



Ravensbourne
University London



Ravensbourne
University London

Higher Education
Corporation
and Subsidiary
Undertakings

**Report and
Financial Statements**
31 July 2018

Buzzacott LLP, London

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Vice-Chancellor's and Chair's Reports



Vice-Chancellor's Report

It gives me great pleasure to say that Ravensbourne has successfully achieved university status. It demonstrates that we are succeeding in our goal to be a leading specialist creative university, innovating and changing the world by providing the best possible education to support the creative industries.

Our industry connections and partnerships underpin our success in learning, teaching and research. We continue to nurture many long-standing partnerships such as those with Barclays, Marks & Spencer and the Royal Shakespeare Company, and also to welcome new partners such as Amazon and the BBC. Through these connections Ravensbourne students have the opportunity to learn from industry-leading digital media and design specialists, helping them to kick start an amazing career in the global creative industries. Our expectations are high: students are treated as industry professionals from day one.

This year we delivered our new Mindsets and Skillsets™ curriculum, designed in partnership with industry to ensure we continue to deliver graduates with the outstanding skills for which we are renowned, but also with the resilience, confidence and capability to handle careers that have not yet been invented, all of which will allow them to unleash their creativity in the workplace.

Through this approach we have maintained our position as a top 10 university in the UK for art and design in the QS university rankings. Our graduate employability rate has also increased, with 96.4% of students in employment or further study within six months, and in the top third for creative graduate salaries, five years after graduating.

It has been a year of significant progress – not least in reconnecting with our alumni. We've produced some of Britain's finest and most diverse creative talent, who are regularly honoured at industry events and through significant high-profile commissions. Alumna Clare Waight Keller returned ahead of our annual degree show in June. Clare is artistic director at Givenchy and the designer of Meghan Markle's dress for her wedding to Prince Harry.

However, while we move ahead, the higher education sector continues to experience instability. We have therefore adjusted our working practices and structures very widely to ensure that we are in the best possible position to meet the changing requirements of both the economic and policy environment. For example, we introduced a student recruitment strategy that reviewed all points of the student acquisition journey and are delighted that this is already making an impact, despite the challenges, with an increase in applications this year, counter to the trend in the market.

Ravensbourne achieved three important milestones this year: we were granted degree awarding powers, won a Silver Award in the Teaching Excellence Framework (TEF) and achieved university status. Together, these afford us the ability to shape our services more readily to reflect the needs of industry and students. It may also mean that we could be eligible to set student fees in accordance with the fluctuations of inflation in the future.

Of course, there is more work to do and we are far from complacent. After a challenging year, we are in a much stronger place as we put the finishing touches to a new and bold seven year strategy. I am very confident that the exciting activities we have planned for the coming years will continue to deliver a very distinctively 'Ravensbourne' education and enable us to meet the needs of a fast-changing creative and digital industry, whilst continuing to strengthen our academic integrity as a mature university with rigorous standards and academic governance.



Professor Linda Drew
Vice-Chancellor

Chair's Report

This has been a year of satisfying progress culminating in the achievement of university title. We are now, proudly, Ravensbourne University London.

The achievement of university title reflects the hard, sustained and effective work by staff, rigorously evaluated by external monitors. We expect that our ability to award degrees will enable Ravensbourne to respond more quickly to market needs and increase our ability to recruit students both nationally and internationally. Our enhanced credibility in the sector should also enable us to contribute more effectively to higher education and to the creative industries that are so important to the economic and intellectual wellbeing of the nation.

Ravensbourne continues to position itself as an institution designed for industry. We know that employers particularly value not only the practical techniques we teach using the latest equipment and software but also the way in which our students co-operate in multi-disciplinary teams, just as they will have to do in the world of work. No wonder then (though we are particularly pleased) that our graduates are in great demand - over 96% of our alumni are in employment or further study within six months of graduation.* This is a special achievement and we are optimistic and excited about increasing the influence of Ravensbourne's very special kind of learning.

However, the entire higher education sector continues to face uncertainty.

In comparison with many other HE institutions, our student applications and subsequent recruitment and retention rates are holding up gratifyingly well. However, competition between academic institutions for student recruitment is fierce and we expect to see new entrants to the sector, operating in ways that may disrupt present business models.

The continued demographic downturn means there are fewer people leaving school than there were last year. While the foreign-exchange rate has made the UK cheaper for foreign students, uncertainty over Brexit and the unmet need for the UK as a whole to be at least as welcoming for foreign students as the countries with which we are competing, continue to be concerns. We have no control over these factors but we will continue to position ourselves so that we can be adaptable and agile. In this context, we will re-double our efforts to make the student experience as enjoyable and fulfilling as possible and to maximise each student's return on their considerable investment of time and money.

Finally, while we are pleased to attract those from non-traditional educational backgrounds and help them become highly employable and productive, we know that there are talented people for whom bursaries would make a very substantial difference. Our ambition is therefore to grow our philanthropic income and to convince potential donors that an investment in a Ravensbourne education will provide a positive return over generations.

On behalf of the board I would like to thank our Vice-Chancellor, Professor Linda Drew, her senior team and the entire staff and student body for making the Ravensbourne community such an exuberantly diverse, creative and nurturing place.



Jonathan Drori CBE

Chair of the board of Governors

*Higher Education Statistics Agency (HESA) leavers from HE survey 2016-2017.

Operational and Financial Review



Nature, Objectives and Strategies

The members present their report and the audited group financial statements for the year ended 31 July 2018.

Legal Status

On 21 May 2018, Ravensbourne was granted University status by the Privy Council and changed its name to Ravensbourne University London.

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

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

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

Mission statement

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

Our vision

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

Our values

All of our activities are founded on three core values:

Be creative

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

Be integrated with industry

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

Be inclusive

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

Nature, Objectives and Strategies (continued)

Strategic plan

The Board of Governors approved the institution's three-year strategic plan in September 2018. The strategic plan reflects the following aims:

- To build on our strengths, nurture and capitalise on our approach to practice-based creative education through a connected offer across applied research, knowledge exchange and skills for entrepreneurship, and to be renowned for our unique pedagogy and our position at the junction of creativity and technology.
 - To build the creative workforce of the future with a sustained focus on graduate careers and employability – providing students and graduates with a competitive advantage through a learning experience where the individual thrives, disciplines evolve, education engages industry, purpose meets practice, and creativity meets technology.
 - To be an exemplar for social mobility, diversity and equality of opportunity in higher education, ensuring every student is able to succeed whatever their background.
 - As a new university, to use partnerships and alliances with external organisations both academically and commercially to support our mission, vision, reputation and sustainability.
 - To elevate and enhance Ravensbourne's physical and digital presence locally, nationally, internationally, and within our industrial sectors, to provide greater opportunities for collaborations, partnerships and project
- Notable achievements in line with the strategic plan during the 2017/2018 academic year include:
- Successfully achieved university status, in line with our strategic objectives for 2015-18.
 - 96.4% of students (more than 19 out of 20) were in employment or further study within six months of graduating (HESA 2016/17). The results are based on a national survey of 2016-2017 leavers from higher education undertaken by the Higher Education Statistics Agency (HESA).
 - Ravensbourne is among the top third of all universities in England for creative graduate salaries. (Based on median salaries five years after graduating taken from the Department for Education's Longitudinal Education Outcomes 2017).
 - High profile partnerships with well-known brands such as the BBC, Amazon, Royal Shakespeare Company, Ford, The Tate Modern, Stella McCartney, Givenchy, Working Title Films, Barclays, Marks & Spencer and Burberry, with our students being awarded placements at many of these and others.
 - Increased gifts and voluntary giving, with a 17% increase in donations over prior year. While a small number in reality, this is showing steady progress.
 - Stronger alumni engagement with alumni such as Clare Waight Keller, Andi Osho, and many others, including both senior leaders and those who embarked on their careers more recently, returning to celebrate with us both our Degree Shows and new university status.
 - We've also hosted WonkHE, a higher education sector conference, with Jo Johnson, then Minister for Universities and Science, giving the keynote address.
 - Ravensbourne once again hosted MozFest in October 2017, the world's leading festival for the open internet movement. We look forward to welcoming Mozilla back to Ravensbourne in 2018 for the Sixth year.
 - Our students have won or been nominated for awards at prestigious industry events such as D&AD New Blood, New Designers and Graduate Fashion Week.

Nature, Objectives and Strategies (continued)

Statement on public benefit

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

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

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

Ravensbourne's public benefit activities are viewed and can be categorised under our strategic plan which reflects the institution's aims for 2015-2018:

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

The strategic aims for 2018-2025 have been updated but remain fundamentally the same: our goals are to develop people, ideas and innovation, in collaboration with industry.

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

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

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

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

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

Financial Position

Results

The financial statements for the year ending 31 July 2018 have been prepared in accordance with the Statement of Recommended Practice (SORP) Accounting for Further and Higher Education 2015 and in accordance with the Financial Reporting Standard FRS102.

The surplus for the year ending 31 July 2018 is £348,720 against a forecast of £200,000 (2017: £95,950).

Liquidity

Cash and short-term cash deposits as at the year ending 31 July 2018 totalled £15,652,198, an increase of £2,336,894 from the position at 31 July 2017. Cash balances continue to reflect the institution's strong liquidity position. During the year ending 31 July 2018 the institution continued with repayments of its 25-year mortgage facility and repayments to the Royal Borough of Greenwich.

Capital repayments and the balances outstanding on loan facilities

Facility	Original Loan £	Term Years	Outstanding 1 Aug 2017 £	Repayment £	Outstanding 31 July 2018 £
Barclays plc 25 year mortgage	5,000,000	25	4,269,208	137,269	4,131,939
Royal Borough of Greenwich	1,000,000	10	400,000	100,000	300,000
	6,000,000		4,669,208	237,269	4,431,939

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

Financial Position (continued)

Reserves

The institution continues to maintain healthy reserves of over £34.8 million (2017 £31.8 million). After adjusting for balances in respect of non-current assets, loan financing, the pension scheme liability and deferred capital grants, the institution's free reserves total £12.3 million (2017 £10.6 million). It is recognised that these reserves will be necessary not only to ensure cover for the current loan obligations but also for future investment as follows:

- Investment in the fabric of the estate - the current premises are approaching their first seven year cycle and it has been recognised that a rolling programme of maintenance and replacement is necessary. This was started in 2016, undertaken throughout the year and will continue in the future.
- Investment in technology - this is a cyclical requirement to ensure the institution remains at the cutting edge of technology maintaining its status as industry-led and ensuring the relevance of its teaching and resources to students, staff and industry.
- Investment in growth - the institution is actively exploring strategic options to increase its student base and to develop additional income streams. This will require investment in physical infrastructure and resources to support teaching.

The Board of Governors and senior management of the institution are currently implementing a strategic plan to 2018 but also looking beyond that point to identify the reserves to meet future needs.

Cash flows

The net cash inflow from operating activities for the year ending 31 July 2018 was £2,909,104. During the year the institution made capital payments in respect of bank and other loans of £237,269 and paid interest of £243,084. As of 31 July 2018 cash and balances held on short-term deposit amounted to £15,652,198 an increase of £2,336,894 against the position as at 31 July 2017.

Principal risks and uncertainties

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

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

The key risks facing the institution are:

- Uncertainty of funding – the regulatory and policy landscape is constantly changing leading to a degree of uncertainty around the composition and extent of government funding in the future. The uncertainty of the repayment of the rapidly growing student loan book may lead to further policy changes as to what type or subject of higher education provision may be funded. The market for students will become more competitive, both from existing HEIs and new entrants (for example the rules governing applying for Taught Degree Awarding powers are now changed), which places a risk on student recruitment. Additionally funding for further education is likely to reduce significantly over the next few years.
- Student recruitment and retention – this is fundamental to the sustainability of the institution. The recruitment market is expected to become more competitive due to the demographic make-up of the population over the next few years
- International students – Government policy regarding the matter of visa restrictions and the aggressive application of the shifting rules by UK Visas and Immigration (UKVI) may adversely impact on student recruitment from outside the EU. Furthermore the result of the referendum to withdraw from the European Union could potentially reduce a significant number of very able students although Ravensbourne is not significantly exposed in this area.

Financial position (continued)

Student satisfaction – the emphasis on student satisfaction is increasing as the final cohorts have moved from grant funding to tuition fees. The expectations and demands from students who are now seen as customers will increase as they perceive the value for money they get from their fees. Future funding levels may be linked to student satisfaction and course outcomes. Focus on teaching excellence and other satisfaction criteria is therefore critical.

Course portfolio – it is important for the institution to be cutting edge and industry-focused in the courses that it offers to retain its reputation and status and to maintain its highly successful employability rate. Unless we stay current and relevant, students may choose to study elsewhere. A full portfolio review of courses has been undertaken to ensure course relevance and new courses are being introduced from 2018.

Staff recruitment and retention – the delivery of teaching excellence and maintaining student satisfaction is dependent on successfully recruiting and maintaining staff with the right qualities and experience.

Cyber Security – the threat from cyber security attacks has been increasing and will continue to increase as more and more activity is held online and networked. The threat is heightened by the increased involvement of everyone in the connected world and access to systems and data.

General Data Protection Regulations (GDPR) – the enhanced GDPR legislation, which came into effect in May 2018 significantly increases the responsibilities on personal data holders and processors and with it comes more potential penalties. This is a major area of activity for the institution.

Terrorism in London – there have been increasing incidences of terrorism in London and the rest of Europe. The institution's location on the Greenwich Peninsular may expose it to a greater threat. Continued vigilance, working with our neighbours and the police, and focus on the PREVENT work remains essential.

Key Performance Indicators

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

KPI	Description	Target	5Y Av.	Current
Profitability	Historic cost surplus as % of total income	2.0	1.0	1.3
Reserves	Discretionary reserves as % of income	140	119.7	129
Borrowings	Borrowings as a % of income	20	17.2	16
Liquidity	Net cash flow as a % of income	10	7.6	11
Liquidity	Net liquidity days	200	217	233
Covenants	Borrowings to 3 year average EBITDA	Max ratio 5:1		2:1

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

Current, future developments and performance

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

Ravensbourne achieved full university status, effective from 21 May 2018, successfully meeting the main objective from the 2015-18 strategic plan. In addition to gaining Taught Degree Awarding Powers (TDAP) in 2017, and then full university status in 2018, there has also been a modest growth in student numbers. At the same time, the university has maintained its distinctive, industry-led and cutting-edge digital focus and retains its extremely successful metrics in terms of partnerships, student achievements and awards, and employability. The strategy for the longer period of 2018-2025 is being finalised and will set out the direction for Ravensbourne University London.

All supporting strategies will continue to be updated to align with the overall strategic plan as progress is made. In addition, the university continues to respond to the challenges faced throughout the sector due to increased competition, major regulatory reform, a demographic decline in 18 year-olds as well as the impact of the decision to leave the European Union, where the full consequences are still unknown. We have continued to proactively engage with significant policy changes relating to education, Brexit and industrial strategy, hosting visits from Government officials and participating at the highest level in sector and industry representative bodies. For example, Professor Linda Drew is an active member of GuildHE's Executive Board and the Mayor's Skills for Londoners Advisory Committee. We also hosted the WONKHE Festival in 2017 and will again host this sector conference in 2018.

The review of all courses undertaken in 2017 is almost complete, and they are now more closely aligned to our strategic aims and the guiding principles, to provide an unrivalled education that will keep our graduates at the forefront of innovation and creativity, and provide them with the mindset and skillsets to succeed.

The four guiding principles are:

Cultivate: providing a learning experience where the individual thrives

Collaborate: enabling disciplines to evolve

Integrate: enabling engagement and collaboration across education and industry

Advocate: where purpose meets practice

The recruitment of a Director of External Relations has brought a renewed emphasis on partnerships, student recruitment, internationalisation and diversifying our income streams. This new focus is already developing with an updated student recruitment strategy that recognises and is adaptable to potential policy changes.

The recruitment of a new Chief Operating Officer has also brought a deeper focus to the review of the organisational infrastructure. This will ensure robust systems are in place to enable the university to meet the challenges and uncertainties around both funding and student recruitment, as well as to provide a much stronger student experience.

Stakeholder Relationships

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

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

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

Trade Union Facility Time

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

Equal opportunities and employment of disabled persons

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

Disability statement

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

Disabled staff policy and procedure

The institution recognises and is committed to meeting its responsibilities towards its staff and the community at large to ensure that disabled people are afforded

equal opportunities to enter employment and progress within the institution.

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

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

Stakeholder Relationships (continued)

Services for students with disabilities

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

Provide equipment where appropriate

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

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

Disclosure of information to auditors

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

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



Chair of the board of Governors

14 November 2018

Professional Advisers

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Statement of corporate governance and internal control



Introduction

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

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

The Board of Governors has adopted the HE Code of Governance in its entirety and is confident that the seven primary elements as set out in the code are met. Ongoing adherence to the code is monitored by the Audit Committee on an annual basis. From July 2018, the Vice-Chancellor is no longer a member of the HR & Remuneration Committee in accordance with the HE Senior Staff Remuneration Code, published by the CUC in June 2018. This year, as part of registration with the Office for Students (OfS), a self-assessment of our management and governance arrangements was submitted to the OfS in May 2018 following scrutiny and approval by the board of Governors

In December 2017, the results and recommendations of the internal review of board effectiveness undertaken in January 2017 were discussed to ensure actions are being progressed. In accordance with the Code of Governance, a full independent review will be undertaken in 2019.

A national recruitment campaign for new governors is now underway, overseen by the Nominations Committee, to fill vacancies following the resignations of three independent governors and one professional staff governor. An independent governor and a professional services governor were appointed by the board of Governors in September 2018. 2018-19 will see the recruitment and induction of a new Chair of the board of Governors, when the current incumbent's term ends in September 2019.

The university is committed to best practice in all aspects of its corporate governance and to conducting its affairs in a responsible and transparent way. This statement takes into account the requirements of the OfS, the UK Corporate Governance Code as it applies to higher education, and the Higher Education Code of Governance. Its purpose is to help the reader of the financial statements understand how the principles have been applied. Ravensbourne University London's corporate governance statement covers the period 1 August 2017 to 31 July 2018 and up to the date of approval of the audited financial statements.

The Board of Governors

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

All members of the board are strongly committed to the University's values of creativity, integration with industry and inclusivity. All members are expected to observe the highest standards of corporate governance in exercising their responsibilities, including the Seven Principles of Public Life: selflessness, integrity, objectivity, accountability, openness, honesty and leadership. Given the establishment of a new regulator, the application to the Privy Council for University title with attendant amendments to our governing documents and new members to the Executive team, the board of Governors has increased the number of times it meets to six times per year. The frequency of meetings will be kept under review.

The Board of Governors has a majority of independent members appointed in accordance with the university's Instrument and Articles of Government and the Chair and Deputy Chair are appointed from its independent members. There is provision for the appointment of co-opted members, some of whom are members of the staff of the university, and for representatives of the academic staff and of the student body. The Privy Council approved amendments to the Instrument of Government in May 2014, allowing remuneration of the Chair of the board for a maximum of five years. The Chair has not received any remuneration since April 2017. No other member of the board receives reimbursement for the work they do for the board, although they may claim reasonable expenses.

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

The Corporation

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

Board of Governors / Ex-Officio

Professor Linda Drew BA(Hons), MA, PGCert, PhD, FRSA FDRS (f,n) Director

Independent and Co-opted Governors

Professor Jonathan Drori CBE BSc FLS FZS MIET FRSA (f,h,n)	Chair of the board & Nominations Committee
Mr Nathan Donaldson BA LLB (a,h)	Chair of the HR & Remuneration Committee
Mr Rod Henwood BA (a)	
Professor Helen Higson OBE	
Ms Tamara Howe (n)	
Mr Jonathan Kingsbury BA EMBA DIC (f,n)	Deputy Chair appointed May 2018
Mr Alex Phillips BSc DipArch PGDip (ACS) RIBA (f,n)	
Ms Marta Phillips OBE CA MSc BA(Hons) (a,h)	Chair of Audit Committee
Mr Brett Wigdortz OBE	
Mr David Worthington BA FRSA FCSD (f)	Interim Chair of Finance Committee, appointed June 2018
Ms Karen Brown BA LLB (h,n)	Resigned March 2018
Mrs Joanne Stimpson LLB ACA (a)	Appointed September 2018
Ms Ruth Keattch MA (Oxon) (f,h)	Resigned May 2018
Professor Elizabeth Rouse MA FRSA (h,n)	Resigned May 2018

Professional Services Staff Governors

Ms Jill Leigh	Resigned July 2018
Ms Nike Awoyinka	Appointed September 2018

Academic Staff Governors

Ms Louise Prideaux BA PGCE MISTD (n)
Mr Idrees Rasouli

Student Governors

Mr Alexander Tannatt-Cook	Student Union President, appointed July 2018
Mr Stefan Ferrol	Student Union President, resigned July 2018

Other Principal Officers regularly in attendance

Mr Andrew Cook	Chief Operating Officer
Mr Brian Duncan MA CA (f)	Director of Finance
Ms Katie Germer	Clerk to the board of Governors
Mr Fraser Burrill LLB FCA (f)	Director of Finance, resigned March 2018
Ms Doreen De Bellotee	Director of Human Resources, resigned August 2018

a - Member of the Audit Committee

f - Member of the Finance Committee

h - Member of the HR & Remuneration Committee

n - Member of the Nominations Committee

Registered Office

Ravensbourne, 6 Penrose Way,
 Greenwich London SE10 0EW

The Academic Board

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

The Vice-Chancellor

The Vice-Chancellor is the head of the university, and has a general responsibility to the board of Governors for the organisation, direction and management of the university. Under the terms of the Office for Students' Terms & Conditions of Funding, the Vice-Chancellor is the Accountable Officer of the university. As the Chief Executive, the Vice-Chancellor exercises considerable influence upon the development of University strategy, the identification and planning of new developments and the shaping of the university ethos. The senior academic and administrative officers contribute in various ways, but the ultimate responsibility for what is done rests with the Vice-Chancellor.

Sub-committees of the board of Governors

Much of the board's detailed work is initially handled by committees, the decisions and recommendations of which are reported to the board in accordance with the agreed formal Scheme of Delegation, as adopted by the board in June 2015 and reviewed annually. The next review will take place in November 2018. The board's sub-committees are as follows:

Audit Committee

Responsible for:

- Ensuring effective institution systems for accounting, financial record keeping, payments to employees and creditors
- Receiving the draft financial statements and reporting to the board with recommendations
- Keeping under review all matters (including governance, management, quality, reputation and finance) with potential for impact on the university's financial position and viability, and its capacity to achieve its strategic and operational objectives
- Advising the board on the appointment and remuneration of internal and external auditors, considering and advising the board on external audit reports and management letters, and reviewing and agreeing the scope and priorities of the annual internal audit plan
- Reporting annually to the board and to the OfS on the adequacy and effectiveness of the internal financial and risk monitoring and risk control system, arrangements to deliver value for money, the management and quality of data provided to agencies such as HESA and the Student Loans Company, implementation of recommendations by internal and external auditors, and compliance with the provisions of the institution's Memorandum of Assurance and Accountability with HEFCE and compliance with the provisions of the Terms & Conditions of Funding as issued by the OfS.

The Academic Board (continued)

Finance Committee

Responsible for:

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

HR & Remuneration Committee

Responsible for:

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

Nominations Committee

Responsible for:

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

Statement of internal control

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

An ongoing process for identifying, evaluating and managing the institution's significant risks is in place. The Finance Committee, the Audit Committee and the board of Governors consider key risks at every meeting. Ravensbourne's risk management framework covers the areas of reputation, operations, finance, governance (including regulatory and legislative compliance) and academic quality. A corporate risk register is maintained that is regularly updated. The Board actively monitors the actions that are being taken to mitigate the key risks to the institution.

The Executive monitors key risks on a regular basis and ensure named risk owners report to the board of Governors and executive as necessary. The Audit Committee, Finance Committee and Board of Governors each review changes to the risk register and receive a summary update of current key risks to the organisation at each meeting. The principal strategic risks, for example student recruitment and student satisfaction, are also covered by substantive agenda items as appropriate throughout the year.

The institution operates an internal control environment that ensures that processes and procedures are in place to mitigate the risks of financial and operational irregularities and the risks of non-compliance with regulatory requirements. The adequacy of the control environment and the risks being addressed are regularly reviewed by executive management and corrective action taken where necessary.

Internal Audit perform an annual, programme of work that is overseen by the Audit Committee. As well as receiving reports on the management of risk across the areas defined above, the Audit Committee considers review reports from Internal Audit at every meeting on key aspects of the institution's business. The Audit Committee reports annually to the board of Governors, assuring them of the adequacy and effectiveness of governance and risk management processes and internal control, value for money and management and quality of data.

Statement of internal control (continued)

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

- Clear definitions of the responsibilities of, and the authority delegated to, heads of academic and administrative departments.
- A comprehensive medium and short-term planning process, supplemented by detailed annual income, expenditure, capital and cash flow budgets
- Regular defined and formalised requirements for approval and control of expenditure, with investment decisions involving capital or revenue expenditure being subject to formal detailed appraisal and review according to approval levels set by the governing body which are reviewed annually.
- Comprehensive Financial Regulations, detailing financial controls and procedures, approved by the Audit Committee and the Finance Committee.
- A professional Internal Audit team whose annual programme is approved by the Audit Committee and endorsed by the governing body and whose head provides the governing body with a report on internal audit activity within the institution and an opinion on the adequacy and effectiveness of the institution's arrangements for governance and risk management, control processes, value for money and the quality and management of data. The internal audit plan is approved by the Audit Committee in the context of a rolling three-year programme to ensure comprehensive assurance over the effectiveness of the internal control environment is obtained.

The Board has reviewed the effectiveness of the system of internal control during the year and is satisfied with its effectiveness

Going Concern

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



Katie Germer

Clerk to the board of Governors

Statement of Responsibilities of the board of Governors

The financial statements for the year ended 31 July 2018 have been prepared on behalf of the Vice-Chancellor and ultimately the board of Governors by the Director of Finance and reviewed by the Finance Committee and Audit Committee and informed by the opinion of the external auditors. The financial statements confirm that:

- Suitable accounting policies are selected and applied consistently in accordance with UK generally accepted accounting principles and the 'Statement of recommended practice: Accounting for further and higher education', and relevant legislation
- Judgements and estimates are made that are reasonable and prudent
- Applicable accounting standards have been followed subject to any material departures which would be disclosed and explained in the financial statements
- Financial statements are prepared on the going concern basis unless it is inappropriate to presume that Ravensbourne will continue in operation. The Board of Governors are satisfied that the institution has adequate resources to continue in operation for the foreseeable future. For this reason the going concern basis continues to be adopted in the preparation of the financial statements.

The Board has taken reasonable steps, through the assurance received through its committees and the Director to ensure:

- Funds from HEFCE are used only in accordance with provisions of the Further and Higher Education Act 1992, the HEFCE Memorandum of Assurance and Accountability, the Terms & Conditions of Funding as issued by the Ofcs and any other conditions that HEFCE the Ofcs or other funding bodies may from time to time prescribe
- Reasonable discretion is exercised in the use of public funds and account taken of any relevant guidance on accountability, sustainability or propriety
- The establishment and monitoring of systems of control and accountability, including financial and operational controls, with ultimate responsibility for the effective and efficient use of resources
- Safeguarding of the assets of the institution and establishment of systems for prevention and detection of fraud, bribery and wider corruption
- The institution is delivering Value for Money (VfM) from public funds.

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

Opinion

We have audited the financial statements of Ravensbourne University London (the 'parent Institute') and its subsidiaries (the 'group') for the year ended 31 July 2018 which comprise the group statement of comprehensive income, the group and parent Institute balance sheets, the group statement of cash flows and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' (United Kingdom Generally Accepted Accounting Practice) and the Statement of Recommended Practice, Accounting for Further and Higher Education.

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

In our opinion

- The financial statements give a true and fair view of the state of affairs of the institution and its subsidiary as at 31 July 2018 and of its surplus of income over expenditure, gains & losses changes in reserves, funds and cash flows for the year then ended
- The financial statements have been properly prepared in accordance with UK Generally Accepted Accounting Practice and the Statement of Recommended Practice Accounting for further and higher education and relevant legislation
- In all material aspects, funds received for specific purposes administered by the institution have been applied only for the purposes for which they were received
- In all material aspects, funds from the Higher Education Funding Council for England (HEFCE) administered by the institution have been applied only for the purposes for which they were received
- The requirements of HEFCE's Accounts Direction to higher education institutions and the recently published accounts direction issued by the OfS have been met.

Basis for opinion

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

Conclusions relating to going concern

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

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

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

Other information

The governors are responsible for the other information. The other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon. In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated.

If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

Matters on which we are required to report by exception

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

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

or

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

or

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

Responsibilities of the governors

As explained more fully in the statement of responsibilities of members of the governors, the governors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the governors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error. In preparing the financial statements, the governors are responsible for assessing the group's and the parent institute's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the governors either intends to liquidate the group or the parent college or to cease operations, or has no realistic alternative but to do so.

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.



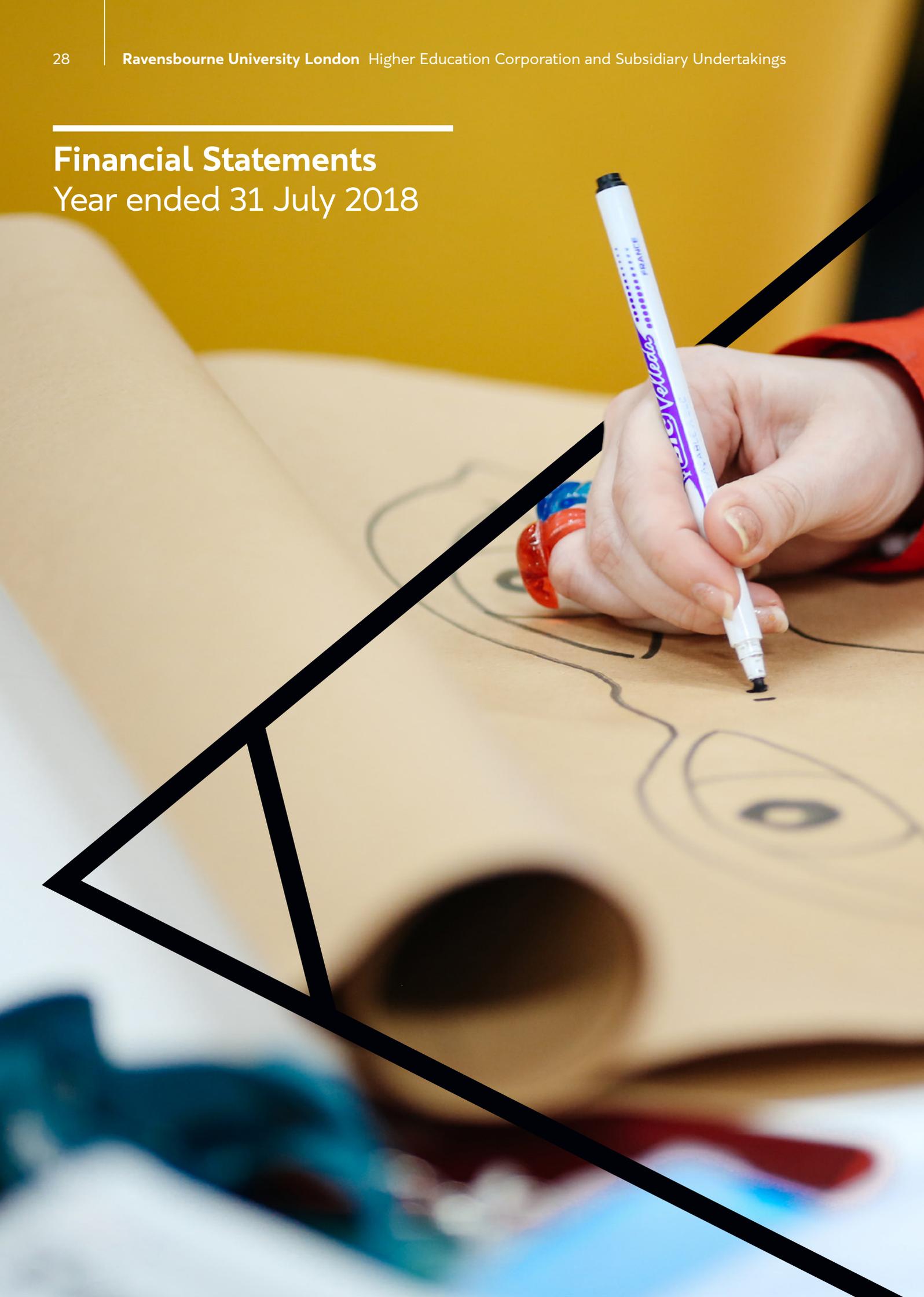
Buzzacott LLP

Statutory Auditor
130 Wood Street, London EC2V 6DL

29 November 2018

Financial Statements

Year ended 31 July 2018



Consolidated Statement of Comprehensive Income

Year ended 31 July 2018

	Note	2018 £	2017 £
Tuition fees & education contracts	2	21,594,974	20,121,165
Funding body grants	3	4,095,381	4,310,965
Other income	4	1,188,470	1,398,648
Investment income	5	92,310	108,813
Total income		26,971,135	25,939,591
Expenditure			
Staff costs	6	14,227,940	13,007,385
Other operating expenses	7	10,381,494	10,547,845
Depreciation	11	1,646,897	1,908,935
Interest & other finance costs	8	366,084	379,476
Total expenditure		26,622,415	25,843,641
Surplus before other gains and losses and taxation		348,720	95,950
Taxation	9	-	-
Surplus for the year	10, 19	348,720	95,950
Actuarial gain in respect of pension scheme	16, 18	2,630,000	445,000
Total comprehensive income for the year		2,978,720	540,950
Income and expenditure reserves at 1 August		31,848,906	31,307,956
Total comprehensive income for the year		2,978,720	540,950
Income and expenditure reserves at 31 July		34,827,626	31,848,906

The Consolidated Statement of Comprehensive Income for the year ended 31 July 2018 has been prepared in accordance with the Statement of Recommended Practice (SORP), Accounting for Further and Higher Education 2015 and in accordance with financial reporting standard FRS102.

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

Group consolidated balance sheet

31 July 2018

	Note	2018 £	2017 £
Non current assets			
Tangible assets	11	49,723,915	51,186,645
Investments	12	3,911	3,669
Total non-current assets		49,727,826	51,190,314
Current assets			
Debtors	13	880,937	1,022,869
Investments		10,960,050	7,193,731
Cash and cash equivalents		4,692,148	6,121,573
Total current assets		16,533,135	14,338,173
Creditors			
Amounts due within one year	14	(4,912,628)	(4,468,568)
Net current assets		11,620,507	9,869,605
Total assets less current liabilities		61,348,333	61,059,919
Creditors			
Amounts due after more than one year	15	(23,312,309)	(24,055,362)
Provisions	16	(3,208,398)	(5,155,651)
Net Assets		34,827,626	31,848,906
Reserves			
Income and expenditure – unrestricted	19	34,827,626	31,848,906
Total reserves		34,827,626	31,848,906



Professor Jonathan Drori CBE
Chair of the board of Governors



Professor Linda Drew
Accountable Officer Vice-Chancellor

These Financial Statements were approved by the Governing Body on 14 November 2018.

The Group Consolidated Balance Sheet as at 31 July 2018 and 31 July 2017 have been prepared in accordance with the Statement of Recommended Practice (SORP), Accounting for Further and Higher Education 2015 and in accordance with financial reporting standard FRS102.

Higher education corporate balance sheet

31 July 2018

	Note	2018 £	2017 £
Non current assets			
Tangible assets	11	49,723,915	51,186,645
Investments	12	4,012	3,770
Total non-current assets		49,727,927	51,190,415
Current assets			
Debtors	13	919,918	1,007,732
Investments		10,960,050	7,193,731
Cash and cash equivalents		4,638,640	6,106,557
Total current assets		16,518,608	14,308,020
Creditors			
Amounts due within one year	14	(4,897,888)	(4,421,725)
Net current assets		11,620,720	9,886,295
Total assets less current liabilities		61,348,647	61,076,710
Creditors			
Amounts due after more than one year	15	(23,312,309)	(24,055,362)
Provisions	16	(3,208,398)	(5,155,651)
Net Assets		34,827,940	31,865,697
Reserves			
Income and expenditure – unrestricted	19	34,827,940	31,865,697
Total reserves		34,827,940	31,865,697



Professor Jonathan Drori CBE
Chair of the board of Governors



Professor Linda Drew
Accountable Officer Vice-Chancellor

These Financial Statements were approved by the Governing Body on 14 November 2018.

The Higher Education Corporation Balance Sheet as at 31 July 2018 and 31 July 2017 have been prepared in accordance with the Statement of Recommended Practice (SORP), Accounting for Further and Higher Education 2015 and in accordance with financial reporting standard FRS102.

Consolidated statement of cash flows

Year ended 31 July 2018

	Note	2018 £	2017 £
Cash flow from operating activities			
Surplus for the year		348,720	95,950
Adjustments for non-cash items			
Release of deferred capital grants	17	(498,077)	(498,077)
Depreciation	11	1,646,897	1,908,935
Decrease/(increase) in debtors		141,932	(406,524)
Increase/(decrease) in creditors		436,353	(530,029)
Increase/(decrease) in provisions		49,747	(22,562)
Gain on investments		(242)	(308)
Pension costs less contributions payable		633,000	258,000
Adjustments for investing or financing activities			
Investment income	5	(92,310)	(108,813)
Interest payable	8	243,084	261,476
Net cash provided by operating activities		2,909,104	958,048
Cash flow from investing activities			
Payments made to acquire fixed assets	11	(184,167)	(127,863)
Investment income	5	92,310	108,813
(New)/repaid fixed deposits		(3,766,319)	2,006,253
Net cash provided by investing activities		(3,858,176)	1,987,203
Cash flow from financing activities			
Interest paid	8	(243,084)	(261,476)
Repayments of amount borrowed:			
Bank mortgage		(137,269)	(128,692)
HEFCE loan repayments		-	(500,000)
Other loan repayments		(100,000)	(100,000)
Net cash provided by financing activities		(480,353)	(990,168)
(Decrease)/increase in cash in the year		(1,429,425)	1,955,083
Cash and cash equivalents at 1 August		6,121,573	4,166,490
Cash and cash equivalents at 31 July		4,692,148	6,121,573
(Decrease)/increase in cash in the year		(1,429,425)	1,955,083

Consolidated statement of cash flows

Year ended 31 July 2018 (continued)

	2018 £	2017 £
Reconciliation of movements in investments and cash and cash equivalents as stated in the group balance sheet.		
At 1 August		
Investments	7,193,731	9,199,984
Cash and cash equivalents	6,121,573	4,166,490
	13,315,304	13,366,474
Increase/(decrease) in investments	3,766,319	(2,006,253)
(Decrease)/increase in cash and cash equivalents	(1,429,425)	1,955,083
Increase/(decrease) in investments and cash and cash equivalents	2,336,894	(51,170)
At 31 July		
Investments	10,960,050	7,193,731
Cash and cash equivalents	4,692,148	6,121,573
	15,652,198	13,315,304

Notes to the Financial Statements

Year ended 31 July 2018



1. Accounting Policies

Basis of Preparation

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

Basis of Consolidation

The consolidated financial statements incorporate the financial statements of the institution and its subsidiary undertakings for the year ended 31 July 2018.

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

Going Concern

The activities of the institution, together with the factors likely to affect its future development and performance are set out in the governors' Report. The financial position of the institution, its cash flow, liquidity and borrowings are presented in the Financial Statements and accompanying Notes. The institution currently has £4.4m of loans outstanding and £15.6m of cash, cash equivalents and cash on deposit.

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

RECOGNITION OF INCOME

Grant Funding

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

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

Tuition Fees

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

1. Accounting Policies (continued)

Pension Scheme Arrangements

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

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

Enhanced Pension

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

Employment Benefits

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

Termination Payments

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

Borrowing Cost

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

Tangible Fixed Assets

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

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

Non-government capital grants are recorded as deferred income until performance conditions have been met. Fixtures, fittings and equipment are depreciated by equal annual instalments over their estimated useful lives, commencing from the date that they are brought into use, as follows:

Leasehold land and buildings 50 years

Building fit out costs 20 years

Leased assets period of lease

Other fixtures, fittings and equipment 3-7 years

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

A review of impairment of a fixed asset is carried out if events or changes in circumstances indicate that the carrying value of any fixed asset may not be recoverable. Shortfalls between the carrying value of fixed assets and their recoverable amounts are recognised as impairments. Impairment losses are recognised in the Statement of Comprehensive Income.

1. Accounting Policies (continued)

Investments

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

Cash and cash equivalents

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

Debtors

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

Creditors

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

Financial Liabilities

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

Provisions

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

Operating Leases

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

Foreign Currency Translation

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

Taxation Status

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

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

Student Union

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

1. Accounting Policies (continued)

Judgements in applying accounting policies and key sources of estimation uncertainty

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

- Determining whether leases entered into by the institution either as a lessor or a lessee are operating or finance leases. These decisions depend on an assessment of whether the risks and rewards of ownership have been transferred from the lessor to the lessee on a lease by lease basis
- Determining whether provisions are required in respect of trade debtors. The amount of provisions recognised in the financial statements is based on the institution's assessment of the expected recoverable amount.

Other key sources of estimation uncertainty were as follows:

Tangible fixed assets

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

Local Government Pension Scheme

The present value of the Local Government Pension Scheme defined benefit liability depends on a number of factors that are determined on an actuarial basis using a variety of assumptions. The assumptions used in determining the net cost (income) for pensions include the discount rate. Any changes in these assumptions, which are disclosed in note 18, will impact the carrying amount of the pension liability. Furthermore a roll forward approach which projects results from the latest full actuarial valuation performed at 31 March 2016 has been used by the actuary in valuing the pensions liability at 31 July 2018. Any differences between the figures derived from the roll forward approach and a full actuarial valuation would impact on the carrying amount of the pension liability.

Accrual for outstanding staff holiday

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

2. Tuition fees and education contracts

	2018 £	2017 £
Home and European Union students	19,678,646	18,602,628
International students	1,916,328	1,513,987
Registration Fees	-	4,550
	21,594,974	20,121,165

3. Funding body grants

	2018 £	2017 £
Specific grants		
HEFCE - Main allocation	1,949,394	2,394,124
- other	300,513	292,298
SFA/EFA - main allocation	1,609,835	1,419,863
- other	137,819	106,860
	3,997,561	4,213,145
Deferred grants released in year (note 17)		
Buildings	39,640	39,640
Equipment	58,180	58,180
	97,820	97,820
	4,095,381	4,310,965

4. Other income

	2018 £	2017 £
Non grant income	471,972	657,910
Grant income		
Deferred capital grants released in year – Buildings (note 17)	400,257	400,257
Revenue grants received	316,241	340,481
	716,498	740,738
	1,188,470	1,398,648

5. Investment income

	2018 £	2017 £
Income from short-term deposits	92,310	108,813

6. Staff costs

	2018 No.	2017 No.
The average number of persons employed by the institution during the year expressed as full-time equivalents		
Academic staff	113	104
Administrative and technical staff	149	152
	262	256

	2018 £	2017 £
Wages and salaries, social security and pension costs		
Wages and Salaries	11,224,040	10,404,467
Social security costs	1,052,959	978,619
Pension costs	1,426,223	1,496,931
	13,703,222	12,880,017

Other staff costs

Adjustment to contribution to reflect defined pension scheme service costs (note 18)	486,000	115,000
Apprenticeship Levy	38,718	12,368
	524,718	127,368

Total staff costs	14,277,940	13,007,385
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Analysis of wages and salaries, social security and pension costs

Academic staff	7,273,574	6,656,504
Administrative and technical staff	6,429,648	6,223,513
	13,703,222	12,880,017

6. Staff costs (continued)

	2018 £	2017 £
Compensation paid to former staff in respect of loss of office.		
Included within staff costs are amounts paid as compensation to former personnel for loss of office.	522,969	147,939
	2018 No	2017 No
Number of personnel receiving payment	15	7
	2018 No	2017 No
Key management personnel		
Head		
The number of key management personnel expressed as full time equivalents	7.7	9.8
	2018 £	2017 £
Key management personnel remuneration	1,043,204	910,405

During the year the university completed a programme of restructuring and as a result a number of senior staff left the organisation. The costs of this restructuring are reflected both in the increased cost of compensation paid to former personnel for loss of office and the increased cost of key management personnel. The reduction in the number of full time equivalent posts within key management personnel is as a result of this restructure.

With effect from the 1 April 2017 the Chair of the board waived his right to receive remuneration and received no payment during the year ending 31 July 2018 (31 July 2017: £10,000), note 22.

	2018 No	2017 No
Remuneration of higher paid staff, including the Vice-Chancellor, earning over £100,000, excluding employer pension and social security costs.		
Pension contributions:		
£100,001 - £105,000	2	-
£125,001 - £130,000	-	1
£140,001 - £145,000	-	1
£145,001 - £150,000	1	-

6. Staff costs (continued)

	2018 £	2017 £
Vice-Chancellor's remuneration		
Basic pay	143,234	140,425
Performance related pay	5,000	-
Contribution to defined benefit pension scheme	24,429	23,142
	172,663	163,567

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

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

In reviewing the Vice-Chancellor's performance over the previous year, the committee agreed to award a non-consolidated bonus in October 2017 in recognition of the achievement of Taught Degree Awarding Powers and the strong appointments that have been made to the senior team, which will both contribute to the success of the institution.

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

7. Other operating expenses

	2018 £	2017 £
Student residences	-	11,351
Direct course costs	595,964	802,104
Academic services	1,391,248	1,452,778
Premises	2,618,725	2,864,085
Student bursaries	905,701	990,034
Examination and validation expenses	800,298	760,173
Staff recruitment and temporary support	624,143	555,776
Other administration expenditure	3,445,415	3,111,544
	10,381,494	10,547,845

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

Audit fees	44,148	41,975
Other services	1,550	1,500
	45,698	43,475

8. Interest and other finance costs

	2018 £	2017 £
Interest payable	243,084	261,476
Pension scheme finance costs (note 18)	123,000	118,000
	366,084	379,476

9. Taxation

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

10. Surplus for the year

	2018 £	2017 £
University's surplus for the year	332,243	112,427
Surplus/(loss) generated by subsidiary undertakings		
Ravensbourne Limited	16,477	(16,477)
Ravensbourne Learning Resource Centre Limited	-	-
Net surplus/(loss) generated by subsidiary undertakings	16,477	(16,477)
Group surplus for the year	348,720	95,950

Ravensbourne Limited generated an operating surplus of £41,439 (2017: operating loss £16,477), of which £24,962 (2017: £nil) is payable to Ravensbourne University London as a gift aid donation. The university's surplus includes this donation.

Ravensbourne Learning Resource Centre Limited did not trade during the years ended 31 July 2018 and 31 July 2017.

11. Tangible fixed assets

	Leasehold land and building £	Fixtures, fittings and equipment £	Total £
Group and higher education corporation			
Cost or valuation			
At 1 August 2017	56,809,967	10,427,681	67,237,648
Additions	-	184,167	184,167
At 31 July 2018	56,809,967	10,611,848	67,421,815
Accumulated depreciation			
At 1 August 2017	7,256,573	8,794,430	16,051,003
Charge for the year	1,126,213	520,684	1,646,897
At 31 July 2018	8,382,786	9,315,114	17,697,900
Net book Value			
At 31 July 2018	48,427,181	1,296,734	49,723,915
At 31 July 2017	49,553,394	1,633,251	51,186,645
The depreciation charge has been funded by:			
		2018	2017
		£	£
Deferred capital grants released (note 17)		498,077	498,077
General income		1,148,820	1,410,858
		1,646,897	1,908,935

12. Non-current investments

	Group		Higher Education Corporation	
	2018 £	2017 £	2018 £	2017 £
COIF Memorial Trust				
255 ordinary shares – at market value	3,911	3,669	3,911	3,669
Higher education corporation				
The institution owns 100% of the called up share capital of Ravensbourne Limited, a company registered in England and Wales whose principal activity is the provision of short courses.				
100 ordinary shares of £1 each	-	-	100	100
The institution owns 100% of the called up share capital of Ravensbourne Learning Resource Centre Limited, a company registered in England and Wales.				
1 ordinary share of £1 each	-	-	1	1
	3,911	3,669	4,012	3,770

13. Debtors

	Group		Higher Education Corporation	
	2018 £	2017 £	2018 £	2017 £
Student debtors	43,915	32,234	43,915	32,234
Trade debtors	285,802	409,174	252,866	338,517
Amounts due from subsidiary undertakings	-	-	71,918	55,521
Interest receivable	41,236	32,603	41,236	32,603
Other debtors	86,764	6,070	86,763	6,069
Prepayments	423,220	542,788	423,220	542,788
	880,937	1,022,869	919,918	1,007,732

14. Creditors: Amounts falling due within one year

	Group		Higher Education Corporation	
	2018 £	2017 £	2018 £	2017 £
Bank and other loans:				
Bank Loan	144,977	137,270	144,977	137,270
Royal Borough of Greenwich	100,000	100,000	100,000	100,000
	244,977	237,270	244,977	237,270
Other amounts falling due within one year:				
Trade creditors	1,106,451	1,199,625	1,105,558	1,183,779
Staff benefits compensation	438,981	447,555	438,981	447,555
Accruals and deferred income (see below)	2,100,634	1,668,363	2,086,787	1,637,366
Tax and social security	523,508	417,678	523,508	417,678
Deferred government capital grants (note 17)	498,077	498,077	498,077	498,077
	4,667,651	4,231,298	4,652,911	4,184,455
	4,912,628	4,468,568	4,897,888	4,421,725

The balance outstanding in respect of bank and other loans represents the current portion of long-term debt (note 15). Included within accruals and deferred income is deferred revenue grant income of £224,771 (2017: £159,166), this amount will be credited to the Consolidated Statement of Comprehensive Income when the institution is entitled to the income or where performance conditions have been met.

Under the Statement of Recommended Practice (SORP) Accounting for Further and Higher Education 2015 and Financial Reporting Standard FRS102 the institution has utilised the “accruals method” in the accounting for deferred capital government grants at 31 July 2018 and 31 July 2017.

Staff benefits compensation includes a provision as at 31 July 2018 of £345,643 (31 July 2017: £349,018) in respect of the accrued costs of unutilised staff benefits.

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

	2018 £	2017 £
Group and higher education corporation		
Bank loan		
- between one and two years	152,518	144,976
- between two and five years	512,946	486,125
- over five years	3,321,498	3,500,837
	3,986,962	4,131,938
Royal Borough of Greenwich Loan		
- between one and two years	100,000	100,000
- between two and five years	100,000	200,000
	200,000	300,000
Total Long term loans	4,186,962	4,431,938
Deferred government capital grants (note 17)		
- between one and two years	498,077	498,077
- between two and five years	1,494,230	1,494,230
- over five years	17,133,040	17,631,117
Total deferred grants	19,125,347	19,623,424
	23,312,309	24,055,362

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

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

Under the Statement of Recommended Practice (SORP) Accounting for Further and Higher Education 2015 and Financial Reporting Standard FRS102 the institution has utilised the “accruals method” in the accounting for deferred capital government grants at 31 July 2018 and 31 July 2017.

16. Provisions

	Enhanced Pension Provision	Pension Scheme Provision under FRS102	Total Pension Provisions
	£	£	£
Group and higher education corporation			
At 1 August 2017	(135,651)	(5,020,000)	(5,155,651)
Net payments in year	21,143	-	21,143
Increase in enhanced provision (see below)	(70,890)	-	(70,890)
Service costs (note 6)	-	(486,000)	(486,000)
Pension finance costs (note 8)	-	(123,000)	(123,000)
Administration expenses	-	(24,000)	(24,000)
Actuarial gain (note 18)	-	2,630,000	2,630,000
At 31 July 2018	(185,398)	(3,023,000)	(3,208,398)

Enhanced pension provision

The actual cost of enhanced ongoing pension payments to former employees is paid by the institution monthly. During the year, the university has reviewed the expected cost of providing these pensions and based on current life expectancy, taking into account the current age of the pensioner, concluded that an additional provision of £70,890 is required. This amount has been charged to the Consolidated Statement of Comprehensive Income as other administration expenditure (note 7).

Pension scheme provision under FRS102

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

17. Deferred capital grants

	2018 £	2017 £
Group and higher education corporation		
At 1 August		
Buildings	19,355,469	19,795,366
Equipment	766,032	824,212
Total	20,121,501	20,619,578
Released to income and expenditure		
Funding council grants (note 3)		
Buildings	39,640	39,640
Equipment	58,180	58,180
Other grants (note 4)		
Buildings	400,257	400,257
Total	498,077	498,077
At 31 July		
Buildings	18,915,572	19,355,469
Equipment	707,852	766,032
Total	19,623,424	20,121,501

As at 31 July 2018 and 31 July 2017 all balances relate to government grants. Under Financial Reporting Standard 102 the “accruals method” has been applied in respect of these grants, and the amount of deferred capital grants has been treated as deferred income and included in creditors, amounts falling due within one year and creditors, amounts falling due after more than one year, as below:

Group and higher education corporation		
Due within one year (note 14)	498,077	498,077
Due after more than one year (note 15)	19,125,347	19,623,424
	19,623,424	20,121,501

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

18. Pension costs and obligations

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

Teachers' Pension Scheme

The Teachers' Pension Scheme (TPS) is a statutory, contributory, defined benefit scheme, governed by the Teachers' Pension Scheme Regulations 2014. Membership is automatic for full-time teachers in academies and, from 1 January 2007, automatic for teachers in part-time employment following appointment or a change of contract, although they are able to opt out.

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

The Government Actuary, using normal actuarial principles, conducts a formal actuarial review of the TPS in accordance with the Public Service Pensions (Valuations and Employer Cost Cap) Directions 2014 published by HM Treasury. The aim of the review is to specify the level of future contributions. Actuarial scheme valuations are dependent on assumptions about the value of future costs, design of benefits and many other factors. The latest actuarial valuation of the TPS was carried out as at 31 March 2012 and in accordance with the Public Service Pensions (Valuations and Employer Cost Cap) Directions 2014. The valuation report was published by the Department for Education on 9 June 2014. The key elements of the valuation and subsequent consultation are:

- Total scheme liabilities (pensions currently in payment and the estimated cost of future benefits) for service to the effective date of £191,500 million, and notional assets (estimated future contributions together with the notional investments held at the valuation date) of £176,600 million giving a notional past service deficit of £14,900 million
 - An employer cost cap of 10.9% of pensionable pay will be applied to future valuations
 - The assumed real rate of return is 3.0% in excess of prices and 2% in excess of earnings. The rate of real earnings growth is assumed to be 2.75%. The assumed nominal rate of return is 5.06%.
- The TPS valuation for 2012 determined an employer contribution rate of 16.4%, which was payable from September 2015. The next valuation of the TPS is currently underway based on April 2016 data, whereupon the employer contribution rate is expected to be reassessed and will be payable from 1 April 2019.
- The employer's pension costs paid to TPS in the period amounted to £791,008 (2017: £751,041).
- A copy of the valuation report and supporting documentation is on the Teachers' Pensions website.
- Under the definitions set out in FRS 102, the TPS is an unfunded multi-employer pension scheme. The academy trust has accounted for its contributions to the scheme as if it were a defined contribution scheme. The academy trust has set out above the information available on the scheme.
- Employer contribution rates set at 16.48% of pensionable pay (including a 0.08% employer administration charge

18. Pension costs and obligations (continued)

London Borough of Bromley Superannuation Scheme

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

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

Employer contributions payable to the scheme during the year were £635,215 (2017: £745,890)

For the purposes of meeting the requirements of reporting standard FRS 102, retirement benefits, the actuary has used the triennial valuation dated 31 March 2016 to assess the assets and liabilities of the scheme as at 31 July 2018.

18. Pension costs and obligations (continued)

The financial assumptions used by the actuary were:	2018	2017	2016
	% per annum	% per annum	% per annum
Rate of increase in Consumer Price Index	2.1	2.2	1.7
Rate of increase in salaries	3.6	3.7	3.2
Rate of increase in pensions and prices	2.2	2.3	1.8
Discount rate	2.9	2.6	2.6

		2018	2017
Life expectancy assumptions used by the actuary were:	Retiring today:		
	Males	23.4 years	23.3 years
	Females	26.1 years	26 years
Life expectancy years from age 65:	Retiring in 20 years:		
	Males	26.1 years	25.9 years
	Females	28.4 years	28.3 years

The estimated asset allocation for the institution is as follows:

	31 July 2018		31 July 2017	
	Allocation of Investments %	Institution Share of fund £'000	Allocation of Investments %	Institution Share of fund £'000
Equities	65.9	11,532	77.7	11,605
Government Bonds	6.5	1,138	13.9	2,076
Bonds	6.5	1,138	-	-
Property	1.6	280	-	-
Other	19.5	3,413	8.4	1,255
	100.0	17,501	100.0	14,936

18. Pension costs and obligations (continued)

Net liability in balance sheet

	2018 £'000	2017 £'000
Fair value of scheme assets	17,501	14,936
Present value of funded obligations	(20,524)	(19,956)
Net liability in balance sheet	(3,023)	(5,020)

Reconciliation of assets and liabilities

	2018 £'000	2017 £'000
Defined benefit obligation at 1 August	19,956	17,384
Service cost (net of employee contributions)	1,051	947
Interest cost	524	433
Actuarial (gain)/loss	(1,397)	1,210
Estimated benefits paid (net of transfers in)	121	(276)
Contributions by scheme participants	269	258
Defined benefit obligation at 1 August	20,524	19,956
Fair value of scheme assets at 1 August	14,936	12,177
Expected return on scheme assets	401	315
Actuarial gain	1,233	1,655
Administration expenses	(24)	(25)
Contribution by employer	565	832
Contributions by scheme participants	269	258
Estimated benefits paid (net of transfers in)	121	(276)
Fair value of scheme assets at 1 August	17,501	14,936

18. Pension costs and obligations (continued)

Reconciliation of assets and liabilities

	2018 £'000	2017 £'000
Deficit in scheme as 1 August	(5,020)	(5,207)
Movement in year		
Employer service cost (net of employee contributions)	(1,051)	(947)
Employer contributions	565	832
Finance costs on pension scheme liabilities	(123)	(118)
Administration expenses	(24)	(25)
Actuarial gain	2,630	445
Defined benefit obligation at 31 July	(3,023)	(5,020)

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

	2018 £'000	2017 £'000
Service costs		
Employer service costs (net of employee contributions)	1,051	947
Employer contributions	(565)	(832)
Total operating costs (note 6)	486	115
Pension finance costs		
Expected return on pension scheme assets	401	315
Interest on pension liabilities	(524)	(433)
Pension scheme finance costs (note 8)	(123)	(118)
Administration expenses		
Included within other administration expenditure (note 7)	(24)	(25)

18. Pension costs and obligations (continued)

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

	2018 £'000	2017 £'000
Actuarial losses in pension scheme		
Changes in assumptions underlying the present value of the scheme liabilities	1,397	(1,210)
Actuarial return less expected return on pension scheme assets	1,233	1,655
Total recognised gains/(losses) for the year	2,630	445

History of experience gains and losses

	2018 £'000	2017 £'000	2016 £'000	2015 £'000	2014 £'000
Defined benefit obligation	(20,524)	(19,956)	(17,384)	(14,377)	(11,534)
Scheme assets	17,501	14,936	12,177	9,935	8,323
Deficit in pension scheme	(3,023)	(5,020)	(5,207)	(3,542)	(3,211)
Experience adjustments on scheme liabilities	-	-	-	-	896
Percentage of scheme liabilities	-	-	-	-	7.8%
Experience adjustments on scheme assets	1,233	1,655	1,230	582	(182)
Percentage of scheme assets	7.0%	11.1%	10.1%	5.9%	(2.2%)

Sensitivity analysis at 31 July 2017

	Central	Sensitivity 1 +0.1% pa discount rate	Sensitivity 2 +0.1% pa inflation	Sensitivity 3 +0.1% pa pay growth	Sensitivity 4 +1 year Increase in life expectancy
	£'000	£'000	£'000	£'000	£'000
Liabilities	20,524	20,103	20,953	20,562	20,911
Assets	(17,501)	(17,501)	(17,501)	(17,501)	(17,501)
Deficit (surplus)	3,023	2,602	3,452	3,061	3,410
Projected service cost for next year	917	882	954	917	937
Projected net interest cost for next year	79	69	91	80	90

19. Reserves

	Group £	Higher Education Corporation £
Income and expenditure reserve		
At 1 August 2017	31,848,906	31,865,697
Actuarial gain in respect of pension scheme	2,630,000	2,630,000
Surplus for the year	348,720	332,243
At 31 July 2018	34,827,626	34,827,940

20. Financial Commitments

At 31 July the institution had commitments under non-cancellable operating lease

	2018 £	2017 £
Operating leases		
Due within one year	53,100	71,330
	53,100	71,330

21. Related Party transactions

Owing to the nature of the institution's operations and the composition of the board of Governors being drawn from local public and private sectors organisations, it is inevitable that transactions will take place with organisations in which a member of the board of Governors may have an interest. All transactions involving such organisations are conducted at arm's length and in accordance with the institution's financial regulations and normal procurement procedures. Ravensbourne University London has the consent of the Privy Council to remunerate the Chairman to a maximum of £15,000 per annum. The Chairman waived his right to a fee from 1 April 2017 and no amounts were paid in respect of the year ending 31 July 2018 (July 2017; £10,000). No other Trustee receives payment in respect of their duties, however trustees are entitled to claim expenses and payments totalling £46 were made to one trustee (2017; £114 to three trustees).

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