:

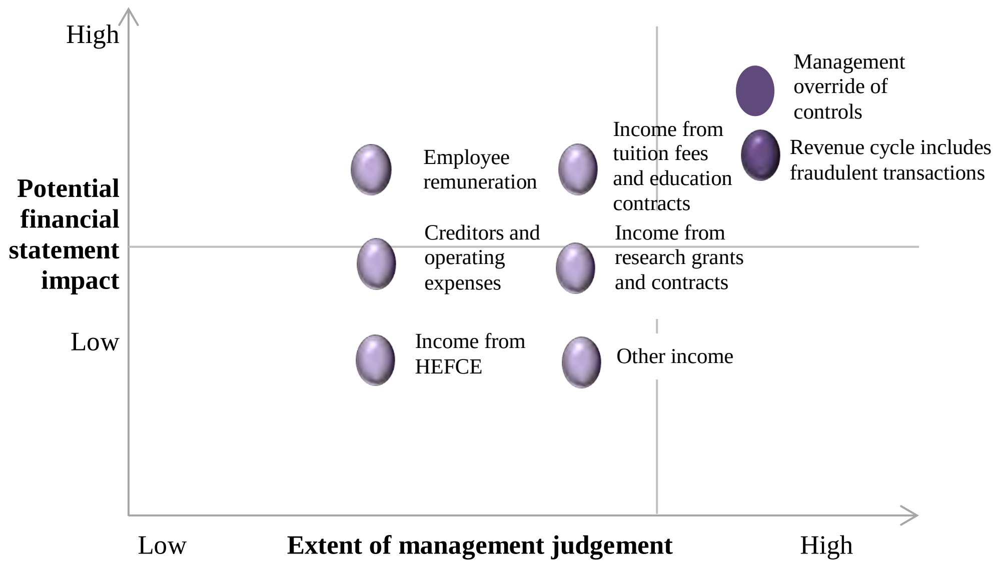
- the University's Governing Body's use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the University's Governing Body has not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the Group's or the parent 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: £4,063,000, 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 of the most significant assessed risks of material misstatement.	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/OfS income: Agreeing the recorded income to confirmation received directly from HEFCE/OfS; • 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 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 controls.

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	£4,063,000, 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 higher than the level that we determined for the year ended 31 July 2017 to reflect an increase in Group revenue.	£3,656,000 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 higher than the level that we determined for the year ended 31 July 2017 to reflect an increase 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 Governors and related party transactions.	We determined a lower level of specific materiality for certain areas such as the remuneration of Governors and related party transactions.
Communication of misstatements to the audit committee	£203,000 and misstatements below that threshold that, in our view, warrant reporting on qualitative grounds.	£183,000 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 Governing Body is responsible for the other information. The other information comprises the information included in the annual report set out on pages 2 to 24, 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 directors' report, prepared for the purposes of company law, included in the Report of the Governing Body for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the strategic report, and the directors' report, included in the Report of the Governing Body 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 parent University and its environment obtained in the course of the audit, we have not identified material misstatements in the strategic report or the directors' report included in the Report of the Governing Body.

Opinion on other matters prescribed by the Office for Student's ('OfS') Terms and conditions of funding for higher education institutions (issued March 2018) and the OfS's accounts direction (issued July 2018)

In our opinion, in all material respects:

- funds from whatever source administered by the parent University 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 Office for Students (OfS) have been applied in accordance with the relevant terms and conditions, and any other terms and conditions attached to them; and
- the requirements of the OfS accounts direction (issued June 2018) 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 parent University, or returns adequate for our audit have not been received from branches not visited by us; or
- the parent University's financial statements are not in agreement with the accounting records and returns; or

- certain disclosures of the Governing Body'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 Governing Body for the financial statements

As explained more fully in the Statement of Responsibilities of the Governing Body the members of the Governing Body (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 Governing Body 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 Governing Body is responsible for assessing the Group's and the parent University's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Governing Body either intends to liquidate the Group or the parent 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: 27 November 2018

CONSOLIDATED AND UNIVERSITY STATEMENT OF COMPREHENSIVE INCOME AND EXPENDITURE

FOR THE YEAR ENDED 31 JULY 2018

		Group		University	
		2018	2017	**2018**	2017
	Note	**£'000**	£'000	**£'000**	£'000
INCOME					
Tuition fees and education contracts	*2*	**139,353**	139,404	**139,353**	139,404
Funding body grants	*3*	**19,873**	20,708	**19,873**	20,708
Research grants and contracts	*4*	**13,956**	12,688	**13,639**	12,449
Other income	*5*	**28,952**	26,015	**27,954**	25,029
Investment income	*6*	**442**	528	**455**	528
Donations and endowments	*7*	**134**	1,206	**261**	19,573
Total Income		**202,710**	200,549	**201,535**	217,691
EXPENDITURE					
Staff costs	*8*	**103,675**	101,335	**102,744**	100,430
Severance costs	*9*	**2,437**	985	**2,437**	985
Other operating expenses	*11*	**78,160**	78,715	**76,817**	77,557
Depreciation	*13*	**6,927**	7,308	**6,927**	7,297
Interest and other finance costs	*12*	**8,203**	8,193	**9,114**	9,206
Total Expenditure		**199,402**	196,536	**198,039**	195,475
Surplus before other gains		**3,308**	4,013	**3,496**	22,216
Gain on disposal of property		**516**	-	**516**	-
Gain on investments		**809**	2,190	**809**	2,190
Currency translation gains		**108**	251	**108**	251
Surplus before tax		**4,741**	6,454	**4,929**	24,657
Taxation	*29*	**-**	-	**-**	-
Surplus for the year after tax before other gains		**4,741**	6,454	**4,929**	24,657
Actuarial gain in respect of pension schemes	*28*	**11,821**	15,384	**11,821**	15,384
Total comprehensive income for the year		**16,562**	21,838	**16,750**	40,041
Represented by:					
Endowment comprehensive income for the year		**(11)**	(20)	**(11)**	(20)
Restricted comprehensive income for the year		**(28)**	(964)	**(28)**	(964)
Unresticted comprehensive income for the year		**16,601**	22,822	**16,789**	41,025
		16,562	21,838	**16,750**	40,041

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

CONSOLIDATED AND UNIVERSITY STATEMENT OF CHANGES IN RESERVES

FOR THE YEAR ENDED 31 JULY 2018

	Income and expenditure reserve			Revaluation reserve	Total
	Endowment	*Restricted*	*Unrestricted*		
Consolidated	£'000	£'000	£'000	£'000	£'000
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 1 August 2017	**1,078**	**409**	**34,110**	**47,852**	**83,449**
Surplus for the year after tax	(11)	(28)	4,780	-	4,741
Actuarial gain in respect of pension schemes	-	-	11,821	-	11,821
Transfers between revaluation and income and expenditure reserve	-	-	88	(88)	-
Total comprehensive income for the year	**(11)**	**(28)**	**16,689**	**(88)**	**16,562**
Balance at 31 July 2018	**1,067**	**381**	**50,799**	**47,764**	**100,011**
University					
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 1 August 2017	**1,078**	**409**	**27,201**	**47,852**	**76,540**
Surplus for the year after tax	(11)	(28)	4,968	-	4,929
Actuarial gain in respect of pension schemes	-	-	11,821	-	11,821
Transfers between revaluation and income and expenditure reserve	-	-	88	(88)	-
Total comprehensive income for the year	**(11)**	**(28)**	**16,877**	**(88)**	**16,750**
Balance at 31 July 2018	**1,067**	**381**	**44,078**	**47,764**	**93,290**

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

(Company Registration No. 00986729)

CONSOLIDATED AND UNIVERSITY BALANCE SHEET

AS AT 31 JULY 2018

	Note	Group		University	
		2018	2017	**2018**	2017
		£'000	£'000	**£'000**	£'000
Non-current assets					
Fixed assets	*13*	**262,186**	249,134	**262,186**	249,134
Investments	*15*	**38**	38	**38**	38
		262,224	249,172	**262,224**	249,172
Current Assets					
Stock	*16*	**76**	60	**76**	60
Trade and other receivables	*17*	**13,446**	12,904	**13,017**	12,541
- amounts falling due after more than one year	*17*	**-**	-	**5,879**	6,634
Investments	*18*	**59,268**	61,785	**59,268**	61,785
Cash and cash equivalents	*25*	**37,927**	36,413	**37,808**	36,258
		110,717	111,162	**116,048**	117,278
Less: Creditors: amounts falling due within one year	*19*	**(61,930)**	(59,491)	**(63,073)**	(60,245)
Net Current Assets		**48,787**	51,671	**52,975**	57,033
Total Assets less Current Liabilities		**311,011**	300,843	**315,199**	306,205
Creditors: amounts falling due after more than one year	*20*	**(106,588)**	(109,920)	**(117,522)**	(122,191)
Provisions					
Pension obligation	*21*	**(102,410)**	(107,474)	**(102,410)**	(107,474)
Other provisions	*22*	**(2,002)**	-	**(1,977)**	-
Total Net Assets		**100,011**	83,449	**93,290**	76,540

(Company Registration No. 00986729)

CONSOLIDATED AND UNIVERSITY BALANCE SHEET (continued)

AS AT 31 JULY 2018

	Note	Group		University	
		2018	2017	**2018**	2017
		£'000	£'000	**£'000**	£'000
Restricted Reserves					
Income and expenditure reserves:					
- endowment funds	*23*	**1,067**	1,078	**1,067**	1,078
- restricted reserve	*24*	**381**	409	**381**	409
Unrestricted Reserves					
Income and expenditure reserve - unrestricted		**153,209**	141,584	**146,488**	134,675
Pension reserve	*21*	**(102,410)**	(107,474)	**(102,410)**	(107,474)
Revaluation Reserve		**47,764**	47,852	**47,764**	47,852
Total Reserves		**100,011**	83,449	**93,290**	76,540

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

The Financial Statements on pages 31 to 66 were approved by the Governing Body on 26 November 2018 and signed on its behalf by:

Professor David Maguire, Vice-Chancellor

Ms Marianne Ismail, Chair

CONSOLIDATED STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED 31 JULY 2018

	Note	2018	2017
		£'000	£'000
Cash flow from operating activities			
Surplus for the year		**4,741**	6,454
Adjustment of non-cash items :-			
Depreciation	*13*	**6,927**	7,308
Gain on investments		**(803)**	(2,190)
Increase in stock	*16*	**(16)**	(1)
Increase in debtors	*17*	**(542)**	(2,198)
Increase in creditors		**1,025**	1,501
Increase in pension provision (excluding actuarial gain)	*21*	**6,757**	5,318
Increase/(decrease) in provisions	*22*	**2,002**	(976)
Adjustment for investing or financing activities:-			
Gain on disposal of property		**(516)**	-
Capital grants utilised in the year		**(1,160)**	(1,258)
Translation gains on currency bank accounts		**(108)**	(251)
Investment income	*6*	**(442)**	(528)
Interest payable	*12*	**5,504**	5,541
Endowment income	*7*	**(134)**	(1,206)
Net cash inflow from operating activities		**23,235**	17,514
Cash flows from investing activities			
Proceeds from the sale of fixed assets		**516**	-
Payments made to acquire fixed assets		**(19,441)**	(8,765)
Disposal of current asset investments		**8,437**	-
(New deposits)/withdrawal from deposits		**(5,111)**	4,993
Investment income		**442**	528
Capital grants received		**-**	118
		(15,157)	(3,126)
Cash flows from financing activities			
Interest paid - Bond	*12*	**(1,004)**	(1,068)
Interest element of service concession payments		**(4,500)**	(4,473)
Repayments of amounts borrowed		**(1,168)**	(1,105)
		(6,672)	(6,646)
Translation gains on currency bank accounts		**108**	251
Increase in cash and cash equivalents in the year	*25*	**1,514**	7,993
Cash and cash equivalents at the beginning of the year		**36,413**	28,420
Cash and cash equivalents at the end of the year		**37,927**	36,413
		1,514	7,993

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

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.
- Other provisions – estimates and judgements have been used in the determination of provisions, see note 22.
- 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 onerous 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 where an entity receives value from another entity without directly giving approximately equal value in exchange.) Donations and endowments with donor-imposed restrictions are recognised in income when the University is entitled to the funds. 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 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 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 reflected in the Accounts for the University itself and GPL as a service concession, and are offset 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), both defined benefit schemes. The LPFA is externally funded, whilst the TPS is unfunded. The LPFA is valued every three years and the TPS not less than every four years by professionally qualified independent actuaries.

The LPFA scheme is accounted for as a defined benefit scheme in accordance with 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. The value of the shared assets stand at nil.

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	
	2018	2017	**2018**	2017
	£'000	£'000	**£'000**	£'000
2. Tuition fees and educational contracts				
Full-time home and EU students	**91,824**	91,109	**91,824**	91,109
Part-time home and EU students	**7,091**	7,353	**7,091**	7,353
Overseas students	**27,744**	25,829	**27,744**	25,829
	126,659	124,291	**126,659**	124,291
Health Service contract	**12,694**	15,113	**12,694**	15,113
	139,353	139,404	**139,353**	139,404
3. Funding body grants				
OfS / HEFCE:-				
Recurrent grant	**13,568**	15,055	**13,568**	15,055
Specific grants	**4,897**	4,031	**4,897**	4,031
Reimbursement of inherited liabilities	**249**	335	**249**	335
Deferred grant income	**1,007**	1,022	**1,007**	1,022
National College for Teaching and Leadership:-				
Recurrent grant	**146**	220	**146**	220
Other	**6**	45	**6**	45
	19,873	20,708	**19,873**	20,708
4. Research grants and contracts				
Research Council	**1,624**	1,318	**1,307**	1,079
UK based charities	**580**	673	**580**	673
UK central govt/health & hospital authorities	**1,493**	1,670	**1,493**	1,670
European Commission	**1,474**	1,871	**1,474**	1,871
Other grants and contracts	**8,785**	7,156	**8,785**	7,156
	13,956	12,688	**13,639**	12,449
5. Other income				
Student residences and catering	**18,800**	18,214	**18,644**	18,026
Other revenue grants	**6,704**	4,773	**5,637**	3,711
Other income	**3,448**	3,028	**3,673**	3,292
	28,952	26,015	**27,954**	25,029

	Group		University	
	2018	2017	**2018**	2017
	£'000	£'000	**£'000**	£'000

6. Investment Income

Return on endowment funds	**16**	16	**16**	16
Other investment income	**426**	512	**439**	512
	442	528	**455**	528

7. Donations and endowments

Endowments received	**2**	6	**2**	6
Donations with restrictions	**132**	1,200	**259**	19,567
	134	1,206	**261**	19,573

The University received a donation from its subsidiary company, Greenwich Property Ltd, in 2018 of £0.1m (2017: £18.4m).

8. Staff

(i) Staff Costs

Salaries	**78,256**	77,681	**77,526**	76,982
Social Security costs	**8,242**	8,124	**8,153**	8,035
Pension costs	**17,177**	15,530	**17,065**	15,413
	103,675	101,335	**102,744**	100,430

Average staff numbers by major category:-	**No.**	No.	**No.**	No.
Academic and research	**1,028**	1,020	**1,013**	1,008
Administrative & technical support	**1,173**	1,171	**1,167**	1,166
Premises	**33**	36	**33**	36
Student residences	**19**	21	**19**	19
	2,253	2,248	**2,232**	2,229

	2018	2017
	No.	No.

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

	2018 No.	2017 No.
£100,000 - £104,999	**4**	3
£105,000 - £109,999	**1**	-
£115,000 - £119,999	**-**	2
£120,000 - £124,999	**4**	3
£125,000 - £129,999	**1**	-
£130,000 - £134,999	**-**	2
£135,000 - £139,999	**2**	1
£235,000 - £239,999	**-**	1
£245,000 - £249,999	**1**	-

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

	2018	2017
	£	£
Salary	**246,467**	236,655
Taxable benefit	**-**	472
	246,467	237,127
Employers pension contribution	**25,269**	37,904
	271,736	275,031

The Vice Chancellor's basic salary is 5.31 times the median pay of staff, where the median pay is calculated on a full-time equivalent basis for the salaries paid by the University to its staff.

The Vice Chancellor's total remuneration is 5.16 times the median total remuneration of staff, where the median total remuneration is calculated on a full-time equivalent basis for the total remuneration by the University to its staff.

As indicated elsewhere in these financial statements, the University of Greenwich is a leading teaching and research institution with an annual turnover of circa £200m, over 36,000 students (including students in UK and international partnerships) and over 2000 staff, with activities across three campuses in London and Kent. Like other 'post 92' universities, the University operates in an increasingly competitive student recruitment environment, linked to demographic factors and changes in government policy.

The remuneration for 2017-18 of the Vice-Chancellor, Professor David Maguire, was determined on 16 October 2017 by the University's Remuneration Committee, which also decided the remuneration of other senior staff falling within the remit of the Committee. The Vice-Chancellor was not involved in setting his remuneration. The factors taken into account by the Committee in determining the Vice-Chancellor's remuneration from 1 September 2017 included: the components of the Vice-Chancellor's remuneration in 2016-17; the previous increases in the Vice-Chancellor's pay and in that of all staff; the rate of inflation (CPI); the current (2017) pay increase for staff covered by national pay bargaining; comparator data on heads of institutions' remuneration from the Universities and Colleges Employers Association's Senior Staff Remuneration Survey and the Committee of University Chairs' Vice-Chancellors' Remuneration Survey; and the assessment by the Chair of the Governing Body (the Vice-Chancellor's line manager) of the Vice-Chancellor's performance against agreed objectives in the previous year. A similar approach was used to determine the remuneration of other senior staff. Taking into account these factors, the Remuneration Committee considers the Vice-Chancellor's remuneration for 2017-18 to be fair, appropriate and justifiable.

(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, 2017: one) was £25 (2017: £215) in their capacity as Governors.

The University operates interest-free loan schemes, available to all employees, for the purchase of travel season tickets and computers. No loans were made to Governors during the course of the year (2017: 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:

	2018	2017
	£'000	£'000
Key management personnel remuneration	**1,648**	1,779

9. Severance costs

	Group		**University**	
	2018	2017	**2018**	2017
	£'000	£'000	**£'000**	£'000
Severance costs	**2,437**	985	**2,437**	985
	2,437	985	**2,437**	985

Severance terms were agreed with 89 ex-staff members in the year, of which 71 people left under the University's Voluntary Severance scheme. The remaining 18 people left throughout the year under redundancy or other termination arrangements.

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.

	Group 2018 £'000	Group 2017 £'000	University 2018 £'000	University 2017 £'000
11. Other operating expenses				
Fees to other colleges	**8,024**	8,075	**8,024**	8,075
Student recruitment	**3,770**	2,577	**3,770**	2,577
Books and periodicals	**1,654**	1,532	**1,654**	1,532
Consumables and laboratory expenditure	**1,892**	1,984	**1,892**	1,984
Computers, software and IT maintenance	**5,018**	4,400	**5,018**	4,400
Bursaries and scholarships	**6,398**	7,950	**6,398**	7,950
Students union subvention grant	**1,738**	1,625	**1,738**	1,625
Residence, catering and conferences	**10,468**	10,125	**9,104**	9,013
Rents, service charges, rates and insurance	**3,009**	3,466	**3,009**	3,466
Electricity, gas and water	**2,775**	2,597	**2,775**	2,597
Building maintenance and repair	**5,143**	3,785	**5,143**	3,785
Security	**1,936**	2,203	**1,936**	2,203
Cleaning, caretaking and waste management	**2,391**	2,123	**2,391**	2,123
Publicity and advertising	**1,818**	2,368	**1,818**	2,368
Research and consultancy	**1,827**	946	**1,827**	946
Subcontractors' fees and expenses	**5,631**	4,743	**5,631**	4,743
Printed communication	**1,362**	1,631	**1,362**	1,631
Telephone and other communication costs	**385**	585	**385**	585
Legal and professional fees	**877**	1,786	**877**	1,786
Non-contracted and agency staff	**2,665**	2,795	**2,665**	2,795
Staff recruitment	**110**	175	**110**	175
Consultancy fees	**2,105**	2,049	**2,105**	2,049
Staff development	**630**	841	**630**	841
Subscriptions	**1,183**	1,099	**1,183**	1,099
Travel and subsistence	**1,892**	1,911	**1,892**	1,911
Transportation	**1,115**	1,073	**1,115**	1,073
Furniture and equipment	**692**	1,561	**692**	1,561
Pension increase payment	**632**	336	**632**	336
Other expenses	**1,020**	2,374	**1,041**	2,328
	78,160	78,715	**76,817**	77,557

Group other operating expenses are stated after charging:-

		2018 £'000	2017 £'000
Auditors remuneration	- fees payable to the external auditors for:		
	- the audit of the financial statements	**96**	95
	- other audit related services	**6**	6
	- fees payable to internal auditors	**116**	87
	- fees payable to other audit firms	**28**	12
Rentals under operating leases	- equipment and vehicles	**473**	507
	- property: campuses	**1,559**	1,557
	- property: student residences	**1,015**	973

	Group 2018 £'000	Group 2017 £'000	University 2018 £'000	University 2017 £'000

12. Interest and other finance costs

	Group 2018 £'000	Group 2017 £'000	University 2018 £'000	University 2017 £'000
Loan interest	**1,004**	1,068	**1,004**	1,068
Service concession interest	**4,500**	4,473	**5,411**	5,486
Currency gains/(losses) on conversion	**44**	(50)	**44**	(50)
Net charge on pension schemes	**2,655**	2,702	**2,655**	2,702
	8,203	8,193	**9,114**	9,206

13. Fixed assets

(a) Group

	Freehold £'000	Leasehold £'000	Service Concessions £'000	Equipment £'000	Vehicles £'000	Total £'000
Cost or Valuation						
At 1 August 2017	160,917	91,839	68,271	24,294	393	345,714
Additions	-	19,793	-	50	136	19,979
Disposals	-	(112)	-	-	-	(112)
At 31 July 2018	**160,917**	**111,520**	**68,271**	**24,344**	**529**	**365,581**
Depreciation						
At 1 August 2017	(25,646)	(35,373)	(13,807)	(21,391)	(363)	(96,580)
Disposals	-	112	-	-	-	112
Charge for year	(2,141)	(1,977)	(1,381)	(1,385)	(43)	(6,927)
At 31 July 2018	**(27,787)**	**(37,238)**	**(15,188)**	**(22,776)**	**(406)**	**(103,395)**
Net Book Value						
At 31 July 2018	**133,130**	**74,282**	**53,083**	**1,568**	**123**	**262,186**
At 31 July 2017	135,271	56,466	54,464	2,903	30	249,134

(b) University

	Freehold £'000	Lease-hold £'000	Service Concess-ions £'000	Equip-ment £'000	Vehicles £'000	Total £'000
Cost or Valuation						
At 1 August 2017	160,917	91,839	68,271	23,945	393	345,365
Additions	-	19,793	-	50	136	19,979
Disposals	-	(112)	-	-	-	(112)
At 31 July 2018	**160,917**	**111,520**	**68,271**	**23,995**	**529**	**365,232**
Depreciation						
At 1 August 2017	(25,646)	(35,373)	(13,807)	(21,042)	(363)	(96,231)
Disposals	-	112	-	-	-	112
Charge for year	(2,141)	(1,977)	(1,381)	(1,385)	(43)	(6,927)
At 31 July 2018	**(27,787)**	**(37,238)**	**(15,188)**	**(22,427)**	**(406)**	**(103,046)**
Net Book Value						
At 31 July 2018	**133,130**	**74,282**	**53,083**	**1,568**	**123**	**262,186**
At 31 July 2017	135,271	56,466	54,464	2,903	30	249,134

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, preventing the creation of any security interests over these 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 45 year concession for a 231 en-suite student residence which excludes facilities management services. The assets and liabilities of the schemes are recognised in the Group's balance sheet.

Movement in service concession assets and liabilities:-

The asset value of the service concessions included in the Balance Sheet as at 31 July 2018 is £53,082,143 (2017: £54,462,576). The movement is due to depreciation of £1,380,433 (2017: £1,380,433).

The total liabilities relating to service concessions included in the Balance Sheet as at 31 July 2018 is £66,751,765 (2017: £67,293,525). The movement is due to interest in the year of £4,500,954 (2017: 4,473,502), less repayments of £5,042,714 (2017: £4,878,172).

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	3,306	6,411	57,035	66,752
Finance charge	1,865	15,617	70,556	88,038
	5,171	**22,028**	**127,591**	**154,790**

15. Investments

(i) Investments :-

	Group		University	
	2018 £'000	2017 £'000	**2018 £'000**	2017 £'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	
	2018 £	2017 £
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 2018 are consolidated in these financial statements with those of the University. Greenwich University Enterprises Limited has an equity shareholding in the following company:-

- 19,999 ordinary shares (8.7%) in Carbon8 Systems Limited.
- 1 preference share (10%) in Carbon8 Systems Limited.

Greenwich Property Limited

The University holds 100% of the issued share capital (£1 Ordinary Shares) of Greenwich Property Limited, a company registered in England and operating in the UK (registered office address is that of the University). Its principal activity is to facilitate the provision of student accommodation for the benefit of the University's students. The results for the year ended 31 July 2018 are consolidated in these financial statements with those of the University.

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

GOETEC Limited: The University was one of five equal partners in GOETEC Limited, a company limited by guarantee, which was dissolved in January 2018. The company's vision was to represent the ICT interest of the higher education, further education and research communities and to develop, promote and provide ICT related shared services, and this will now be served through a consortium of four members, one of which being the University.

16. Stock

	Group		University	
	2018	2017	**2018**	2017
	£'000	£'000	**£'000**	£'000
Catering consumables	**76**	60	**76**	60

17. Trade and other receivables

	Group		University	
Due within one year				
Trade receivables	**6,771**	9,603	**6,550**	9,428
Amounts owed by subsidiaries	**-**	-	**136**	-
Research grants receivables	**3,076**	202	**3,076**	202
Other receivables	**409**	235	**65**	78
Prepayments and accrued income	**3,083**	2,816	**3,083**	2,785
Amounts due from OfS/HEFCE/NCTL	**107**	48	**107**	48
	13,446	12,904	**13,017**	12,541
Due in more than one year				
Amounts due from subsidiaries	**-**	-	**5,879**	6,634
	13,446	12,904	**18,896**	19,175

	Group		University	
	2018	2017	**2018**	2017
	£'000	£'000	**£'000**	£'000

18. Current asset investments

Equities and investment funds	**9,148**	16,782	**9,148**	16,782
Charities Official Investment Fund shares	**90**	84	**90**	84
Debt service reserve (bond) - note 20	**2,412**	2,412	**2,412**	2,412
Short term deposits	**47,618**	42,507	**47,618**	42,507
	59,268	61,785	**59,268**	61,785

The market value of listed equities and investment funds at 31 July 2018 was £9.148m (2016: £16.782m).

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 2018 the weighted average interest rate of fixed rate deposits was 0.66% (2017: 0.64%) per annum and the remaining weighted average period for which the interest rate is fixed on these deposits was 89 days (2017: 114 days). The fair value of these deposits was not materially different from the book value.

19. Creditors: Amounts falling due within one year

Secured loan - Bond	**1,114**	1,046	**1,114**	1,046
Unsecured loan - OfS/HEFCE Revolving Fund	**-**	122	**-**	122
Service concessions (note 14)	**3,305**	2,866	**2,340**	2,027
Trade payables	**8,421**	7,167	**8,412**	7,164
Amounts owed to subsidiaries	**-**	-	**3,316**	2,787
Social security and other taxation payable	**2,377**	2,255	**2,377**	2,255
Other creditors	**6,699**	8,607	**6,683**	8,574
Accruals and deferred income	**40,014**	37,428	**38,831**	36,270
	61,930	59,491	**63,073**	60,245

Accruals and deferred income of £40.0m (2017: £37.4m) include the following deferred revenues that have specific performance related conditions that will be met in future accounting periods.

Research grants received on account	**7,261**	8,445	**7,195**	8,228
Grant income	**330**	860	**330**	860
Donations	**-**	-	**-**	-
Other income	**5,261**	5,096	**4,472**	4,185
	12,852	14,401	**11,997**	13,273

	Group		University	
	2018	2017	**2018**	2017
	£'000	£'000	**£'000**	£'000

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

	Group 2018 £'000	Group 2017 £'000	University 2018 £'000	University 2017 £'000
Deferred grants	**29,254**	30,490	**29,254**	30,490
Service concessions (note 14)	**63,446**	64,428	**51,973**	51,989
Loans				
Secured loan - Bond	**13,888**	15,002	**13,888**	15,002
Unsecured loan - Greenwich Property Ltd	**-**	-	**22,407**	24,710
	106,588	109,920	**117,522**	122,191

Loans - Analysis of repayments:-

	Group 2018 £'000	Group 2017 £'000	University 2018 £'000	University 2017 £'000
Repayable between one and two years				
Secured loan - Bond	**1,186**	1,114	**1,186**	1,114
Loan - Greenwich Property Limited	**-**	-	**2,493**	2,303
	1,186	1,114	**3,679**	3,417
Repayable between two and five years				
Secured loan - Bond	**4,037**	3,792	**4,037**	3,792
Loan - Greenwich Property Limited	**-**	-	**8,780**	8,111
	4,037	3,792	**12,817**	11,903
Repayable after five years				
Secured loan - Bond	**8,665**	10,096	**8,665**	10,096
Loan - Greenwich Property Limited	**-**	-	**11,134**	14,296
	8,665	10,096	**19,799**	24,392
	13,888	15,002	**36,295**	39,712

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, on six-month deposit with a bank, sufficient to meet two bond repayment instalments (see note 18). 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 2018, the market price of the bond as quoted on the Luxembourg Stock Exchange was £116.09 per £100 unit (2017: £119.02 per £100 unit).

21. Pension provisions (Group and University)

	Defined Benefit Scheme (note 28)	USS Pension Deficit	Enhanced Pensions	Total
	£'000	£'000	£'000	£'000
At 1 August 2017	101,147	328	5,999	107,474
Staff Cost	4,584	-	-	4,584
Admin Cost	234	-	-	234
Interest cost	2,649	-	29	2,678
Payments in year	-	-	(227)	(227)
Revaluation of enhanced pension liability	-		(489)	(489)
Actuarial (gain)/loss	(11,821)	-	-	(11,821)
Decrease in provision	-	(23)	-	(23)
At 31st July 2018	**96,793**	**305**	**5,312**	**102,410**

The enhanced pension provision of £5.3m 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 0.5% resulting in a £0.7m decrease (2017: £0.1m increase) in the provision.

22. Other provisions

	Group	University
	£'000	£'000
At 1 August 2017	-	-
Reclassified from accruals during year	738	738
Provided in year	1,264	1,239
At 31st July 2018	**2,002**	**1,977**

Other provisions relates to a provision for research salaries previously classed as an accrual, a dilapidation provision to bring part of the Mansion Site, currently earmarked for disposal, to the standard required by a restrictive covenant, and a provision for future losses on various onerous research contracts arising from the forthcoming increase in employer contributions to the Teachers' Pension Scheme as at 1 September 2019.

23. Endowment Reserves (Group and University)

	Restricted Permanent £'000	Restricted Expendable £'000	2018 Total £'000	2017 Total £'000
Balances at 1 August 2017				
Capital	308	56	**364**	356
Accumulated income	169	545	**714**	742
	477	601	**1,078**	1,098
New endowments	-	2	**2**	6
Investment income	8	8	**16**	16
Expenditure	(7)	(28)	**(35)**	(49)
Transfers	-	-	**-**	-
	1	(20)	**(19)**	(33)
Increase in market value	6	-	**6**	7
At 31st July 2018	484	583	**1,067**	1,078
Represented by:				
Capital	308	56	**364**	364
Accumulated income	176	527	**703**	714
	484	583	**1,067**	1,078
Analysis by purpose:				
Scholarships and bursaries	454	419	**873**	884
Prize funds	30	22	**52**	52
General	-	142	**142**	142
	484	**583**	**1,067**	1,078
Analysis by asset:				
Charities Official Investment Fund shares			**90**	84
Cash and short term deposits			**977**	994
			1,067	1,078

24. Restricted Reserves (Group and University)

	2018 £'000	2017 £'000
Balances at 1 August 2017	**409**	1,373
New donations	**131**	212
Expenditure	**(159)**	(1,176)
At 31st July 2018	**381**	409

25. Cash and cash equivalents

	1 August 2017 £'000	Cash Flows £'000	Non-cash changes £'000	31 July 2018 £'000
Cash and cash equivalents	36,413	1,514	-	**37,927**
Total	36,413	1,514	-	**37,927**

26. Lease obligations

	Group		University	
	2018 £'000	2017 £'000	**2018 £'000**	2017 £'000
Operating lease obligations:-				
Leasehold properties				
Payable within one year	**2,575**	2,530	**2,575**	2,530
Payable between two and five years	**10,098**	10,016	**10,098**	10,016
Payable after five years	**197,421**	198,858	**197,421**	198,858
	210,094	211,404	**210,094**	211,404
Equipment				
Payable within one year	**156**	401	**156**	401
Payable between two and five years	**208**	678	**208**	678
	364	1,079	**364**	1,079

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 2018:

Commitments contracted	**6,024**	9,583	**6,024**	9,583
Commitments authorised but not contracted	**2,720**	14,482	**2,720**	14,482
	8,744	24,065	**8,744**	24,065

The total commitments are comprised of the Dreadnought Student Hub, £5.3m, the capital refurbishment of the Cutty Sark and Devonport halls of residence, £2.9m and the International Pathway College, £0.5m.

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 16.48% of pensionable pay.

The next valuation of the Scheme is being carried out as at 31 March 2016 and the Department for Education is currently finalising this (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 £2.076m 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 £676,155 (2017: £681,949) payable to the LPFA in respect of the University's pension contributions on July 2018 salaries.

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

Assumptions as at:-	**31 July 2018**	31 July 2017	31 July 2016
	Nominal % pa	Nominal % pa	Nominal % pa
RPI increases	**3.35%**	3.50%	3.00%
CPI increases	**2.25%**	2.40%	1.90%
Salary increases	**3.25%**	3.40%	2.90%
Pension increases	**2.25%**	2.40%	1.90%
Discount rate	**2.65%**	2.70%	2.50%

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:

	2018		2017	
	Males	**Females**	Males	Females
Current Pensioners	**21.6 years**	**24.6 years**	21.5 years	24.5 years
Future Pensioners	**23.9 years**	**26.8 years**	23.8 years	26.7 years

The asset allocation for the University as at 31 July 2018 was as follows:

Asset Class	**Fair Value at 31 July 2018 £'000**	Fair Value at 31 July 2017 £'000
Equities	**116,099**	110,159
Target return portfolio	**42,390**	37,274
Cash	**8,784**	12,456
Property	**14,700**	11,702
Infrastructure	**9,524**	8,098
Total	**191,497**	179,689

The return on the fund (on a bid to bid value basis) for the year to 31 July 2018 is estimated to be 6%. 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

	2018 £'000	2017 £'000
Present value of defined benefit obligation	**(287,933)**	(280,451)
Fair value of Fund assets (bid value)	**191,497**	179,689
Deficit	**(96,436)**	(100,762)
Present value of unfunded obligations	**(357)**	(385)
Deficit in scheme - net pension liability	**(96,793)**	(101,147)

Analysis of the amount that is debited to finance costs

Interest cost	**7,516**	6,513
Expected return on employer assets	**(4,867)**	(3,817)
Net cost	**2,649**	2,696

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

Actual return less expected return on pension scheme deficits	**6,049**	19,340
Experience gain	**-**	8,514
Other actuarial gains	**-**	2,582
Change in demographic assumptions	**-**	3,153
Changes in assumptions underlying the present value of the scheme liabilities	**5,772**	(18,205)
Actuarial gain	**11,821**	15,384

Movement in deficit during the year

Deficit at beginning of the year	**(101,147)**	(111,124)
Current service cost	**(10,254)**	(9,179)
Employer contributions	**6,041**	6,975
Contributions in respect of unfunded benefits	**34**	34
Impact of settlements and curtailments	**(405)**	(344)
Administration expenses	**(234)**	(197)
Net return on assets	**(2,649)**	(2,696)
Actuarial gain	**11,821**	15,384
Deficit at end of year	**(96,793)**	(101,147)

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

Opening defined benefit obligation	**280,836**	262,364
Current service cost	**10,254**	9,179
Interest cost	**7,516**	6,513
Contributions by members	**2,126**	2,080
Change in demographic assumptions	**-**	(3,153)
Change in financial assumptions	**(5,772)**	18,205
Experience (gain)/loss on on defined benefit obligation	**-**	(8,514)
Losses on curtailments	**405**	344
Unfunded benefits payments	**(34)**	(34)
Estimated benefits paid net of transfers in	**(7,041)**	(6,148)
Closing defined benefit obligation	**288,290**	280,836

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

Opening fair value of employer assets	**179,689**	151,240
Interest on assets	**4,867**	3,817
Return on assets less interest	**6,049**	19,340
Other actuarial gains	**-**	2,582
Administration expenses	**(234)**	(197)
Contributions by members	**2,126**	2,080
Contributions by the employer including unfunded	**6,075**	7,009
Estimated benefits paid plus unfunded net of transfers in	**(7,075)**	(6,182)
Closing fair value of employer assets	**191,497**	179,689

Analysis of projected amount to be charged to operating profit for the year to 31 July 2019:-

	£'000
Estimated current service cost & total operating charge	9,960
Net interest on the defined liabilty	2,483
Administration expenses	249
Expected loss	12,692
Employer contributions	6,219

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
- The proportion of the membership that had taken up the 50:50 option at the previous valuation date will remain the same.

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

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 hybrid pension scheme, providing defined benefits (for all members) as well as defined contribution benefits, 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 Section 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 now that the hybrid element (see the changes mentioned below) of the Scheme is in place.

From 31 March 2016 future service benefits and accrued benefits are no longer being 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 £305k is included within the University's pension provision (note 21) for USS and the decrease in the provision for 2017-18 of £23k has been credited to Staff Costs (note 8).

Due to the uncertainty surrounding the outcome of the 2017 actuarial valuation, there is a risk that the year-end provision as calculated will not reflect the position following the final outcome of negotiations, depending on what is agreed regarding future deficit contributions and their duration. The University expects to have greater clarity in this respect during the next financial year. The following sensitivity analysis outlines the potential impact on the existing liability of £304,804 (assuming the same discount rate of 2.16%):

- The impact of a 1% increase in the deficit contribution rate will increase the provision to £449,949.
- The impact of a 3.9% increase to 6% for the deficit contribution rate will increase the provision to £870,869.
- The impact of a longer duration for the deficit repayment will increase the provision as follows:
    - o An additional year (to 2032) will increase the provision to £330,656.
    - o An additional four years (to 2035) will increase the provision to £409,878.

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

	2018	2017
	£'000	£'000
TPS	**6,367**	6,291
USS	**162**	138
LPFA	**10,638**	9,086
NEST	**10**	15
Total pension costs **(note 8)**	**17,177**	15,530

29. Taxation

	2018	2017
	£'000	£'000
UK corporation tax:-		
Greenwich University Enterprises Limited	-	-
Greenwich Property Limited	-	-
	-	-

30. Contingent liabilities

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

Acquisition of GDCC Newco (“G”) Limited

On 14 August 2018 the University of Greenwich acquired 100% of the issued shares in GDCC Newco (“G”) Limited for a consideration of £21,502,875, paid out of the University’s own cash reserves. The sole asset of GDCC Newco (“G”) Limited is its 100% shareholding in Greenwich Devonport Conference Centre Limited, whose major business activity is its ownership of a lease on a property currently rented out to De Vere Venues. The financial effects of this transaction have not been recognised at 31 July 2018. The operating results and assets and liabilities of the acquired company will be consolidated from 14 August 2018.

The estimated impact on the consolidated operating results will be a surplus of £1m per annum arising from rental income less costs.

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 was one of five equal partners in GOETEC Limited, a company formed on 1 April 2002, and limited by guarantee. The company was dissolved in January 2018 but has continued as a consortium. In the year to 31 July 2018 the University received NIL (2017: NIL) from GOETEC and paid GOETEC Limited NIL (2017: £12,180) with no balance outstanding at the year end (2017: NIL).

The president of the Students’ Union, University of Greenwich is a member of the University’s Governing Body. The University paid a subvention grant to the Students’ Union of £1,289,000 in the year (2017: £1,209,000).

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

33. The National College for Teaching and Leadership

	1 Aug 2017 £'000	Rec'd In Year £'000	Disbursed £'000	31 July 2018 £'000	31 July 2017 £'000
ITT Training bursaries	161	1,327	(1,377)	**111**	161
LLN bursaries	2	147	(138)	**11**	2
SKE bursaries	(16)	60	(80)	**(36)**	(16)
Early Years employers fees	7	70	(70)	**7**	7
	154	1,604	(1,665)	**93**	154

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 Governing Body has oversight of, are; liquidity risk, credit risk, interest rate risk and currency risk.

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

Categories of financial instruments	Group		University	
	2018 £'000	2017 £'000	**2018 £'000**	2017 £'000
Financial assets				
Equities and investment funds	**9,148**	16,782	**9,148**	16,782
Loans and receivables:				
Receivables (excludes prepayments)	**10,363**	10,088	**9,934**	9,756
Amounts owed by subsidiaries	**-**	-	**5,879**	6,634
Investments	**50,120**	45,003	**50,120**	45,003
Cash and cash equivalents	**37,927**	36,413	**37,808**	36,258
	107,558	108,286	**112,889**	114,433
Financial liabilities				
Trade & other payables (excludes deferred income)	**17,497**	18,029	**18,485**	17,993
Loan - OfS/HEFCE Revolving Fund	**-**	122	**-**	122
Bond	**15,002**	16,048	**15,002**	16,048
Service concession arrangements	**66,751**	67,294	**54,313**	54,016
Loan - Greenwich Property Limited	**-**	-	**24,710**	26,838
	99,250	101,493	**112,510**	115,017

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

(ii) Liquidity risk

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

Under the terms of the University's bond, the Group is required to maintain a ratio of current assets to current liabilities at not less than 1:1. It is also required to retain 12 months of bond servicing cost (currently £2.4m), in a charged account (see note 18) 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	OfS / HEFCE Green Loan £'000	Bond £'000	Service Concess-ions £'000
As at 31st July 2018				
In one year or less or on demand	17,497	-	2,050	5,171
In more than one year but not more than two years	-	-	2,050	5,302
In more than two years but not more than five years	-	-	6,151	16,727
In more than five years	-	-	10,254	127,590
	17,497	-	20,505	154,790
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

(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 Governing Body.

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

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

	Total £'000	0 to 6 Months £'000	7 to 12 Months £'000	More than 1 Year £'000
As at 31st July 2018				
Accommodation	725	725	-	-
Commercial	5,696	5,696	-	-
Tuition	350	350	-	-
	6,771	**6,771**	**-**	**-**
As at 31st July 2017				
Accommodation	405	405	-	-
Commercial	8,873	8,873	-	-
Tuition	325	325	-	-
Other	-	-	-	-
	9,603	**9,603**	**-**	**-**

Commercial debtors not due at 31 July 2018, net of bad debt provision, were £5,356k (2017: £5,410k).

(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 18% 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 and service concession arrangements.

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

	As at 31 July 2018			As at 31 July 2017		
	Total £'000	**Floating /fixed**	**Weighted interest rate**	Total £'000	Floating /fixed	Weighted interest rate
Financial assets:-						
Equities and investment funds	**9,148**	**-**	**-**	16,782	-	-
Debt service reserve	**2,412**	**Fixed**	**0.82%**	2,412	Fixed	0.39%
Fixed term & notice bank deposits						
Sterling	**47,618**	**Floating**	**0.66%**	42,507	Floating	0.65%
	59,178			61,701		

	As at 31 July 2018			As at 31 July 2017		
	Total £'000	**Floating /fixed**	**Weighted interest rate**	Total £'000	Floating /fixed	Weighted interest rate
Financial liabilities:-						
Loan - OfS Green Fund	**-**	**-**	**-**	122	-	-
Bond	**15,002**	**Fixed**	**6.97%**	16,048	Fixed	6.97%
Avery Hill Student Village loan	**12,439**	**Fixed**	**8.00%**	13,277	Fixed	8.00%
	27,441			29,447		

(iv) Currency risk

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

Approximately 53% 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.

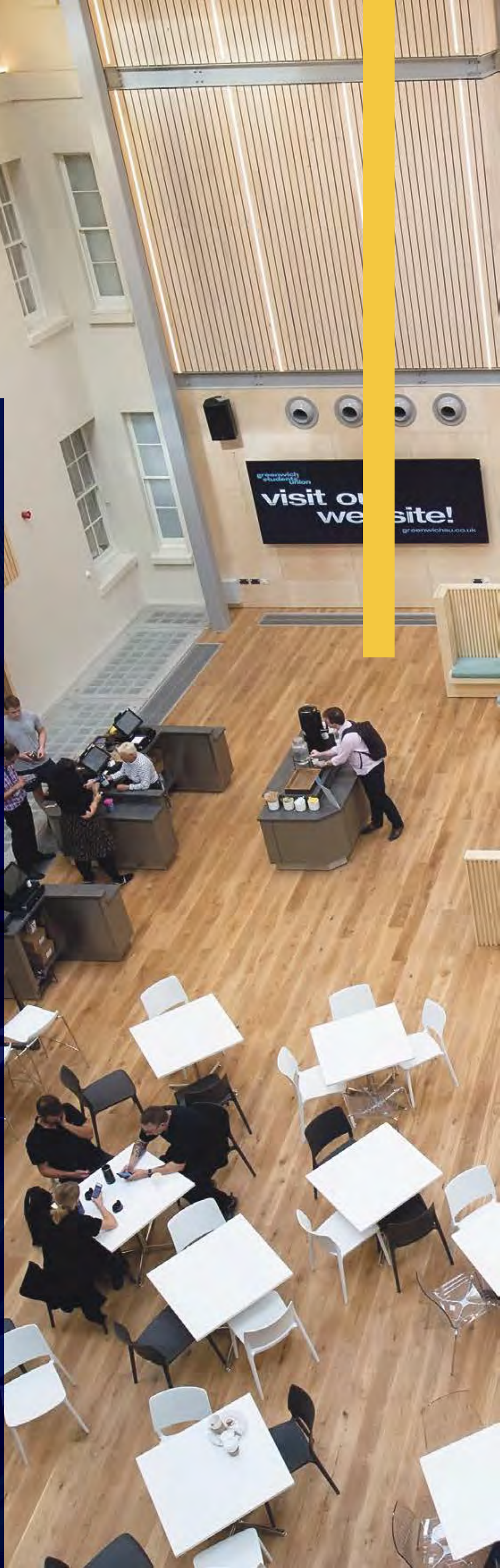
The carrying amounts of the Group's foreign currency denominated financial assets and financial liabilities at the reporting date are as follows:

	Assets		Liabilities	
Currency	**2018 £'000**	2017 £'000	**2018 £'000**	2017 £'000
Sterling	**103,571**	103,470	**99,250**	101,493
EURO	**1,526**	2,584	**-**	-
US $	**1,933**	1,782	**-**	-
Other	**528**	450	**-**	-
	107,558	108,286	**99,250**	101,493

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).



University of Greenwich
Old Royal Naval College
Park Row, London SE10 9LS
greenwich.ac.uk

UNIVERSITY *of* GREENWICH

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