

Report and Financial Statements

31 July 2020

Buzzacott LLP, London

Ravensbourne
University London

Higher Education
Corporation
and Subsidiary
Undertakings



Contents

- 03 **Chair's and Vice-Chancellor's Reports**
- 06 **Operational and financial review**
- 18 **Statement of corporate governance and internal control**
- 26 **Statement of responsibilities of the board of Governors**
- 27 **Independent Auditor's report to the governors of Ravensbourne**
- 30 **Financial statements – year ended 31 July 2020**
- 31 **Consolidated statement of comprehensive income**
- 32 **Group consolidated balance sheet**
- 33 **University balance sheet**
- 34 **Consolidated statement of cash flows**
- 36 **Notes to the financial statements – year ended 31 July 2020**

Chair's and Vice-Chancellor's Reports



Chair's Report

In a year in which so many factors have undergone change, from student life to working patterns, from social contact to economic planning, Ravensbourne University London has fared very well. At the core of Ravensbourne's strategy is to be "designed for industry" and our focus on the skillsets and mindsets which our students need to be successful in the digital media and design industries gives the university a distinctive advantage in such a changing environment.

I have been impressed by the way in which the staff and students at Ravensbourne have adapted to, and taken advantage of, all the changes and have used their creativity and enthusiasm to ensure that we deliver the best possible student experience. I would like to thank them, on behalf of the board of governors, for the dedication and hard work which has gone into achieving the results which this report outlines.

The creative industries and the technology industries will continue to be the major drivers of growth in the UK and internationally and are essential to improving our quality of life. Ravensbourne aspires to develop the capabilities of young people from diverse backgrounds to meet the challenges and opportunities in these sectors and develop their ability to contribute to society. We will continue to do this and have a strong base on which to build with ambitious plans for growing the university over the next five years.

After conducting a selection process in the first half of 2020 for the Vice-Chancellor with a number of high quality external and internal candidates, we were very pleased to appoint Andy Cook as Vice-Chancellor of Ravensbourne University London on a permanent basis from 1 August 2020. Andy has played a strong role over the previous fifteen months as Acting Vice-Chancellor, steering the university successfully through management change and the covid crisis and bringing forward ambitious plans for the digital-first future of Ravensbourne. The Board of Governors looks forward to his continuing leadership to provide excellent educational experiences for all staff and students at Ravensbourne in the future.

We were also pleased to appoint seven new board members from 1 September 2020 to cover past and future retirements. Zaid Al-Zaidy, Kion Ahadi, Shoku Amirani, Kate Gregory, Noeline Sanders, Stephen Woodford and Lee Wilkinson bring a diverse range of backgrounds and experiences to the board and we are already gaining from their strategic contributions.

During the year Nathan Donaldson, Tamara Howe and David Worthington retired from the board after many years' service and I would like to thank them for the significant contribution each of them made as a governor. I would also like to thank Katie Germer who stood down as Clerk to the Board in April for the major contribution she made to the governance and development of Ravensbourne over the last seven years.

Having joined the board in October 2019, my first year as chair during such an unpredicted time of change has been an exciting and satisfying one. I am looking forward to Ravensbourne University London strengthening its role as a leading provider of specialist digital media and design education and in developing the creative leaders of the future.



Andrew Summers CMG
Chair of Board of Governors
11 November 2020

Vice-Chancellor's Report

The last year has been one of unprecedented challenge and I am enormously proud of the way our staff and students responded to the seismic disruption to their lives. As we plot our way through the uncertain times ahead I am also confident that Ravensbourne University London has the resilience and agility to position ourselves favourably for the future.

In 2019 we made significant investments and began a digital transformation programme of our IT infrastructure. These investments allowed us to respond very effectively to the unexpected challenge that the Covid-19 pandemic presented. Our robust business continuity planning and attitude of our exceptional staff and students meant we were able to rapidly transition to online learning and teaching. Our staff and students have embraced the new learning experience, going above and beyond to adapt to the new requirements and I have been thoroughly impressed with the resilience and determination of our creative community.

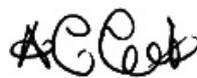
Our students are exceptionally talented, and this was evident from the significant number of awards and successes achieved this year. With 5 Graduate Fashion Week awards, a Royal Television Society student award win, 10 Starpack Awards, D&AD awards, and the WPO Worldstar student award to name a few, the successes are clear to see. We are also proud of our impressive National Student Survey (NSS) scores in Fashion Buying and Brand Management (96%), Advertising and Brand Design (94%), Motion Graphics (94%), Product Design (94%) and Fashion (93%). For some other courses NSS scores are lower than we would like, and we have comprehensive plans in place to address this.

The results from the latest Graduate Outcomes survey demonstrate that Ravensbourne students continue to be highly employable, with 90% of students in employment or further study shortly after graduation. We have also achieved 93% postgraduate satisfaction in Postgraduate Taught Experience Survey (PTES), ranking us second out of 68 UK institutions.

Looking to the future our new Digital First strategy unites our heritage as digital pioneers with the future demands of Higher Education. We have introduced new courses and disciplines that will equip our students with the skills they need for the jobs of tomorrow. Our new hybrid teaching model means we will be able to engage new audiences and diversify our income streams in the future. Offering online courses and degree programmes that can be completed in significantly less time will revolutionise the audiences that we can reach and welcome them into the Ravensbourne community.

Our students are our number one priority, with their experience being at the heart of all of our decisions. We are committed to engaging with our students to address their concerns and provide opportunities for their voices to be heard throughout their time with us. We also recognise that there is always room for improvement and we are confident that our future plans will transform the student experience for the better as we move forward.

Finally, I am delighted to have been appointed into the role of Vice-Chancellor of Ravensbourne University London and I am honoured to have the opportunity to represent the organisation at such an exciting time in its development.



Andrew Cook
Vice-Chancellor
11 November 2020

Operational and Financial Review



Objectives and Strategies

The members present their report and the audited group financial statements for the year ended 31 July 2020.

Legal Status

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

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

The University owns two further subsidiaries, Ravensbourne Regeneration and Ravensbourne Learning Resource Centre Limited, both of which are dormant and do not trade. Both these subsidiaries were dissolved on the 6 October 2020.

Mission statement

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

Our vision

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

Our values

All of our activities are founded on three core values:

Be creative

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

Be integrated with industry

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

Be inclusive

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

Objectives and Strategies (continued)

Strategic plan

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

- To build on our strengths, nurture and capitalise on our approach to practice-based creative education through a connected offer across applied research, knowledge exchange and skills for entrepreneurship, and to be renowned for our unique pedagogy and our position at the junction of creativity and technology.
 - To build the creative workforce of the future with a sustained focus on graduate careers and employability – providing students and graduates with a competitive advantage through a learning experience where the individual thrives, disciplines evolve, education engages industry, purpose meets practice, and creativity meets technology.
 - To be an exemplar for social mobility, diversity and equality of opportunity in higher education, ensuring every student is able to succeed whatever their background.
 - As a new university, to use partnerships and alliances with external organisations both academically and commercially to support our mission, vision, reputation and sustainability.
 - To elevate and enhance Ravensbourne's physical and digital presence locally, nationally, internationally, and within our industrial sectors, to provide greater opportunities for collaborations, partnerships and projects.
- Notable achievements in line with the strategic plan during the 2019/2020 academic year include:
- 93% satisfaction for postgraduate study from the Postgraduate Taught Experience survey (PTES) has placed Ravensbourne in 2nd place for overall satisfaction.
 - Ravensbourne University London continues to enjoy strong employability figures, with 90% of students in employment or further study following graduation. These results from the national Graduate Outcomes Survey demonstrate that Ravensbourne students are highly employable and sought after.
 - High profile partnerships continue to grow, with well-known brands such as the BBC, Amazon, Royal Shakespeare Company, Sky Creative, Ford, The Tate Modern, Givenchy, Working Title Films, Barclays, Marks & Spencer and Burberry, with our students being awarded placements at many of these and others.
 - Ravensbourne once again hosted MozFest in October 2019, the world's leading festival for the open internet movement.
 - Our students have won or been nominated for a wide range of awards from Young Designers Pro Carton, Yellow D&AD New Blood, Starpack, Royal Television Society Student Awards and many others.
 - With a digital focus driving our promotional activity, we have invested and developed new engagement platforms to showcase the outputs of our students. From a new content driven website, virtual open days, online conversion events, an online degree show and doubling our social media followers and engagement.

Objectives and Strategies (continued)

Statement on public benefit

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

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

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

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

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

Our recruitment and outreach programme continues to grow, including progression agreements with schools and colleges across the UK. We continue to explore overseas progression agreements. 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. Our agreement with the Bergh's School for Communication has recently been renewed and we anticipate a further cohort of students to join us in January 2021.

As part of the outreach programme, we run subject masterclasses, Saturday clubs, taster days and holiday schools. Since March 2020 we have developed a growing suite of online resources and projects that can be accessed from home or in school. Taster days and masterclasses are run to allow prospective students to get a feel for studying a creative subject at University, and find out what is 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.

Despite the ongoing covid-19 situation, we have continued to provide the programme of activities and events, and have continued our collaborative work with London outreach networks.

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

Our lecture series 'The Lates', and our Factory workshops have this year moved entirely online. It has been identified that, for current students, alumni and staff, the shift to online delivery has presented an opportunity to extend the events to the wider community, including teachers, young people, partners and agents.

Financial Position

Results

The financial statements for the year ended 31 July 2020 have been prepared in accordance with the Statement of Recommended Practice (SORP) Accounting for Further and Higher Education 2015, Reporting Standard FRS102 and the accounts direction issued by the Office for Students.

The surplus, before the actuarial loss in respect of the Local Government Pension Scheme, for the year ended 31 July 2020 is £47,049 (2019: £1,168,136).

Liquidity

Cash and short-term cash deposits as at 31 July 2020 totalled £16,900,668, a decrease of £939,160 from the position at 31 July 2019. Despite this decrease, cash balances continue to reflect the University's strong liquidity position. During the year ended 31 July 2020 the University continued with repayments of its 25-year loan facility and penultimate payment to the Royal Borough of Greenwich.

Capital repayments and loan balances outstanding

Loans	Original Loan £	Term Years	Outstanding 1 August 2019 £	Repayment £	Outstanding 31 July 2020 £
Barclays plc 25-year loan	5,000,000	25	3,986,961	(152,518)	3,834,443
Royal Borough of Greenwich	1,000,000	10	200,000	(100,000)	100,000
	6,000,000		4,186,961	(252,518)	3,934,443

Interest is payable at a fixed rate of 5.5 per cent per annum on the Barclays loan and 3 per cent per annum in respect of the Royal Borough of Greenwich loan.

Financial Position (continued)

Reserves

The University continues to maintain healthy reserves of £30,990,811 (2019 £33,239,762). After adjusting for balances in respect of non-current assets, loan financing, the pension scheme liability and deferred capital grants, the University's free reserves total £14,311,632 (2019 £14,625,013). Ravensbourne reserves provide reassurance to support loan obligations and fund future investment opportunities as noted below;

- Ravensbourne will open the Institute of Creativity and Technology from the Spring of 2021, offering a digital destination for postgraduates, researchers and incubated businesses to experiment, exploit and discover new emerging skills that underpins and supports the future of digital media and design.
- Ravensbourne plans to launch a Digital Academy, offering new courses and specialism in the application of digital technology for the creative design and media industries. This new blueprint will overlay the traditional teaching model to blend and reshape the portfolio offer.
- Ravensbourne has seen a significant increase in student enrolments in September 2020. This is a direct result of its growth strategy and will be supported by significant additional investment in infrastructure and technology.

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

Cash flows

The net cash inflow from operating activities for the year ending 31 July 2020 was £1,382,773. During the year the University made capital payments in respect of bank and other loans of £252,518 and paid interest of £221,776. As of 31 July 2020, cash and balances held on short-term deposit amounted to £16,900,668 a decrease of £939,160 against the position as at 31 July 2019.

Principal risks and uncertainties

Effective risk management is synonymous with good management and good governance. The University continues to review risk assessment and risk management arrangements to safeguard its interests and reputation as part of its strategic plan.

The Corporate Risk Register is regularly reviewed by the Executive to identify opportunities and threats: likelihood of occurrence; potential impact; and active management of mitigating actions and is reviewed by the Audit Committee and approved by the Board of Governors annually. In addition, both the Audit Committee Chair and the Vice-Chancellor will also draw any significant emerging risks to the attention of the Board as soon as is practical. Operational Risk Registers are reviewed by the executive member of staff responsible for that operational area, with significant risks escalated to the Corporate Risk Register as appropriate.

The main risks to the effective delivery of the University's strategy and the responses to them are:

- **Pandemic** – Without a vaccine and better testing and tracing in London the COVID-19 virus represents a significant threat to the health and wellbeing of staff and students, the effective operation of the main building and landlord managed accommodation and the smooth running of the University's systems and processes. Ravensbourne responded well to the pandemic, quickly operationalised its Business Continuity Plan and shifted to home working for the majority of staff and a blended approach to the learning and teaching of students. The University's new website was introduced on time and recruitment efforts intensified from home to attract more applications and to convert these into student registrations for September 2020. In order to further mitigate COVID-19 risks, Ravensbourne is careful to remain compliant with all known government advice and legislation, has prioritised significant additional capital investment in business continuity and online learning and is accelerating its Digital First programme to put 'digital' at the heart of the Ravensbourne's offer and reduce the barriers that may arise should a virus or similar event occur in future.

Financial position (continued)

- **Students** – The recruitment, satisfaction and retention of students is embedded in everything the University does and is of the utmost importance to its ambitious growth strategy. The Student Recruitment and Success team has restructured, helped implement a new corporate website and student information system, managed a significant increase in social media activity and moved the enrolment process entirely online. Informed by National Student Survey feedback, focussing in particular on any weaker areas, Ravensbourne has launched an academic-led project to prioritise student satisfaction from admission to graduation and to maximise student retention. Academic teams have implemented highly effective planning of an inclusive blended learning curriculum with an enhanced focus on retention, engagement and achievement across all types of provision. An updated attendance monitoring system is in place to track both physical and virtual attendance and highlight any fall in student engagement. Personal Progress Reviews have been implemented across all courses via a new online form and a pioneering new app is currently being developed with a focus group of staff and students. The University remains innovative and industry-focused in all that it does and has launched new undergraduate courses in Cyber Security, Cloud Computing and Digital Marketing and new postgraduate courses in Craft Editing, Design, Fashion and Illustration for 2020-21.
- **Financial sustainability** – Following the Government's review of Post-18 Education and Funding, the UK's departure from the European Union and the COVID-19 pandemic, student fees and funding continues to be an area of risk and uncertainty for the University and the sector as a whole. Improvements that the University has and continues to make to its governance, financial planning, budgetary control and project management arrangements all contribute to the mitigation of this risk.
- **Infrastructure and technology** – The University is committed to offering an exceptional student experience at Ravensbourne and at home, supported by first-class learning and teaching facilities accessible to all staff and students. Underpinning infrastructure and technology such as cloud services, teaching space enhancement and wired/wireless infrastructure services with phased capital implementation over five years has been introduced to ensure the current provision is well maintained and developed in alignment with future organisational requirements. With cyber-attacks becoming more sophisticated, and a heightened threat due to increased online and remote working, Ravensbourne appointed a Cyber Security Manager in September 2020 to promote awareness and establish a cyber security improvement programme to rapidly develop organisational capability. A small Project Management Office (PMO) has been introduced to provide standardised good practice approaches to project control and delivery through a common set of tools, templates and processes.

Financial Key Performance Indicators

The University continues to refine the key performance indicators (KPIs) to facilitate the oversight of all its business affairs at a strategic level by the board of Governors. 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	2.0	0.2
Reserves	Discretionary reserves as % of income	120	120	113
Borrowings	Borrowings as a % of income (less than)	20	20	14.3
Liquidity	Net cash flow as a % of income	10	10	5.0
Liquidity	Net liquidity days	200	200	237
Covenants	Borrowings to 3-year average EBITDA	Max ratio 5:1		1.5:1

Financial KPIs, although important, represent only one aspect of the University's business. Other KPIs include for example student recruitment numbers, National Student Satisfaction (NSS) review feedback, destination of leavers data, staff qualifications, staff diversity in terms of ethnicity, disability and gender and staff turnover.

Current, future developments and performance

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

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

The strategy for the longer period of 2018-2025, supplemented by a new and enabling Digital First transformation programme and the Institute of Creativity and Technology in the adjacent Design District (ten-year operating lease beginning November 2020), sets out the direction for Ravensbourne University London for the future.

Our strategy is focussed on the following areas:

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

Each area is supported by an individual plan that is refreshed every six months. In addition, the University continues to respond to the challenges faced throughout the sector due to increased competition, the effect of the COVID-19 pandemic, major regulatory reform, a demographic decline in 18 year-olds as well as the impact of the decision to leave the European Union, where the full consequences are still unknown. We have continued to proactively engage with significant policy changes relating to education, Brexit and industrial strategy, participating at the highest level in sector and industry representative bodies.

We have been making a number of changes to the way our building is utilised to ensure that Government advice and guidelines on COVID-19 are fully met. These changes have involved introducing temperature checks, social distancing measures and maintaining a hybrid teaching model by moving some classroom sessions online, but at the same time allowing those students who require access to specialist space or equipment to continue to do so.

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

The five guiding principles are:

Originate: where creativity meets technology

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

During the year we recruited a Director of Student Recruitment and Success to assist us in ensuring that we deliver the best outcomes possible for students and that we are well placed to meet the challenges of the recruitment market.

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

Stakeholder and Disability Considerations

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;
- Creative industry networks;
- Commercial partners serving the creative industries; and
- 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.

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

Equal opportunities and employment of disabled persons

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

Disability statement

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

Disabled staff policy and procedure

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

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

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

Stakeholder and Disability Considerations (continued)

Services for students with disabilities

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

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

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

Disclosure of information to auditors

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

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



Chair of the Board of Governors
11 November 2020

Professional Advisers

Bankers

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

Bank of Scotland PLC
The Mound
Edinburgh EH1 1YZ

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

Nationwide Commercial
1 Threadneedle Street
London EC2R 8AW

Clydesdale Bank PLC
30 St. Vincent Place
Glasgow G1 2HL

Internal Auditor

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

External Auditor
Buzzacott LLP
130 Wood St
London EC2V 6DL

Solicitors

Herbert Smith LLP
Exchange House
Primrose St
London EC2A 2HS

Eversheds LLP
85 Queen Victoria St
London EC4V 4JL

Statement of corporate governance and internal control



Introduction

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

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

Governance

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

During 2020 a full independent board effectiveness review was undertaken by AUA Consulting. The report published in April 2020 concluded that the overall corporate governance arrangements at the University are determined to be effective. The issues identified in the report and its recommendations provide opportunity to strengthen the University's governance arrangements.

2020 saw the recruitment and induction of seven new Governors. A major focus for the Board of Governors in 2019-20 was the recruitment of a permanent Vice-Chancellor. Following an extensive search and selection process the Acting Vice-Chancellor, Mr Andrew Cook was confirmed as permanent Vice-Chancellor from 1 August 2020.

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 Office for Students (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.

The Board of Governors

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

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

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

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

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

Ravensbourne University London

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

Board of Governors

Independent and Co-opted Governors

Dr Andrew Summers CMG (e,f,h,n)	Chair of the Board, appointed 1 October 2019
Professor Jonathan Drori CBE (e,f,h,n)	Chair of the Board & Nominations Committee Resigned 30 September 2019
Dr Kion Ahadi (a)	Appointed September 2020
Mr Zaid Al-Zaidy (f)	Appointed September 2020
Ms Shoku Amirani (h)	Appointed September 2020
Mr Nathan Donaldson (a,h,e)	Chair of the HR & Remuneration Committee Resigned June 2020
Ms Kate Gregory (f,h)	Appointed September 2020
Mr Rod Henwood (a)	Resigned November 2019
Professor Helen Higson OBE (h)	
Ms Tamara Howe (n)	Resigned June 2020
Mr Jonathan Kingsbury (f,n,e)	Deputy Chair
Dr Lisa Mooney	
Ms Noeline Sanders (a)	Appointed September 2020
Mrs Joanne Stimpson (f,h,e)	Chair of the Finance Committee
Mr Alex Phillips (f,n)	
Ms Marta Phillips OBE (a,h,e)	Chair of the Audit Committee
Dr Jonathan Walmsley (a,e,h)	Chair of OD & Remuneration Committee
Mr David Worthington (f)	Resigned March 2020
Mr Lee Wilkinson	Appointed September 2020
Mr Stephen Woodford (n)	Appointed September 2020

Ex-Officio

Mr Andrew Cook (f,n)	Vice-Chancellor, appointed August 2020 Acting Vice-Chancellor, to July 2020
-----------------------------	--

Professional Services Staff Governors

Ms Nike Awoyinka	Resigned November 2019
Ms Samantha Silver (n)	Appointed March 2020

Academic Staff Governors

Ms Louise Prideaux (n)	Resigned March 2020
Mr Idrees Rasouli	Resigned September 2019
Ms Katharina Koall	Appointed March 2020

Ravensbourne University London (continued)

Student Governors

Mr Guy Hurd

Student Union President, resigned June 2020

Mr Fernando Modino (n)

Student Union President, appointed July 2020

External member of committees

Mr Richard Bee (f)

Ms Gerry Murphy (a)

Ms Hannah Reid (h)

Other Principal Officers regularly in attendance

Mr Brian Duncan (f)

Director of Finance, resigned July 2020

Mr Phil MacDonald (f)

Interim Director of Finance, appointed August 2020

Ms Kathy Steele

Interim Director of Human Resources,
appointed September 2018,
Resigned September 2019

Ms Margaret Bird

Director of Human Resources,
appointed October 2019

Professor Gary Pritchard

Pro Vice-Chancellor Academic
(Learning and Teaching and Student Experience)

Professor Lawrence Zeegen

Pro Vice-Chancellor Research,
Innovation and Enterprise

Mr John O'Boyle

Director of Compliance

Ms Emma Shailer

Director of Student Recruitment and Success,
appointed August 2019

Mr Andrew Robinson

Director of Projects and Operations, appointed
December 2019

Ms Katie Germer

Clerk to the Board of Governors, resigned April 2020

Ms Maureen Skinner

Interim Clerk to the Board of Governors
Appointed April 2020

a - Member of the Audit Committee

f - Member of the Finance Committee

h - Member of the OD & Remuneration Committee

n - Member of the Governance & Nominations Committee

e- Member of the Emergency Committee

Registered Office

Ravensbourne,
6 Penrose Way,
Greenwich
London
SE10 0EW

Board of Governors, delegation and control

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

The Vice-Chancellor

The Vice-Chancellor is the Head of the University, and has a general responsibility to the Board of Governors for the organisation, direction and management of the University. Under the terms and conditions of the Office for Students' funding agreement, the Vice-Chancellor is the Accountable Officer of the University.

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

The Academic Board

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

Sub-committees of the Board of Governors

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

The Board's sub-committees are as follows:

Audit Committee

Responsible for:

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

Board of Governors, delegation and control (continued)

Finance Committee

Responsible for:

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

Human Resources, Organisational Development & Remuneration Committee

Responsible for:

- Advising the Board upon the remuneration and conditions of service of senior post holders (Vice-Chancellor, Chief Operating Officer and the Clerk to the Board).
- Advising the Board upon the determination of pay (including any annual pay award) and conditions of service of other staff, including members of the Executive team who are not senior post holders.
- Ensuring compliance with the HE Senior Staff Remuneration Code.
- HR and OD strategy
- Overseeing severance policy and payments.
- Overseeing procedures governing staff grievances.
- Overseeing matters of equality and diversity.

Governance and Nominations Committee

Responsible for:

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

Emergency Committee

Responsible for:

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

Statement of internal control

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

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

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

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

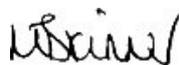
- Clear definitions of the responsibilities of, and the authority delegated to, heads of academic and administrative departments.
- A comprehensive medium and short-term planning process, supplemented by detailed annual income, expenditure, capital and cash flow budgets
- Regular defined and formalised requirements for approval and control of expenditure, with investment decisions involving capital or revenue expenditure being subject to formal detailed appraisal and review according to approval levels set by the governing body which are reviewed annually.

- Comprehensive Financial Regulations, detailing financial controls and procedures, approved by the Audit Committee and the Finance Committee.
- A professional Internal Audit team whose annual programme is approved by the Audit Committee and endorsed by the governing body.

Ravensbourne University London's statement of internal control covers the period 1 August 2019 to 31 July 2020 and up to the date of approval of the audited financial statements. No issues relating to weaknesses or failures of internal control have been identified during this period.

Going Concern

After making appropriate enquiries, the Board of Governors considers that the University has adequate resources to continue in operational existence for the foreseeable future. In response to the Covid-19 pandemic the University has implemented a blended system of course delivery to ensure that social distancing is maintained and that students have access to facilities and equipment where required. For these reasons, it continues to adopt the going concern basis in preparing the financial statements.



Maureen Skinner
Clerk to the Board of Governors

Statement of Responsibilities of the Board of Governors

The financial statements for the year ended 31 July 2020 have been prepared on behalf of the Vice-Chancellor and ultimately the board of Governors by the Director of Finance. It is reviewed by the Finance Committee and Audit Committee and informed by the opinion of the external auditors. The financial statements confirm that:

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

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

Opinion

We have audited the financial statements of Ravensbourne University London (the 'university') and its subsidiaries (the 'group') for the year ended 31 July 2020 which comprise the group statement of comprehensive income, the group and the university balance sheets, the group statement of cash flows and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' (United Kingdom Generally Accepted Accounting Practice) and the Statement of Recommended Practice, Accounting for Further and Higher Education.

In our opinion

- The financial statements give a true and fair view of the state of affairs of the Group as at 31 July 2020 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 the 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 from whatever source administered by the University have been applied only for the purposes for which they were received and managed in accordance with relevant legislation.
- In all material aspects, funds from the Office for Students, the Education and Skills Funding Agency and the Department for Education administered by the University have been applied only for the purposes for which they were received.

We have nothing to report in respect of the following matters in relation to which the Office for Students requires us to report to you, if in our opinion:

- The University's grant and fee income, as disclosed in note 5 to these accounts has been materially misstated.
- The University's expenditure on access and participation activities for the financial year has been materially misstated.

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 university's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

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 University

or

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

or

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

Responsibilities of the governors

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

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

Auditor's responsibilities for the audit of the financial statements

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

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at:

www.frc.org.uk/auditorsresponsibilities.

This description forms part of our auditor's report.

Use of our report

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



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

27 November 2020

Financial Statements

Year ended 31 July 2020



Consolidated Statement of Comprehensive Income

Year ended 31 July 2020

	Note	2020 £	2019 £
Income			
Tuition fees & education contracts	2	22,698,281	22,531,016
Funding body grants	3	3,478,516	3,917,253
Other income	4	1,162,929	1,137,119
Investment income	6	150,102	142,075
Total income		27,489,828	27,727,463
Expenditure			
Staff costs	7	15,664,821	14,260,161
Other operating expenses	8	10,019,700	10,483,160
Depreciation	12	1,403,482	1,526,688
Interest & other finance costs	9	354,776	309,318
Total expenditure		27,442,779	26,579,463
Surplus before other gains and losses and taxation		47,049	1,148,136
Profit on disposal of fixed assets		-	20,000
Surplus before taxation		47,049	1,168,136
Taxation	10	-	-
Surplus for the year	11, 20	47,049	1,168,136
Actuarial loss in respect of pension scheme	17, 19	(2,296,000)	(2,756,000)
Total comprehensive income for the year		(2,248,951)	(1,587,864)
Income and expenditure reserves at 1 August		33,239,762	34,827,626
Total comprehensive income for the year		(2,248,951)	(1,587,864)
Income and expenditure reserves at 31 July		30,990,811	33,239,762

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 2020

	Note	2020 £	2019 £
Non-current assets			
Tangible assets	12	49,065,346	48,471,087
Investments	13	4,289	4,278
Total non-current assets		49,069,635	48,475,365
Current assets			
Debtors	14	1,062,015	682,556
Investments		12,000,000	13,500,000
Cash and cash equivalents		4,900,668	4,339,828
Total current assets		17,962,683	18,522,384
Creditors			
Amounts due within one year	15	(4,395,698)	(4,652,245)
Net current assets		13,566,985	13,870,139
Total assets less current liabilities		62,636,620	62,345,504
Creditors			
Amounts due after more than one year	16	(21,801,355)	(22,561,712)
Provisions	17	(9,844,454)	(6,544,030)
Net Assets		30,990,811	33,239,762
Reserves			
Income and expenditure – unrestricted	20	30,990,811	33,239,762
Total reserves		30,990,811	33,239,762



Andrew Summers CMG
Chair of the Board of Governors



Andrew Cook
Accountable Officer, Vice-Chancellor

These Financial Statements were approved by the Governing Body on 11 November 2020.

University balance sheet

31 July 2020

	Note	2020 £	2019 £
Non-current assets			
Tangible assets	12	49,065,346	48,471,087
Investments	13	4,390	4,379
Total non-current assets		49,069,736	48,475,466
Current assets			
Debtors	14	1,069,041	679,172
Investments		12,000,000	13,500,000
Cash and cash equivalents		4,885,340	4,336,078
Total current assets		17,954,381	18,515,250
Creditors			
Amounts due within one year	15	(4,391,978)	(4,637,039)
Net current assets		13,562,403	13,878,211
Total assets less current liabilities		62,632,139	62,353,677
Creditors			
Amounts due after more than one year	16	(21,801,355)	(23,561,712)
Provisions	17	(9,844,454)	(6,544,030)
Net Assets		30,986,330	32,247,935
Reserves			
Income and expenditure – unrestricted	20	30,986,330	32,247,935
Total reserves		30,986,330	32,247,935



Andrew Summers CMG
Chair of the Board of Governors



Andrew Cook
Accountable Officer, Vice-Chancellor

These Financial Statements were approved by the Governing Body on 11 November 2020.

Consolidated statement of cash flows

Year ended 31 July 2020

	Note	2020 £	2019 £
Cash flow from operating activities			
Surplus for the year		47,049	1,168,136
Adjustments for non-cash items			
Release of deferred capital grants	18	(498,077)	(498,077)
Depreciation	12	1,403,482	1,526,688
Profit on disposal of fixed assets		-	(20,000)
(Increase)/decrease in debtors		(379,459)	218,381
Decrease in creditors		(266,309)	(267,925)
Increase/(decrease) in provisions		19,424	(21,368)
Gain on investments		(11)	(367)
Pension costs less contributions payable		985,000	601,000
Adjustments for investing or financing activities			
Investment income	6	(150,102)	(142,075)
Interest payable	9	221,776	232,318
Net cash provided by operating activities		1,382,773	2,796,711
Cash flow from investing activities			
Payments made to acquire fixed assets	12	(1,997,741)	(273,860)
Investment income	6	150,102	142,075
Repaid/(new fixed deposits)		1,500,000	(2,539,950)
Net cash used in investing activities		(347,639)	(2,671,735)
Cash flow from financing activities			
Interest paid	9	(221,776)	(232,318)
Repayments of amount borrowed:			
Bank loan		(152,518)	(144,978)
Other loan repayments		(100,000)	(100,000)
Net cash used in financing activities		(474,294)	(477,296)
Increase/(decrease) in cash in the year		560,840	(352,320)
Cash and cash equivalents at 1 August		4,339,828	4,692,148
Cash and cash equivalents at 31 July		4,900,668	4,339,828
Increase/(decrease) in cash in the year		560,840	(352,320)

Consolidated statement of cash flows

Year ended 31 July 2020 (continued)

	2020 £	2019 £
Reconciliation of movements in investments and cash and cash equivalents as stated in the group balance sheet.		
At 1 August		
Investments	13,500,000	10,960,050
Cash and cash equivalents	4,339,828	4,692,148
	17,839,828	15,652,198
(Decrease)/increase in investments	(1,500,000)	2,539,950
Increase/(decrease) in cash and cash equivalents	560,840	(352,320)
(Decrease)/increase in investments and cash and cash equivalents	(939,160)	2,187,630
At 31 July		
Investments	12,000,000	13,500,000
Cash and cash equivalents	4,900,668	4,339,828
	16,900,668	17,839,828

Notes to the Financial Statements

Year ended 31 July 2020



1. Accounting Policies

Basis of Preparation

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

Basis of Consolidation

The consolidated financial statements incorporate the financial statements of the University and its subsidiary undertakings for the year ended 31 July 2020.

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

Going Concern

The activities of the University, together with the factors likely to affect its future development and performance are set out in the Governors' Report. The financial position of the University, its cash flow, liquidity and borrowings are presented in the Financial Statements and accompanying Notes. The University currently has £3.9m of loans outstanding and £16.9m of cash, cash equivalents and cash on deposit.

The University's forecasts and financial projections indicate that it will be able to operate within this existing facility and associated covenants for the foreseeable future. Accordingly the University has a reasonable expectation that it has adequate resources to continue in operational existence for the foreseeable future, and for this reason will continue to adopt the going concern basis in the preparation of its financial statements. The effects of the Covid-19 pandemic on the activities of the Group have been fully considered in reaching this conclusion.

Recognition of Income

Grant Funding

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

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

Tuition Fees

Tuition fees are accounted for on an accruals basis and are payable on enrolment or on a termly or monthly basis for those electing to pay by instalments. Where fees are paid through tuition fee loans payments are normally received in three instalments in October, February and May. Due to the Covid-19 pandemic, it has been announced that, fees normally payable in February 2021 will be brought forward and paid in October 2020. Where a fee waiver has been granted, the fee income has been stated net of the waiver to reflect the actual fee charged to the student.

1. Accounting Policies (continued)

Pension Scheme Arrangements

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

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

Enhanced Pension

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

Employment Benefits

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

Termination Payments

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

Borrowing Costs

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

Tangible Fixed Assets

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

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

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

Leasehold land and buildings 50 years

Building fit out costs 20 years

Leased assets period of lease

Other fixtures, fittings and equipment 3-10 years

Computer Software and Systems 5-10 years

Fit out costs for leased premises Period of lease

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

A review of impairment of a fixed asset is carried out if events or changes in circumstances indicate that the carrying value of any fixed asset may not be recoverable.

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

1. Accounting Policies (continued)

Investments

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

Cash and cash equivalents

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

Debtors

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

Creditors

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

Financial Liabilities

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

Provisions

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

Operating Leases

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

Foreign Currency Translation

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

Taxation Status

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

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

Student Union

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

1. Accounting Policies (continued)

Judgements in applying accounting policies and key sources of estimation uncertainty

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

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

Other key sources of estimation uncertainty were as follows:

Tangible fixed assets

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

Local Government Pension Scheme

The present value of the Local Government Pension Scheme defined benefit liability depends on a number of factors that are determined on an actuarial basis using a variety of assumptions. The assumptions used in determining the net cost of pensions include the discount rate. Any changes in these assumptions, which are disclosed in note 19, 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 2020. 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

	2020 £	2019 £
Home and European Union students	19,887,320	19,984,564
International students	2,810,961	2,546,452
	22,698,281	22,531,016

3. Funding body grants

	2020 £	2019 £
OfS - Main allocation	1,684,069	1,866,701
- other	133,321	154,915
ESFA - main allocation	1,392,124	1,609,663
- other	171,182	188,154
	3,380,696	3,819,433
Deferred grants released in year (note 18)		
Buildings	39,640	39,640
Equipment	58,180	58,180
	97,820	97,820
	3,478,516	3,917,253

4. Other income

	2020 £	2019 £
Non grant income	398,053	465,865
Grant income		
Deferred capital grants released in year – Buildings (note 18)	400,257	400,257
Revenue grants received	364,619	270,997
	764,876	671,254
	1,162,929	1,137,119

5. Details of grant and fee income

	2020 £	2019 £
Grant income from the OfS	1,817,390	2,021,616
Grant income from other bodies	1,563,306	1,797,817
Total grant Income	3,380,696	3,819,433
Fee income for taught awards	22,698,281	22,531,016
Total grant and fee income	26,078,977	26,350,449

6. Investment income

	2020 £	2019 £
Income from short-term deposits	150,102	142,075

7. Staff costs

	2020 No.	2019 No.
The average number of persons employed by the University during the year expressed as full-time equivalents.		
Academic staff	113	113
Administrative and technical staff	149	146
	262	259
	2020 £	2019 £
Wages and salaries, social security and pension costs		
Wages and Salaries	11,699,930	11,208,094
Social security costs	1,185,378	1,057,269
Pension costs	1,915,758	1,458,231
	14,801,066	13,723,594
Other staff costs		
Adjustment to contribution to reflect defined pension benefit scheme service costs (note 19)	821,000	495,000
Apprenticeship Levy	42,755	41,567
	863,755	536,567
Total staff costs	15,664,821	14,260,161
	2020 £	2019 £
Analysis of wages and salaries, social security and pension costs		
Academic staff	7,516,843	7,134,782
Administrative and technical staff	7,284,223	6,588,812
	14,801,066	13,723,594

7. Staff costs (continued)

	2020 £	2019 £
Compensation paid to former staff		
Included within staff costs are amounts paid as compensation to former personnel for loss of office	251,468	498,262
	2020 No	2019 No
Number of personnel receiving payment	14	17

Included within compensation paid to former staff for the year ended 31 July 2019 are payments made to the former Vice-Chancellor.

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

	2020 No	2019 No
Key management personnel		
The number of key management personnel expressed as full time equivalents	7.6	7.2

	2020 £	2019 £
Costs of key management personnel	1,092,250	1,137,115

	2020 No	2019 No
Remuneration of higher paid staff, including the Interim Vice-Chancellor, earning over £100,000, excluding employer pension and social security costs.		
£100,000 - £104,999	1	2
£110,000 - £114,999	2	-
£120,000 - £124,999	-	1
£125,000 - £129,999	-	1
£145,001 - £149,999	1	-

7. Staff costs (continued)

	2020 £	2019 £
Vice-Chancellor's remuneration		
To 31 May 2019		
Basic Pay	-	121,749
Compensation for loss of office	-	145,719
Contribution to defined benefit pension scheme	-	21,000
	-	288,468
Interim Vice-Chancellor's remuneration		
From 1 June 2019		
Basic Pay	149,021	24,350
Contribution to defined benefit pension scheme	23,943	3,044
	172,964	27,394
	172,964	315,862

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

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

As at 31 July 2020, the Interim Vice-Chancellor's basic salary is 3.2 times (2019: 3.3 times) the median pay of staff, where the median pay is calculated on a full-time equivalent basis for all staff contracted with an annual salary. Including payments for performance related pay the Interim Vice-Chancellor's total remuneration at 31 July 2020 is 3.2 times (2019: 3.3 times) the median total remuneration paid to all staff contracted on an annual salary basis.

8. Other operating expenses

	2020 £	2019 £
Student residences	5,602	31,239
Direct course costs	478,673	530,624
Academic services	1,700,633	1,699,215
Premises	2,459,298	2,856,940
Student bursaries	972,438	760,281
Examination and validation expenses	83,965	118,835
Staff recruitment and temporary support	1,104,682	923,397
Other administration expenditure	3,214,409	3,562,629
	10,019,700	10,483,160

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

Audit fees	47,281	45,420
Other services	3,815	3,400
	51,096	48,820

9. Interest and other finance costs

	2020 £	2019 £
Interest payable	221,776	232,318
Pension scheme finance costs (note 19)	133,000	77,000
	354,776	309,318

10. Taxation

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

11. Surplus for the year

	2020 £	2019 £
University's surplus for the year	34,395	1,175,995
Ravensbourne Limited	12,654	(7,859)
Ravensbourne Learning Resource Centre Limited	-	-
Net surplus/(loss) generated by subsidiary undertakings	12,654	(7,859)
Group surplus for the year	47,049	1,168,136

Ravensbourne Limited generated an operating profit of £12,654 (2019: Loss £7,859), of which £4,795 (2019: £Nil) is payable to Ravensbourne University London as a gift aid donation.

Ravensbourne Learning Resource Centre Limited did not trade during the years ended 31 July 2020 and 31 July 2019. The company was dissolved on 6 October 2020.

12. Tangible fixed assets

	Leasehold land and building	Fixtures, Fittings Equipment and Projects	Total
	£	£	£
Group and University			
Cost			
At 1 August 2019	56,809,967	10,790,708	67,600,675
Additions	291,666	1,706,075	1,997,741
Disposals	-	(17,578)	(17,578)
At 31 July 2020	57,101,633	12,479,205	69,580,838
Accumulated depreciation			
At 1 August 2019	9,509,000	9,620,588	19,129,588
Charge for the year	1,126,214	277,268	1,403,482
Adjusted for disposals	-	(17,578)	(17,578)
At 31 July 2020	10,635,214	9,880,278	20,515,492
Net book Value			
At 31 July 2020	46,466,419	2,598,927	49,065,346
At 31 July 2019	47,300,967	1,170,120	48,471,087
The depreciation charge has been funded by:			
Group and University		2020	2019
		£	£
Deferred capital grants released (note 18)		498,077	498,077
General income		905,405	1,028,611
		1,403,482	1,526,688

13. Non-current investments

	Group		University	
	2020 £	2019 £	2020 £	2019 £
COIF Memorial Trust				
255 ordinary shares – at market value	4,289	4,278	4,289	4,278
University				
Ravensbourne University London 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
Ravensbourne University London owns 100% of the called-up share capital of Ravensbourne Learning Resource Centre Limited, a company registered in England and Wales. The company was dissolved on 6 October 2020.				
1 ordinary share of £1 each	-	-	1	1
	4,289	4,278	4,390	4,379

14. Debtors

	Group		University	
	2020 £	2019 £	2020 £	2019 £
Student debtors	122,363	76,550	122,363	76,550
Trade debtors	295,159	196,972	295,159	188,704
Amounts due from subsidiary undertakings	-	-	7,027	4,885
Interest receivable	47,288	59,515	47,288	59,515
Other debtors	9,243	7,049	9,242	7,048
Prepayments	587,962	342,470	587,962	342,470
	1,062,015	682,556	1,069,041	679,172

15. Creditors: Amounts falling due within one year

	Group		University	
	2020 £	2019 £	2020 £	2019 £
Bank and other loans:				
Bank Loan	162,281	152,519	162,281	152,519
Royal Borough of Greenwich	100,000	100,000	100,000	100,000
	262,281	252,519	262,281	252,519
Other amounts falling due within one year:				
Trade creditors	986,635	1,084,678	986,635	1,082,054
Staff benefits compensation	572,507	458,074	572,507	458,074
Accruals and deferred income (see below)	1,501,517	1,845,468	1,497,797	1,832,886
Tax and social security	574,681	513,429	574,681	513,429
Deferred government capital grants (note 17)	498,077	498,077	498,077	498,077
	4,133,417	4,399,726	4,129,697	4,384,520
	4,395,698	4,652,245	4,391,978	4,637,039

The balance outstanding in respect of bank and other loans represents the current portion of long-term debt (note 16). Included within accruals and deferred income is deferred revenue grant income of £127,735 (2019: £196,131), which will be credited to the Consolidated Statement of Comprehensive Income when the University is entitled to the income or where performance conditions have been met.

Under the Statement of Recommended Practice (SORP) Accounting for Further and Higher Education 2015 and Financial Reporting Standard FRS102 the University has utilised the “accruals method” in the accounting for deferred capital government grants at 31 July 2020 and 31 July 2019.

Staff benefits compensation includes a provision as at 31 July 2020 of £572,507 (2019: £375,671) in respect of the accrued costs of unutilised staff benefits.

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

	2020 £	2019 £
Group and University		
Bank loan		
- between one and two years	171,325	162,281
- between two and five years	570,470	540,649
- over five years	2,930,367	3,131,512
	3,672,162	3,834,442
Royal Borough of Greenwich Loan		
- between one and two years	-	100,000
	-	100,000
Total Long term loans	3,672,162	3,934,442
Deferred government capital grants (note 18)		
- between one and two years	498,077	498,077
- between two and five years	1,494,230	1,494,230
- over five years	16,136,886	16,634,963
Total deferred grants	18,129,193	18,627,270
	21,801,355	22,561,712

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

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

Under the Statement of Recommended Practice (SORP) Accounting for Further and Higher Education 2015 and Financial Reporting Standard FRS102 the University has utilised the "accruals method" in the accounting for deferred capital government grants at 31 July 2020 and 31 July 2019.

17. Provisions

	Enhanced Pension Provision	Pension Scheme Provision under FRS102	Total Pension Provisions
	£	£	£
Group and University			
At 1 August 2019	(164,030)	(6,380,000)	(6,544,030)
Net payments in year	20,794	-	20,794
Increase in enhanced provision (see below)	(40,218)	-	(40,218)
Service costs (note 7)	-	(821,000)	(821,000)
Pension finance costs (note 9)	-	(133,000)	(133,000)
Administration expenses	-	(31,000)	(31,000)
Actuarial loss (note 19)	-	(2,296,000)	(2,296,000)
At 31 July 2020	(183,454)	(9,661,000)	(9,844,454)

Enhanced pension provision

The actual cost of enhanced ongoing pension payments to former employees is paid by the university 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 £40,218 is required. This amount has been charged to the consolidated Statement of Comprehensive income as other administration expenditure (note 8).

Pension scheme provision under FRS102

Under Financial Reporting Standard FRS102 the University has recognised its share of the pension scheme deficit in the Local Government Pension Scheme in its balance sheet. Financing, servicing costs and gains and losses in the scheme have been recognised in the Consolidated Statement of Comprehensive Income (note 19).

18. Deferred capital grants

	2020 £	2019 £
Group and University		
At 1 August		
Buildings	18,475,675	18,915,572
Equipment	649,672	707,852
Total	19,125,347	19,623,424
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	18,035,778	18,475,675
Equipment	591,492	649,672
Total	18,627,270	19,125,347

As at 31 July 2020 and 31 July 2019 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 University		
Due within one year (note 15)	498,077	498,077
Due after more than one year (note 16)	18,129,193	18,627,270
	18,627,270	19,125,347

Group and university		
Released against depreciation charges	498,077	498,077

19. Pension costs and obligations

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

Teachers' Pension Scheme

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

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

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

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

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

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

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

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

The employer's pension costs paid to TPS in the period amounted to £1,197,543 (2019: £777,415).

19. 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 reduced from 17.0% to 14.2% from the 1 April 2020.

Employer contributions payable to the scheme during the year were £718,215 (2019: £680,816)

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 2020.

19. Pension costs and obligations (continued)

The financial assumptions used by the actuary were:

	2020	2019	2018
	% per annum	% per annum	% per annum
Rate of increase in Consumer Price Index	2.3	2.2	2.1
Rate of increase in salaries	3.8	3.7	3.6
Rate of increase in pensions and prices	2.4	2.3	2.2
Discount rate	1.6	2.2	2.9

		2020	2019
Life expectancy assumptions used by the actuary were:	Retiring today:		
	Males	22.8 years	23.5 years
	Females	25.2 years	26.2 years
Life expectancy years from age 65:	Retiring in		
	20 yrs:		
	Males	24.7 years	26.2 years
	Females	27.2 years	28.5 years

The estimated asset allocation for the University is as follows:

	31 July 2020		31 July 2019	
	Allocation of Investments	University Share of fund	Allocation of Investments	University Share of fund
	%	£'000	%	£'000
Equities	65.5	14,593	62.2	12,359
Government Bonds	6.8	1,515	6.4	1,272
Bonds	6.2	1,381	6.5	1,292
Property	3.8	847	4.4	874
Cash/liquidity	1.2	267	1.4	278
Other	16.5	3,676	19.1	3,795
	100.0	22,279	100.0	19,870

19. Pension costs and obligations (continued)

Net liability in balance sheet

	2020 £'000	2019 £'000
Fair value of scheme assets	22,279	19,870
Present value of funded obligations	(31,940)	(26,250)
Net liability in balance sheet	(9,661)	(6,380)

Reconciliation of assets and liabilities

	2020 £'000	2019 £'000
Defined benefit obligation at 1 August	26,250	20,524
Service cost (net of employee contributions)	1,500	1,071
Interest cost	578	594
Past service cost	31	117
Actuarial loss	3,579	3,990
Estimated benefits paid (net of transfers in)	(325)	(339)
Contributions by scheme participants	327	293
Defined benefit obligation at 31 July	31,940	26,250
Fair value of scheme assets at 1 August	19,870	17,501
Expected return on scheme assets	445	517
Actuarial gain	1,283	1,234
Administration expenses	(31)	(29)
Contribution by employer	710	693
Contributions by scheme participants	327	293
Estimated benefits paid (net of transfers in)	(325)	(339)
Fair value of scheme assets at 31 July	22,279	19,870

19. Pension costs and obligations (continued)

Reconciliation of assets and liabilities

	2020 £'000	2019 £'000
Deficit in scheme at 1 August	(6,380)	(3,023)
Movement in year		
Employer service cost (net of employee contributions)	(1,500)	(1,071)
Employer contributions	710	693
Past service costs	(31)	(117)
Finance costs on pension scheme liabilities	(133)	(77)
Administration expenses	(31)	(29)
Actuarial (loss)	(2,296)	(2,756)
Deficit in scheme at 31 July	(9,661)	(6,380)

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

	2020 £'000	2019 £'000
Service costs		
Employer service costs (net of employee contributions)	1,500	1,071
Employer contributions	(710)	(693)
Past service cost	31	117
Total operating costs (note 7)	821	495
Pension finance costs		
Expected return on pension scheme assets	445	517
Interest on pension liabilities	(578)	(594)
Pension scheme finance costs (note 9)	(133)	(77)
Administration expenses		
Included within other administration expenditure (note 8)	(31)	(29)

19. 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.

	2020 £'000	2019 £'000
Actuarial losses in pension scheme		
Changes in assumptions underlying the present value of the scheme liabilities	(3,579)	(3,990)
Actuarial return less expected return on pension scheme assets	1,283	1,234
Total recognised losses for the year	(2,296)	(2,756)

History of experience gains and losses

	2020 £'000	2019 £'000	2018 £'000	2017 £'000	2016 £'000
Defined benefit obligation	(31,940)	(26,250)	(20,524)	(19,956)	(17,384)
Scheme assets	22,279	19,870	17,501	14,936	12,177
Deficit in pension scheme	(9,661)	(6,380)	(3,023)	(5,020)	(5,207)
Experience adjustments on scheme liabilities	-	-	-	-	-
Percentage of scheme liabilities	-	-	-	-	-
Experience adjustments on scheme assets	1,283	1,234	1,233	1,655	1,230
Percentage of scheme assets	5.8%	6.2%	7.0%	11.1%	10.1%

Sensitivity analysis at 31 July 2020

	Central £'000	Sensitivity 1 +0.1% pa discount rate £'000	Sensitivity 2 +0.1% pa inflation £'000	Sensitivity 3 +0.1% pa pay growth £'000	Sensitivity 4 +1 year Increase in life expectancy £'000
Liabilities	31,940	31,260	32,634	31,984	32,907
Assets	(22,279)	(22,279)	(22,279)	(22,279)	(22,279)
Deficit	9,661	8,981	10,355	9,705	10,628
Projected service cost for next year	1,757	1,702	1,814	1,757	1,817
Projected net interest cost for next year	150	147	161	150	165

20. Reserves

	Group £	University £
Income and expenditure reserve		
At 1 August 2019	33,239,762	33,247,935
Actuarial loss in respect of pension scheme	(2,296,000)	(2,296,000)
Surplus for the year	47,049	34,395
At 31 July 2020	30,990,811	30,986,330

21. Access and participation plan

	Permanent Staff £	Non Permanent Plan £	Non-Pay £	Total £
Access and participation expenditure				
Access Investment	213,913	51,986	26,737	292,636
Financial Support	-	-	506,345	506,345
Support for disabled students	122,407	-	204,907	327,314
Research evaluation	51,656	7,095	720	59,471
	387,976	59,081	738,709	1,185,766

The Access and Participation Plan for Ravensbourne University London can be found at https://apis.officeforstudents.org.uk/accessplansdownloads/1920/RavensbourneUniversityLondon_APP_2019-20_V1_10005389.pdf Amounts in respect of Permanent Staff are included within the University's total staff costs (note 7). Amounts in respect of non-permanent staff and non-pay costs are included within note 8.

22. Related Party transactions

Owing to the nature of the University's operations and the composition of the board of Governors being drawn from local public and private sectors organisations, it is inevitable that transactions will take place with organisations in which a member of the board of Governors may have an interest.

All transactions involving such organisations are conducted at arm's length and in accordance with the University's financial regulations and normal procurement procedures. No governor receives payment in respect of their duties; however, trustees are entitled to claim expenses and payments totalling £129 were made to three trustees (2019; £114 to two trustees).



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