



Middlesex  
University  
London



# Financial Statements 2017/2018

For the year ended 31 July 2018



# Financial Statements 2017/2018

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“ I am proud that Middlesex is ranked among the top 500 universities in the world, recognising the quality of our teaching and research, and especially proud to be among the world's top 150 universities under 50 years old.

**Professor Tim Blackman**  
Vice-Chancellor



# Welcome from the Vice-Chancellor

Middlesex transforms lives. We see potential in every one of our students, many of whom are the first in their families to make it to university. They go on to achieve amazing things in business and the professions, which is why our Made in Middlesex campaign features story after story about our alumni and their remarkable achievements.

Take fashion designer Cher Chan. Her BA in Fashion Design set her up for success in the fashion industry, including winning a commission to design the silk scarf given to world leaders at a recent G20 summit in China. Or take BA Accounting and Finance graduate Nick Chandler, who is now a partner at KPMG. Like thousands of other graduates, they credit their success to how they were taught by experts, encouraged to develop resilience and creativity, and graduated 'work-ready'.

Our hands-on approach to education is a Middlesex signature strength. When the Head of Open Innovation at Siemens came to see our project-based learning in practice he left inspired. He wrote on LinkedIn, "I was sceptical about how this could work in practice but I would opt for a candidate who could talk me through how they built a laser etching machine from scratch over a percentage degree mark any day".

The House of Commons Education Select Committee Chair, The Right Honourable Robert Halfon MP, had a similar experience when he came to see us last June. When he later asked us to the Palace of Westminster to give evidence to his Committee on what the fourth industrial revolution means for education, we sent a robot as one of our team of experts.



Pepper, one of our resident robots delivering evidence at the House of Commons.

The fourth industrial revolution will change lives but our job is to enable our graduates to shape change and not just be shaped by it. This is about their professional and technical skills, but it is also about their diversity, which brings rich and different perspectives, creative ideas and new ways of solving complex problems.

Employers are increasingly realising that our students' diversity is a resource to invest in, not just to diversify their workforces but also to realise the potential of diverse teams to raise performance. That's why the Ministry of Justice has partnered with Middlesex to create new pathways into careers in the civil service.

Our Strategy has as its first aim to provide an inspiring choice of pathways to a Middlesex degree. We are embracing degree apprenticeships to help meet that aim. Our new Centre for Apprenticeships and Skills is already recognised as an exemplar in the sector and featured in a key Universities UK report on how employers, universities and colleges need to work together to meet advanced skills needs.

I am proud that Middlesex is ranked among the top 500 universities in the world, recognising the quality of our teaching and research, and especially proud to be among the world's top 150 universities under 50 years old. Middlesex is young, innovative and truly international, with over 37,000 students studying across four campuses in London, Dubai, Mauritius and Malta, as well as with partner institutions across the globe. In London, more than 19,000 students from 140 countries study together in a vibrant learning community on a green campus in our local Borough of Barnet, where our work brings over £289m into the local economy each year and supports over 4,000 jobs.

We put our students first from the moment they apply to long after they graduate, working in partnership with the award winning MDX Students' Union. Students are at the centre of everything we do and our staff embrace this commitment with passion.

The environment we work in is a tough one, with fierce competition and financial pressures. We have a new regulator, the Office for Students, and the sector will be under more intense scrutiny. Achieving Silver in the national Teaching

Excellence Framework was a good outcome but we know we need to keep improving. We did well to end the year with the surplus to invest and cope with future uncertainty, whether from Brexit, shifts in demand for our courses or policy reform. But we can't stand still, which is why we launched the People Programme in January 2018 to ensure that we have the job roles we need going forward and the right systems to support them.

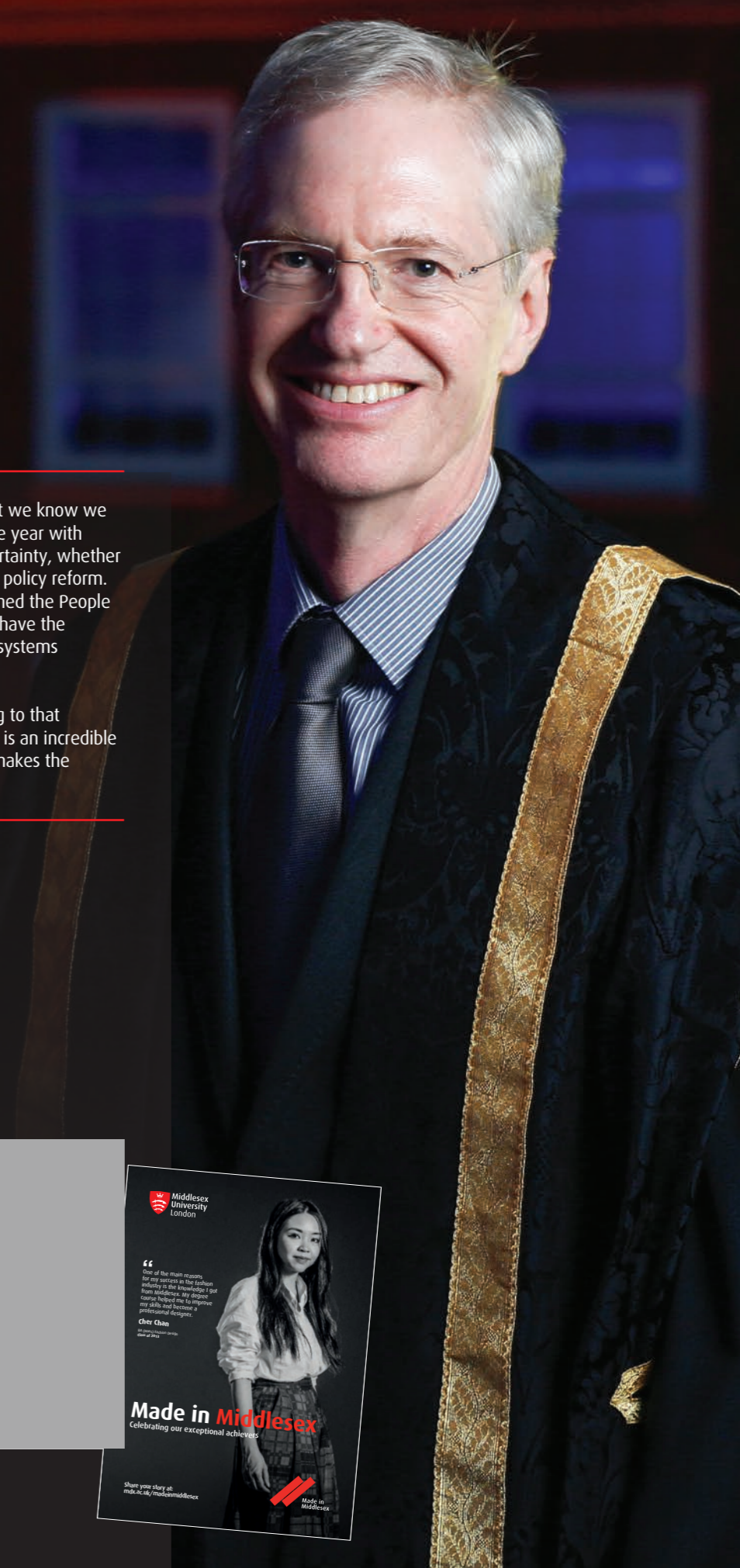
The future is challenging, but Middlesex is rising to that challenge. We can do that because at our heart is an incredible sense of purpose that we all share and which makes the University so special.

*Tim Blackman*

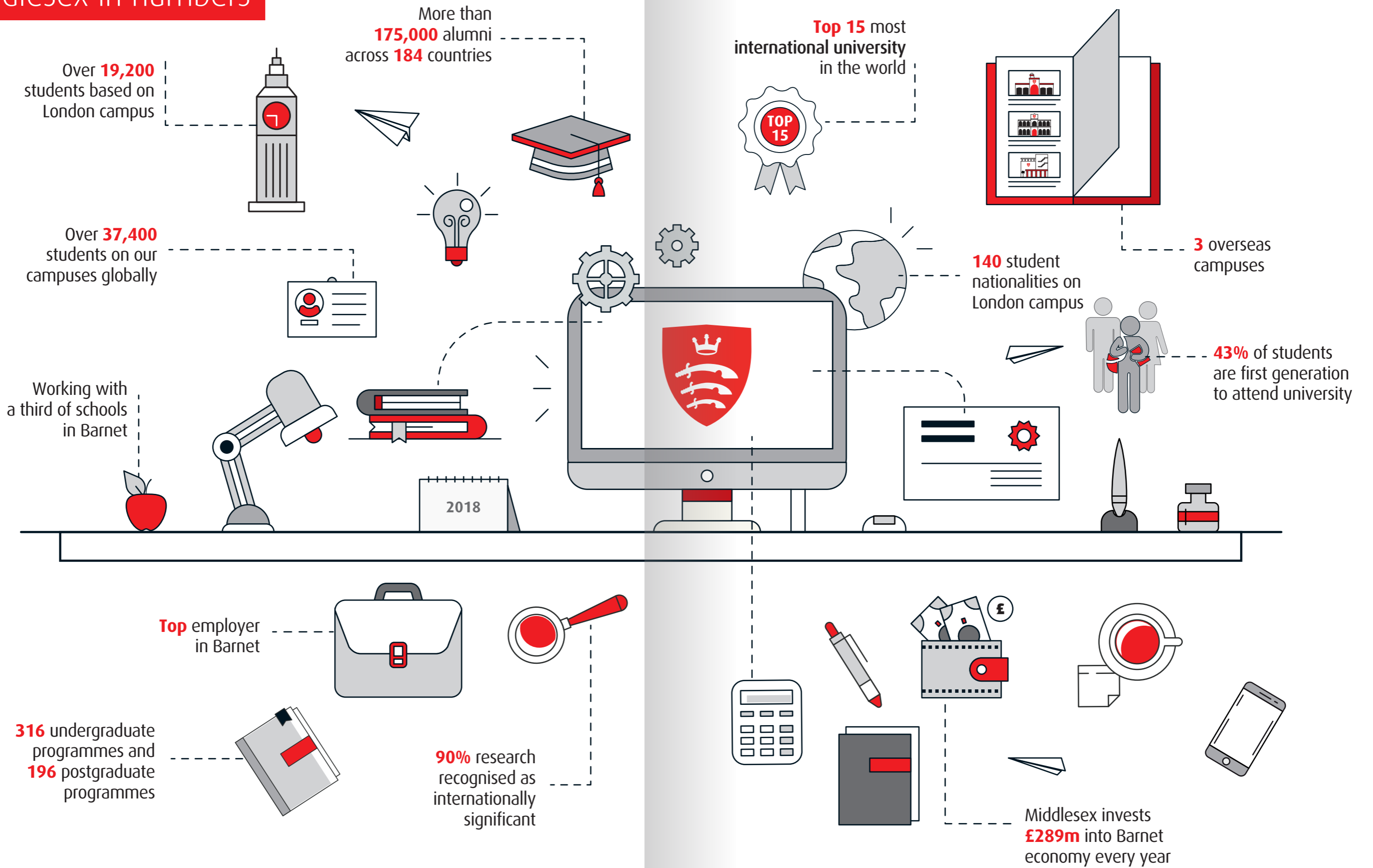
Professor Tim Blackman  
Vice-Chancellor



Made in Middlesex



# Middlesex in numbers



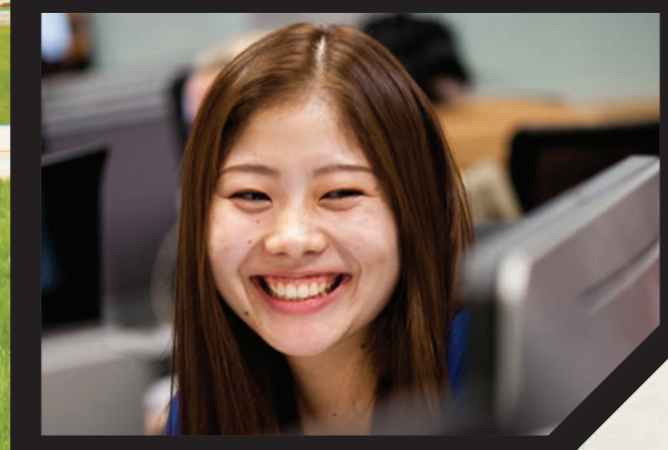
\*UK Funding Councils' 2014 Research Excellence Framework (REF)

# Strategic report



“ Employers are increasingly realising that our students’ diversity is a resource to invest in, not just to diversify their workforces but also to realise the potential of diverse teams to raise performance.

**Professor Tim Blackman**  
Vice-Chancellor



# About Middlesex University

We have always been a progressive and innovative place to study, from our early days as St Katherine’s College, a women’s teacher training college in Tottenham, which first opened its doors to students in 1878, to the global University of today.

We count amongst our early history the Ediswan Institute, founded by Joseph Swan, inventor of the electric light bulb, an early example of our continuing commitment to innovation. Middlesex Polytechnic was formed in 1967 when Enfield and Hendon Technical Colleges joined forces with Hornsey College of Arts. In 1992, we gained our university status and in 2005 we expanded our profile overseas opening a campus in Dubai, later followed by campuses in Malta in 2009 and Mauritius in 2013.

Our legacy of pioneering new developments includes the UK’s first business degree and professional doctorate, and leading the field in work-based learning and transnational education. This continues today when we educate over 400 teachers and 1,800 nurses and midwives every year – contributing to the nation’s workforce. We are also driving technological innovation and launched the UK’s first cyber factory, where students acquire the skills they need to step into the factory of the future.

140 years on from St Katherine’s College, we continue to take a distinctive approach to teaching. Our students learn through doing, making and through experience. By working on real-life projects, our students are able to apply their advanced knowledge to solve problems and gain key skills sought by top employers. They also regularly take their learning outside of the classroom – through placements and internships – or through working on projects for businesses and the professions.

We have been awarded a Silver for our high-quality teaching in the country’s first Teaching Excellence Framework (TEF), a new government scheme looking at how well students are taught at universities across the UK. We were particularly praised for valued and supported teaching and our commitment to pro-actively engage students in their own learning, leading to high levels of student satisfaction. We are supporting students to prepare for their future careers and have introduced three new strands as part of our employability service – MDXcel, MDXcelerator and MyMentor – to enhance the support we give to our students. These initiatives range from opportunities to work on real-life client projects to start-up support, mentoring and coaching. Our staff are passionate and committed to the success

of every student but they also bring valued experience from their various professions and enable students to tap into their professional networks. This means our students have the best learning tools in one place, preparing them each day to get closer to their chosen careers.

With 140 nationalities on campus, our diversity is a source of inspiration and strength and is one of the reasons why we are considered one of the top 15 most international universities in the world\*. Our commitment to diversity has been recognised with Middlesex University being the first UK university to be awarded a Corporate Gold/Embedded Charter Mark by equality, diversity and inclusion specialists UK Investor in Equality and Diversity (UKIED).

Our international reputation and global connections have not taken away from our sense of community. We take our commitment to our local London Borough of Barnet seriously, where we contribute £289m annually and our students and staff regularly give their time, knowledge and skills to support community projects and to help tackle societal issues.

\* Times Higher Education 2018



# Year in review

At Middlesex we put students first, empowering our students with highly valued skills and knowledge for rewarding careers and fulfilling lives, all enabled by expert teaching and enriched by applied research. It has been a year since we launched our *Middlesex University Strategy 2017-2022 Transforming Potential into Success* and nothing gives us greater pride than to see our students realise their own potential. Every year we watch our students and alumni achieve more than they ever thought possible, using their talent to better the societies they live in and this year has been no different.

Our mission lies at the heart of some of the most pressing issues of our time, from social mobility to the skills needed for economic success. Through transforming the lives of our students and the impact of our research and practice, we are an engine of social mobility and productivity growth. For example, we have been busy advocating for a more joined-up system across higher education, further education and apprenticeships, with a credit system and funding that creates flexibility rather than silos. Our new partnership with Capital City College Group (CCCG), one of the largest FE college groups helps us achieve this aim to support more young people into higher education. Our work has attracted high profile visitors to campus and we have hosted the Ministry of Justice to highlight how we harness our diversity and The Right Honourable Robert Halfon MP, Chair of the Education Select Committee to showcase our work on apprenticeships.

Our staff are our greatest asset whose remarkable expertise and talent help drive the University's success – and this year is no exception with an array of national awards and outstanding achievements.



Bernie Grant, MP

### Alumnus' portrait at home in House of Commons

The first pencil portrait to permanently hang in the House of Commons was unveiled in December 2017. The artist, alumnus Kelvin Okafor, created a portrait of the late Bernie Grant MP whom Middlesex awarded an honorary degree to in 2001.

Kelvin is the first black artist to have his work permanently exhibited at the House of Commons. His stunning photo-realism piece was unveiled by the Leader of the Opposition, The Right Honourable Jeremy Corbyn MP and hangs outside the Attlee room in Portcullis House.

### The X Factor, The Voice, The Switch?

TV Production graduates' concept for a new talent show could be the next big hit. The Switch, which challenges two musicians with distinctly different musical styles to use each other's lyrics to create a new tune, won the top prize at the Edinburgh International Television Festival. Joshua Goode and Madelen Nygaard who studied TV production at Middlesex beat off competition from 2,000 hopefuls to win the Test Card category for their concept.

“ We're delighted to win this award and hope it helps our show get noticed by a TV production company that can help us bring it to mainstream TV.

Joshua Goode  
TV Production



Joshua and Madelen

### Sport student climbs his way to the Olympics

Kenneth John Ellacott has his eyes set on the 2024 Olympics in Paris after being selected to represent the UK as part of the Team GB Paraclimbing Team. Previously he was a long distance runner before suffering from a stroke at the young age of 21 but despite this setback, Kenneth continues to be an active sportsman and is currently completing his MA in Sport. He trains four to five times a week and this impressive work ethic allows him to remain optimistic about his future.

“ There are times when I'm too tired or I keep failing but I always think I can do better.

Kenneth John Ellacott  
MA Sports



Kenneth John Ellacott

### Middlesex student makes Student Nurse of the Year shortlist

In a record-breaking year for the number of entries, Ciara Holden was shortlisted for Student Nurse of the Year at the 2018 Student Nursing Times Awards.

Ciara who is studying paediatric nursing is also the Student Voice Leader for her course and the only student from a London university to make the shortlist. This didn't come as a surprise to her course leader who described her dedication to nursing as exemplary.



### The Sky's the limit for Middlesex students

Adam Jarzabak and Chibuike Okpaluba were part of the winning Kick ASS (Automated Support System) team at the Hackathon held at the Sky headquarters. Given the challenge of developing a programme that performed an automation task, the team wrote code for a Sky bot that would troubleshoot connectivity problems. Adam, a Computer Science student and Chibuike who is studying design engineering praised the resources available at Middlesex as the reason for the success of their project.

“ If you want to work on a project, you'll have all the support you need.

Chibuike Okpaluba  
Computer Science



## Year in review continued

### Breaking down barriers to address people's fear of maths

Dr Alison Megeney, Associate Professor of Mathematics, received a prestigious National Teaching Fellowship award which recognises and celebrates individuals in higher education who have made an exceptional impact on student outcomes, and on the teaching profession. Her work helps to create interesting and useful interactions through a variety of methods, whether by building mathematical objects, through mathematical games and puzzles or group activities. She encourages students to become mathematics ambassadors at local and national outreach events, including our STEM Festival, interactive science festival SMASHFestUK, WorldSkills UK at the NEC Birmingham and New Scientist Live.



Dr Alison Megeney

### Academic awarded prestigious British Academy Newton Advanced Fellowship

Dr Soydan Soyulu, Senior Lecturer in Organisational Psychology won the British Academy Newton Advanced Fellowship securing a grant of £72,239 for a research project. The project aims to improve the understanding of the use of online health forums in Turkey, and the quality of knowledge necessary for users to make informed decisions on health issues. The work is scheduled to begin in September 2018. This prestigious award is highly recognised within the higher education sector and is valued internationally.

### Middlesex secures grant for Mental Health Social Work

Middlesex won a competitive Think Ahead bid for a government backed national pathway for postgraduate mental health social work training. This national project aims to improve the experience of mental health service users. Our work in progressing this important workforce development initiative will help to elevate the role of the mental health social worker, who is highly trained and motivated and has excellent knowledge of mental health practice.

### First Gradstock careers festival

We held our first ever careers festival, Gradstock, with bands, a chill-out space and a games zone alongside a more traditional careers fair and networking. 38 employers took part, including Ikea, HarperCollins Publishers, Siemens Financial Services, Urban Outfitters and Capita IT Resourcing. Keynote addresses were delivered by Drew Morris, Head of Social Mobility at the Ministry of Justice – which is currently developing a bespoke internship for Middlesex students as part of its drive for a more diverse workforce – and Middlesex graduate Nick Chandler, a Partner at KPMG, which offers application bootcamps as part of its commitment to social mobility.

### First university to receive UK Investor in Equality and Diversity Charter Mark

We are the first UK university to be awarded a Corporate Gold/Embedded Charter Mark by equality, diversity and inclusion specialists UK Investor in Equality and Diversity (UKIED). The Charter Mark was presented at UKIED's annual conference where Shadow Secretary of State for Women and Equalities Dawn Butler and Visiting Teaching Fellow at Middlesex Patti Boulaye OBE gave keynote addresses. We join organisations including the National Union of Students, the Institute of Physics, the General Medical Council and the Financial Conduct Authority in receiving the Charter Mark. In a rigorous assessment process, including interviews with staff, students and external contacts and a site visit, UKIED concluded there was:

“overwhelming and compelling evidence, particularly in relation to students, that Middlesex University is genuinely committed to embedding equality, diversity and inclusion (EDI) within all elements of the learner experience.”



Professor Tim Blackman, Richard Fox and Dame Janet Ritterman

### New University mace designed by top silversmith and alumnus Richard Fox

This year we received our new mace which symbolises the right of universities bestowed by the Privy Council to grant higher degrees. The mace's designer, leading silversmith Richard Fox, studied at our predecessor institution Hornsey School of Art and subsequently at the Royal College of Art. He returned to Middlesex as an Associate Lecturer for seven years where he ran the first year silversmithing course in 3D design. He has produced work for Formula One, Rolls-Royce, Garrard, Bulgari, Pernod Ricard, 10 Downing Street and Lambeth Palace, including a chalice presented by the Archbishop of Canterbury to the Pope. The mace is made of Argentium, a silver alloy that is brighter than platinum and tarnish-resistant, first created at Middlesex in the 1990s by Fox's former technical tutor Peter Johns. Its design symbolises Middlesex's history and evolution: three seax blades representing the County of Middlesex, a globe alluding to our international campuses in Dubai, Malta and Mauritius and intertwined ribbons recording the names of our predecessor colleges. The University's Chancellor, Dame Janet Ritterman, kindly donated the financial support for the mace to be designed and created.

### Centre for Apprenticeships and Skills features in major Universities UK report

Middlesex's Centre for Apprenticeships and Skills was one of eight case studies to feature in the Universities UK report to illustrate how collaborations between higher and further education institutions and employers work in practice and their potential for growth.

The report highlighted Middlesex's new strategic partnership with Capital City College Group (CCCG) and illustrated how we have aligned FE and HE apprenticeship offers so learners can advance seamlessly from one level to another along a progression pathway. The partnership with CCCG increases the number of students the University can work with to 40,000 across both institutions and enables more learners from a broader range of backgrounds to progress to higher learning – a key objective of the government and of Middlesex's own mission to aid social mobility. Together with CCCG, we hosted a visit from The Right Honourable Robert Halfon, MP for Harlow and Chair of the Education Select Committee, and Dr Matthew Offord, MP for Hendon, to see the partnership in action and to meet a range of Middlesex apprentices.



The Right Honourable Robert Halfon MP

# Organisation



**Professor Tim Blackman**  
Vice-Chancellor

Professor Tim Blackman was appointed Vice-Chancellor of Middlesex University in July 2015. Prior to coming to Middlesex he was Acting Vice-Chancellor at The Open University and previously Pro Vice-Chancellor for Research and Quality.

Professor Blackman has extensive leadership experience in higher education. Having graduated from Durham, he returned to the University to hold positions including the Head of the School of Applied Social Sciences, Director of the Wolfson Research Institute and the Dean of the University's campus in Stockton-on-Tees. He has also served as Dean of the Faculty of Social Sciences and Law at Teesside University and Deputy Dean of the Faculty of Social Sciences and Law at Oxford Brookes University.

A Fellow of the Academy of Social Sciences and Royal Society of Arts, Professor Blackman has also served as an assessor for Social Policy and Social Work in the 2014 UK Research Excellence Framework.



**Professor Andrea Daska**  
Deputy Vice-Chancellor,  
Learning and Innovation

Andrea started at Middlesex University in April 2016 coming from the University of Surrey where she held the position of Pro Vice-Chancellor Learning and Teaching.

Previous positions include Director of the Joint Language Centre of the University of Zurich and the Swiss Federal Institute of Technology, which she established in 2002, and lecturer in German at Warwick University.

Andrea provides executive leadership to student success and the student experience and leads on the University's submission to the Teaching Excellence Framework. She also has responsibility for the University's three international campuses in Dubai, Mauritius and Malta.



**Katie Bell**  
Chief Commercial Officer

Katie Bell came to Middlesex University London in 2009 following a career in brand marketing, innovation and strategic planning for Nestlé UK and GlaxoSmithKline Consumer Healthcare. Her role before joining Middlesex was Vice-President of Global Digital Marketing.

She also worked for several years in Portugal and Spain, and was the Dean of the European University Business School in Barcelona and Madrid. As a member of the University's Executive team, Katie is accountable to the Vice-Chancellor for strategic leadership, management and development of the University in relation to home and international student recruitment, marketing and communications, alumni and external relations, international development, and academic and corporate partnerships.

She is also a Non-Executive Director for UCAS Media.



**James Kennedy**  
Chief Financial Officer

James Kennedy joined Middlesex University in 2016 and is responsible for strategic financial planning, capital investment and driving strategies to optimise the effective and efficient utilisation of resources and processes.

James has worked in a variety of different sectors, most recently as Chief Operating Officer with an NHS Foundation Trust.

Prior to this, James worked for 10 years at Thermo Fisher Scientific, a US quoted company, where he held a number of UK and European director level positions. James is also a member of the Institute of Chartered Accountants of Scotland and holds a master's degree from the University of Oxford in Engineering Science.



**Sophie Bowen**  
Chief Operating Officer

Sophie Bowen joined Middlesex University in 2016. Prior to this, she worked at St George's University of London as University Secretary and Director of Academic Administration and Quality. She also held a variety of roles at the University of Birmingham. Sophie graduated from the University of Oxford with a BA and MPhil (Research) in Sociology, and also gained an MBA from the Open University.

At Middlesex, Sophie is responsible for the management and leadership of the Planning Unit, Academic Registry, Computing and Communications Systems Services (CCSS), Human Resource Services, Governance and Regulation and records management.

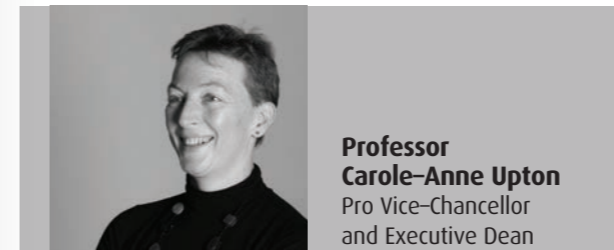


**Anna Kyprianou**  
Pro Vice-Chancellor  
and Executive Dean

Anna Kyprianou is Pro Vice-Chancellor and Executive Dean of the Faculty of Professional and Social Sciences, which comprises the Business School, the School of Health and Education and the School of Law.

Anna's areas of specialism are organisational behaviour and leading and managing people with a particular emphasis on the virtual organisation. She has worked with the strategic development of organisations and their leadership and management teams for more than 35 years.

For the past six years, she has been elected the Vice-President for the Chartered Institute of Personnel and Development's Membership and Professional Development Committee and also sits on the CIPD Board.

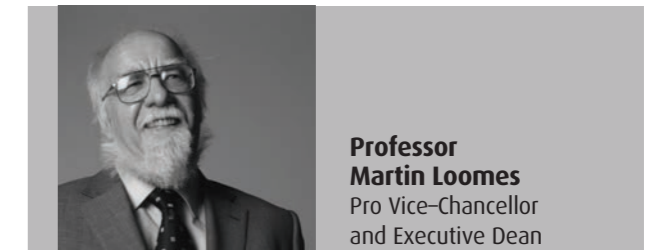


**Professor Carole-Anne Upton**  
Pro Vice-Chancellor  
and Executive Dean

Carole-Anne Upton is the Executive Dean of the Faculty of Arts and Creative Industries and she is responsible for grouping together the former School of Art and Design and the School of Media and Performing Arts.

Carole-Anne joined the University in 2012 as Dean of the School of Media and Performing Arts and Professor of Theatre. Prior to joining the University, she was Chair in Drama at the University of Ulster.

Carole-Anne has 20 years' teaching experience spanning directing, space and performance, liveness and documentation, modern Irish theatre, French classical theatre, Beckett, avant-garde performance and African and Caribbean theatre.



**Professor Martin Loomes**  
Pro Vice-Chancellor  
and Executive Dean

Martin Loomes is the Executive Dean for the Faculty of Science and Technology and Pro Vice-Chancellor for Research and Professor of Computer Science.

He has over 40 years of experience in education having taught mathematics and computer science at a wide range of levels. He has published widely and managed several large research grants over the years, nearly all collaborative with industry.

Martin's main area of interest is how people conceptualise problems and design solutions to problems using computer technology. This includes aspects of safety critical systems (where mistakes occur), machine learning (how aspects of problem solving can be automated), and systems engineering (how components are brought together to generate solutions).



# Academic structure

## Faculty of Arts and Creative Industries

### Sector-leading courses

Our Faculty of Arts and Creative Industries offers an exciting portfolio of courses, many with an outstanding reputation. In the past year alone, 12 of our courses scored above average in the National Student Survey with BA Fashion Textiles scoring 100% and BA Photography closely following with 96%. We are also leading the sector in the areas of Film Production and Photography and are ranked the first in London and the third in the UK. In the upcoming academic year, we are introducing two additional foundation degrees in English, and Creative Writing and Journalism – to further open the doors to higher education to those who may otherwise not have the option.

### Cutting-edge facilities

We have made significant financial investments in our facilities in recent years. This investment in high tech equipment includes the development of our industry standard TV, radio, motion capture and sound recording studios, editing suites, digital media labs and performance spaces. We also provide our students with access to our animation studio, with fully equipped state-of-the-art technology including a large number of lab computers and a new 80-workstation digital media workshop.

Our animation facilities are among the best in the country and are built to professionally approved specifications. Our 3D Animation and Games BA is well resourced with over 60 workstations equipped with the latest software. It also has comprehensive Virtual Reality support with access to HTC Vive Headsets, Oculus Rift Consumer Version with Oculus Touch, Playstation VR and Gear VR, as well as the dedicated use of a Vision Motion Capture Suite. Our broad suite of equipment ensures that our students are learning in a stimulating environment, which successfully prepares them for their future careers.

### Award winning students

We have enjoyed continued successes over the past year both at home and overseas. Our MA Film students worked closely with the Metropolitan Police to produce *Louder than Hate*, a film highlighting the importance of women of different faiths to come together and tackle knife and hate crime

and our Television Production students won an Edinburgh International Television Festival Award for their competition show idea, *The Switch*. Our students also had an impact abroad with Film students taking home a whopping seven awards at the Dubai International Film Festival.

### Staff making a difference

Dr Neelam Raina, one of our professors in Design and Development, was awarded a grant by AHRC-ESRC for her research into *The Value of Culture in Conflict* working with a local NGO, SABAH, in the Neelum Valley to support women's entrepreneurship. Dr Raina's work has already empowered many women to develop their craft so they can generate sustainable incomes for their families. This inclusive and locally-led approach to alleviate poverty was made possible through training, peer-to-peer learning and knowledge exchange with other practitioners.

Professor in Professional Practice, Dr Yasmin Alibi Brown, was honoured by the Asian Media Awards this year with an Outstanding Contribution to Media award. She was also nominated for the second year running for the Press Awards Broadsheet Columnist of the Year. These awards are run by the Society of Editors and Dr Brown was recognised for her far reaching and wide-ranging work on social issues, equality and Muslim culture throughout the UK.

### Working in partnership

We continue to strengthen both our academic and corporate partnerships and recently saw the completion and presentation of a Heritage Lottery funded project by our Illustration programme in collaboration with the the Royal Air Force (RAF) Museum. To celebrate the RAF'S 100th anniversary, staff and students created a webcomic anthology exploring the history of the local area (Hendon) and bringing it to life through a series of animated stories.



“ Over the past year alone, 12 of our courses scored above average in the National Student Survey with BA Fashion Textiles scoring 100% and BA Photography closely following with 96%.



# Faculty of Professional and Social Sciences



“ With the recent focus on mental health across the sector, we were delighted to be awarded the Think Ahead grant for mental health and social work training at postgraduate level.



## At the heart of human rights

Our Faculty of Professional and Social Sciences – made up of the Business School, School of Law and School of Health and Education – continues to focus on social justice and making the world a safer and better place for everyone. The European Human Rights Advocacy Centre (EHRAC), which sits within the School of Law, launched a project to promote and restore international legal standards in Crimea working with its Regional Centre. Professor Laurent Pech, Head of the Department of Law, was awarded a Horizon 2020 fund earlier this year to lead research on the significance and challenges to the rule of law in the EU, which will form part of an overall project entitled *Reconciling Europe with its Citizens through Democracy and the Rule of Law*. This four year research project is working alongside 18 international partners. Additionally, our Professor of International Politics, Brad Blitz, was recently named among the top 100 influencers for his work on highlighting the issue of modern slavery and human trafficking in Britain and beyond.

A three-year Erasmus+ funded research project working with Gypsy/Roma children based in our Education department has had a positive impact on school achievement and attendance across England, France, Finland and Romania. We also partnered with the British Academy to fund an education project led by Associate Professor of Education, Lee Jerome, to develop classroom deliberation on controversial issues and deepen the understanding of the human rights principles underpinning them. This project was made possible by the Department for Education which funded the production of educational resources for schools to promote this important work.

## The past and future of healthcare

One of our PhD students, Nichole McIntosh, was a finalist in the NHS Windrush 70 Awards for his research into the hospital experiences of stroke patients in London from Black Caribbean backgrounds. As well as looking at healthcare practices in the past, we also recently launched a new simulation learning environment equipped with the latest augmented reality technology so our midwifery students are acquiring the skills they need for their future careers right here on campus. We also entered into a Department for Education funded teaching partnership with the London Boroughs of Hackney, Barnet, Enfield and Haringey along with Norwood to ensure excellence in social work education and practice earlier this year. Norwood is the UK’s largest Jewish charity supporting children, families and people with learning disabilities and autism. Working together, we are improving the training, recruitment and retention of social workers across North London while enhancing innovation and creativity in the workforce through knowledge exchange.

With the recent focus on mental health across the sector, we were delighted to be awarded the Think Ahead grant for mental health and social work training at postgraduate level. We believe social work plays an essential role in the development of mental health services to improve the experience for service users. Through our work with York University and the University of Central Lancashire, we continue to bring innovation to social work education.

## Supporting social mobility

We are deeply committed to boosting social mobility and Dr Julie Haddock-Millar, our Associate Professor of Human Resource Management, published a study *Exploring the impact of voluntary business mentoring on young entrepreneurs* in partnership with Accenture and Youth Business International – who aim to equip three million young entrepreneurs by 2020 with the skills to get a job or build a business. This important research helps to provide an understanding on the impact of our voluntary business mentoring on young entrepreneurs, and to use the lessons learned to raise standards in this area.

## Continuing conversations

We hosted a number of events over the past year addressing topical issues from mental wellbeing to the buzz of fake news. Our annual pet therapy mindfulness workshop drew attention to personal stories on brain injury rehabilitation and how to be more ‘bouncebackable’. We also held the Society for Advancement of Behavioural Economics Conference on campus with speakers from around the world presenting research on the role of hormones in financial decision making, the rise of fake news, and behavioural health economics among other hot topics. Additionally, our MDX Distinguished Lecture Series continues to go from strength to strength with several talks taking place on campus throughout the year and many more planned for 2019.



## Faculty of Science and Technology



### A broader portfolio of STEM

The shift from schools to faculties in the past few years has meant the long-term position of Science, Technology, Engineering and Maths (STEM) has been considered and developed holistically on campus. We have broadened our portfolio to include new areas such as nutrition, pharmaceutical chemistry, data science and psychological therapies and interventions – which have all recruited well. Additionally, we have a robust review process in place to ensure the continuous development of innovative learning so our diverse student body is more employable upon graduating.

We have also successfully differentiated the modes in which we offer degrees, providing more choice for applicants. Innovations to our curriculum will continue and we will be launching the following new courses in the next academic year:

- Apprenticeships in Computer Science and Natural Science
- new degrees with integrated placements in Computer Science
- a foundation year in Sport.

### Impacting society for the better

We continue to develop strong links with a number of partners to enable us to reach potential students who might not otherwise consider a university education. We have undertaken a great deal of outreach activity with schools and communities across the country. Our STEM Festival is becoming a well-established date in the local calendar and this year we engaged with six schools and nearly 200 pupils, as well as over 100 members of the local community. The Festival gave young people the opportunity to explore STEM subjects through a variety of interactive activities and demonstrations, with the aim of inspiring them to become the scientists, engineers and mathematicians of tomorrow. We also delivered a strong presence at New Scientist Live and engaged with 71 local schools when the interactive STEM FAIR travelled to Thorpe Park, Surrey. Student involvement is a critical element of our outreach work, enhancing confidence and communication skills.

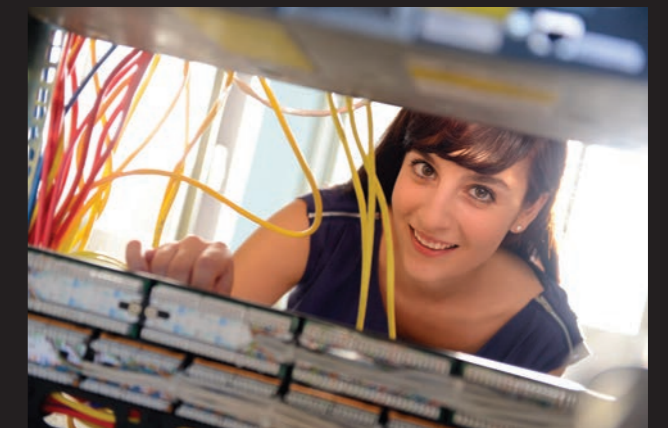
### Research that transforms lives

Earlier this year, the Engineering and Physical Sciences Research Council (EPSRC), announced support for 28 pioneering projects across the UK as part of the Year of Engineering. Our professor of bio-modelling and informatics, Richard Bayford, was awarded a Bright Ideas research grant to investigate nanoparticle imaging as a method for drug delivery and cancer therapy – making us one of 17 universities to be awarded a grant. Professor Bayford is building on previous studies in imaging and cancer therapy and is investigating nanoparticles for the first time.

Dr Fabia Franco, one of our senior lecturers in psychology, is leading on research investigating the benefits of music therapy on cognitive function in partnership with the University of Padua, University College London and École Normale Supérieure in Paris. Funded by the Society for Education, Music and Psychology Research, the project will work with 400 adults and use a novel neuropsychological Music Cognitive Test to assess their cognitive functioning.

### Building competent and confident students

Through our distinctive practice-based approach to learning, our students are not only developing adequate skills for the workplace but they are building the confidence they need to take their ideas forward. At the launch of London Tech Week, some of our students from Mechatronics made an impression on the London Mayor, Sadiq Khan, helping him program a robot to drop a toy car onto a stunt track. We were one of three universities – and the only non-Russell Group university – selected to exhibit their innovative work in technology. Our students in Design Engineering and Maths also had the chance to impress with their ideas through their work with acclaimed designer, Moritz Waldemeyer, on an interactive display for the EditToronto 2017 exhibition at Canada's Design Exchange.



“ Strong links are being developed with a number of partners to enable Middlesex to reach potential students who might not otherwise consider a university education.



# Review of operations

## Learning, teaching and assessment

### Signature pedagogies

Our signature practice-based teaching and assessment practices aim to support students whose educational histories and learning styles vary significantly. We have an Annual Monitoring and Enhancement process, which reviews performance at the programme level to ensure continuous improvement of the student learning experience. We highlight examples of innovative and creative teaching, and offer opportunities for programmes to share good practice. We work closely with our award winning Students' Union to continually enhance academic and professional support and build a sense of belonging and engagement.

Last year, our Students' Union won the first ever Students' Union of the Year award and were recognised for the commitment to champion the student voice and for their work in the local community, supporting vulnerable people and those from advantaged backgrounds.

### Practice-based learning

Our hands-on approach to education is a Middlesex strength. Our students learn advanced skills through doing, making and experience. Working on real-life projects, our students apply their knowledge to solving problems and gaining the skills and experience that employers are looking for. Students experience a distinctive learning environment at our London based campus with its industry and professional standard facilities and there are opportunities for students to take their learning out of the classroom – through placements, internships and projects. Many of our students and staff also work with voluntary and community-based organisations helping to tackle societal issues whilst gaining invaluable skills and experience in the process.

This practice-based learning approach is embedded in courses across all faculties of the University. A recent example includes one year long work placements for our undergraduate accounting students within finance departments in the NHS. Five of our students are completing this placement in 2018. Our law students are also exposed to real-life work situations and have a positive impact on the local community through the School of Law's Legal Advice Centre, which offers free advice to Barnet residents and University staff. A team of law students are trained to work in the centre and they staff and operate a system for making appointments and conduct initial interviews with clients before they meet a solicitor.



A crucial part of practice-based learning is having the right facilities – the latest technological equipment that meets industry standards – for students to try their hand at. Our campus offers just this and our students learn in the best equipped labs, studios and workshops. Take our Ritterman building for example, which opened its doors in the 2017/18 academic year, and boasts some of the finest technology in a modern environment, designed to stimulate curiosity and enable collaborative work across disciplines. It's in this very building that the UK's first cyber factory was launched, and where students are being taught every day in what is essentially the factory of the future.

Our approach to teaching goes beyond just skills and gives our students the confidence they need to be innovative – to make and create fantastic work. Recently, BA Animation students created a film encouraging the UK public to pay their TV licence, which won a prestigious prize and a national recognition. This wouldn't have been possible without students having access to all the equipment they need right here on campus.

### Sector-leading peer support

From evaluation and student feedback we are aware that peer support inside and outside the classroom offers particular benefits to our students. We have therefore invested further in our sector-leading Student Learning Advisor (SLA) scheme, which was highly commended in the statement of findings for our Silver award in the Teaching Excellence Framework. Over 300 students with good module grades are trained and paid to provide coordinated peer learning support across programmes. This year's evaluation confirmed the very positive student response to the scheme. 84% of students

replied that SLA support had a positive impact on their assessment grades and 80% reported that SLA support had contributed to students embracing new ways of learning. SLAs themselves report that being employed in this way provides them with valuable skills which bring advantages when they start their careers.

### The diversity dividend

We appointed a Diversity Lead to develop resources and workshops to support academic colleagues with methods and approaches that use the diverse backgrounds and perspectives of our students as a resource in teaching and learning. This work has contributed to Middlesex University becoming the first UK university to be awarded a Corporate Gold/Embedded Charter Mark by equality, diversity and inclusion specialists UK Investor in Equality and Diversity (UKIED). Our approach to diversity teaching includes a final year undergraduate EDI module, where students work on internal research or on developing diversity toolkits for partner organisations' blue-chip clients including the Big Four accounting firms KPMG, Deloitte, PwC and Ernst & Young. A number of businesses have recruited graduates who have previously worked with them on diversity initiatives and the Ministry of Justice, which has put in place a social mobility framework to attract and retain diverse talent, is developing an internship programme designed specifically for our students.

### Well-rounded graduates

As part of ongoing enhancements to the curriculum, a set of graduate attributes has been embedded across all programmes, including digital literacy, cultural competence and creativity. A further aim is to develop our graduates into strong communicators and effective team players.

The Language and Culture Exchange, which launched in 2017/18 has been very popular. More than 500 students have joined the scheme which encourages them to form tandem learning pairs in order to learn about other cultures and improve their foreign language skills. A highlight was the Chinese New Year celebration in February which saw many activities prepared by our Chinese pre-sessional students to raise awareness of Chinese culture and traditions.

A new co-curricular initiative to be launched in 2018/19 will focus on getting ready for the world of work. MDX Advantage will encompass a mix of online and face-to-face

activities including networking opportunities with alumni and employers and application 'bootcamps'.

### International opportunities

Promoting 'Internationalisation at Home', we embed a range of international activities in our curriculum and co-curricular provision. We participate in the Erasmus+ scheme and have steadily increased the number of students and staff who undertake funded and well-supported opportunities to study and work across Europe. We believe that international experiences and placements will build our students' confidence, networks and employment opportunities. As part of our pledge to the Universities UK International 'Go International: Stand Out' Charter, we have committed to increasing the number of students from disadvantaged backgrounds who study, work or volunteer abroad.



# Research and business

## Research

We had some notable grant successes including an EPSRC grant for £245k awarded to Professor Richard Bayford for research into a nanoparticle imaging method for drug discovery and cancer therapy in humans, and a grant of £293k awarded to Professor Laurent Pech for his contribution to a Horizon 2020 project to study *Reconciling Europe with its Citizens through Democracy and Rule of Law*. We also concluded our Visual Analytics for sense-making in Criminal Intelligence Analysis (VALCRI), where we led a consortium of 18 international organisations to develop a tool to analyse and investigate criminal activity and are currently exploring opportunities for commercialisation of this €13 million project.

In addition to grant income, a further important element of our strategy is that:

“Our research, practice and knowledge exchange will have real-world impact and enhance our external reputation as an applied institution engaged with tackling complex issues to improve lives.

To this end, Dr Neelam Raina and Professor Brad Blitz have recently been appointed to highly prestigious positions where they will act as powerful role models for our students.

Dr Neelam Raina, an Associate Professor in History of Art Design and Visual Culture was appointed by UK Research and Innovation as one of only nine national Challenge Leaders to the Global Challenges Research Fund (GCRF). The GCRF is a £1.5 billion fund and part of the UK's Official Development Assistance's (ODA) commitment to develop innovative solutions that will improve the lives of people around the world.

Professor Brad Blitz has been appointed as the UK Aid Director to manage the British Academy's research programme to tackle slavery, human trafficking and child labour in modern business programmes. This is a fully funded partial secondment for the next three years and a strong endorsement of his world-leading reputation for research into this global problem.

We have already started preparing for the forthcoming REF assessments and all of our faculties now have working groups in place. We aim to increase our activities from the

start of the upcoming academic year following publication of key documents that will define the criteria and processes in a much greater detail. These include a Code of Practice which will guide our internal processes for the preparation of our submission.

While the government has announced a commitment to increase the UK's investment in research and development to 2.4% of GDP by 2027, and in the future to 3%, the environment for research grant applications remains very competitive and current Research and Development expenditures increased only very slightly since 2015. Brexit, moreover, will see a reduction – in the short run at least, depending on the government's plans beyond the transition period – in EU collaborative research grant funding. We are therefore careful to engage where we can in research which, as the Universities Minister recently said, is not 'disconnected from the wider world'. Our ambition remains to at least maintain our current level of quality-related research funding in the next REF while ensuring that the research we do has a positive impact beyond our walls and benefits our students.



## Knowledge exchange

We have made good progress towards our commitment to grow knowledge exchange between 2% and 4% as highlighted in our five year strategic plan (2017-2022). By using knowledge exchange to underpin a range of courses, we're hoping to attract more students, and increase their employment prospects upon graduating. We continue to have a real-world impact through our work despite facing challenges where many of our clients operate in a low growth economy under great uncertainty.

This year, we have worked on over 100 projects – both large and small and across faculties – as a result of competitive tendering, grant funding and commissioned work. In addition, we continue to get revenue from many knowledge exchange projects in Continued Professional Development (CPD), contract and collaborative research and in regional regeneration. We have a healthy mix of short term and long lived projects of varying sizes, which makes us sufficiently confident that we can weather a period of low growth and austerity.

## Current knowledge transfer projects

From human rights to nanoparticle imaging, our knowledge transfer projects are wide-ranging in the areas they cover. New work this year included training led by Dr Venetia Brown for Health and Education England on the General Practice Nursing Continued Professional Development update series, contract research at the European Human Rights Advocacy Centre (EHRAC) supporting human rights in Ukraine, and a new Knowledge Transfer Partnership with Gluru, a company that develops a machine learning platform for mobile users. Dr Marcus O'Dair's new project is funded by the Tapscott Foundation and focuses on copyright and rights management in the Blockchain Era, while Dr Elana Martellozza undertook commissioned research work on child sexual abuse typology development to support better interventions, tracking and management.

## New strategic partnerships

This year we have seen growth in the number of partnerships – both public and private organisations – with relationships being strengthened across the UK and beyond. For instance, we have begun work in gamification led by Professor Juan Augusto and the evaluation of health status benefits of leisure participation led by Dr Carmen Aceijas in partnership with Greenwich Leisure Services Ltd. We also anticipate the development of more partnerships building on similar approaches from past years in healthcare, social work and mental health.

## Impact beyond campus

More than ever before, universities are being asked to show their research has a wider impact. We continue to produce direct benefits to society through our knowledge exchange projects. Examples of this include the implementation and evaluation of the Q Pack self-report questionnaires for children in care, the development of a midwifery mentorship course for Barking; Havering and Redbridge University Hospitals NHS Trust and contract research for the Jewish Leadership Council.







Many of our projects result in material that's available publicly. For example, our knowledge transfer work on suicide by Dr Lisa Marzano produced a website allowing those with suicidal thoughts to record them for use in research ([www.thequeststudy.org/](http://www.thequeststudy.org/)). This important piece of work was commissioned by Samaritans and involved researchers at both Middlesex and Westminster, who collected anonymised verbatim accounts with the aim of finding ways to reduce and prevent suicide attempts. Our research can often produce patentable or otherwise exploitable intellectual property. We recorded several new patent filings this year including one on nanoparticle imaging intended to build on an evolving capability to combine scanning and imaging modalities with nanoparticles for better, lower cost and non-invasive medical imaging. This was developed with Professor Bayford and partners at University College London.

We also developed our 'knowledge building community', which allows practitioner-learners to share insights into practice development and effectively generate their own CPD. This novel approach to professional development funded by Health Education England through My Care Academy is a vital area of healthcare where practitioners are able to sharpen their skills in a virtual classroom.

## Knowledge Exchange Framework (KEF)

Other important developments this year include the recently formed Research and Knowledge Exchange Committee's (RKEC) preparation for the Knowledge Exchange Framework (KEF). Similar to the Research Excellence Framework and the Teaching Excellence Framework, KEF will serve as a requirement for universities to frame perceptions of their comparative performances. The KEF will require real-time reporting of knowledge exchange transactions, more transparency on classifications of types of knowledge exchange, and a recognition that different institutions should be allowed to play to different strengths.

## Student numbers

	London campus – home and EU students	16,517
	London campus – international students	2,707
	Dubai campus	3,273
	Mauritius campus	974
	Malta campus	175
	Collaborative	13,499
<b>Total</b>		<b>37,415</b>

## Student experience

### Focus on student wellbeing

An area of substantial financial investment and strategic intervention is a proactive approach to student mental health and wellbeing. Researchers in our Psychology department and student representatives are involved in the development and evaluation of projects in this area. The Wellbeing Framework will see the implementation of a comprehensive, mainstreamed wellbeing programme with targeted events, initiatives, online self-guided materials and information for students with psycho-educational needs, mental health conditions and a range of other disabilities. A post has been created specifically to support faculties and students in developing proactive peer-led initiatives over the next two years.

### Personalised learning and support

Our personal tutoring scheme was implemented in 2017/18. All students in their first year of study were assigned a personal tutor to support their academic progress, personal development and plans for the future. Personal tutors have access to engagement data to ensure they are able to support their students to engage with the wide range of learning opportunities available to them to achieve their best. We created two new posts to develop with each department meaningful engagement metrics relevant to the patterns of engagement in a discipline area.

To ensure students receive learning support both before and after timetabled teaching sessions, all modules offer additional online support and learning activities using a range of media. Thresholds have been set for all modules, with training and support available for developing digital module resources. Student feedback indicates that students value in particular the opportunity to learn at their own pace outside the classroom and ask questions in an online forum. Providing module content in multimedia formats is also part of our inclusive curriculum project which ensures learning resources are accessible to all students.

### Student Success Festivals

We offer an extensive range of academic and wellbeing support and encourage students to engage with these opportunities in a variety of ways. To raise awareness of the support available and break down barriers to accessing services, Library and Student Support host Student Success Festivals, interactive fairs designed to encourage students to make the most of their time at Middlesex. Under the heading 'Be a wise owl', the November festival employed birds of prey to draw students in and highlight the importance of good study practices and the support available to enhance study skills.

Student satisfaction with our learning resources remains high following significant investment in this priority area. In addition to free printing for all students, our free eTextbooks scheme continues to garner highly positive feedback from students. Following an extension to the project with a range of interactive materials we are piloting and evaluating further functionalities, also with a view to developing digital literacy.



# Employability

## Flexible work-related opportunities

This year we have seen our highest ever graduate employment rate in the Destinations of Leavers of Higher Education (DLHE) survey, with 90.6% of Middlesex respondents in employment and/or in further study. We are committed to giving our students the opportunities available and tools they need to turn their potential into career success. Key to this is access to work-related opportunities from the first year of study. Students can choose from a range of options, including mentoring through our dedicated alumni, projects embedded in the curriculum and work placements of varying lengths. We work with employers, charities and government to secure challenging and rewarding experiences linked to the world of work. One such collaboration is with the Ministry of Justice with whom we have developed month-long internships which give our students insight and experience of working in the civil service. An increasing number of employers are looking to work with us to diversify their workforces. They are invariably impressed with the calibre of our students and have created placement schemes exclusive to our students.

## New employability support initiatives

We have developed a range of exciting new opportunities for our students.

**MDXcel:** a project-based learning initiative that facilitates multi-discipline, multi-cultural team-working on real-life, client-driven projects.

**MDXcelerator:** a pan-University programme of progressive support, activities, mentoring and incubation for student start-up businesses.

**MyMentor:** a mentor-mentee matching platform to facilitate student access to alumni and external partner mentoring and coaching.

**SLA – Get Involved:** a programme of workshops aimed specifically at year one students to promote work experience opportunities, wider extra-curricular activities and our support services. This is co-delivered by MDXworks employment advisors and Student Learning Advisors.

## Work opportunities within the University

In February 2017, we became the 13th UK institution to join Unitemps. This franchise model offers students an on-campus recruitment agency dedicated to finding them paid, part-time work within their own university.

Unitemps has been a resounding success, providing over 102,000 hours of paid part-time work for students on campus. This equates to approximately £1.35m worth of hours billed and demonstrates how Unitemps provides invaluable work experience for our students and a unique opportunity for them to 'earn while you learn'. Unitemps continues to support the recruitment and management of specific student groups including over 350 Student Learning Advisors and the MDXSU Community Placement scheme.

Unitemps MDX is moving into a new phase as it extends the recruitment offer beyond the campus and out to the local London Borough of Barnet. This will not only increase the work experience opportunities for our students but also offers further opportunities for the University to work with local business and organisations.

## Employability support for life

The on-campus space in the College building is a student-centred drop-in zone where students receive support with developing their employability skills and career development. Following a review of the service in line with the strategic objectives of the University, we have substantially increased the on-campus capacity to deliver tailored one-to-one employability support and extended our outreach to local and national employer networks. We have also developed a tailored and specific programme of support for early years alumni. All Middlesex alumni continue to have access to online support and advice for life via the interactive [mdxworks.com](http://mdxworks.com) portal.

“ MDXworks helped me find a placement during my final year of studies. The team was very responsive and their personal approach made me feel like they cared about my success. I would definitely recommend the service to everyone who wants to develop their career.

**Ineza Grabowska**  
BA Music Business and Arts Management graduate

# Success stories



“ The advice provided has been tremendously helpful throughout the time I was looking for a placement. Finally I am working my dream job at Rolls-Royce.

**Povilas Urbonas**  
BSc Computer Science

“ A university without any exams - instead nearly all project based learning. Inspired by my visit to Middlesex University. I was sceptical about how this could work in practice but I would opt for a candidate who could talk me through how they built a laser etching machine from scratch over a percentage degree mark any day.

**Adam Cartwright**  
Head of Open Innovation, Siemens

## Choosing a career in Human Resources – Runako Munyoro:

Runako is a final year BA Human Resources Management student with a real passion for people. Over the course of two years, she has secured and completed a number of HR internships including placements with Dorchester Collection (hotels), Sky, and Global Student Accommodation (GSA). In addition to her HR internships, Runako has also been a very active member of the Middlesex University community as a student voice leader and HR programme ambassador. Runako believes that her internships and networking are the key to developing a career in HR.

## A Placement Year in Clinical Neuropsychology with Katarzyna Marek:

A final year BSc Psychology with Neuroscience student, Katarzyna is currently on a 12 month clinical placement in the Acute Stroke Unit at St George's hospital and Neuro-rehabilitation Unit at Queen Mary's hospital gaining invaluable in-situ experience in an emerging field of medical care.

# People and culture

Our 1,768 members of staff at our campus in Hendon account for 52.8% of our total income (£108.0m), which we are looking to scope and shape through our People Programme. The People Programme combines two objectives:

- Ensure we have the necessary capability – skills, knowledge and capacity – in every area to deliver our Strategy (2017–2022) and strengthen our position in the long term.
- Align staff costs with our resourcing needs over the next three years. This will strengthen our long-term financial sustainability and improve our ability to invest in market opportunities while also responding to any external challenges.

Our People Programme is a cross-institutional programme that involves all members of staff both in academia and professional services. The initial phase of the programme began in January 2018 with alignment reviews of each unit running over two rounds during the period ending in June 2018, which will be followed by an implementation period of two years. These reviews have been conducted by our Leadership Forum made up of heads of departments and senior managers with support from our Human Resources, Finance, Planning, Business Enhancement and Marketing teams. We aim to continually review, shape and develop our members of staff to ensure we have the roles, skills and behaviours we need to deliver against our five year strategy and beyond.

The People Programme is running alongside a number of other initiatives from our Strategy including new ways to collaborate and improve performance and talent management. We have development programmes in place to allow our members of staff to grow both personally and professionally.

We are deeply committed to equality and diversity because we understand that people perform better when they are able to be themselves. We have four staff led equalities forums: LGBT + Everyone Else; Race, Religion and Belief; Gender; and Disability and we are pleased to be in the top half of all employers involved in Stonewall’s 2018 Workplace Equality Index. Stonewall is the largest LGBT rights charity in Europe and their Workplace Equality Index provides an important benchmarking tool which enables us to assess our progress on LGBT equality, demonstrate evidence of our achievements and highlight areas where there is room for improvement. Each participant must demonstrate their expertise in 10 distinct areas of employment policy and practice, including networking groups, career development, training and

community engagement. In 2018, we climbed an impressive 86 places since our first entry in 2018.

### Belonging and performance

Our People and Culture Plan, which came into effect last year as part of our five year strategy, prioritises staff engagement with specific objectives to continually gauge, analyse and respond to the factors that have the greatest impact on levels of employee engagement, belonging and performance. Our 2017 engagement survey helped us to understand how our members of staff perceive their working environment and more importantly how we can enhance their experience. With a high response rate, we will continue to measure the overall success of our People and Culture Plan through our composite engagement index. Going forward, we will focus on three overarching themes – management of change, contribution and career and working environment – which have been identified as key areas for improvement in the survey.



# Trade union activity

The Trade Union (Facility Time Publication Requirements) Regulations 2017 require the University to publish information on trade union facility time annually.

The table of data for the reporting period 1 April 2017 to 31 March 2018 is as follows:

Table 1 – Relevant union officials

Number of employees who were relevant union officials during the relevant period	26
Full-time equivalent employee number	23.5fte

Table 2 – Percentage of time spent on facility time

Percentage of time	Number of employees
0%	0
1 – 50%	24
51 – 99%	1
100%	1

Table 3 – Percentage of pay bill spent on facility time

	Figures
Total cost of facility time	£230,879
Total pay bill	£110,700,000
Percentage of the total pay bill spent on facility time	0.21%

Table 4 – Paid relevant trade union activities

Time spent on paid trade union activities* as a % of total paid facility time hours	5.25%
Time spent on paid trade union duties** as a % of total paid facility time hours	94.75%

\*Activities encompass such things as branch meetings, elections and conference attendance

\*\* Duties encompass such things as casework, representation of employees



## Estates and facilities



Mauritius campus

### New Mauritius campus

We have reinforced our position as a global university with the official opening in October 2017 of a new, state-of-the-art campus on the island of Mauritius. Developed in partnership with the Medine Group and situated in the seaside town of Flic en Flac, the campus is now home to around 1,000 students from 30 countries and features a range of cutting-edge facilities. The new campus is designed to accommodate approximately 2000 students. It features three lecture theatres, flexible learning spaces, a laboratory block containing computer, biodiversity and psychology labs, and specialist IT facilities including CISCO Networking and robotics. There is also a dedicated space for student support and administration, as well as a student house for clubs, societies and downtime. Additionally, students and staff have access to a brand new sports complex with a 50m Olympic-sized swimming pool, football and rugby pitches, and a gym and fitness centre.

### Expanding and improving learning spaces

In London, we are working with Saracens Rugby Club who are building a new stand at Cophthall stadium; as part of this building programme, we are developing new state of the art facilities for the London Sports Institute and our Natural Sciences Department who, it is planned, will be sharing this space. We are aiming to open in the 2020/21 academic year. This new West Stand is being funded by a loan from the London Borough of Barnet and plans have already been approved by the Council and the Greater London Authority.



The Grove Atrium



Williams building



Hendon Public Library

### Hendon Library

As we have all of our facilities on one campus, we needed to look to the local area to expand our teaching and learning spaces. We have recently taken a 15 year lease on the first and second floors of the Hendon Library, where staff can book additional spaces equipped with technology – building on the pilot spaces that were created in our College building in 2017. The Hendon Library is now part of our campus landscape, where students can access a range of academic learning support from our Learning Enhancement Team, Student Learning Advisors and Librarians.

Over the past year, we have made considerable investments to improve the environments where our students learn and socialise in. We invested £200,000 into our Grove building to improve the quality of air, workflow, safety and the equipment available to students with further £800,000 to support the growth of technology and illustration subjects. Additionally, we converted 10 standard classrooms into collaborative style rooms with four round tables seating a total of 32 students per room. Each room is now equipped with new AV desks connected to five LED screens placed around the room, where the main screen is operated by the academic/facilitator and the content is replicated onto the other four screens. These screens can also be used independently for project and group work.

We have renovated our Williams building which now has new offices for the Department of Adult, Child and Midwifery Nursing as well as tutorial rooms for staff to meet with students. We modernised the corridors and entrances and relocated members of staff to bring departments together.

To transform the learning experience of our nursing and midwifery students, we have made a £150,000 investment in new technology. Using augmented reality midwifery, neonatal and anatomy equipment our students can learn and refine their skills in our state-of-the-art four bed simulation ward. The new equipment includes an animatronic baby mannequin, life-like models of a birthing mother and baby and a torso that uses 3D technology to enable students to better understand ultrasound scans and human anatomy.

# Information technology

Through MDXapp, our students can stay up-to-date with the latest campus news including any changes to the services they use every day. Since its launch in the 2017/18 academic year, MDXapp has already seen over 19,000 downloads. With so many students using the app daily, we further developed it to provide transport information and guidance to first year students and are looking to include information for easy access to the library, feedback from modules and exam schedules.

We believe collaboration is a key ingredient to our creativity and to drive collaborative working practices we have rolled out Skype for Business and Dropbox so members of staff can work together more efficiently. To further enhance our productivity, we are also exploring new ways of collaboration using Microsoft Teams.

As part of our ongoing commitment to ensure our systems remain compliant with external requirements and supplier software releases, we upgraded our Payment Systems to meet PCI compliance, migrated all our staff computers to Windows 10 and started to upgrade our Student System to retain supplier support.

To improve our cyber security, we introduced new systems to detect and protect against phishing attacks, systems vulnerabilities and anonymous behaviour across our network. Strengthening our cyber security continues to be a priority given the rapid growth in the number and sophistication of threats.

Our new Library System which is due to launch later in 2018 has more attractive modern user interfaces that are better suited to the needs of students with disabilities and is more effective in searching for online resources (e.g. journals at the article level). It also seamlessly integrates the library catalogue with MDXapp so students are able to automatically renew their loaned books (unless reserved by another student).

Over the coming year, we will commission a supplier to review the design of our data and phone network as well as implement a new system to improve student module feedback and our operational reporting.



“ It is modern and smart.

BA Accounting and Finance student

“ It’s really useful! Everything I could ever need in one place!

BSc Psychology student

“ It’s really useful, I am able to access all my learning resources really quickly.

BSc Computer Science student

# Partnerships

## Corporate partnerships

We work closely with local, regional and national employers to understand and respond to skills needs through the West London Alliance, London First, the CBI and other networks and collaborations. We continue to offer bespoke work-based training to staff at partner businesses including BT, Mitsubishi Electric, Royal Mail, SAP and Worldpay.

In the last year alone, we hosted a range high profile events for businesses including the Business to Business (B2B) workshops that introduced GDPR and the SME Boost sessions in partnership with NatWest and Santander. In autumn 2017, we published a further three business research reports with the British Chambers of Commerce and Industry looking at the impact of the National Living wage, Pensions and the Apprenticeship Levy.

A significant development in the sector since April 2017 has been the introduction of the Apprenticeship Levy and a change to the Apprenticeship funding system. Following this, we began work with employers in a variety of sectors on the development of Degree Apprenticeships. These allow partner employees to study with us at either an undergraduate or postgraduate level, and develop the skills they need for their positions. The Confederation of British Industry and the London Chamber of Commerce and Industry have been valued supporters of our work and help increase the visibility of our developments. Growing this area of work has involved strengthening existing relationships with employers to best meet their needs.

“ By working with the Corporate Engagement Team, we have been able to break down barriers and achieve real sector impact.

Dr Phil Squire, CEO, Consalia



“ The uniqueness of Middlesex University is their willingness and initiative in going out to business rather than waiting for business to go to them.

Subhash Thakrar, Deputy President, London Chamber of Commerce and Industry



### Centre for Apprenticeships

We have been involved in developing and delivering apprenticeships since 2011 but the implementation of a national apprenticeship policy is now presenting major opportunities for growth, particularly in the public sector. Given the national shortages of teachers, nurses, social workers and police officers, the scale of opportunities are significant.

We established the Centre for Apprenticeships and Skills in 2017 in response to the growing focus on higher and degree apprenticeships with £4.6million total contracts income to date. The Centre provides a single point of contact at the University for employers, and has dedicated staff to drive our apprenticeships strategy.

We currently offer: Police Constable, Registered Nurse, Nursing Associate, Healthcare Science Practitioner, Teacher, Construction Management, Chartered Manager, Digital Technology Solutions Professional, Business to Business (B2B) Sales Professional and Academic Professional degree apprenticeship programmes. Other apprenticeships including Social Worker, Senior Leader and Accountancy Professional are in development and due to be launched in 2019.

One key area that we are working on is professional sales and we have launched a new B2B Sales professional degree apprenticeship and have a first cohort of around 20 students from Royal Mail and BT. We were part of the Trailblazer group that developed the standard for the apprenticeship and employers contributed to the development of the course by providing materials to support workplace mentoring. We have also formed a consortium to share best practices across universities as part of the Police Constable degree apprenticeship which necessitates liaising and establishing best practices across various geographical points of the country.



### Academic partnerships

We have an impressive portfolio of partners with a total of 90 around the world. Our ambitious plans to significantly increase our partnership activities include targeting the UK, Europe, Asia and Middle East markets with a strong focus on our core academic areas: digital technology, health and education, and the arts and creative industries.

Over the past year, we focused our efforts on growing our existing partnerships to ensure we have shared values to prioritise our students – their learning experience, their achievements and their employment prospects. It's important to us to develop strategic partnerships that enable more students around the world to access higher education and embark on fulfilling careers.

With the support of our partners – both private and public – we have programmes running in 22 countries around the world. Together we offer a mix of franchised, validated, joint and distance learning programmes and almost half of our students are studying at one of our three overseas campuses – in Dubai, Mauritius and Malta – or with one of our international partners.

To best meet the needs of employers, we are increasingly working with the FE sector. We have established a strategic partnership with Capital City College Group (CCCG). CCCG is made up of three large FE colleges (City and Islington College, Westminster Kingsway College, and the College of Haringey, Enfield and North East London), and a specific CCCG training arm that functions as a private provider. The aim is to create progression agreements to allow learners to progress seamlessly through the levels. The full range of provision has been mapped and we are both now looking at how we can streamline pathways and ensure progression routes through to higher level skills across different subject areas, particularly in public services. Our recent work with CCCG has included research with employers in the creative industries investigating innovative ways to meet their needs through degree apprenticeships. We also have scope to develop progression pathways overseas due to our transnational education provision.

# Public benefit and corporate social responsibility

Every year we build support for our mission through corporate, policy and community engagement. We continue to engage beyond the University, with the communities around us and with decision-makers in business, the public services and government, to shape external agendas and not just be shaped by them.

## Influencing policy

The members of Board of Governors serve as trustees, and in setting our mission and strategy have due regard to the Charity Commission's public benefit guidance. The two general principles of the guidance are:

- There must be an identifiable benefit or benefits.
- Benefit must be to the public, or a section of the public.

Our public benefit is related to our strategy as highlighted in the University Strategic Report and Overview on pages 8 to 37. Through this we bring a presence and positive impact to the local community, regionally, nationally and internationally.

We respond to governmental initiatives in formally requested consultations and lobby for the government and its representatives to enhance the higher education sector and our own educational values. We are regionally active in response to education and skills needs for London and have a range of local activities which directly contribute to the community and, through them, to a wider audience. We actively make representations to commerce and industry (CBI) and other national bodies, encouraging our staff to sit on national and local bodies that are relevant to our mission to provide service and gain in influence.

The external environment we work in is challenging, with intense competition and uncertainty surrounding the Brexit negotiations. We have a new regulator, the Office for Students, and the higher education sector is under increasing scrutiny. As such, the policy landscape has been extremely busy and in the past year we submitted nine government consultation responses including accelerated degrees, the implementation of T levels, the Industrial Strategy and the Post-18 Education and Funding Review. Our work around Brexit included two consultation responses, participation in roundtables with the government's Migration Advisory Committee and lobbying work via regional MPs and Universities UK. We have given oral evidence to Parliament's Higher Education Commission on transnational education and submitted four written responses to parliamentary inquiries. In June, we hosted a visit from The Right Honourable Robert Halfon, MP, Chair of the Education Select Committee, to see our work on apprenticeships resulting in an invitation to give oral evidence to Parliament on the fourth industrial revolution.

We have worked closely with decision makers to highlight the role of universities in the apprenticeship agenda and reduce barrier to setting up apprenticeships calling for the appointment of a higher education representative on the Board of the Institute for Apprenticeships. It is especially important that we are seen by politicians, businesses and opinion formers as part of the solution to the challenges we face to improve social mobility and productivity because

this is where our students' diversity and skills have so much to contribute. Our work to position Middlesex as a key player in London's skills ecosystem is a significant part of our policy agenda and we are actively engaged with the Mayor of London's Skills Strategy, working with the Greater London Authority skills policy team.

Our work on education pathways has continued with our Make Your Mark campaign which enables us to encourage learners as young as 11 in schools and colleges to develop their aspirations and think about their career goals. The Chair of the Education Select Committee championed the Make Your Mark campaign to Anne Milton, Minister for Skills and Apprenticeships, as a potential blueprint for a national level website on post-18 careers options. We support flexibility in learning opportunities and recognise that there are different pathways into higher education and have reflected this in our public affairs work. We took part in a Department for Education roundtable on T Levels and Higher Education, submitted a consultation response and worked with MillionPlus to take forward this important agenda. We were pleased to see that the government response to the T level consultation reflected our key points on the need for bridging progression to higher education and the allocation of UCAS points to T levels.

As a responsible member of the local community, we're mindful of our impact on the world around us. We're always striving to uphold our peerless standards in all of our dealings, whether it's by building sustainable, state-of-the-art facilities, working with the local community or our staff and students supporting charitable and societal projects.

## Commitment to the local community

A commitment to strengthening our relationship with our community and society is embedded within our Strategy. As the biggest employer in the London Borough of Barnet, we are continuing to strengthen our local relationships and generate more than £289 million a year for the Borough's economy. We support nearly 4,000 local jobs and in 2014-15, we spent £2.1 million with suppliers in Barnet. Our average UK/EU student spends £3,415 in Barnet every year while the average overseas student spends £3,869 each year. We also train over 1,800 nurses and midwives and 400 teachers annually.

We have met with both of our local MPs throughout the year and welcomed Matthew Offord MP to our STEM Festival in March 2018. Our Students' Union have continued their successful soup kitchen for homeless people and those from a low income background. We have continued to work closely with the Barnet Multi Faith Forum, hosting annual Interfaith Week events. We have also continued our collaboration with the Mayor of Barnet, which included the organisation of an event and exhibition to mark Holocaust Memorial Day in January 2018.

We continue to nurture our relationships with the local Jewish community. This included meetings between the Vice-Chancellor and Lord Jonathan Sacks, former Chief Rabbi, and hosting a visit to campus with the current Chief Rabbi Mirvis who we awarded an honorary degree in recognition of his interfaith work and encouragement of social responsibility. A lunch was hosted before the ceremony at which a range of local Jewish educators and community leaders joined to celebrate and share the special occasion.

We continue a close working relationship with Saracens rugby club to support education, sport, health and wellbeing in our local community. We supported their plans to open a new secondary school within the London Borough of Barnet in September 2017 and our Chief Marketing Officer is a member of the Saracens High School Free School Trust Steering Group.



Matthew Offord MP and Chief Rabbi Mirvis

## Looking after the environment



We have a duty to our students, staff, business partners and members of our local community to change their lives for the better, while respecting our environment by reducing our carbon footprint and implementing sustainable business practices wherever we can.

This year we were finalists in the annual Green Gown Awards for our MDX Freewheelers cycle scheme and MDX Goes Green biodiversity work. MDX Freewheelers was developed in partnership with the Students' Union and Equal Bikes and offers free bike hire for short campus journeys. MDX Goes Green biodiversity work, in partnership with the London Wildlife Trust and the Students' Union, engages students in biodiversity projects on campus.

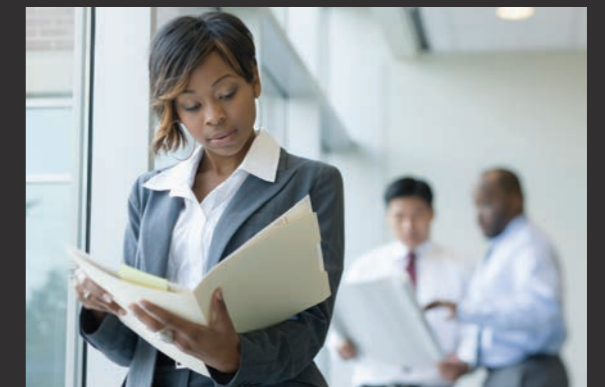
Now in stage two of our energy management system upgrade, we are continuing to invest in energy efficiency where we can. By monitoring key energy supplies and assets every half hour, we aim to reduce our energy consumption by 5% by the end of the academic year. We are also installing additional electric vehicle charging points and working in partnership with our Students' Union and SusTrans to promote cycling to campus.

In addition, we are growing our Environmental Steering Group, bringing together key stakeholders to drive further progress. For example, our Environment team has teamed up with the Marketing department to promote plastic reduction on campus. We are now auditing our waste disposal contractors to ensure plastic is recycled properly and we have also installed bottle refilling stations around campus to discourage staff and students from buying bottled water.

In the coming year, we will be developing our reporting and management information systems in order to drive focus on relevant environmental initiatives and make informed decisions around sustainability. We are also aiming for ISO 14001 in our EcoCampus rating.

## Financial review

For the year ended 31 July 2018



# Financial review

For the year ended 31 July 2018

## Results for the Year and Outlook

The year to 2017/18 continues to build on the good financial performance of the University from the previous year, recording a surplus for the year of £5.5m after allowing for restructuring costs of £1.1m. This was achieved in spite of it being a challenging year due to the demographic dip in 18 year-olds in the UK and the related increase in competition for student recruitment. The impact of this was more than compensated by above-target recruitment from overseas, improved retention and prudent cost control.

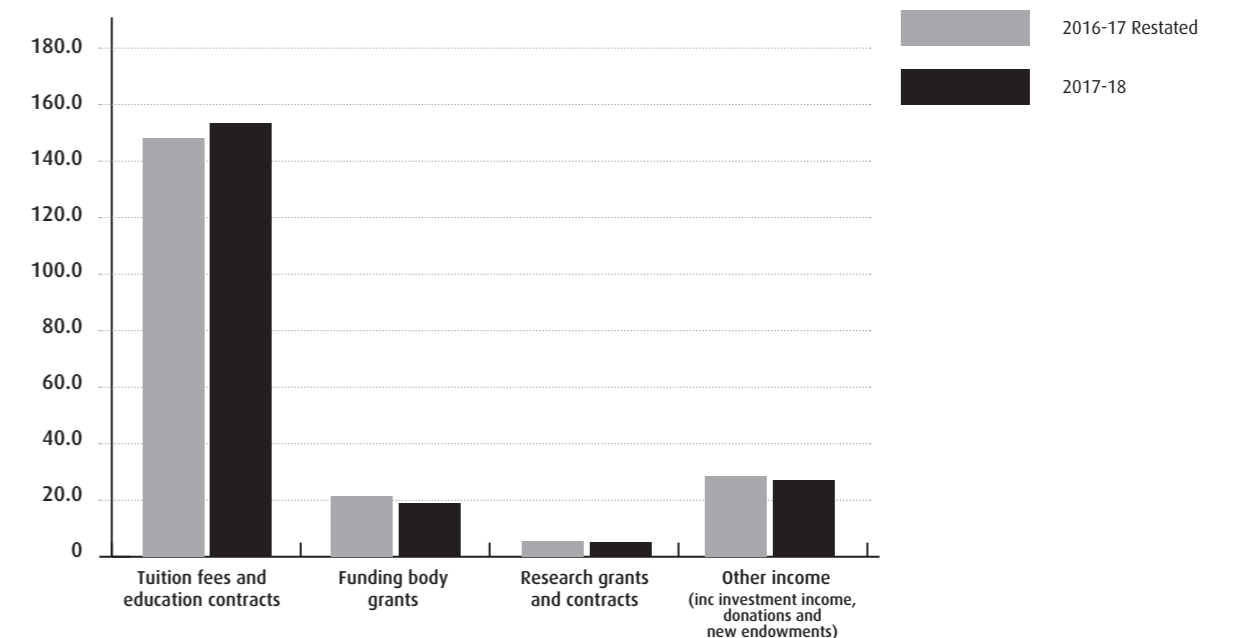
Looking ahead, the University is forecasting for reduced surpluses as a result of the impact of reduced Home/ EU student recruitment until 2021/22 as well as inflationary and pension cost pressure which may not be matched by increases in our tuition fee rates. Beyond this, we expect recruitment to pick up in line with increases of the number of 18 year-olds, along with increases in income streams from other sources such as Partnerships. Strong planning and cost control would mitigate against the impact of our cost base increasing.

	Consolidated Year ended 31 July 2018	Restated Consolidated Year ended 31 July 2017
	£m	£m
<b>Results for the Year</b>		
Income	204.6	203.6
Expenditure (excluding restructuring costs)	(198.0)	(193.9)
Taxation and other items	-	(0.1)
<b>Surplus on normal operations</b>	<b>6.6</b>	<b>9.6</b>
Staff restructuring costs	(1.1)	(0.8)
<b>Surplus for the year</b>	<b>5.5</b>	<b>8.8</b>

## Income

Total income this year was £204.6m, an increase of £0.9m against the prior year. Last year's figures included a one-off recognition of funding body capital grants relating to the new Ritterman building coming in to use (£4.9m), therefore this year's figures represent a strong position given the increasingly competitive recruitment environment.

### Income by source £m



Tuition Fees and Education Contracts account for 75% of the University's total income. Of this, 68% relates to fees from home and EU Full Time Students. Despite a reduction in our target Undergraduate recruitment numbers, the impact of strong recruitment in the prior two years combined with an improvement in retention and improved postgraduate numbers has led to the income from this cohort of students increasing by 3%, once accounting for the movement of new Nursing students from the NHS contract to the tuition fee route.

Funding Body Grants represent 9.3% of total income, down from 10.6% in 2016/17. The decrease is largely due to the previously noted one-off release of capital grants in 2016/17. Our main recurrent teaching grant is at a similar level to last year.

Research Grant income remains at similar levels to last year, £5.3m (2.7% of total income).

Other operating income (including investment income and new endowments) totals £26.3m and represents 12.8%. This includes £3.3m received for the rental of rooms at Unite Olympic Way Hall of residence, where the University is acting as principal in the arrangement. The comparative year income has been restated to reflect a prior year adjustment of additional income of £5.5m. This is a grossing-up of both income and expenditure and does not affect the level of surplus (see Note 35a for more information).

# Financial Review continued

## Operating Expenditure

Expenditure in the year totalled £199.1m, a 2.2% increase over the restated prior year.

Staff costs increased against the previous year by £5.8m (5.0%) to £116.5m; an additional £1.1m was incurred relating to the restructuring of academic and administration provision across the University. Staff costs (excluding restructuring costs) represent 56.9% of total income. Average staff numbers remained at a similar level to the previous year, with the majority of the increase relating to pay inflation and pay scale movement. Pension service cost and contributions of £18.7m represent a high proportion of staff expenditure, increasing from £14.8m in 2016/17. This increase includes the impact of employers current scheme funding of the Local Government Pension Scheme (LGPS) of 18.4% of pensionable salaries, 7.1% more than the 2016/17 level. The pressures on staff costs from rising LGPS and Teachers Pension Scheme (TPS) contributions will require the University to manage increases as part of its strategy.

Spend on other operating expenses reduced by £0.8m to £62.4m compared to the previous year. The 2017/18 figures include a one-off credit (after associated costs) of £0.8m; this relates to a VAT refund from HMRC following a recent ruling on VAT applied to payments made to overseas recruitment agents by Universities. Once this and the Unite Halls prior year cost adjustment has been removed, the underlying position of £59.9m is £2.2m (4%) higher than last year. As a % of total income, this adjusted figure is 29%, 1% higher than the previous year. This partly reflects cost inflation rising at a higher rate than tuition fees.

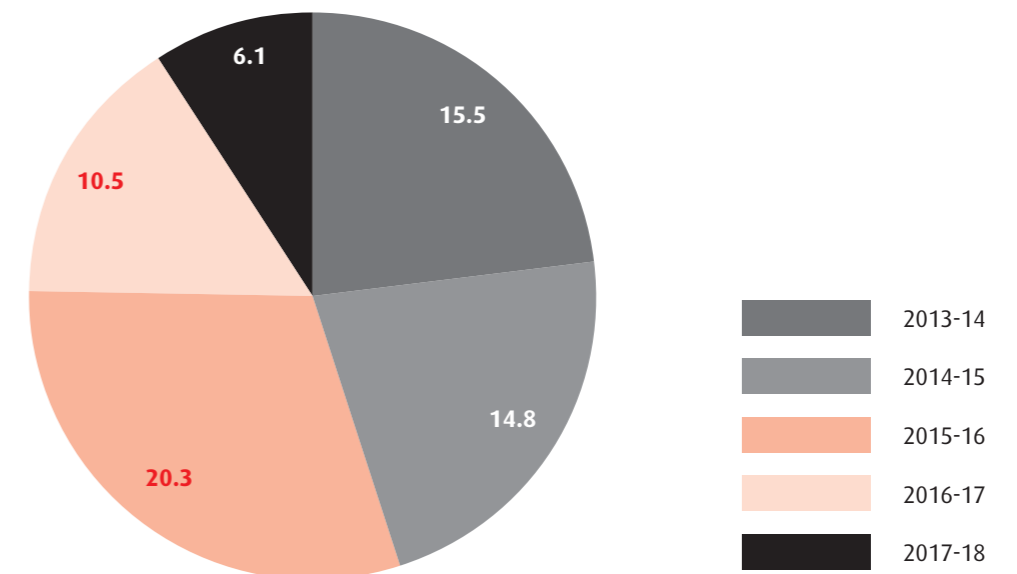
Depreciation has increased by 3% on 2016/17 to £11.9m, reflecting the long period of estates development at the London Campus.

Interest costs have decreased £1.3m against last year. In part this reflects the lower net charge of £2.6m (from £3.1m in 2016/17) on the University's LGPS liabilities. An ongoing interest expense for the University relates to the bank loans utilised to fund the London Campus estate infrastructure developments, which this year was £4.3m, representing a decrease on 2016/17 of £0.4m, as a result of the switch of some of our bank loans from fixed to variable interest rates.

## Capital Investment

Over the last five years the University has spent £67.2m on capital investment, as detailed in the chart below:

Capital Expenditure £m



In 2017/18 we continued to invest in our estates, with expenditure in-year including significant improvements to the Williams Building to enhance student and staff experience; the repurposing of space we have leased from London Borough of Barnet in Hendon Library to provide a vibrant study space for students; a comprehensive IT desktop refresh across the University and replacement of Audio Visual equipment in many of our teaching rooms to enhance the quality of teaching and learning.

The University's planned capital expenditure over the next couple of years will culminate in 2019/20 when we expect to double our prior year capital investments, including development of our London Campus and an increase to our existing teaching space in Sports Science and Nursing subjects at the new West Stand.

# Financial Review continued

## Net Assets

The University balance sheet continues to report a strengthening position necessary to support its strategic aims, with net assets increasing for the third consecutive year to £97.2m in 2017/18, which is a £23.3m improvement on the previous year.

A £5.5m surplus for the year, a generally higher than forecast LGPS pension asset returns and actuarial assumptions to value LGPS pension liabilities have all contributed to this improvement. High quality corporate bond yields reduced over the period, which had a significant impact on the value of the pension deficit which improved by £11.9m from the prior year, ending the year at £83.5m.

The actuarial assumptions, which contributed to the improvement, was a discount rate increase from 2.7% to 2.8%, lower expectations for future inflation and pension growth and mortality rates for the average life expectancy for both men and women remaining unchanged.

The LGPS deficit is anticipated to fluctuate year on year given the deficit is estimated using the actuary's assumptions to value its liabilities, including the discount rate, inflation

assumptions and future life expectancies. A further factor contributing to those changes is the schemes assets which are dependent on the performance of equity markets.

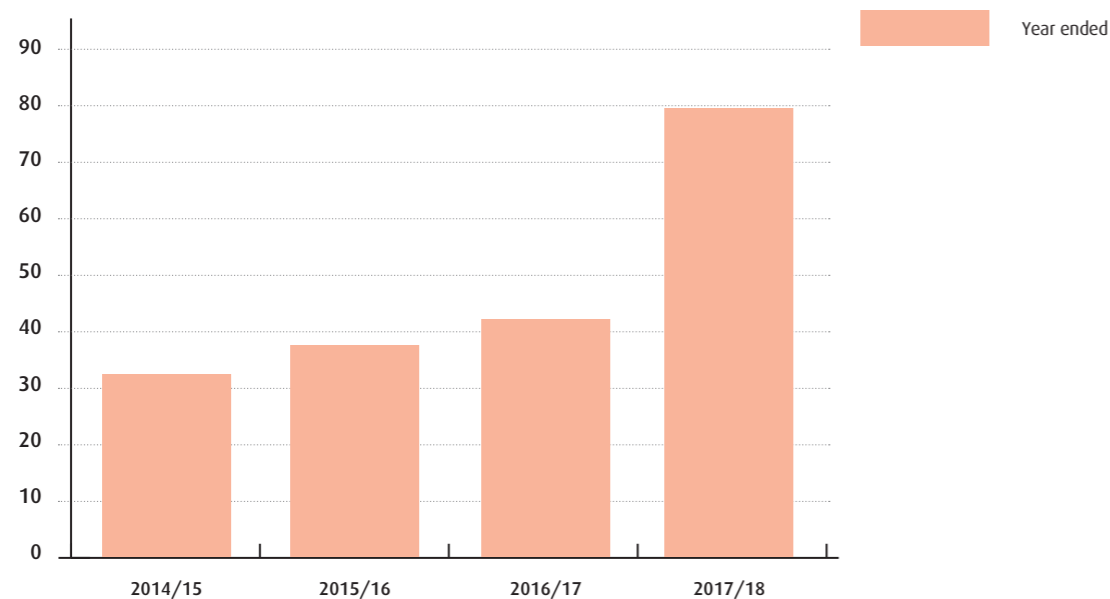
Working capital has increased by £12.1m in the year to £58m due to the combined effects of increased cash and short term deposit balances. These are offset by smaller increases in creditors and in debt balances that continue to reflect effective credit control measures in the year.

## Cash Flow and Treasury Management

The level of group cash in hand and cash equivalents increased by £37.6m at the end of the financial year (2017: £5m increase) to £79.7m. Cash equivalents are short term deposit balances held with Lloyds Bank on fixed short term (less than 3 months) deposit and AAA credit rated cash investment funds managed by Royal London Asset Management.

This significant positive cash inflow is generated from the net of operating and financing activities in the year together with the reclassification of £22.5m of fixed term deposits with Lloyds Bank from cash investments to cash equivalents, brought about by the placement of shorter term deposits.

## Cash Balance £m



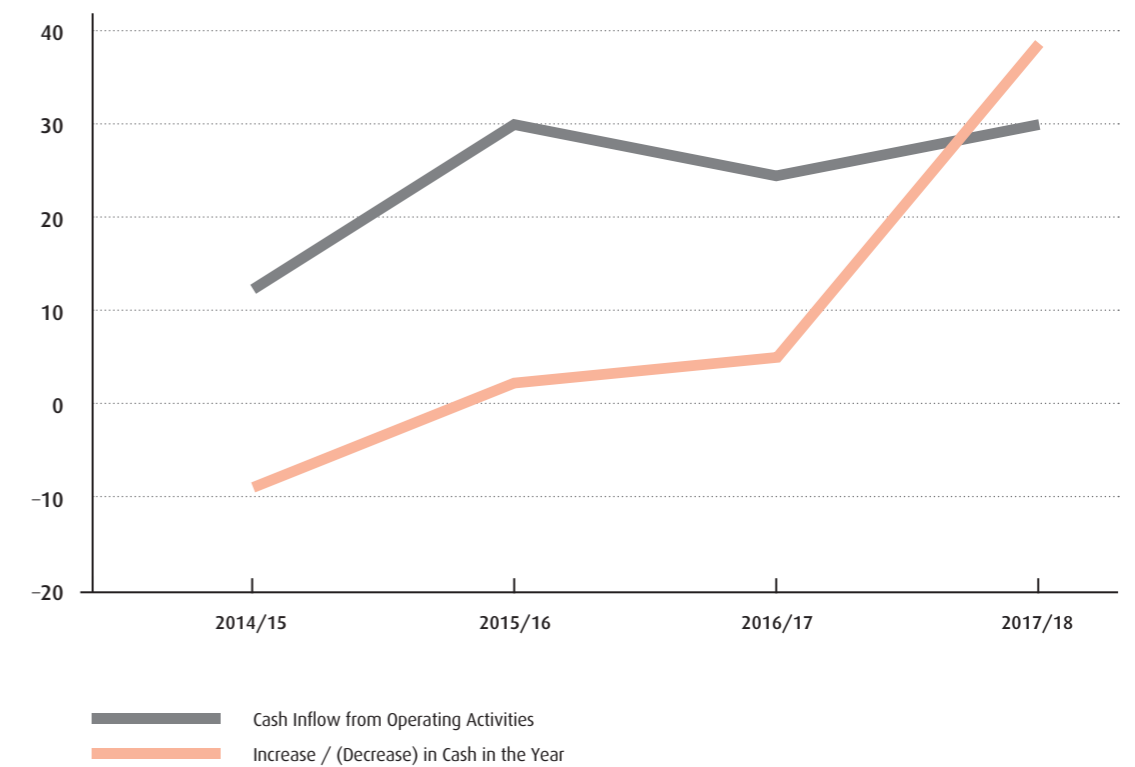
Holding short term deposits is necessary as the University is currently working with its lending banks to reconfigure its debt securities by transferring a total of £30m in cash term deposits. These are currently being held as security against the Lloyds Bank term loans of £79.1m, however a change to a campus property security would result in an increase in liquidity to support the strategic development programmes of the University.

The average monthly cash balance of the University in the year increased from £58m in 2016/17 to £74m this year, with the daily balance ranging from a minimum of £52.1m to £107m over the year.

These cash in hand levels are in line with our target to maintain a minimum working capital cash level at 2 months of expenditure.

Cash in hand and short term deposit levels fluctuate throughout the year due to the timing of tuition fee and other receipts, operating and capital programme expenditures.

## Cash Flows in the Year £m





Year on year the University will plan to maintain this working capital cash and recognise the importance of continuing to generate appropriate levels of surplus to meet its bank loan covenant requirements and achieve the positive cash inflows necessary to support capital investment plans.

### Risks

The University is exposed to a number of risks as a result of several external factors including changes in Government policy and legislation, our future relationship in the European Union and increased competition for student recruitment.

Actions are being taken to mitigate those risks that threaten the achievement of the University's strategic aims. The University has a well-established set of procedures to assess and manage risks at both the corporate and departmental level which includes the corporate risk register.

The key risks which could directly threaten financial sustainability are outlined below:

#### — Post-18 Funding Review and Tuition fee level

The Government's Post-18 funding review for Further and Higher Education Institutions could restrict our ability to manage inflationary pressures. The outcome of the review could also fundamentally change the income model for Universities.

The University will continue to plan for a variety of scenarios and engage with the Department for Education. Our strategy seeks to mitigate for the uncertainty by looking to further diversify our income streams and ensuring we are pro-active in managing our cost base.

#### — Failure to achieve student recruitment and retention targets

Tuition fees are a substantial proportion of total income, being dependant on both strong recruitment and retention to ensure a level of surplus in line with forecast. Increased competition for a reducing number of 18 year olds has further increased the risk in this area.

The University will mitigate the risk of volatility in the UK/EU undergraduate student cohort through the continuous review of its course portfolio, assessing our areas of strength, identifying the areas at risk and deciding on the most sustainable curriculum. The University also has strategies in place to improve student retention.

A key aim of the University strategy is designed to improve the student learning experience, including providing an inspiring choice of courses and learning pathways that empower students with ambition, skills and knowledge to succeed.

#### — Impact of Immigration Policies and Brexit

Of the students studying at our London Campus in 2017/18, 14% are from outside the UK/ EU. Given the importance of ongoing recruitment of international students the government's current immigration policies represent an ongoing challenge, particularly UKVI compliance which restricts access to Tier 4 visas.

As at the time of publication there remains ongoing uncertainty over the Brexit negotiations which could impact on our recruitment and retention of both staff and students from the EU, as well as having a wider impact on research and innovation.

The University aims to mitigate against these risks both through sound financial and strategic planning and through playing an influential role in engaging with policy makers in actively shaping policy and agenda-setting.

#### — Unaffordable operating and pension costs

In the current economic climate costs are rising at a higher rate than income with significant pressures from legislative compliance, non-pay inflation, rising employer pension costs and exchange rate volatility.

The University has effective cost control measures in place as part of its management of operations to mitigate rising costs.

Pension costs and contributions are not within the University's direct control and in recent years we have seen increases in pension costs that impact on the University's income and expenditure.

The LGPS balance sheet deficit has a dependency on actuarial valuation assumptions. The University engages with the Trustees and actuaries of the LGPS to ensure the valuation of its share of assets and liabilities in the fund are correctly stated and to influence the fund's investment strategy.



The Department for Education has confirmed that the employers contribution rate for the TPS will increase in 2019. The University will manage for this increase by exercising sound financial planning and prudent cost control.

#### — Insufficient capital funds to support infrastructure developments

The University makes long term investments in its campus wide estates developments. In addition to the bank secured loans that have in part funded recent infrastructure investments it depends on making sufficient financial surpluses in order to reinvest in the future capital expenditure programme. Detailed medium and long term planning and regular in-year monitoring of the financial position mitigate against the risk of insufficient funds and cash flows.

The University's Board of Governors Committee reviews the key risks throughout the year so that appropriate mitigating actions are taken and monitored.

# Corporate governance



The University's framework of governance is established in the Instrument and Articles of Government (see [mdx.ac.uk/about-us/policies/charity-information](http://mdx.ac.uk/about-us/policies/charity-information)). The University is committed to best practice in all aspects of corporate governance. It aims to conduct its business in accordance with the principles identified by the Committee on Standards in Public Life (Nolan Committee), and in the Higher Education Code of Governance issued by the Committee of University Chairs.

In adopting this Code of Governance the University is satisfied that it complies with all the primary elements that are the hallmarks of effective governing bodies operating in the UK HE sector. The University maintains a register of interest of members of the Board of Governors and senior officers which is available for inspection on request to the Clerk to the Board of Governors.

## Charitable status

Middlesex University is a higher education corporation established under the provisions of the Education Reform Act 1988. The University is also an exempt charity under schedule 3 of the Charities Act 2011, with the Office for Students (OfS) acting as its principal regulator. They notified us in September 2018 of our successful registration. For the purposes of charity law the Governors are the trustees of the University. The charitable purpose of the University is the advancement of education for the public benefit.

## The Board of Governors

The Board of Governors oversees the activities of the University and determines its strategic direction. The specific powers of the Board are set out in the Instrument and Articles of Government.

The Board has a duty to enable Middlesex University to develop its Vision and Strategy and achieve success in meeting its objectives for education, research and enterprise. In doing this, it seeks at all times to safeguard the reputation and values of the institution.

The Board has a formal function to hold the Vice-Chancellor to account for the effective management of the University. The Board is a steering body and fundamentally serves to add value to the University's affairs, by offering independent, expert input to and constructive challenge of the decisions of the Executive.

The Board has formal decision-making responsibility in a number of key areas, including the approval of the University's Strategy and other major strategic policies which sit underneath this or for which it has a legal responsibility to oversee. Other major tasks crucial to the success and sustainability of the University are the appointment and performance management of the Vice-Chancellor and other senior post holders, adoption of its annual Financial Statements, budgets, financial forecasts and the appointment of the University's internal and external auditors.

The Board is responsible for approving annual returns to the Office for Students as required.

The Board of Governors comprises a majority of members from outside the University, from whom the Chair and Deputy Chair position are drawn, together with the Vice-Chancellor and members of the staff and student bodies.

## Conduct of business

The Board has six Board meetings per year and two away days to consider long term strategy. The formal Board meetings are supplemented by informal briefing sessions on relevant issues, and attendance at key University events. This helps to ensure that Governors are part of the wider community of the University and that they are fully briefed on the activities of and challenges and opportunities facing the University.

There is a clear division of responsibility in that the roles of Chair and Deputy Chair of the Board of Governors are separated from the role of the University's Vice-Chancellor.

The Board has a number of standing committees to help it discharge its business effectively.

## Finance Committee

The Finance Committee meets three times a year with members of the Executive team to provide oversight and scrutiny of the University's financial performance against budget and re-forecasts and reports any significant variances to the Board of Governors. These meetings provide more time than is available within the full Board meetings for a small cohort of nominated Governors to monitor and review the University's financial management.

## Audit and Risk Committee

The Audit and Risk Committee meets with the University's external and internal auditors in attendance. The Committee considers detailed reports together with recommendations for the improvement of the University's systems of internal control and management's responses and implementation plans.

The Committee reports to the Board on the adequacy and effectiveness of the University's arrangements for:

- Risk management, control and governance
- Financial reporting (i.e. the integrity of financial reporting arrangements, including the corporate governance statement and the statement of members' responsibilities as reported in the annual financial statements)
- Economy, efficiency and effectiveness (Value for Money)
- Data quality

It also receives and considers reports from the Office for Students as they affect the University's business and monitors adherence to the regulatory requirements. While senior executives attend meetings of the Audit and Risk Committee as necessary, they are not members of the Committee and the Committee meets annually with the Auditors on their own for independent discussions.

The University's internal auditors monitor the systems of internal control in accordance with an agreed plan of input and report their findings to management and the Audit and Risk Committee.

Management is responsible for the implementation of agreed audit recommendations and the internal auditor undertakes periodic follow up reviews to ensure such recommendations have been implemented.

The Audit and Risk Committee also advises the Board of Governors on the appointment of internal and external auditors and the remuneration for both audit and non-audit work.

## Remuneration Committee

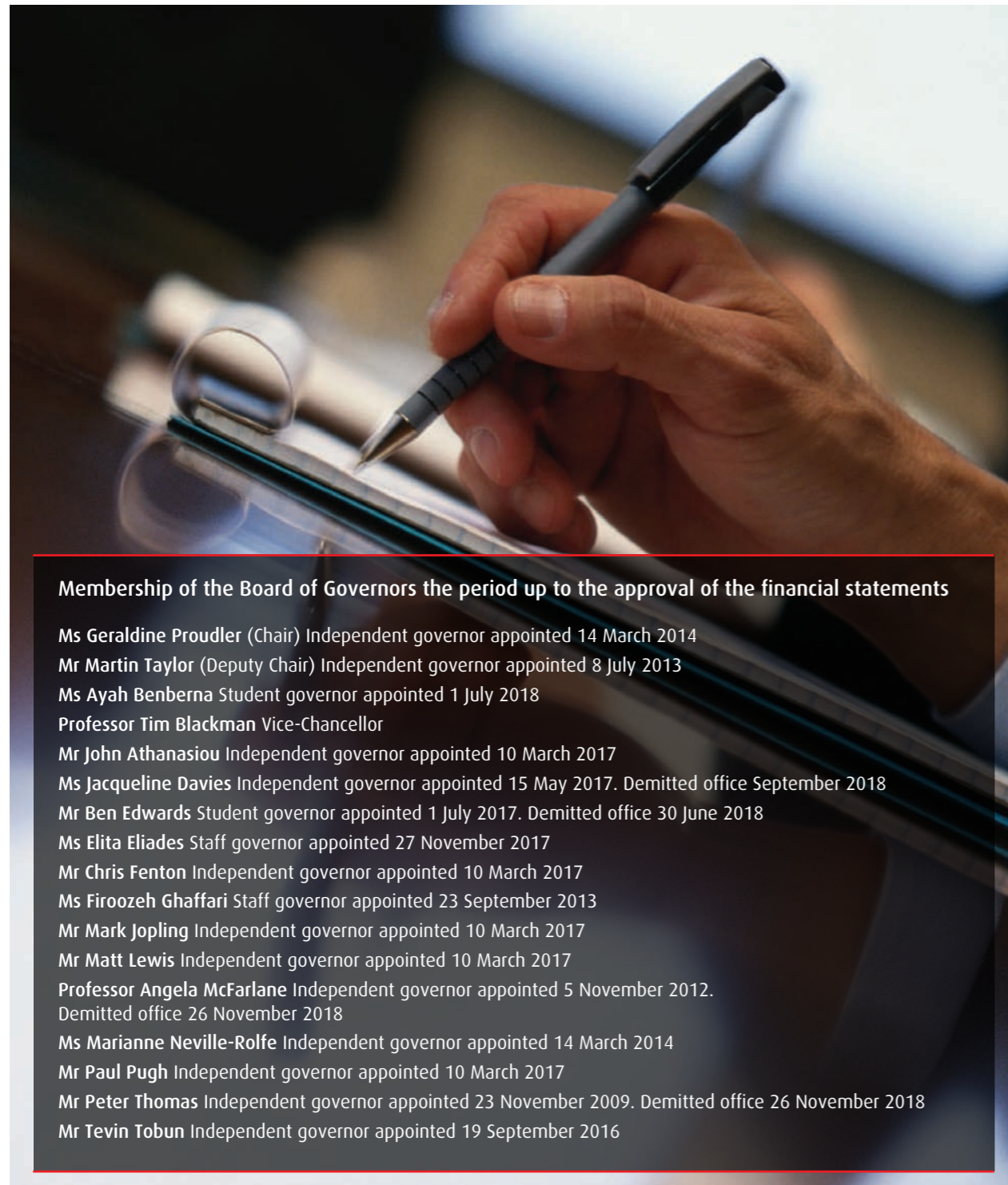
The Remuneration Committee determines the salaries and conditions of service of the most senior staff, including the Vice-Chancellor and members of the Executive team. The Remuneration Committee follows Higher Education sector guidelines to ensure the process of awarding Vice-Chancellor and senior staff pay is transparent and our practices are consistent with best practice. Senior roles are assessed through the widely used Hay method, and benchmarked using data from the Universities and Colleges Employers Association's annual survey. Details of remuneration for the year ended 31 July 2018 are set out in note 9 of the financial statements.

## Governance and Nominations Committee

The Governance and Nominations Committee seeks to ensure diversity, breadth and continuity of expertise amongst the membership of the Board. It also undertakes succession planning with respect to the membership, leadership and committees and good practice in governance.

Academic Board is the academic authority of the University as delegated by the Board of Governors, and draws its membership from academic staff and students of the University. The Academic Board is responsible for the academic standards of the University and the regulation of academic matters.

# Corporate governance continued



## Membership of the Board of Governors the period up to the approval of the financial statements

Ms Geraldine Proudler (Chair) Independent governor appointed 14 March 2014  
 Mr Martin Taylor (Deputy Chair) Independent governor appointed 8 July 2013  
 Ms Ayah Benberna Student governor appointed 1 July 2018  
 Professor Tim Blackman Vice-Chancellor  
 Mr John Athanasiou Independent governor appointed 10 March 2017  
 Ms Jacqueline Davies Independent governor appointed 15 May 2017. Demitted office September 2018  
 Mr Ben Edwards Student governor appointed 1 July 2017. Demitted office 30 June 2018  
 Ms Elita Eliades Staff governor appointed 27 November 2017  
 Mr Chris Fenton Independent governor appointed 10 March 2017  
 Ms Firoozeh Ghaffari Staff governor appointed 23 September 2013  
 Mr Mark Jopling Independent governor appointed 10 March 2017  
 Mr Matt Lewis Independent governor appointed 10 March 2017  
 Professor Angela McFarlane Independent governor appointed 5 November 2012. Demitted office 26 November 2018  
 Ms Marianne Neville-Rolfe Independent governor appointed 14 March 2014  
 Mr Paul Pugh Independent governor appointed 10 March 2017  
 Mr Peter Thomas Independent governor appointed 23 November 2009. Demitted office 26 November 2018  
 Mr Tevin Tobun Independent governor appointed 19 September 2016

## Internal Control

The University's Board of Governors is responsible for ensuring that the University maintains an effective system of internal control that supports the achievement of strategic aims and objectives whilst safeguarding assets for which it is responsible. 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.

The system of internal control is based on an ongoing process designed to identify the principal risks to the achievement of policies, aims and objectives, to evaluate the nature and extent of those risks and to manage them efficiently, effectively and economically. This process has been in place for the year ended 31 July 2018 and up to the date of approval of the financial statements, and accords with Office for Students guidance.

The Board of Governors has delegated the day to day responsibility to the Vice-Chancellor, as Accountable Officer, for reviewing the adequacy of the system of internal control and making any appropriate amendments. He is also responsible for reporting to the Board of Governors any material weaknesses or breakdowns in internal control.

The following processes are in place to ensure the effectiveness of the University's internal control and risk management:

- The Board of Governors meets six times a year to consider the plans and strategic direction of the Institution. It is advised by its key committees, receiving regular reports from each committee and other reports from management as required. In addition the Board of Governors holds two away days each year to discuss the strategic plan in greater detail. The assumptions and aims are reviewed against domestic demand, international demand, funding and research and business development.

The Board of Governors ensures that its meeting calendar enables risk management and internal control to be considered on a regular basis during the year. Its review of the effectiveness of the system of internal control is informed by the work of the internal auditors who operate to the standards defined in the OfS guidance of audit practice:

- The Executive team receives reports setting out key performance and risk indicators and considers possible

control issues brought to their attention by early warning mechanisms which are embedded within the operational units.

- The Executive team and the Audit and Risk Committee also receive regular reports from internal auditors, who provide independent opinion on the adequacy and effectiveness of the University's system of internal control, together with recommendations for improvement. The Audit and Risk Committee's role in this area is to conduct a high level review of the arrangements for internal financial control.
- The Internal Auditors provide the Board of Governors with an independent opinion each year on the adequacy and effectiveness of the University's risk management, control and governance processes.

The Internal Controls Committee is responsible for overseeing an assessment of the effectiveness of internal control on a rolling basis and provides periodic reports to the Governors through the Audit and Risk Committee. The Committee identifies and evaluates the key controls required for significant risks faced by the University and to consider a risk-based assessment of effectiveness.

- An organisation-wide risk register is maintained and is available on the University's intranet. The register is reviewed and updated regularly, and management report on the actions taken to mitigate risks. The register and strategic plan are cross referenced to each other as an additional mechanism for the identification of risks. Departmental plans report on the local management of corporate risks, identify risks at an operational level and include plans for the mitigation of these risks. An independent review of the University's processes and procedures for monitoring risk and maintaining its risk registers was undertaken during 2016/17 and recommendations arising from the review were implemented during 2017/18.
- Monthly management accounts are presented to the Finance Committee and governors. The annual budget and financial forecasts are presented to the Finance committee ahead of formal approval by the Board of Governors.

# Corporate governance continued

The Board of Governors is of the view that there is an ongoing process for identifying, evaluating and managing the University's significant risks; that it has been in place for the year ended 31 July 2018 and up to the date of approval of the annual accounts and that it is regularly reviewed by the Board.

These processes enable the University to identify those elements of internal control which require further strengthening and these reviews have not identified any significant area of internal control weakness for the University.

## Going Concern

After reviewing detailed papers the Board of Governors considered, at its meeting on 26 November 2018, that the University has adequate resources to continue in operational existence for the foreseeable future. For this reason they continue to adopt the going concern basis in preparing the financial statements.

## Statement of the responsibilities of the Board of Governors

The Board of Governors conducts periodic reviews of effectiveness in accordance with the CUC Code of Practice. The last review was completed in 2015. The next review is due in 2019.

In accordance with the University's Instrument and Articles of Government, the Board of Governors is responsible for the administration and management of the University's affairs, including ensuring an effective system of internal control, and is required to present audited financial statements for each financial year.

The Board of Governors is responsible for keeping proper accounting records, which disclose with reasonable accuracy at any time the financial position of the University, and to enable it to ensure that the financial statements are prepared in accordance with the University's Articles, the Statement of Recommended Practice on Accounting in Further and Higher Education Institutions and other relevant UK accounting standards.

In addition, within the OfS terms and conditions of Funding for Higher Education Institutions (for the period to 31 July 2019) and the Funding Agreement with the National College for Teaching and Leadership (NCTL), the University's Board

of Governors – through its designated accountable officer – is required to prepare financial statements for each financial year which give a true and fair view of the University's state of affairs and of the surplus or deficit and cash flows for that year.

In preparing the financial statements, the Board of Governors has ensured that:

- Suitable accounting policies are selected and applied consistently
- Judgements and estimates are made that are reasonable and prudent
- Applicable accounting standards have been followed; and
- Financial statements are prepared on the going concern basis unless it is inappropriate to presume that the Institution will continue in operation. The Board of Governors is satisfied that it 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 Governing Body has taken reasonable steps to:

- Ensure that funds from OfS, SFA and the NCTL are used only for the purposes for which they have been given and in accordance with the memorandum of assurance and accountability with the Funding Councils and the Funding Agreement with NCTL, and any other conditions which the Funding Council or NCTL may from time to time prescribe
  - Ensure that there are appropriate financial and management controls in place to safeguard public funds and funds from other sources
  - Safeguard the assets of the University, prevent and detect fraud, and ensure that risk management is in place
  - Ensure that the Board of Governors' report and other information included in the Financial Statements are prepared in accordance with relevant legislation in the UK
  - Secure the economical, efficient and effective management of the University's resources and expenditure;
- and
- Ensure that the University operates an effective health and safety policy.



The key elements of the University's system of internal financial control, which is designed to discharge the responsibilities set out above, include the following:

- Clear definitions of the responsibilities of, and the authority delegated to, senior officers of the University
- A comprehensive medium and short-term planning process, supplemented by detailed annual income, expenditure, capital and cash flow budgets
- Regular reviews of key performance indicators and business risks and quarterly reviews of financial results involving variance reporting and updates of forecast outcomes
- Clearly 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 Board of Governors

– Comprehensive Financial Regulations, detailing financial controls and procedures, approved by the Audit and Risk Committee and Finance Committee;

and

- A professional Internal Audit service, with terms of reference which reflect guidance issued by OfS, and whose annual programme is approved by the Audit and Risk Committee.

# Independent Auditor's Report to the Governors of Middlesex University



## Opinion

We have audited the financial statements of Middlesex University ("the University") and its subsidiaries ("the Group") for the year ended 31 July 2018 which comprise the consolidated and university statement of comprehensive income and expenditure, the consolidated and university statement of changes in reserves, the consolidated and university balance sheets, the consolidated cash flow statement and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland (United Kingdom Generally Accepted Accounting Practice).

In our opinion, the financial statements:

- give a true and fair view of the state of the Group's and of the University's affairs as at 31 July 2018 and of the Group's and the University's income and expenditure, gains and losses, changes in reserves and of the group's cash flows for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been properly prepared in accordance with the Statement of Recommended Practice: Accounting for Further and Higher Education and relevant legislation.

## Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) ("ISAs (UK)") and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the Group and University in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, 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; or
- the Governors have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the Group's or the University's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

## Other information

The Governors are responsible for the other information. 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 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, including the Strategic Report, Financial Review and Statement of Corporate Governance, 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.

# Independent Auditor's Report to the Governors of Middlesex University continued

## Opinion on other matters required by the Office for Students ("OfS") and Research England Audit Code of Practice

In our opinion, in all material respects:

- Funds from whatever source administered by the higher education institution for specific purposes have been properly applied to those purposes and managed in accordance with relevant legislation.
- Funds provided by the OfS have been applied in accordance with the terms and conditions of funding for higher education institutions and any other terms and conditions attached to them.
- The requirements of the OfS's accounts direction have been met.

## Responsibilities of the Governors

As explained more fully in the financial responsibilities of the Governors statement (set out on page 54), the members of the Governing body 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 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 intend to liquidate the Group or the University or to cease operations, or have no realistic alternative but to do so.

## Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists.


Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

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

In addition, we also report to you whether income from funding bodies, grants and income for specific purposes and from other restricted funds administered by the University have been properly applied only for the purposes for which they were received and whether income has been applied in accordance with the Statutes and, where appropriate, with the Terms and Conditions of Funding from the Office for Students.

## Use of our report

This report is made solely to the University's Governors, as a body, in accordance with paragraph 124B of the Education Reform Act 1988. Our audit work has been undertaken so that we might state to the University's 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 University's Governors as a body, for our audit work, for this report, or for the opinions we have formed.



**James Aston** (Senior Statutory Auditor)  
For and on behalf of BDO LLP, Statutory Auditor  
Gatwick

Date:

BDO LLP is a limited liability partnership registered in England and Wales (with registered number OC305127).

# Financial Statements

## Consolidated Statement of Comprehensive Income and Expenditure

Year Ended 31 July 2018

	Notes	Year Ended 31 July 2018		Restated Year Ended 31 July 2017	
		Consolidated £'000	University £'000	Consolidated £'000	University £'000
<b>Income</b>					
Tuition fees and education contracts	3	153,511	146,013	148,225	141,426
Funding body grants	4	18,931	18,931	21,516	21,516
Research grants and contracts	5	5,325	5,193	5,530	5,333
Other income	6	26,268	23,815	27,881	25,934
Investment income	7	402	388	381	363
<b>Total income before endowments and donations</b>		<b>204,437</b>	<b>194,340</b>	<b>203,533</b>	<b>194,572</b>
Donations and endowments	8	129	129	115	115
<b>Total income</b>		<b>204,566</b>	<b>194,469</b>	<b>203,648</b>	<b>194,687</b>
<b>Expenditure</b>					
Staff costs	9	117,558	109,057	111,514	103,577
Other operating expenses	10	62,410	61,756	63,210	62,744
Depreciation	14	11,866	11,783	11,500	11,304
Interest and other finance costs	11	7,217	7,217	8,578	8,573
<b>Total Expenditure</b>	12	<b>199,051</b>	<b>189,813</b>	<b>194,802</b>	<b>186,198</b>
<b>Surplus before tax</b>		<b>5,515</b>	<b>4,656</b>	<b>8,846</b>	<b>8,489</b>
Taxation	13	(29)	-	(53)	-
<b>Surplus for the year</b>		<b>5,486</b>	<b>4,656</b>	<b>8,793</b>	<b>8,489</b>
<b>Other comprehensive income</b>					
Actuarial gain in respect of LGPS pension scheme	29	18,376	18,376	37,735	37,735
Actuarial loss in respect of Enhanced pension schemes	21	(574)	(574)	-	-
Foreign exchange translation gain/(loss) on foreign currency net investment in subsidiaries	25	-	-	(44)	-
<b>Total comprehensive income for the year</b>		<b>23,313</b>	<b>22,458</b>	<b>46,484</b>	<b>46,224</b>

## Consolidated Statement of Comprehensive Income and Expenditure (continued)

Year Ended 31 July 2018

	Notes	Year Ended 31 July 2018		Restated Year Ended 31 July 2017	
		Consolidated £'000	University £'000	Consolidated £'000	University £'000
<b>Represented by:</b>					
Endowment comprehensive income for the year	22	(22)	(22)	(47)	(47)
Unrestricted comprehensive income for the year		23,407	22,541	46,735	46,454
Revaluation reserve comprehensive income for the year		(61)	(61)	(183)	(183)
		<b>23,324</b>	<b>22,458</b>	<b>46,505</b>	<b>46,224</b>
Attributable to the non-controlling interest		(11)	-	(21)	-
		<b>23,313</b>	<b>22,458</b>	<b>46,484</b>	<b>46,224</b>
<b>Surplus for the year attributable to:</b>					
Non controlling interest		(11)	-	(21)	-
University		5,497	4,656	8,814	8,489
<b>Surplus for the year</b>		<b>5,486</b>	<b>4,656</b>	<b>8,793</b>	<b>8,489</b>

All items of income and expenditure, and the surplus for the year, is derived from continuing activities.

The consolidated statement of comprehensive income and expenditure for the year ended 31 July 2017 has been restated to reflect the changes detailed in note 35a.

## Consolidated and University Statement of Changes in Reserves

Year Ended 31 July 2018

	Income and expenditure reserve		Revaluation reserve £'000	Total £'000	Non controlling interest £'000	Total including non controlling interest £'000
	Endowment £'000	Unrestricted £'000				
<b>Consolidated</b>						
<b>Balance at 1 August 2016</b>	<b>615</b>	<b>6,743</b>	<b>20,030</b>	<b>27,388</b>	<b>(15)</b>	<b>27,373</b>
Surplus for the year	114	8,700	-	8,814	(21)	8,793
Other comprehensive income	-	37,735	-	37,735	-	37,735
Transfers between revaluation and income and expenditure reserve	-	183	(183)	-	-	-
Foreign exchange translation gains on foreign currency net investment in subsidiaries	-	(44)	-	(44)	-	(44)
Release of restricted funds spent in year	(161)	161	-	-	-	-
<b>Total comprehensive income for the year</b>	<b>(47)</b>	<b>46,735</b>	<b>(183)</b>	<b>46,505</b>	<b>(21)</b>	<b>46,484</b>
<b>Balance at 1 August 2017</b>	<b>568</b>	<b>53,478</b>	<b>19,847</b>	<b>73,893</b>	<b>(36)</b>	<b>73,857</b>
Surplus for the year	125	5,372	-	5,497	(11)	5,486
Other comprehensive income	-	17,802	-	17,802	-	17,802
Transfers between revaluation and income and expenditure reserve	-	61	(61)	-	-	-
Foreign exchange translation loss on foreign currency net investment in subsidiaries	-	25	-	25	-	25
Release of restricted funds spent in year	(147)	147	-	-	-	-
<b>Total comprehensive income for the year</b>	<b>(22)</b>	<b>23,407</b>	<b>(61)</b>	<b>23,324</b>	<b>(11)</b>	<b>23,313</b>
<b>Balance at 31 July 2018</b>	<b>546</b>	<b>76,885</b>	<b>19,786</b>	<b>97,217</b>	<b>(47)</b>	<b>97,170</b>

## Consolidated and University Statement of Changes in Reserves (continued)

Year ended 31 July 2018

University	Income and expenditure reserve		Revaluation reserve	Total	Non controlling interest	Total including non controlling interest
	Endowment	Unrestricted				
	£'000	£'000				
<b>Balance at 1 August 2016</b>	<b>615</b>	<b>5,478</b>	<b>20,030</b>	<b>26,123</b>	-	<b>26,123</b>
Surplus for the year	114	8,375	-	8,489	-	8,489
Other comprehensive income	-	37,735	-	37,735	-	37,735
Transfers between revaluation and income and expenditure reserve	-	183	(183)	-	-	-
Release of restricted funds spent in year	(161)	161	-	-	-	-
<b>Total comprehensive income for the year</b>	<b>(47)</b>	<b>46,454</b>	<b>(183)</b>	<b>46,224</b>	-	<b>46,224</b>
<b>Balance at 1 August 2017</b>	<b>568</b>	<b>51,932</b>	<b>19,847</b>	<b>72,347</b>	-	<b>72,347</b>
Surplus for the year	125	4,531	-	4,656	-	4,656
Other comprehensive income	-	17,802	-	17,802	-	17,802
Transfers between revaluation and income and expenditure reserve	-	61	(61)	-	-	-
Release of restricted funds spent in year	(147)	147	-	-	-	-
<b>Total comprehensive income for the year</b>	<b>(22)</b>	<b>22,541</b>	<b>(61)</b>	<b>22,458</b>	-	<b>22,458</b>
<b>Balance at 31 July 2018</b>	<b>546</b>	<b>74,473</b>	<b>19,786</b>	<b>94,805</b>	-	<b>94,805</b>


## Consolidated and University Balance Sheet

Year ended 31 July 2018

	Notes	As at 31 July 2018		Restated As at 31 July 2017	
		Consolidated £'000	University £'000	Consolidated £'000	University £'000
<b>Non-current assets</b>					
Fixed assets	14	214,076	213,952	219,877	219,655
Investments	15	36	61	36	61
		<b>214,112</b>	<b>214,013</b>	<b>219,913</b>	<b>219,716</b>
<b>Current assets</b>					
Stock	16	12	12	7	7
Trade and other receivables	17	22,793	21,976	20,318	20,463
Investments	18	7,500	7,500	30,000	30,000
Cash and cash equivalents	23	79,734	74,972	42,106	37,021
		<b>110,039</b>	<b>104,460</b>	<b>92,431</b>	<b>87,491</b>
Less: Creditors: amounts falling due within one year	19	<b>(52,005)</b>	<b>(48,802)</b>	<b>(46,453)</b>	<b>(43,741)</b>
<b>Net current assets</b>		<b>58,034</b>	<b>55,658</b>	<b>45,978</b>	<b>43,750</b>
<b>Total assets less current liabilities</b>		<b>272,146</b>	<b>269,671</b>	<b>265,891</b>	<b>263,466</b>
Creditors: amounts falling due after more than one year	20	<b>(83,638)</b>	<b>(83,528)</b>	<b>(88,367)</b>	<b>(87,452)</b>
<b>Provisions</b>					
Pension provisions	21	(89,228)	(89,228)	(100,882)	(100,882)
Other provisions	21	(2,110)	(2,110)	(2,785)	(2,785)
<b>Total net assets</b>		<b>97,170</b>	<b>94,805</b>	<b>73,857</b>	<b>72,347</b>
<b>Restricted Reserves</b>					
Income and expenditure reserve – endowment reserve	22	<b>546</b>	<b>546</b>	<b>568</b>	<b>568</b>
<b>Unrestricted Reserves</b>					
Income and expenditure reserve – unrestricted		76,885	74,473	53,478	51,932
Revaluation reserve		19,786	19,786	19,847	19,847
		<b>97,217</b>	<b>94,805</b>	<b>73,893</b>	<b>72,347</b>
Non controlling interest		<b>(47)</b>	-	<b>(36)</b>	-
<b>Total Reserves</b>		<b>97,170</b>	<b>94,805</b>	<b>73,857</b>	<b>72,347</b>

The consolidated and University balance sheet for the year ended 31 July 2017 has been restated to reflect the changes detailed in note 35b.

The financial statements were approved and authorised for issue by the University Board of Governors on 26 November 2018 and were signed on its behalf on that date by:



Geraldine Proudler  
Chair of the Board of Governors



Professor Tim Blackman  
Vice-Chancellor



James Kennedy  
Chief Financial Officer



## Consolidated Statement of Cash Flows

Year ended 31 July 2018

	Notes	Year ended 31 July 2018 Consolidated £'000	Restated Year ended 31 July 2017 Consolidated £'000
<b>Cash flow from operating activities</b>			
Surplus for the year		5,486	8,793
<b>Adjustment for non-cash items</b>			
Depreciation	14	11,832	11,717
Profit on fixed asset disposal	14	(55)	(33)
Increase in stock	16	(5)	(7)
(Increase)/decrease in debtors	17	(2,475)	6,556
Increase/(decrease) in creditors	19 / 20	4,182	(11,364)
Increase in pension provision	21	6,148	4,182
Decrease in other provisions	21	(675)	(1,350)
<b>Adjustment for investing or financing activities</b>			
Investment income	7	(402)	(381)
Interest payable	11	7,217	8,578
Endowment income		(124)	(112)
Profit on the sale of fixed assets		55	33
Capital grant income		(1,597)	(1,580)
<b>Net cash inflow from operating activities</b>		<b>29,587</b>	<b>25,032</b>
<b>Cash flows from investing activities</b>			
Proceeds from sales of fixed assets		55	33
Capital grants receipts		1,597	1,580
Withdrawal of deposits		22,500	-
Investment income		402	381
Payments made to acquire fixed assets		(6,086)	(10,457)
		<b>18,468</b>	<b>(8,463)</b>

## Consolidated Statement of Cash Flows (continued)

Year ended 31 July 2018

	Notes	Year ended 31 July 2018 Consolidated £'000	Year ended 31 July 2017 Consolidated £'000
<b>Cash flows from financing activities</b>			
Interest paid	11	(7,217)	(8,578)
Endowment cash received		124	112
Repayments of unsecured loans	19	-	(51)
Repayments of amounts borrowed	19 / 20	(3,359)	(3,013)
Capital element of finance lease payments	19	-	(1)
		<b>(10,452)</b>	<b>(11,531)</b>
<b>Increase in cash and cash equivalents in the year</b>		<b>37,603</b>	<b>5,038</b>
<b>Increase in cash and cash equivalents in the year</b>		<b>37,603</b>	<b>5,038</b>
Cash and cash equivalents at beginning of the year	23	42,106	37,112
Foreign exchange translation gain/(loss) on foreign currency net investment in subsidiaries		25	(44)
<b>Cash and cash equivalents at end of the year</b>	23	<b>79,734</b>	<b>42,106</b>

The consolidated statement of cash flows for the year ended 31 July 2017 has been restated to reflect the changes detailed in note 35b.

# Notes to the Accounts

for the year ended 31 July 2018

## 1. Statement of Accounting Policies

The following accounting policies have been applied consistently in dealing with items which are considered material in relation to the financial statements.

### A. 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 and in accordance with Financial Reporting Standards (FRS 102). The University is a public benefit entity and therefore has applied the relevant public benefit requirement of FRS 102. The financial statements are prepared in accordance with the historical cost convention (modified by the revaluation of land and buildings fixed assets).

### B. Going Concern

The University's business activities and future activities are set out in the University strategic report and overview on pages 8 to 37. After reviewing the University financial position, forecasts and financial facilities, the Board have a reasonable expectation that the University has adequate resources to continue in operational existence for the foreseeable future. Accordingly, the University has continued to adopt the going concern basis in preparing the financial statements.

### C. Basis of Consolidation

The consolidated financial statements include the University and all of its subsidiaries for the financial year to 31 July 2018. Details of the subsidiary undertakings included are given at note 28. The subsidiaries are consolidated on a line by line basis with intra-group transactions and balances eliminated on consolidation.

The results of subsidiaries acquired or disposed of during the period are included in the Consolidated Statement of Comprehensive Income and Expenditure from the date of acquisition or up to the date of disposal.

A 49% non-controlling interest exists in Middlesex International (Mauritius) Limited and a 30% non-controlling interest exists in MDXU Limited, both being a subsidiary undertaking. The value of these minority interests has therefore been disclosed in the financial statements.

The consolidated financial statements do not include the income and expenditure of the Middlesex University Students' Union (MDXSU) as the University has no financial interest, does not exert control or dominant influence over policy decisions. The grant expenditure included at note 10 represents the University contribution to MDXSU activities.

### D. Income Recognition

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

**Tuition Fee income** chargeable to students or their sponsors is stated gross of any expenditure which is not a discount and credited to the Consolidated Statement of Comprehensive Income and Expenditure over the period in which the students are studying. Where the amount of the tuition fee is reduced, by a discount for prompt payment, income receivable is shown net of the discount. Bursaries, scholarships or fees waived by the University are accounted for gross as expenditure and not deducted from income.

**Investment income** is credited to the Consolidated Statement of Comprehensive Income and Expenditure on a receivable basis.

**Grant funding** including funding council block grant and research grants from government sources and from non-government sources are recognised as income when the University is entitled to the income and performance related conditions have been met. Income received in advance of performance related conditions being met is recognised as deferred income within creditors on the Balance Sheet and released to income as the conditions are met.

#### Capital grants

Government and all other source capital grants are recognised in income when the University is entitled to the funds subject to any performance related conditions being met.

### E. Accounting for Charitable Donations and Endowments

Non exchange transactions without performance related conditions are donations and endowments. Donations and endowments with donor imposed restrictions are recognised in income when the University is entitled to the funds. Income is retained within the restricted reserve until such time that it is utilised in line with such restrictions at which point the income is released to general reserves through a reserve transfer.

Donations with no restrictions are recognised in income when the University is entitled to the funds. Investment income and appreciation of endowments

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

There are four main types of donations and endowments identified within reserves:

- **Restricted donations** – the donor has specified that the donation must be used for a particular objective.
- **Unrestricted permanent endowments** – the donor has specified that the fund is to be permanently invested to generate an income stream for the general benefit of the University.
- **Restricted expendable endowments** – the donor has specified a particular objective other than the purchase or construction of tangible fixed assets, and the University has the power to use the capital.
- **Restricted permanent endowments** – the donor has specified that the fund is to be permanently invested to generate an income stream to be applied to a particular objective.

### F. Agency arrangements

Funds the University receives and disburses as paying agent on behalf of a funding body (or other body) are excluded from the Consolidated Statement of Comprehensive Income and Expenditure of the University where the University is exposed to minimal risk or enjoys minimal economic benefit related to the transaction. The balances and movement of these funds are disclosed in notes 30 to 32.

### G. Accounting for Retirement Benefits

The University contributes to two principal staff pension schemes for the University's staff, the Teachers' Pension (TPS), independently administered by the Department for Education (DfE) and the Local Government Pension Scheme (LGPS), independently administered by the London Borough of Barnet.

The schemes are defined benefit schemes which are externally funded and for the period up to 5th April 2016 were contracted out of the State Second Pension (S2P) when contracting-out ceased on the introduction of the government's new state pension on 6th April 2016.

The TPS is valued every four years and the LGPs every three years by professionally qualified independent actuaries.

Both schemes provide defined benefits to members (retirement lump sums and pensions), earned as employees worked for the University. However, the arrangements for the TPS mean that liabilities for these benefits cannot ordinarily be identified specifically to the University. The scheme is therefore accounted for as if it was a defined contribution scheme and no liability for future payments of benefits is recognised in the Balance Sheet.

#### Defined Contribution Scheme

A defined contribution scheme is a pension scheme under which the University pays fixed contributions into a separate entity and will have no legal or constructive obligation to pay further amounts. The University's obligations for contributions to the TPS whilst being a defined benefit scheme is treated as a defined contribution scheme as explained above and are recognised as an expense in the Consolidated Statement of Comprehensive Income and Expenditure in the periods during which services are rendered by employee members.

#### Defined Benefit Scheme

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

#### Other pension benefits

The University continues to make a small and diminishing number of supplementary payments to former staff and dependants of those staff, who took early retirement during the 1990's. The liabilities of the pension enhancement can be estimated under FRS 102 and are included in the financial statements at note 21.

## H. Employment Benefits

Short term employment benefits include benefits payable during employment such as salaries and compensated absences (e.g. paid annual leave) and are recognised as an expense in the year in which the employees render service to the University.

Short term employee benefits are those due to be settled within 12 months of the year-end date.

Any unused benefits are accrued and measured as the additional amount the University expects to pay as a result of the unused entitlement.

An accrual is made for the cost of annual leave entitlements earned by employees but not taken before the year end which employees can carry forward into the next financial year.

## I. Leases

Leases are classified as finance leases where the terms of the lease transfer substantially all the risks and rewards incidental to ownership of the property or equipment from the lessor to the lessee. All other leases are classified as operating leases.

Arrangements that do not have the legal status of a lease but convey a right to use an asset in return for payment are accounted for under this policy where fulfilment of the arrangement is dependent on the use of specific assets.

### The University as Lessee

#### Finance leases

Leases in which the University assumes substantially all the risks and rewards of ownership of the leased asset are classified as finance leases. Leased assets acquired by way of finance lease and the corresponding lease liabilities are initially recognised at an amount equal to the lower of their fair value and the present value of the minimum lease payments at inception of the lease.

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

#### Operating leases

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

## J. Foreign Currencies

Transactions in foreign currencies are translated to the respective functional currencies of Group entities at the

foreign exchange rate ruling at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies at the balance sheet date are translated to the functional currency at the foreign exchange rate ruling at that date. Foreign exchange differences arising on translation are recognised in Surplus or Deficit (except for differences arising on the retranslation of a financial liability designated as a hedge of the net investment in a foreign operation that is effective, or qualifying cash flow hedges, which are recognised directly in Other Comprehensive Income). Non-monetary assets and liabilities that are measured in terms of historical cost in a foreign currency are translated using the exchange rate at the date of the transaction. Non-monetary assets and liabilities denominated in foreign currencies that are stated at fair value are retranslated to the functional currency at foreign exchange rates ruling at the dates the fair value was determined.

The assets and liabilities of foreign operations, including goodwill and fair value adjustments arising on consolidation, are translated to the Group's presentational currency, Sterling, at foreign exchange rates ruling at the balance sheet date. The revenues and expenses of foreign operations are translated at an average rate for the year where this rate approximates to the foreign exchange rates ruling at the dates of the transactions. Exchange differences arising from this translation of foreign operations are reported as an item of Other Comprehensive Income.

When the Group disposes of only part of its interest in a subsidiary that includes a foreign operation while still retaining control, the relevant proportion of the accumulated amount is reattributed to non-controlling interests. When the Group disposes of only part of its investment in an associate or joint venture that includes a foreign operation while still retaining significant influence or joint control, the relevant proportion of the cumulative amount is recycled to the Consolidated Statement of Comprehensive Income and Expenditure.

Exchange differences arising from a monetary item receivable from or payable to a foreign operation, the settlement of which is neither planned nor likely in the foreseeable future, are considered to form part of a net investment in a foreign operation and are recognised directly in equity.

## K. Tangible Fixed Assets

### Valuation

Fixed assets are stated at cost/deemed cost less accumulated depreciation and accumulated impairment losses. Certain items of land and buildings fixed assets that have been revalued on the date of transition to the 2015 HE SORP are measured on the basis of deemed cost, being the revalued amount at the date of the revaluation 31 July 2014.

Where parts of a fixed asset have different useful lives, they are accounted for as separate items of fixed assets.

### Land and buildings

#### Capitalisation

Costs incurred in relation to land and buildings after initial purchase or construction are capitalised to the extent that they increase the expected future benefits to the University.

#### Depreciation

Freehold land is not depreciated as it is considered to have an indefinite useful life. Freehold buildings are depreciated on a straight line basis over their expected useful lives as follows:

#### Freehold Buildings

Freehold Buildings	50 years
Major Improvements	50 years
Minor Refurbishments	10 – 20 years

Buildings include long leasehold premises and property depreciated over the life of the lease up to a maximum of 50 years. Capitalised costs of leasehold building improvements are depreciated over the shorter of their useful life or the remaining term of the lease.

### Equipment

#### Capitalisation

Fixtures, Fittings and Equipment, including computers and software, costing less than the minimums £30,000 per individual item or group of related items is recognised as expenditure through write off in the year of acquisition. All other equipment is capitalised.

#### Depreciation

Capitalised equipment is stated at cost and depreciated on a straight line basis over its expected useful life as follows:

Fixtures, fittings and equipment	5 – 10 years
Computer equipment (Hardware and Software)	4 years
Motor vehicles: Van and minibus fleet	5 – 10 years
Motor cars fleet	3 years

#### Assets under construction

Assets in the course of construction are accounted for at cost, based on the value of architects' certificates and other direct costs incurred to the end of the year. They are not depreciated until they are brought into use.

### Borrowing costs

Borrowing costs which are directly attributable to the acquisition, construction or production of a qualifying asset are capitalised.

### Impairment

A review for impairment of fixed assets is carried out if events or changes in circumstances indicate that the carrying amount may not be recoverable, whether through the economic benefits of use or through disposal. Where there is evidence of impairment, fixed assets are written down to the recoverable amount.

### Repairs and maintenance

Expenditure to ensure that a tangible fixed asset maintains its previously recognised standard of performance is recognised in the Consolidated Statement of Comprehensive Income and Expenditure in the period it is incurred. The University has a planned maintenance programme, which is reviewed on an annual basis.

### Fixed assets identified for disposal

Fixed assets identified for disposal are stated at the lower of cost or net realisable value.

## L. Investments

Non-current asset investments, including investments in subsidiaries, jointly controlled entities and associates are held on the Balance Sheet at original cost of the investment less a provision for impairment in value where appropriate in the University's accounts.

Current asset investments are held at fair value with movements recognised in the Surplus or Deficit.

## M. Stock

Stocks of finished goods and work-in-progress are held at the lower of cost and estimated net realisable value, and are measured using an average cost formula.

Where appropriate, a provision is made for obsolete, slow moving or defective items.

## N. Cash and cash equivalents

Cash includes cash in hand, deposits repayable on demand and overdrafts. Deposits are repayable on demand if they are in practice available within 24 hours without penalty.

Cash equivalents are short term, highly liquid investments that are readily convertible to known amounts of cash with insignificant risk of change in value. These include investments held as part of the University's treasury management activity with a maturity date at the year end of three months or less.

Cash flows comprise increases or decreases in cash.

## O. Provisions, contingent liabilities and contingent assets

Provisions are recognised in the financial statements when:

- the University has a present obligation (legal or constructive) as a result of a past event;
- it is probable that an outflow of economic benefits will be required to settle the obligation; and
- a reliable estimate can be made of the amount of the obligation.

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

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

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

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

## P. Taxation

The University is an exempt charity within the meaning of Part 3 of the Charities Act 2011, and, as such, is a charity within the meaning of Section 506 (1) of the Income and Corporation Taxes Act 1988. It is therefore a charity within the meaning of Paragraph 1 of schedule 6 to the Finance Act 2010 and accordingly, the University is potentially exempt from taxation in respect of income or capital gains received within categories covered by section 478-488 of the Corporation Tax Act 2010 (CTA 2010) or section 256 of the Taxation of Chargeable Gains Act 1992, to the extent that such income or gains are applied to exclusively charitable purposes.

The University receives no similar exemption in respect of Value Added Tax (VAT). Irrecoverable VAT on inputs is included in the costs of such inputs. Any irrecoverable VAT allocated to fixed assets is included in their cost.

The University's UK subsidiaries are liable to Corporation Tax and VAT in the same way as any other commercial organisation.

Current tax, including UK corporation tax and foreign tax, is provided at amounts expected to be paid (or recovered) using the tax rates and laws that have been enacted or substantively enacted by the balance sheet date.

Deferred tax is provided in full on timing differences that exist at the balance sheet date and that result in an obligation to pay more tax, or a right to pay less tax in the future. The deferred tax is measured at the rate expected to apply in periods in which the timing differences are expected to reverse, based on the tax rates and laws that are enacted or substantively enacted at the balance sheet date. Unrelieved tax losses and other deferred tax assets shall be recognised only to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits. Deferred tax assets and liabilities are not discounted.

## Q. Financial assets

Financial assets, other than investments, are initially measured at transaction price (including transaction costs) and subsequently held at cost, less any impairment.

## R. 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. Financial liabilities are initially measured at transaction price (including transaction costs) and subsequently held at amortised cost.

## S. Reserves

Reserves are classified as restricted or unrestricted. Restricted endowment reserves include balances which, through endowment to the University, are held as a permanently restricted fund which the University must hold in perpetuity.

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

## 2. Accounting estimates and judgments

In preparing these financial statements, the board and management have made judgments, estimates and assumptions that affect the application of the University's accounting policies and the reported assets, liabilities, income and expenditure and the disclosures made in the financial statements. Estimates and judgments are continually evaluated and are based on historical experience and other facts, including expectations of future events that are believed to be reasonable under the circumstances.

Key areas subject to judgment are as follows:

### A. Pension enhancements on termination (see note 21)

The critical underlying assumptions in relation to the estimate of the pension enhancement obligation such as life expectancy and the discount rate on corporate bonds. Variations in these assumptions have the ability to significantly influence the value of the provision for unfunded liabilities recorded and annual expense.

### B. Onerous contract provision (see note 21)

Determine whether contracts entered into by the University and Group as lessee are onerous. These decisions depend on an assessment of whether the aggregate cost required to fulfil the contract are higher than the economic benefit to be obtained from it.

The underlying assumptions in relation to the estimate of the present value of the total commitment under the lease such as the annual obligation over the period of the lease and the discount rate to be used.

### C. Leases (see note 26)

Determine whether leases entered into by the University and Group 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.

### D. Defined benefit pension scheme (see note 29)

The critical underlying assumptions in relation to the estimate of the defined benefit LGPS pension scheme obligation such as life expectancy, anticipated future salary increases, asset valuations and the discount rate on corporate bonds. Variations in these assumptions have the ability to significantly influence the value of the liability recorded and annual defined benefit expense.

The underlying assumptions in relation to the estimate of the present value of the obligation in respect of the funding deficit plan for the LGPS pension scheme such as the salary inflation over the period of the funding deficit plan and the discount rate to be used.

## E. Impairment

Determine whether there are indicators of impairment of the University and Group's tangible assets. Factors taken into consideration in reaching such a decision include the economic viability and expected future financial performance of the asset and where it is a component of a larger cash-generating activity, the viability and expected future performance of that activity.

Other key areas of estimation uncertainty are as follows:

### Tangible fixed assets (see note 14)

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.

### Trade debtors (see note 17)

The estimate for receivables relates to the recoverability of the balances outstanding at the year end. A review is performed on an accounts receivable aging method to determine whether debt is recoverable by aged group and a predetermined rate.

Notes	Year ended 31 July 2018		Year ended 31 July 2017	
	Consolidated £'000	University £'000	Consolidated £'000	University £'000
<b>3. Tuition fees and education contracts</b>				
	104,663	103,943	99,486	98,686
	27,639	20,861	27,080	21,081
	2,972	2,972	2,781	2,781
	353	353	-	-
	10,635	10,635	10,166	10,166
	7,249	7,249	8,712	8,712
	<b>153,511</b>	<b>146,013</b>	<b>148,225</b>	<b>141,426</b>

Notes	Year ended 31 July 2018		Year ended 31 July 2017	
	Consolidated £'000	University £'000	Consolidated £'000	University £'000
<b>4. Funding body grants</b>				
<b>Recurrent grant</b>				
	2,597	2,597	-	-
	8,082	8,082	10,672	10,672
	28	28	-	-
	-	-	49	49
<b>Specific grants</b>				
	1,549	1,549	1,260	1,260
	4,703	4,703	4,464	4,464
	375	375	211	211
	1,597	1,597	4,860	4,860
	<b>18,931</b>	<b>18,931</b>	<b>21,516</b>	<b>21,516</b>

HEFCE ceased to exist as of 1 April 2018 when its duties for the distribution of funding body grants for Higher Education to Universities were divided between the newly created Office for Students (OfS) and Research England.

The National College for Teaching and Leadership (NCTL) was replaced by the Department for Education (DfE) on 1 April 2018 and no longer exists.

Notes	Year ended 31 July 2018		Year ended 31 July 2017	
	Consolidated £'000	University £'000	Consolidated £'000	University £'000
<b>5. Research grants and contracts</b>				
	803	803	784	784
	223	223	290	290
	1,214	1,204	1,508	1,430
	226	121	176	57
	1,729	1,729	2,250	2,250
	15	15	-	-
	159	159	110	110
	945	928	350	350
	11	11	62	62
	<b>5,325</b>	<b>5,193</b>	<b>5,530</b>	<b>5,333</b>

Notes	Year ended 31 July 2018		Restated Year ended 31 July 2017	
	Consolidated £'000	University £'000	Consolidated £'000	University £'000
<b>6. Other income</b>				
	9,280	9,280	11,007	11,007
	1,516	1,516	1,466	1,466
	-	-	-	-
	393	393	374	374
	562	562	541	541
	1,621	1,621	1,365	1,365
	5,991	5,991	6,496	6,496
	5,615	3,650	5,099	3,323
	-	-	280	280
	1,290	802	1,253	1,082
	<b>26,268</b>	<b>23,815</b>	<b>27,881</b>	<b>25,934</b>

Refer to note 35a for details of the prior year restatement.

Notes	Year ended 31 July 2018		Year ended 31 July 2017	
	Consolidated £'000	University £'000	Consolidated £'000	University £'000
<b>7. Investment income</b>				
	1	1	2	2
	401	387	379	361
	<b>402</b>	<b>388</b>	<b>381</b>	<b>363</b>

Notes	Year ended 31 July 2018		Year ended 31 July 2017	
	Consolidated £'000	University £'000	Consolidated £'000	University £'000
<b>8. Donations and endowments</b>				
	124	124	112	112
	5	5	3	3
	<b>129</b>	<b>129</b>	<b>115</b>	<b>115</b>

Notes	Year ended 31 July 2018		Year ended 31 July 2017	
	Consolidated £'000	University £'000	Consolidated £'000	University £'000
<b>9. Staff costs</b>				
	88,648	80,315	87,248	79,451
	9,096	8,965	8,617	8,515
	3,877	3,877	1,410	1,410
	-	-	158	158
	14,840	14,803	13,276	13,238
	<b>116,461</b>	<b>107,960</b>	<b>110,709</b>	<b>102,772</b>
	1,097	1,097	805	805
	<b>117,558</b>	<b>109,057</b>	<b>111,514</b>	<b>103,577</b>

Other pension costs represent the University employers contributions to the Teachers' Pension Scheme (TP) and the Local Government Pension Scheme (LGPS) shown at note 29.

## 9. Staff costs (continued)

	Year Ended 31 July 2018	Restated Year Ended 31 July 2017
	Number	Number
Average group staff numbers by major category, expressed on a full time equivalent basis, during the year were:		
Academic	977	964
Administration and senior management	855	829
Technical	87	102
Other (including Research)	55	67
	<b>1,974</b>	<b>1,962</b>
	Year Ended 31 July 2018 £'000	Year Ended 31 July 2017 £'000
<b>Vice-Chancellor remuneration:</b>	£'000	£'000
Basic salary	260	260
Payments in lieu of pension contributions	7	-
Performance-related bonus	-	10
Contribution to relocation costs	-	19
	<b>267</b>	<b>289</b>
Pension contributions	36	29
<b>Total remuneration</b>	<b>303</b>	<b>318</b>

The Vice-Chancellor's remuneration shown in the year was approved by the University's Remuneration Committee. In determining the remuneration of the Vice-Chancellor the Remuneration Committee considers pay benchmarking data in respect of Heads of Institution provided annually by UCEA (Universities and Colleges Employers Association) and the Committee of University Chairs (CUC). The UCEA data provides median and mean comparisons as well as quartile pay and total pay data for all institutions; Post 92 universities and universities within a similar institutional income bracket. The consideration includes assessment of individual performance based on the University's senior manager performance review model.

The pension contributions are in respect of employer's contributions to the Local Government Pension Scheme (LGPS) until 30 April 2018 and were paid at the same rate as for all other member employees.

The Vice-Chancellor voluntarily withdrew from the LGPS on 1 May 2018 and, in accordance with an understanding reached upon joining the University and ratified by the Remuneration Committee, has received, from the date of withdrawal, a monthly salary adjustment (shown within remuneration as 'payments in lieu of pension contributions'). As a result of this change the cost to the University of the Vice Chancellor's total remuneration has decreased.

An exceptional performance-related bonus was paid to the Vice-Chancellor in the year ended 31 July 2017 in recognition of his leadership in setting the new strategic direction of the University. The Vice-Chancellor was also awarded a 2.7% pay increase to take effect from 1st August 2017 which he declined.

**Pay multiple**

The relationship between the Vice-Chancellor's remuneration and that for all other staff, expressed as a pay multiple, during the year were:

University	Year Ended 31 July 2018		Year Ended 31 July 2017	
	Basic Salary £'000	Total Remuneration £'000	Basic Salary £'000	Total Remuneration £'000
Vice-Chancellor pay	260.0	303.0	260.0	318.0
Median pay for all other staff	40.0	46.6	39.3	44.5
Pay Multiple	<b>6.5 : 1</b>	<b>6.5 : 1</b>	<b>6.6 : 1</b>	<b>7.1 : 1</b>

The pay multiple represents the Vice-Chancellor's pay divided by the median pay for all other staff at the University (excluding subsidiary companies), on a full time equivalent basis.

The median pay for all other staff is calculated using pay data for the year and includes the total costs of agency workers hired via recruitment companies to work for the University, these costs are reported at note 10, other operating expenses.

## 9. Staff costs (continued)

In preparing the calculation of median pay for agency workers, on a full time equivalent basis, certain assumptions have been used to determine an estimate for the total of full time equivalents as this data is not held within the University payroll system records collected for all other staff at the University.

**Senior staff remuneration:**

The number of senior staff (excluding the Vice-Chancellor) who received remuneration excluding employer's pension contributions in the following ranges was:

	Year Ended 31 July 2018 Number	Restated Year Ended 31 July 2017 Number
£100,000 to £104,999	3	4
£105,000 to £109,999	2	1
£110,000 to £114,999	1	2
£115,000 to £119,999	1	-
£120,000 to £124,999	2	3
£125,000 to £129,999	1	1
£130,000 to £134,999	1	-
£135,000 to £139,999	-	1
£140,000 to £144,999	1	1
£145,000 to £149,999	1	-
£150,000 to £154,999	1	1
	<b>14</b>	<b>14</b>

The number of senior staff for the year ended 31 July 2017 has been restated to reflect Office for Students (OfS) Regulatory Advice 9: Accounts direction, in preparing financial statements for the year ended 31 July 2018.

**Severance payments**

The total amount of compensation for loss of office paid to all staff across the University during the year were:

	Year Ended 31 July 2018 £'000	Year Ended 31 July 2017 £'000
Compensation paid or payable	1,113	909
Compensation recorded within staff costs	<b>1,113</b>	<b>909</b>

The compensation pay for loss of office comprises of amounts paid or payable where a liability existed at 31 July 2018 to 59 employees (2017: 50) and was funded from general income. The compensation pay and benefits was approved by the University's Remuneration Committee or the respective delegated authority as appropriate.

**Key management personnel**

Key management personnel are those persons having authority and responsibility for planning, directing and controlling the activities of the University. Staff costs include compensation paid to key management personnel. Middlesex University defines 'key management personnel' as members of the Executive Team. If a member of staff was a member of the Executive Team at any point in the year, their total paid compensation is disclosed. Compensation consists of salary and benefits including any employer's pension contribution.

The pension contributions of Key Management personnel are in respect of employer's contributions to either the Teachers Pension Scheme or the Local Government Pension Scheme and are paid at the same rate as for all other member employees.

	Year Ended 31 July 2018 £'000	Year Ended 31 July 2017 £'000
<b>Key management personnel compensation</b>	<b>1,429</b>	<b>1,478</b>

	Notes	Year ended 31 July 2018		Restated Year ended 31 July 2017	
		Consolidated £'000	University £'000	Consolidated £'000	University £'000
<b>10. Other operating expenses</b>					
Consumables		1,960	1,925	2,641	2,587
Library and Learning resources		4,784	4,682	4,843	4,676
Funds payable to other colleges		2,850	2,850	2,405	2,405
Auditors' remuneration (see below)		300	259	341	300
Catering and hospitality		993	988	1,046	990
Marketing related costs		2,630	2,179	2,794	2,240
Collaborative partners and advisors		2,972	2,779	2,447	2,284
External staffing and services		2,850	2,989	2,852	2,852
Staff development costs		901	873	973	941
Student recruitment, bursaries scholarships and awards		5,491	7,631	6,613	8,482
Subscriptions and memberships		1,249	1,244	1,263	1,254
Equipment not capitalised		1,514	1,485	1,885	1,873
IT expenditure and maintenance		6,167	6,159	5,772	5,718
IT and other equipment operating lease rentals		48	48	200	200
NHS service charge costs		-	-	134	134
Grant to Students' Union (MDXSU)	34	951	951	933	933
Transport, travel and subsistence		1,619	1,543	1,830	1,751
Insurance, telecommunications and postage		779	657	768	670
Rent and rates		3,620	3,220	2,558	2,333
Repairs and general maintenance		3,061	3,034	3,462	3,438
Utilities		2,088	1,977	1,823	1,810
Other premises related costs		13,013	11,819	14,103	13,521
Other expenditure		2,570	2,464	1,524	1,352
		<b>62,410</b>	<b>61,756</b>	63,210	62,744

Refer to note 35a for details of the prior year restatement.

	31 July 2018 £'000	July 2017 £'000
<b>Other operating expenses (consolidated) include:</b>	£'000	£'000
<b>Auditors' remuneration</b>		
BDO LLP external auditor's remuneration in respect of:		
Audit of University annual financial statements	127	124
Audit of UK subsidiary company annual financial statements	10	10
External auditors' remuneration in respect of audit of overseas subsidiary company annual financial statements	31	31
External auditors (BDO LLP) remuneration in respect of non-audit services	14	20
Other including internal auditor remuneration	118	156
	<b>300</b>	341
<b>Operating lease rentals</b>		
Land and buildings	1,957	2,164
Equipment	51	201
	<b>2,008</b>	2,365

	Notes	Year ended 31 July 2018		Year ended 31 July 2017	
		Consolidated £'000	University £'000	Consolidated £'000	University £'000
<b>11. Interest and other finance costs</b>					
Interest on bank loans not wholly repayable within 5 years		4,342	4,342	4,750	4,750
Exchange differences		-	-	2	-
Other finance costs		101	101	725	722
Interest charge on pension enhancement provision	21	149	149	-	-
Interest charge on net LGPS pension scheme deficit	29	2,625	2,625	3,101	3,101
		<b>7,217</b>	<b>7,217</b>	<b>8,578</b>	<b>8,573</b>

	Notes	Year ended 31 July 2018		Restated Year ended 31 July 2017	
		Consolidated £'000	University £'000	Consolidated £'000	University £'000
<b>12. Analysis of total expenditure by activity</b>					
Academic faculties		83,485	74,165	80,918	75,969
Academic services		41,462	41,928	40,860	37,076
Research grants and contracts		5,221	5,089	5,333	5,333
Residences, catering and conferences		9,432	9,432	11,281	11,281
Premises		26,465	26,465	27,409	27,409
Central services and administration*		28,705	28,705	24,435	24,435
Other expenses		3,184	2,932	3,761	3,890
		197,954	188,716	193,997	185,393
Staff restructuring costs		1,097	1,097	805	805
		<b>199,051</b>	<b>189,813</b>	<b>194,802</b>	<b>186,198</b>

\*Central services and administration expenditure includes costs of student and staff facilities and amenities, and general education expenditure.

Refer to note 35a for details of the prior year restatement shown within Residences, catering and conferences.

The consolidated expenditure has been reclassified between activity headings to reflect the correct nature of the activity carried out in the overseas subsidiary undertaking MI (Mauritius) Limited. The change has the effect of increasing the prior year Academic faculties consolidated expenditure and decreasing the Academic services consolidated expenditure by £3,504k.

	Year ended 31 July 2018 £'000	Year ended 31 July 2017 £'000
<b>13. Taxation</b>		
UK corporation tax on profits of a trading subsidiary	(7)	7
Foreign taxes	36	46
	<b>29</b>	<b>53</b>

The University is an exempt charity within the meaning of Part 3 of the Charities Act 2011, and, as such, is a charity within the meaning of Section 506 (1) of the Income and Corporation Taxes Act 1988. The University is recognised as a charity by HM Revenue & Customs. It is therefore a charity within the meaning of Para 1 of schedule 6 to the Finance Act 2010 and accordingly, the University is potentially exempt from UK Corporation Tax in respect of income or capital gains received within categories covered by section 478-488 of the Corporation Tax Act 2010 (CTA 2010) or section 256 of the Taxation of Chargeable Gains Act 1992, to the extent that such income or gains are applied to exclusively charitable purposes.

The Board does not believe that the University is liable for any UK corporation tax on profit arising out of its activities during the year.

The trading subsidiary MU Ventures Limited makes charitable donations equal to its taxable profits and therefore no tax liability arises. A one off tax provision was made in the year ending July 2017 and is shown as a reversal in the current year when the gift aid payment was made to the University.

The foreign tax charges arise from the activities of certain overseas trading subsidiary companies within their local regions during the year.

## 14. Fixed Assets

<b>Consolidated</b>	Freehold Land £'000	Leasehold Buildings £'000	Freehold Buildings £'000	Fixtures, Fittings and Equipment £'000	Assets in the Course of Construction £'000	Total £'000
<b>Cost or valuation</b>						
At 1 August 2017	32,125	11,505	210,603	24,443	1,717	280,393
Exchange Revaluation	-	-	-	(38)	-	(38)
Additions at cost	-	109	1,248	2,844	1,923	6,124
Transfers between categories	-	1	126	604	(731)	-
Disposals	-	-	(322)	(4,299)	-	(4,621)
<b>At 31 July 2018</b>	<b>32,125</b>	<b>11,615</b>	<b>211,655</b>	<b>23,554</b>	<b>2,909</b>	<b>281,858</b>
<b>Consisting of:</b>						
Valuation as at 31 July 2014	29,101	-	145,099	-	-	174,200
Cost	3,024	11,615	66,556	23,554	2,909	107,658
	<b>32,125</b>	<b>11,615</b>	<b>211,655</b>	<b>23,554</b>	<b>2,909</b>	<b>281,858</b>
<b>Depreciation</b>						
At 1 August 2017	-	4,865	43,043	12,608	-	60,516
Exchange Revaluation	-	-	-	(34)	-	(34)
Charge for the year	-	1,307	5,964	4,595	-	11,866
Disposals	-	-	(322)	(4,244)	-	(4,566)
<b>At 31 July 2018</b>	<b>-</b>	<b>6,172</b>	<b>48,685</b>	<b>12,925</b>	<b>-</b>	<b>67,782</b>
<b>Net book value</b>						
<b>At 31 July 2018</b>	<b>32,125</b>	<b>5,443</b>	<b>162,970</b>	<b>10,629</b>	<b>2,909</b>	<b>214,076</b>
At 31 July 2017	<u>32,125</u>	<u>6,640</u>	<u>167,560</u>	<u>11,835</u>	<u>1,717</u>	<u>219,877</u>

## 14. Fixed Assets (continued)

<b>University</b>	Freehold Land £'000	Leasehold Buildings £'000	Freehold Buildings £'000	Fixtures, Fittings and Equipment £'000	Assets in the Course of Construction £'000	Total £'000
<b>Cost and valuation</b>						
At 1 August 2017	32,125	11,505	210,603	22,738	1,717	278,688
Additions at cost	-	109	1,248	2,800	1,923	6,080
Transfers between categories	-	1	126	604	(731)	-
Disposals	-	-	(322)	(3,598)	-	(3,920)
<b>At 31 July 2018</b>	<b>32,125</b>	<b>11,615</b>	<b>211,655</b>	<b>22,544</b>	<b>2,909</b>	<b>208,848</b>
<b>Consisting of:</b>						
Valuation as at 31 July 2014	29,101	-	145,099	-	-	174,200
Cost	3,024	11,615	66,556	22,544	2,909	106,648
	<b>32,125</b>	<b>11,615</b>	<b>211,655</b>	<b>22,544</b>	<b>2,909</b>	<b>280,848</b>
<b>Depreciation</b>						
At 1 August 2017	-	4,865	43,043	11,125	-	59,033
Charge for the year	-	1,307	5,964	4,512	-	11,783
Disposals	-	-	(322)	(3,598)	-	(3,920)
<b>At 31 July 2017</b>	<b>-</b>	<b>6,172</b>	<b>48,685</b>	<b>12,039</b>	<b>-</b>	<b>66,896</b>
<b>Net book value</b>						
<b>At 31 July 2018</b>	<b>32,125</b>	<b>5,443</b>	<b>162,970</b>	<b>10,505</b>	<b>2,909</b>	<b>213,952</b>
At 31 July 2017	<u>32,125</u>	<u>6,640</u>	<u>167,560</u>	<u>11,613</u>	<u>1,717</u>	<u>219,655</u>



**14. Fixed Assets (continued)**

Disposals include the write off of historical tangible fixed assets that are fully depreciated. The gross cost of these assets amounted to £3,920k (2017: £5,638k).

A full valuation of the University's land, academic, research, ancillary and support buildings was carried out on 31 July 2014 by Jones Lang LaSalle Limited, Chartered Surveyors.

The basis of the valuation was as follows:

- Land was valued at market value.
- Educational assets, be that academic/research or ancillary/support buildings were valued using the direct comparison method. This method considers recent sales and letting transactions of appropriate properties, which are adjusted to reflect differences in size, location, physical characteristics, local demand/supply and tenure.
- 'Trophy' educational assets, which include the College Building, The Grove, Hatchcroft and the Sheppard Library which incorporate significantly higher levels of fit-out have been valued to reflect the unique nature of the building space and/or specialised equipment fit-out.

The net book value of land and buildings comprises:

	At 31 July 2018 £'000	At 31 July 2017 £'000
<b>University</b>		
<b>Freeholds:</b>		
Land, at valuation	29,101	29,101
Buildings, at valuation	127,316	131,646
	<b>156,417</b>	160,747
Land, stated at cost	3,024	3,024
Buildings, stated at cost	35,654	35,914
	<b>38,678</b>	38,938
	<b>195,095</b>	<b>199,685</b>
<b>Leaseholds:</b>		
Buildings, stated at cost	<b>5,443</b>	6,640
<b>Net book value</b>	<b>200,538</b>	<b>206,325</b>

**15. Non-Current Investments**

<b>Consolidated</b>	Subsidiary companies £'000	Other non-current investments £'000	Total £'000
At 1 August 2017	–	36	<b>36</b>
<b>At 31 July 2018</b>	<b>–</b>	<b>36</b>	<b>36</b>
<b>University</b>	£'000	£'000	£'000
At 1 August 2017	25	36	<b>61</b>
<b>At 31 July 2018</b>	<b>25</b>	<b>36</b>	<b>61</b>

**Subsidiary companies**

The board believe that the carrying value of the investments in trading subsidiary companies is supported by the subsidiary company net assets and/or their business plans. Investments in the subsidiary companies are stated at cost. The University holds a £2m provision against MU Ventures Limited (2017: £2m). Details of the subsidiary companies are shown in note 28.

**Other non-current investments**

The non-current investments have been valued at market value.

Other non-current investments consist of:	Consolidated and University £'000
Shares in CVCP Properties plc	36
	<b>36</b>

CVCP Properties plc is a company owned by 135 UK university institutions, whose executive heads (vice-chancellors or principals) are members of Universities UK. Universities UK is the representative organisation for the United Kingdom's universities.

The University holds a £30k provision (2017: £30k) against its shareholding in Argentium International Limited.

	Year ended 31 July 2018		Year ended 31 July 2017	
	Consolidated £'000	University £'000	Consolidated £'000	University £'000
<b>16. Stock</b>				
Research grants and contracts – work in progress	12	12	7	7
	<u>12</u>	<u>12</u>	<u>7</u>	<u>7</u>

	Year ended 31 July 2018		Restated Year ended 31 July 2017	
	Consolidated £'000	University £'000	Consolidated £'000	University £'000
<b>17. Trade and other receivables</b>				
<b>Amounts falling due within one year:</b>				
Trade debtors	3,057	2,927	3,093	2,142
Tuition fees	6,849	5,985	6,075	5,979
Other receivables	2,242	834	2,660	1,565
Prepayments and accrued income	8,635	6,363	7,118	5,496
Amounts due from consolidated subsidiary companies	-	3,857	-	3,909
	<b>20,783</b>	<b>19,966</b>	<b>18,946</b>	<b>19,091</b>
<b>Amounts falling due after more than one year:</b>				
Other receivables	700	700	-	-
Prepayments	1,310	1,310	1,372	1,372
	<b>22,793</b>	<b>21,976</b>	<b>20,318</b>	<b>20,463</b>

Refer to note 35b for details of the prior year restatement.

	Year ended 31 July 2018		Year ended 31 July 2017	
	Consolidated £'000	University £'000	Consolidated £'000	University £'000
<b>18. Current Investments</b>				
Short term deposits	7,500	7,500	30,000	30,000
	<b>7,500</b>	<b>7,500</b>	<b>30,000</b>	<b>30,000</b>

Deposits are held with Lloyds Bank plc operating in the London market and licensed by the Prudential Regulation Authority with more than three months' maturity at the balance sheet date. The interest rates for these deposits are fixed for the duration of the deposit at time of placement.

	Year ended 31 July 2018		Restated Year ended 31 July 2017	
	Consolidated £'000	University £'000	Consolidated £'000	University £'000
<b>19. Creditors: amounts falling due within one year</b>				
Secured loans (note 20)	3,518	3,518	3,360	3,360
Unsecured loans	1	-	1	-
Research grants received on account	10,176	10,176	8,628	8,628
Other liabilities due within one year	9,523	9,102	10,609	10,549
Trade payables	5,384	4,357	3,268	2,196
Social security and other taxation payable	2,631	2,655	2,574	2,530
Accruals and deferred income	20,772	18,994	18,013	16,478
	<b>52,005</b>	<b>48,802</b>	<b>46,453</b>	<b>43,741</b>

Refer to note 35b for details of the prior year restatement.

	Year ended 31 July 2018		Year ended 31 July 2017	
	Consolidated £'000	University £'000	Consolidated £'000	University £'000
<b>20. Creditors: amounts falling due after more than one year</b>				
Deferred income	7,865	7,865	9,154	8,239
Other liabilities due after one year	207	97	130	130
Secured loans	75,566	75,566	79,083	79,083
	<b>83,638</b>	<b>83,528</b>	<b>88,367</b>	<b>87,452</b>
<b>Analysis of secured loans:</b>				
<b>Due within one year or on demand (note 19)</b>	3,518	3,518	3,360	3,360
Due between one and two years	3,655	3,655	3,518	3,518
Due between two and five years	12,148	12,148	11,561	11,561
Due in five years or more	59,763	59,763	64,004	64,004
<b>Due after more than one year</b>	<b>75,566</b>	<b>75,566</b>	<b>79,083</b>	<b>79,083</b>
<b>Total secured loans</b>	<b>79,084</b>	<b>79,084</b>	<b>82,443</b>	<b>82,443</b>
Secured loans repayable to Barclays Bank by 2030	29,082	29,082	30,830	30,830
Secured loans repayable to Lloyds Bank by 2037	50,002	50,002	51,613	51,613
	<b>79,084</b>	<b>79,084</b>	<b>82,443</b>	<b>82,443</b>

The secured bank loan facilities are repayable over the terms shown below. Interest is charged at the rates shown and all rates are fixed until their rate is renewed at a fixed future date or at the end of the loan term.

The loans are secured against the University campus properties to which they relate.

Lender	Borrower	Property name	Amount outstanding at 31 July 2018 £'000	Term	Fixed Until	Interest rate %	Expiry date
Barclays Bank	University	Part of Hendon Campus	29,082	25 Years	2030	5.2900%	2030
Lloyds Bank	University		10,665	28 Years	2037	6.5950%	2037
Lloyds Bank	University		13,296	27 Years	2037	6.4250%	2037
Lloyds Bank	University	Part of Hendon Campus	8,881	26 Years	2037	6.5450%	2037
Lloyds Bank	University		4,216	26 Years	2026	6.7050%	2037
Lloyds Bank	University		4,451	26 Years	2016	Variable	2037
Lloyds Bank	University		8,493	25.5 Years	2017	Variable	2037
			<b>50,002</b>				
			<b>79,084</b>				

## 21. Provisions for liabilities

Consolidated  
and University

	Obligation to fund deficit on LGPS Pension £'000	Pension enhancements on termination £'000	Total Pension Provisions £'000	Restructuring Provision £'000	Onerous Contract Provision £'000	Total Other Provisions £'000
At 1 August 2017	95,367	5,515	100,882	322	2,463	2,785
Utilised in year	-	(503)	(503)	(273)	(872)	(1,145)
Additions in 2017/18	(11,874)	723	(11,151)	368	102	470
<b>At 31 July 2018</b>	<b>83,493</b>	<b>5,735</b>	<b>89,228</b>	<b>417</b>	<b>1,693</b>	<b>2,110</b>

**Obligation to fund deficit on LGPS pension (see note 29)**

The obligation to fund the past deficit on the University's Local Government Pension Scheme (LGPS) arises from the contractual obligation with the pension scheme for total payments relating to benefits arising from past performance. Management have assessed future employees within the LGPS scheme and salary payment over the period of the contracted obligation in assessing the value of this provision.

**Pension enhancements on termination**

A pension provision in respect of pension enhancements payable to staff who left the University during the 1990's as part of an early retirement scheme. Currently there are 174 people (2017: 177 people) in the scheme. This provision will be utilised over the period of retirement. The provision is based upon a full actuarial valuation at 31 July 2018 by a qualified independent actuary.

The assumptions used by the actuary that comply with FRS102 for calculating the provision for pension enhancements on termination at 31 July 2018 are as follows:

Financial assumptions:	Consolidated
Discount rate for liabilities	2.7%
Retail price inflation (RPI increases)	3.5%
Consumer price inflation (CPI increases) – Pension increase rate	2.5%

## Longevity assumptions:

The post retirement mortality tables adopted for current pensioners are the S1PA tables.

**Restructuring provision**

The restructuring provision is an estimated liability from the agreement to offer staff voluntary redundancy or be subject to redundancy where activities have been re-organised or discontinued as a result of restructuring.

The amounts provided include the final settlement of unfunded pension costs of former staff specified in the University's voluntary redundancy scheme and the estimated future costs of lump sum redundancy payments and unfunded pensions payable to staff who have agreed terms at 31 July 2018.

It is estimated that the provision will be fully utilised or released in the statement of comprehensive income and expenditure in 2018/19 dependent upon the agreed departure date of the relevant employees.

**Onerous contract provision**

The cost of an onerous contract relating to parts of the New Southgate campus, where the cost of meeting the existing lease obligations exceed the economic benefits expected to be received under the lease. The provision represents the lease period up to 7 June 2020.

## 22. Endowment Reserves

Restricted net assets relating to endowments are as follows:

	Note	Restricted permanent endowments £'000	Expendable endowments £'000	2018 Total £'000	2017 Total £'000
<b>Balances at 1 August 2017</b>					
Capital value		400	146	546	593
Accumulated income		-	22	22	22
		<b>400</b>	<b>168</b>	<b>568</b>	<b>615</b>
New endowments	8	-	124	124	112
Investment income	7	1	-	1	2
Expenditure		(1)	(146)	(147)	(161)
<b>Total endowment comprehensive income for the year</b>		-	(22)	(22)	(47)
<b>At 31 July 2018</b>		<b>400</b>	<b>146</b>	<b>546</b>	<b>568</b>
<b>Represented by:</b>					
Capital value		400	127	527	546
Accumulated income		-	19	19	22
		<b>400</b>	<b>146</b>	<b>546</b>	<b>568</b>
<b>Analysis by type of purpose:</b>					
Prize funds, Scholarships and bursaries		400	84	484	508
General		-	62	62	60
		<b>400</b>	<b>146</b>	<b>546</b>	<b>568</b>
<b>Analysis by asset</b>					
Cash and cash equivalents				546	568
				<b>546</b>	<b>568</b>

**23. Cash and cash equivalents**

	At 1 August 2017 £'000	Cash Flows £'000	At 31 July 2018 £'000
<b>Consolidated</b>			
Cash and cash equivalents	42,106	37,628	79,734
	<b>42,106</b>	<b>37,628</b>	<b>79,734</b>
	At 1 August 2017 £'000	Cash Flows £'000	At 31 July 2018 £'000
<b>University</b>			
Cash and cash equivalents	37,021	37,951	74,972
	<b>37,021</b>	<b>37,951</b>	<b>74,972</b>

University cash represents £11.4m of funds held in operating bank accounts.

Cash equivalents of the University represent £63.5m of funds deposited for short term (less than three months' maturity at the balance sheet date) investment purposes with two other parties:

£41m is deposited with Royal London Asset Management Ltd. A further £22.5m in deposits is held with Lloyds Bank plc operating in the London market and licensed by the Prudential Regulation Authority with less than three months maturity at the balance sheet date. This deposit and the deposit amount reported at note 18, represent £30m of total deposit security required by Lloyds Bank plc under the secured bank loan facility detailed at note 20. The interest rates for the Lloyds Bank plc deposits are fixed for the duration of the deposit at time of placement.

Cash and cash equivalents of the University includes £559k (2017: £791k) in respect of monies held on behalf of third parties as disclosed in notes 30 to 32.

**24. Capital and other commitments**

Provision has not been made for the following capital commitments at 31 July 2018:

	31 July 2018		31 July 2017	
	Consolidated £'000	University £'000	Consolidated £'000	University £'000
Commitments contracted for at 31 July	1,918	1,918	1,942	1,942
Authorised by the board but not contracted for at 31 July	20,209	20,209	11,296	11,296
	<b>22,127</b>	<b>22,127</b>	<b>13,238</b>	<b>13,238</b>

**25. Contingent liabilities**

There were no potential liabilities dependant on the outcome of an uncertain future event which would require disclosure or adjustment to the financial statements for the year ended 31 July 2018.

**26. Lease obligations**

At 31 July the group was committed to making the following future minimum lease rental payments in respect of non-cancellable operating leases.

Total rentals payable under operating leases:

	31 July 2018		31 July 2017	
	Land and Buildings £'000	Equipment £'000	Total £'000	Total £'000
<b>Future minimum lease payments due:</b>				
Not later than 1 year	1,950	124	2,074	2,061
Later than 1 year and not later than 5 years	7,191	241	7,432	4,168
Later than 5 years	9,496	-	9,496	3,109
<b>Total lease payments due</b>	<b>18,637</b>	<b>365</b>	<b>19,002</b>	<b>9,338</b>

**27. Events after the reporting period**

There have been no material events after the reporting date which would require disclosure or adjustment to the financial statements for the year ended 31 July 2018.

**28. Subsidiary undertakings**

The transactions relating to the following trading subsidiary companies, wholly-owned or effectively controlled by the University, have been included within the Consolidated financial statements.

Principal trading subsidiary	Parent interest in ordinary shares voting rights	Principal activity	Country of incorporation
MU Ventures Limited	100% owned	Contract research and consultancy services	England and Wales
MU Services Limited	100% owned	Professional support services	England and Wales
Middlesex Services Limited (Hong Kong)	100% owned	Student recruitment and marketing services	Hong Kong
Middlesex Uni (SEA) SDN BHD	100% owned	Student recruitment and marketing services	Malaysia
Middlesex Educational Services (Mauritius) Limited	100% owned	Student recruitment and marketing services	Mauritius
Middlesex International (Dubai) FZ-LLC	100% owned	Training and development, academic staff provision	Dubai/United Arab Emirates

MU Ventures Limited owns 76% of Middlesex University (Malta) Limited. On 2 May 2018 Middlesex University acquired the remaining 24% ownership of Middlesex University (Malta) Limited after purchasing the shareholding of STC International Limited.

MU Ventures Limited owns 100% of Middlesex Educational Consulting (Beijing) Co., Ltd., a company incorporated and registered in China on 15 December 2017 which commenced trading on 1 February 2018.

MU Services Limited was incorporated in England and Wales on 2 November 2017 and is a dormant company having not trading during the year.

Middlesex Services Limited (Hong Kong) owns 70% of MDXU Limited with 30% owned by The Tiger Investment and Finance Company Limited.

Middlesex International (Dubai) FZ-LLC owns 51% of Middlesex International (Mauritius) Limited with 49% owned by Medine Limited.

MU UK Consultants Limited and Middlesex Education Private Limited do not have share capital disclosed above, but their results, assets and liabilities for the year ended 31 July 2018 are included in the consolidated financial statements by virtue of the fact that the University has dominant influence over financial and operating policies. MU UK Consultants Limited is incorporated and registered in Dubai/UAE and Middlesex Education Private Limited incorporated and registered in India with both providing student recruitment and marketing services to the University within those regions overseas.

The board believe that the carrying value of the investments in the trading subsidiary companies as disclosed at note 15 is supported by the subsidiary company net assets and/or business plans.

## 29. Pension Schemes

The University's employees belong to two principal pension schemes, the Teachers' Pension Scheme (TPS) for most academic staff and the Local Government Pension Scheme (LGPS) for all other staff. The schemes are defined benefit schemes providing benefits based on career average design. Benefits accrued prior to the schemes transitions to career average arrangements are protected providing benefits based on a final pensionable salary. The University's pension service costs and contributions for the year in respect of these two schemes was £18,680k (2017: £14,648k).

### Teachers' Pension Scheme

The Teachers' Pension Scheme (TPS) is operated by the Department for Education (DfE) and is governed by statutory regulations. Under the definitions set out in Financial Reporting Standard 102 (FRS102), the TPS is a multi-employer pension scheme. As the TPS is underwritten by central government and the University has no future obligation to make contributions to the scheme, this is effectively a defined contribution scheme in so far as it affects the University. As a result, contributions to this scheme are accounted for as if the scheme was a defined contribution scheme.

The TPS is a statutory, contributory, unfunded, defined benefit scheme. The regulations under which the TPS operates are the Teachers' Pensions Regulations 1997, as amended. Contributions are credited to the Exchequer on a "pay as you go" basis under arrangements governed by the Superannuation Act 1972. A notional asset value is ascribed to the Scheme for the purposes of determining contribution rates.

The University has set out below the information available on the Scheme and the implications for the University in terms of the anticipated contribution rates.

The employer's contribution rates set by the schemes actuary and approved by the DfE for the University's academic staff were from 1 September 2015 (to 31 March 2019) 16.48% of pensionable salaries.

The total contribution made by the University for the year ended 31 July 2018 was £10,722k (2017: £10,495k) of which employers contributions totalled £6,609k (2017: £6,493k) and employees contributions totalled £4,113k (2017: £4,002k).

The scheme is subject to a full actuarial valuation every four years with the most recent funding valuation carried out as at 31 March 2012. The funding valuation report was published by the DfE on 9 June 2014. The key highlights from this report are as follows:

Funding position	At 31 March 2012 £bn
Aggregate value of liabilities	191.5
Aggregate value of assets	176.6
Total (shortfall)	<b>(14.9)</b>

The full actuarial valuation of the scheme as at 31 March 2016 has not been published although the DfE has confirmed that the employer contribution rate that will apply from 1 April 2019 will increase although would be implemented from 1 September 2019 to assist employers with budgeting. The exact level that will apply from April 2019 is expected to be confirmed at the end of 2018 when the Government Actuarial Department finalises the scheme valuations and employers and members are formally notified on their contribution rates.

More information about the TPS can be obtained from [www.teacherspensions.co.uk](http://www.teacherspensions.co.uk)

## 29 Pension Schemes (continued)

### Local Government Pension Scheme

The Local Government Pension Scheme (LGPS) is a funded defined benefit scheme, with assets held in separate trustee administered funds. It is administered locally by the London Borough of Barnet and is a multi-employer scheme. The total of all contributions into the LGPS for the year ended 31 July 2018 was £10,180k (2017: £8,908k) of which employers contributions totalled £8,035k (2017: £6,869k) and employees contributions totalled £2,145k (2017: £2,039k).

From 2014, the University entered into a funding deficit recovery plan with the scheme administrators. This treatment required the employers cost of providing pension benefits to be broken down into two distinct contribution elements: employers current scheme funding and a deficit reduction contribution. Contributions under the plan are set for three years and renewed as part of the results of the full triennial actuarial valuation of the fund. The latest actuarial valuation was published for the period to 31 March 2016.

Under the current three year funding deficit recovery plan, for the period from 1 August 2017 (date extended from 1 April 2017) to 31 July 2018, employers current scheme funding was 18.4% (2017: 11.3%) of pensionable salaries and the deficit reduction contribution was £2,698k (2017: £3,638).

The total employer contributions expected to be paid into the scheme during the year ended 31 July 2019 is £8,043k. This is based on the indicative rate from 1 August 2018 of 18.4% of pensionable salaries for current scheme funding and a deficit reduction contribution of £2,763k. The funding deficit recovery plan, which covers the three year period from 1 August 2017 to 31 July 2020, set out to achieve an equivalent total annual employers contribution rate of 27.7% (three years ending 31 July 2017: 26.6%).

For the period to 31 March 2016 the scheme was contracted out of the State additional Pension (S2P) of pension provision. Contracting out on a defined benefit basis ended in April 2016, when the government's state pension reforms came into force.

More information about the LGPS can be obtained from [www.lgpsmember.org/](http://www.lgpsmember.org/)

### Financial Reporting Standard 102 (FRS102)

The following information is based upon a full actuarial valuation of the Fund at 31 March 2016 updated to 31 July 2018 by a qualified independent actuary, using financial assumptions in accordance with the requirements of FRS102.

### Basis for estimating assets and liabilities

The liabilities have been assessed using the projected unit method, an estimate of the pensions that will be payable in future years are dependent on the following major assumptions:

#### Longevity assumptions:

The post retirement mortality assumptions adopted for life expectancy are the S1PA tables.

Based on these assumptions the average future life expectancies assuming retirement at age 65 (years) are:

		At 31 July 2018	At 31 July 2017
Current pensioners (retiring today)	Males	21.9	21.9
	Females	24.3	24.3
Future pensioners (retiring in 20 years)*	Males	23.9	23.9
	Females	26.5	26.5

\* Figures assume members aged 45 as at the last formal valuation date (31 March 2016).

#### Financial assumptions:

	At 31 July 2018	At 31 July 2017
Retail prices inflation (RPI increases)	3.4%	3.5%
Consumer prices inflation (CPI increases)	2.4%	2.5%
Rate of increase in pensions (CPI increases)	2.4%	2.5%
Rate of increase in salaries	2.7%	2.8%
Discount rate for liabilities	2.8%	2.7%

## 29. Pension Schemes (continued)

## Local Government Pension Scheme (continued)

## Share of assets by category:

The estimated share of assets as a percentage of total plan assets as at 31 July 2018 is set out below:

Asset category:	At 31 July 2018	At 31 July 2017
Equities	58%	71%
Bonds	30%	29%
Property	0%	0%
Cash	12%	0%
Total	<b>100%</b>	<b>100%</b>

The actuary has estimated the bid value of the fund's assets as at 31 July 2018 to be £1.129bn (2017 £1.061bn) based on the information provided by the administering authority and allowing for index returns where necessary.

	Year Ended 31 July 2018 £'000	Year Ended 31 July 2017 £'000
<b>Analysis of the amount shown in the balance sheet:</b>		
Fair value of scheme assets	202,112	186,941
Present value of scheme liabilities	(285,605)	(282,308)
<b>Net pension liability – Deficit on the scheme</b>	<b>(83,493)</b>	<b>(95,367)</b>
<b>Amount recorded within pension provisions (note 21):</b>		
Current service cost	11,775	8,020
Past service cost	137	259
<b>Total operating charge</b>	<b>11,912</b>	<b>8,279</b>
<b>Analysis of the amount charged to interest payable (note 11):</b>		
Interest cost on scheme liabilities	7,725	7,127
Interest income on scheme assets	(5,100)	(4,026)
<b>Net charge to interest payable</b>	<b>2,625</b>	<b>3,101</b>
<b>Total charged to statement of comprehensive income and expenditure before deduction for tax</b>	<b>14,537</b>	<b>11,380</b>
<b>Analysis of amounts recognised in other comprehensive income:</b>		
Return on fund assets in excess of interest	5,889	13,739
Changes in financial assumptions	11,853	(7,629)
Experience gain on liabilities	634	31,625
<b>Remeasurements of net defined benefit pension liability</b>	<b>18,376</b>	<b>37,735</b>

## 29. Pension Schemes (continued)

## Local Government Pension Scheme (continued)

	Note	At 31 July 2018 £'000	At 31 July 2017 £'000
<b>Movement in deficit during the year</b>			
<b>Deficit at beginning of year</b>		(95,367)	(128,591)
<b>Movement in the year:</b>			
Contributions or benefits paid by the University		8,035	6,869
Current service costs		(11,775)	(8,020)
Past service cost (including curtailments)		(137)	(259)
Other finance charge		(2,625)	(3,101)
Gain recognised in other comprehensive income		18,376	37,735
<b>Deficit at end of year</b>	21	<b>(83,493)</b>	<b>(95,367)</b>
<b>Movement in present value of the scheme liabilities</b>			
Opening present value of the defined benefit obligation		282,308	295,196
<b>Movement in the year:</b>			
Current service costs		11,775	8,020
Interest cost		7,725	7,127
Past service cost (including curtailments)		137	259
Member contributions (including unfunded pension payments)		2,145	2,039
Actuarial (gain)/loss arising from changes in financial and demographic assumptions		(11,853)	7,629
Other experience		(634)	(31,625)
Estimated benefits paid net of transfers in		(5,998)	(6,337)
<b>Present value of liabilities at the end of the year</b>		<b>285,605</b>	<b>282,308</b>

**29. Pension Schemes (continued)****Local Government Pension Scheme (continued)**

	Year to 31 July 2018 £'000	Year to 31 July 2017 £'000
<b>Analysis of movement in the fair value of scheme assets</b>		
Opening fair value of scheme assets	186,941	166,605
<b>Movement in the period:</b>		
Interest income on assets	5,100	4,026
Return on assets less interest	5,889	13,739
Contributions paid by the University	8,035	6,869
Member contributions	2,145	2,039
Estimated benefits paid	(5,998)	(6,337)
<b>Fair value of scheme assets at end of period</b>	<b>202,112</b>	<b>186,941</b>
	Year to 31 July 2018 £'000	Year to 31 July 2017 £'000
<b>Actual return on scheme assets</b>		
Interest income on assets	5,100	4,026
Return on assets excluding amounts included in net interest	5,889	13,739
	<b>10,989</b>	<b>17,765</b>

**30. Department for Education (previously NCTL) – Teacher Training Bursaries**

	At 31 July 2018 £'000	At 31 July 2017 £'000
Balance brought forward	126	103
Funds received	1,138	1,461
	<b>1,264</b>	<b>1,564</b>
Disbursed to Students	(1,104)	(1,438)
<b>Balance carried forward at 31 July</b>	<b>160</b>	<b>126</b>

On 1 April 2018 the National College for Teaching and Leadership (NCTL) was replaced by the Department for Education (DfE) and no longer exists. NCTL was a government executive agency, sponsored by the DfE and existed until 31 March 2018.

The DfE training bursaries are a financial incentive to attract and retain high quality graduates into the teaching profession.

The funding body bursaries received as detailed in this note are available solely for students; the University acts only as a paying agent. All of the funding and related disbursements are therefore excluded from the statement of comprehensive income and expenditure and shown within note 19, other liabilities due within one year.

**31. MillionPlus**

	At 31 July 2018 £'000	At 31 July 2017 £'000
Balance brought forward	255	263
Subscriptions received from affiliated universities	461	462
	716	725
Campaign expenses	(444)	(470)
<b>Balance carried forward at 31 July</b>	<b>272</b>	<b>255</b>

MillionPlus is a university think-tank seeking to solve complex problems in the higher education sector. It is funded by subscriptions received from its affiliated member universities.

The University acts as a paying agent for MillionPlus. All of the funding and related disbursements are therefore excluded from the statement of comprehensive income and expenditure account and shown within note 19, other liabilities due within one year.

**32. Collaborative research funds**

	Project VALCRI £'000	Other Projects £'000	Total £'000
Balance brought forward	410	–	410
Partner funds received	–	731	731
	410	731	1,141
Distributions to partners	(410)	(604)	(1,014)
<b>Balance carried forward at 31 July</b>	<b>–</b>	<b>127</b>	<b>127</b>

The University is the lead partner-coordinator for a number of European Commission and UK Government Research funding agreements involving other named collaborative partners.

Where funding is received by the University as the lead coordinator in a collaborative research agreement it acts as paying agent for the funding of the other participants with no discretion over which the funds received are put acting in accordance with the instructions and directions of the funder. The funds received by the University as agent are not recognised as assets in its balance sheet as the funds are not within its control. The receipt of the funds is not recognised as income, nor is the distribution to another named partner recognised as expenditure and as such excluded from the statement of comprehensive income and expenditure and shown within note 19, other liabilities due within one year.

The proportion of the grant funding that is attributable to the University for delivering its component of the grants purpose is recognised in note 5 dependent on the performance related conditions being met.

### 33. Financial instruments

The University has the following debt instruments measured at amortised cost.

#### Financial assets that are debt instruments measured at amortised cost:

	Year Ended 31 July 2018		Restated Year Ended 31 July 2017	
	Consolidated £'000	University £'000	Consolidated £'000	University £'000
Trade debtors	3,057	2,927	3,093	2,142
Tuition fees	6,849	5,985	6,075	5,979
Other receivables	2,242	834	2,660	1,565
Accrued income	5,440	3,326	4,006	2,438
Amounts due from subsidiary companies	-	3,857	-	3,909
Investments	7,500	7,500	30,000	30,000
Cash and cash equivalents	79,734	74,972	42,106	37,021
	<b>104,822</b>	<b>99,401</b>	<b>87,940</b>	<b>83,054</b>

Refer to note 35b for details of the prior year restatement.

#### Financial liabilities measured at amortised cost:

	Year Ended 31 July 2018		Year Ended 31 July 2017	
	Consolidated £'000	University £'000	Consolidated £'000	University £'000
Secured loans	79,084	79,084	82,443	82,443
Unsecured loans	1	-	1	-
Other liabilities and payables	12,361	11,854	13,313	13,209
Trade payables	5,384	4,357	3,268	2,196
Accruals	12,185	12,110	11,839	10,981
	<b>109,015</b>	<b>107,405</b>	<b>110,864</b>	<b>108,829</b>

### 34. Related Party Transactions

During the year ended 31 July 2018 the University had transactions with a number of organisations which fell within the definition of Related Parties under FRS102. Transactions are disclosed where members of the Board of Governors and senior management disclose an interest in a body with whom the University undertakes transactions.

The University has taken advantage of the exemption within FRS102 Section 33 'Related Party Disclosures' and has not disclosed transactions with other wholly owned subsidiary companies.

A Register of Interests is maintained for members of the Board of Governors and senior management and included within the financial statements are the following transactions with related parties:

### 34. Related Party Transactions (continued)

	Income £'000	Expenditure £'000	Balance at 31 July 2018 due to/(from) the University £'000
<b>Senior manager</b>			
Trustee of Chartered Institute of Personnel and Development (Charity reg no 1079797)	26	13	26
<b>Senior manager</b>			
Director/Trustee of The Leadership Foundation for Higher Education (Charity reg no 1101959)	-	9	(4)
<b>Senior manager</b>			
Company Director of UCAS Media Limited (Company reg no 02737300)	-	40	(6)
<b>Senior manager</b>			
Company director of MURTC Limited (Company reg no 068342180)	-	24	(8)
<b>Senior manager</b>			
Company director of Whitefield School (Company reg no 07697281)	-	4	-
<b>Independent Governor</b>			
LLP member at CMS Cameron McKenna Nabarro Olswang LLP (Company reg no OC310335)	-	16	-

An independent Governor has a role as a Colleague and Network technology Director in Lloyds Banking Group. Lloyds Bank plc is the main banker for the University, providing lending, deposit and transaction banking services.

#### Nature of Transactions

All income and expenditure disclosed relates to fee and supplier invoices processed through the accounts receivable and payable system received and payable in the normal course of business.

#### Student Union (MDXSU)

Middlesex University considers the Students' Union at Middlesex University (MDXSU) to be a related party due to the level and nature of the transactions between the organisations.

During the year the board agreed to pay MDXSU a grant of £951k (Note 10) for the year ending 31 July 2018 (2017: £933k). MDXSU (Charity registration number 1140254) is represented on the University's board of governors. The grant was provided in accordance with the University's normal policies and procedures. Although MDXSU receives an annual grant and the University works closely with them, they are an independent organisation which represents student interests on a local, regional and national level.

#### Board of Governors Expenses

The University Board of Governors members are the trustees for charitable law purposes. No Independent Governor has received any remuneration or waived payments from the University during the year in respect of their services as a trustee (2017: nil).

The total expenses paid to three Independent Governors were £1,293 (2017: £1,402 to 3 Independent Governors). This represents travel expenses incurred in attending Board and Committee meetings and University events in their official capacity.



### 35. Prior year adjustment

#### A. Unite Olympic Way hall of residence

In the financial year ending 31 July 2017 the University entered into a partnership arrangement with Unite Students to provide student accommodation at a new hall of residence "Unite Olympic Way" at the London Campus.

The University has now reviewed the basis on which the accommodation rental income and costs under the arrangement were accounted for and concluded that there was an error in the original decision to report the transaction on a 'net' basis in income (at note 6, Residences, catering and conferences). The correct treatment would have shown the values 'gross' with income and costs categorised separately within the financial statements.

This revised treatment correctly reflects the University's status as principal in providing the accommodation to the student. The original treatment classed the University as agent. Under the corrected classification, the University is considered to be the principal when measured against the indicators that are used in a principal/agent assessment under FRS 102 where control is the basis for determining whether an entity is a principal or agent.

The control indicators in FRS 102 that the University made its judgement to account for the transaction as principal were based on which entity in the arrangement:

- has the primary responsibility for fulfilling the promise to provide the accommodation to the student,
- bears the greater risk,
- has discretion in establishing the rent for the rooms.

The change has the effect of increasing both the prior year income (at note 6, Residences, catering and conferences) and expenditure (at note 10, Other premises costs) by £5,531k. The change has had no impact on the balance sheet figures.

The comparative consolidated statement of comprehensive income and expenditure, and notes 6 and 10 which support those statements to take account of this change have all been restated.

#### B. Halls of residence rental income

Student accommodation is provided by the University to new and existing students at a number of halls of residence at the London Campus.

The University has now reviewed the basis on which hall rental debt and deferred rental incomes relating to students who applied to commence study in the academic year commencing after 1 August 2017 were accounted for at the year ended 31 July 2017. It has been concluded that there was an error in the original decision to report these transactions as a debtor for hall rents due to the University and as deferred rental amounts for accommodation services to be delivered at a date after 1 August.

The correct treatment is to not show these values within the financial statements for the year ended 31 July 2017 on the basis, that at the year end date, there is no certainty the accommodation services will be provided given the student applied for a place in the hall when they accepted only a conditional (not firm) offer of a place to study at the University and so until that offer is made firm and accepted by the student the hall room booking may be withdrawn and cancelled.

The change has the effect of decreasing both the prior year Trade and other receivables (Note 17, Other Receivables) and Creditors: amounts falling due within one year (Note 19, Accruals and deferred income) by £6,231k. The change has had no impact on the Consolidated and University Statement of Comprehensive Income and Expenditure figures.

The comparative Balance Sheets as at 31 July 2017, the Consolidated Cash Flow and any notes which support those statements to take account of this change have all been restated.

## Principal address and professional advisors

#### Corporate Office

Middlesex University	The Burroughs, Hendon, London NW4 4BT
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#### External auditors

BDO LLP	2 City Place, Beehive Ring Road, Gatwick, West Sussex RH6 0PA
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#### Internal auditors

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#### Bankers

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#### Legal advisors

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SA Law LLP	Gladstone Place, 36-38 Upper Marlborough Road, St Albans, Hertfordshire AL1 3UU
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Weightmans LLP	Exchequer Court, 33 St Mary Axe, London EC3A 8AA
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#### Taxation advisors

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