

Financial Statements 2014/15

For the year ended
31 July 2015

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Introduction from the Vice-Chancellor



One of my first official jobs for Middlesex, when I joined the University in July, was to preside at Graduation. It's always a highlight of the academic year. This year was no exception and I was honoured to share the official duties with outgoing Vice-Chancellor Professor Michael Driscoll. Over 5,700 students graduated and eleven honorary doctorates were conferred. Three of those doctorates were given to outstanding alumni, former students who have gone out and made their mark on the world in exceptional ways, and also to two former members of staff who have gone on to achieve distinction in their fields. I couldn't have asked for a better introduction to the University community.

Professor Michael Driscoll achieved a great deal during his tenure as Vice-Chancellor. Together with the Board of Governors, staff, students and local stakeholders, he has created a vibrant, diverse and dynamic institution of which we can all be proud. My intention is to build on this legacy so we become a truly exceptional 21st century institution that has a strong shared vision of our role in the world.

I came to Middlesex from The Open University, which I joined as a Pro Vice Chancellor and left as acting Vice-Chancellor. As an interested observer of other institutions in the higher education sector, I had long admired Middlesex for the opportunities it gave to students from every walk of life and its international outlook, opening up access to higher education at home and abroad. As an even more interested member of the University, it is a strength I am keen to build on.

Based in London, the knowledge hub of the world, Middlesex is a university for a world city, with a global outlook that's increasingly important to Britain's future. Its real-world research, including in my own academic field of social policy, is impressive. It was tremendous to see how well Middlesex performed in the 2014 Research Excellence Framework, the national assessment of research quality. Across the board the University received high marks for research quality and impact with 92% of our research internationally recognised. We also received the highest percentage increase in research funding across London from the Higher Education Funding Council for England (HEFCE).

Our reputation for impactful applied research is complemented by our standing in the field of teaching and learning. Teaching and learning is a field that is becoming more challenging. Government agendas are changing with increasing scrutiny on us to demonstrate the quality of our teaching with the national Teaching Excellence Framework and more focus in quality assurance on standards and outcomes, especially graduate employment. There is the prospect of the introduction for example, of degree apprenticeships and two year programmes. My time at the Open University has shaped a lot of my thinking about higher education, particularly in the way it leverages the power of technology in innovative teaching. More and

more we're going to see universities across the world going digital – often blending online and face-to-face learning using new, better methods of teaching.

One of my key values as an educator is to put students first, by providing expert teaching and inspiring research. Our 'students first' approach is practised and extended by actively aiming to know our students, add value to their experience and ensure they that they leave us with the best skillsets and opportunities to succeed in their future life. Consequently, the University has made major investments in 21st century teaching and facilities, most recently with work starting on Forum North. That the students appreciate the efforts of staff was illustrated earlier in the year when they hosted the second annual Student-led Teaching Awards Ceremony. I heard that the event was a real tribute to the many members of staff whose contributions to the life of the University and to the success of our students were recognised.

At Middlesex we're part of the incredible economic and cultural life of London. It is home to buzzing international companies, national cultural institutions, and a wealth of small arts-based organisations and community groups. Where better than in one of the knowledge powerhouses of the world for our students to launch their careers or for our academics to carry out their research?

The knowledge quarter is all about collaboration. Building those collaborations, with schools, colleges, the NHS, business and government, will be one of our most important priorities - because we can do much more for our students and our research users by working together.

Creativity and innovation that make a difference are why universities like Middlesex are such exciting places to work and study. I am delighted to become part of this great London institution, and I look forward to carrying its mission forward. We can certainly be very proud of Middlesex's origins and achievements to date. Going forward I'm looking forward to what's possible at this amazing University.

Professor Tim Blackman
Vice-Chancellor



Hatchcroft, Middlesex University London

Strategic report incorporating the Operating and Financial Review (OFR) About Middlesex University

London: our gateway to the world

Middlesex is a thriving global university with an ambitious vision for the future. We teach over 40,000 students on career-focused courses at our campuses in London, Dubai, Mauritius and Malta with prestigious academic partners and 2,000 staff across the world.

Our outstanding teaching, research and knowledge transfer make a real difference to people's lives worldwide, while our foresighted approach to industry collaboration provides key advantages to our students, staff and business partners alike.

Commitment to excellence

Middlesex is an innovative and international university, committed to research and academic excellence. This year we became the best modern university in London for research power (REF 2014) with 90% of our research internationally recognised. We strive to grow our worldwide community of successful Middlesex graduates who make vital contributions to the societies in which they live and work. By offering the highest quality university experience, we aim to attract students and staff of stature and talent who will expand our reputation for international excellence.

In recent years, we have invested strategically in our estate, including £215 million to transform our Hendon campus into one of the best learning spaces and single campus experiences in London. We are one of the top universities in London for spend on facilities per person, with our modern state of the art campus.

London Campus



Dubai Campus



Mauritius Campus



Malta Campus

Middlesex in numbers

£17.3m

research and knowledge transfer income

2

Queens Awards for Enterprise

3

overseas campuses

18

overseas offices

150,000+

alumni

293

undergraduate courses

200

postgraduate courses

297

continuing professional development courses, modules, workshops and conferences/colloquia

92%

REF 2014 placed us among the top post-1992 institutions, with 92% of our submitted research being of internationally recognised quality or better.

83%

In the latest National Student Survey, Middlesex recorded 83% satisfaction rate, down 2% on last year.

£215m

Since 2000, we have invested £215m in our Hendon campus in London

6

academic schools

1,700

staff in London

18,500

students based on London campus

41,739

students on our courses globally

271

average entry tariff (2013/14)

90%

graduate employability (2015)

83%

student satisfaction (2015)

Krishnan Guru-Murthy at
Middlesex University London



Making waves: our year in review

Transforming Ambitions

From award-winning students and outstanding research to distinguished famous figures visiting the University, it has been a year to remember.

Driving Internationally Renowned Research

Middlesex University's ground breaking research makes a real difference to people's lives and to society. Our ambition is to drive positive change and make an impact to the world in which we live.

Middlesex celebrated after being ranked the best modern university in London for research power in the Research Excellence Framework (REF). The REF assesses research from all UK universities and across the board Middlesex received high marks for research quality and impact with 92% of our research internationally recognised. We also received the highest percentage increase in research funding across London from the Higher Education Funding Council for England (HEFCE).

Middlesex's Professor of Employment Law David Lewis' research for the Francis review of whistleblowing in the NHS was celebrated across the employment sector. The report highlighted recommendations in "speaking up" and giving independent support and advice to staff.

Dr Miranda Horvath and Dr Elena Martellozzo at our Centre of Abuse and Trauma Studies (CATS) were commissioned by the NSPCC, Office of the Children's Commissioner and the British Board of Film Classifications to carry out a study into the impact of viewing pornography on children and young people. The research will help make the internet a safer place for young people and encourage change to government policies.

Middlesex's Department of Education officially opened its Centre for Education Research and Scholarships this year. The centre benefits from support from research groups led by subject specialists as well as a programme of events and seminars to nurture and develop staff and students' work.

The Social Policy Research Centre (SPRC) at Middlesex celebrated 25 years of ground breaking research in helping vulnerable communities. Since forming, it has been at the forefront of research focussing on a number of issues from drug use to migrants and refugees.

Professor of Creative Industries, Brendan Walker, created 'Neurosis' a new kind of fairground ride which he hopes will inspire school children to get involved with engineering and science projects.

Celebrating Student Achievements

Our students continue to achieve success in many exciting projects from showcasing their work on the silver screen to winning awards.

In collaboration with car manufacturer MINI, Middlesex graduates and students from the Product Design Department created a stunning driverless car made of stained glass.

BA Film students saw their work shown on the silver screen at the Riga International Film Festival after their show reel was picked from hundreds of submissions by the Festival Director. The top ten student films were shown in front of an international audience of film fans.

Staff and students from Middlesex's Animation and 3D Animation and Games programmes beat over 1,000 submissions from across the world to have their work screened at two international film festivals, Internacional de Curtissimas at the Monstra Animation Festival in Lisbon and the Holland Animation Film Festival (HAFF).

Business school students Ogonna Amukamara and Elena Burykh won the opportunity to travel to the Summer Jam International Entrepreneurship Conference in Croatia after winning an innovative challenge as part of Global Entrepreneurship Week.

Fashion Design student Olivia Overton saw her designs hit the catwalk at London Fashion Week after being selected as a finalist in two major national competitions, the Fashion Awareness Direct competition, and the British Fashion Council Burberry competition.

Students from the School of Science and Technology scooped medals at the WorldSkills UK National Competition Finals. The students achieved success in the mobile robotics category.

Inspiring Future Success

This year many famous faces visited the University, inspiring our students in transforming their ambitions.

Aspiring journalists benefited from the advice and experience of Krishnan Guru-Murthy, Channel 4 News anchor and renowned journalist and BBC Economics Editor Robert Peston, who spoke to students on building a media career, on breaking into the industry, the changing media landscape and the skills journalists need.

Mathematician and artist George Hart visited Middlesex students to prove that 'maths is cool' with his series of geometric sculpture workshops. George believes his innovative methods helps students see their mathematical studies from a new angle.

Ahead of an England v Germany game at Wembley, England women's football players Kelly Smith and Siobhan Chamberlain took part in a training session with Middlesex University women's football team. Television, journalist and PR students were also given the opportunity to interview the stars.



College Building entrance, Middlesex University London

Organisation

University executive

The executive team advises the Board of Governors on strategic direction and ensures delivery of the University's mission. Each member individually carries out specific responsibilities determined by the Vice-Chancellor.



**Deputy Vice-Chancellor,
Corporate Services**
Richard Middleton

Richard joined Middlesex in January 2015 as interim Deputy Vice-Chancellor with responsibility for estates and facilities management, academic registry, computing and communication system services, library and student support.

Background:

- Chair of the Commonwealth Scholarship Commission
- Registrar at City University and COO of Aston University



**Deputy Vice-Chancellor,
Academic**
Professor Waqar Ahmad

Waqar's portfolio covers research and academic strategy, the management of the University's academic schools, business and knowledge transfer, academic quality, and the Dubai campus. In addition, he is the designated 'champion' of equal opportunities and ethics across the University.

Background:

- Chief Social Scientist in the Office of the Deputy Prime Minister
- Fellow of the Academy of Social Sciences



**Deputy Vice-Chancellor,
Chief Marketing Officer**
Katie Bell

Katie is responsible for global marketing and communications, student recruitment, student experience, student employability, admissions and alumni. She is also the executive lead on developing the University's reputation.

Background:

- Brand marketer for Nestlé UK and GlaxoSmithKline Consumer Healthcare
- Director of the European University Business School in Barcelona



**Deputy Vice-Chancellor,
Finance**
Peter Vermeulen

Peter has overall responsibility for the financial viability and strategy of the University and its impact on the core business of teaching, research and enterprise. His portfolio also covers all global financial operations and human resource services.

Background:

- Audit & assurance with PricewaterhouseCoopers
- Prime brokerage for Deutsche Bank and Merrill Lynch



**Deputy Vice-Chancellor,
International**
Professor Judith Lamie

Judith is responsible for the strategic leadership and development of the University's international activities, partnerships, business development and reputation. She leads and manages the University's international regional directors who are based in Dubai, Hong Kong and London, the Director of Academic Partnerships, and the Director of International Business Development.

Background:

- Over 20 years' experience in international education
- Widely published on English language teaching and learning

Academic structure

The University's academic provision is delivered by its six academic Schools.

Our six schools:

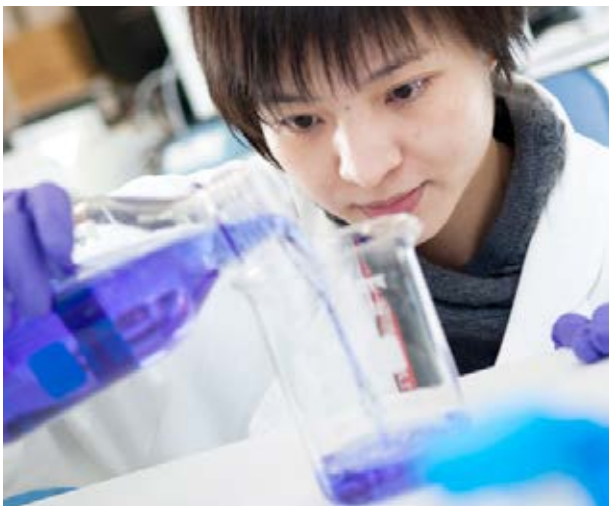
- **Art and Design** – Dean, Professor Hilary Robinson
- **Business** – Dean, Anna Kyprianou
- **Health and Education** – Dean, Jan Williams
- **Law** – Dean, Professor Joshua Castellino
- **Media and Performing Arts** – Dean, Professor Carole-Anne Upton
- **Science and Technology** – Dean, Professor Martin Loomes

Our Schools encourage the cross-pollination of ideas and expertise across teaching, research and services for business. Students learn within a flexible and adaptable year-long modular framework - as against a more rigid trimester or semester structure - that ensures a rich, effective and sustainable learning experience.

We recognise the benefits of research and knowledge transfer on teaching performance, student satisfaction and student employability. With over 20 world-class research centres and groups, we have assembled a body of internationally recognised researchers whose work is having an impact in and beyond academia.

Our centres for research excellence include:

- **Forensic Psychology Research Group**, Director: Professor Joanna Adler
- **London Sport Institute**, Head: Dr Rhonda Cohen
- **Flood Hazard Research Centre**, Head: Sue Tapsell
- **Centre for Investigative & Diagnostic Oncology**, Head: Professor Ivan Roitt
- **Social Policy Research Centre**, co-directors, Professors Eleonore Kofman and Louise Ryan
- **European Human Rights Advocacy Centre**, Head: Professor Philip Leach
- **Crime and Conflict Research Centre**, Head: Professor Vincenzo Ruggiero
- **Centre for Abuse and Trauma Studies**, Heads: Professors Julia Davidson and Antonia Bifulco
- **Centre for Enterprise and Economic Development**, Head: Professor Stephen Syrett
- **Art & Design Research Institute**, Director: Professor Suzanne Buchan
- **Interaction Design Centre**, Director: Professor William Wong
- **ResCen, Centre for Research into Creation in the Performing Arts**, Head: Professor Chris Bannerman
- **Urban Pollution Research Centre**, Director: Professor Lian Lundy



Strategic review

Our purpose

Middlesex University is committed to:

- Inspiring its students to achieve ambitious goals through the delivery of outstanding innovative, career-focused courses that result in highly valued qualifications to begin and develop successful professional careers.
- Developing new knowledge and professional skills through research and scholarship to advance academic areas and professional practice for the benefit of our students, business and public sector organisations and the wider community.

In fulfilling our purpose the University will hold fast to the key values which are characteristic of Middlesex:

- striving for excellence
- always placing the needs of our students first
- promoting diversity and inclusiveness
- service to the community
- freedom of academic enquiry
- professionalism





The Grove, Middlesex University London

Five-year plan key priorities

Enhancing student achievement and satisfaction

In an ever more competitive world, where reputation will be the main driver of success, our ability to reposition the University as a destination of choice and build a reputation that enables us to secure the income to finance quality higher education remains critical to success. Our standing among external stakeholders, especially those who influence student choice, rests entirely on the stature and talent of our staff and students.

At the heart of our strategic plan is our determination to attract the right students to Middlesex. These students set themselves ambitious goals. They are involved in the life of the University, contributing to the experiences of fellow students, as well as the staff who teach and support them. When they leave, they will become strong advocates and ambassadors for the University as alumni.

Our objective is to attract students with the ability and determination to excel, providing modern and innovative student support services and achieving increased levels of student satisfaction, achievement and graduate employment prospects.

Supporting policies and strategies

We strive to attract the best students by developing policies and strategies that maximise student performance, teaching satisfaction, services and quality of life. By raising our entry requirements, attracting and retaining inspirational and high reputation academic staff, providing excellent facilities and equipment, and developing opportunities for career entry or enhancement.

Strengthening leadership and staff performance

We need excellent leaders and managers who are committed to the success of the University and our students. The reputation of our academic staff and leaders is a catalyst for long-term transformation and remains a particular focus for enhancement. Inspirational teaching will remain a necessary requirement for all our academic staff, although more will be expected in terms of contribution to research and engagement with professional practice.

We support passionate and motivated staff to take their research forward and keep up-to-date with developments in industry. This will create a rich, research-excellent environment in which to work and that will have a significant impact on building our reputation.

Staff in our corporate services provide excellent frontline support to our students. Their professional expertise enables the University to implement efficient processes that provide value for money and enhance the overall student experience and success of our academic staff.

The University is now over half-way into the 5-year strategy period and will be looking to refresh the strategy in 2015/16.



Review of operations

Learning, teaching and assessment

We work with students to create an excellent environment for learning where students are actively encouraged to raise their aspirations, motivated to achieve their full potential and confident in their ability to learn and succeed within a global culture, economy and environment.

Investment, including the ongoing roll out of the Student Learning Assistant programme, the increasingly nuanced use of Graduate Academic Assistants, and the emphasis on driving student engagement by the Student Achievement Officers, continues to impact positively on student progression and achievement.

The Centre for Academic Practice Enhancement (CAPE) works with our academic Schools, services and the Students' Union (MDXSU) to enhance student satisfaction, engagement and outcomes. It has been working with academic colleagues on a range of initiatives across our Schools to support innovation and student success; projects include:

- Criminology working on a Higher Education Academy-funded employability initiative, offering technologically-enabled support within an app that allows for immediate and easy access.
- Art and Design looking to the badging of informal learning to support the development of technical skills.
- Law going through a revalidation programme with its assessment regimen more fully informed by an appreciation of the student voice.

- Media and Performing Arts working with hourly paid lecturers to ensure uniformity of approach to assessment.
- Health and Education have set up a rolling programme to develop assessment literacy across all provision prompted by the pan-university review of assessment.
- Business School developing a postgraduate study mentoring scheme to support progression from our undergraduate cohorts.

And this emphasis on excellence and innovation is being extended in the coming year with a new competitive grant scheme to support enhancement projects within the pedagogic realm.

Continuation and progression continue to be a priority for the University. Continuation is slightly down from 88.1% to 87.2%, while the number of good degrees awarded now sits at 62%, up three points on last year.

The year was also marked by the successful delivery of the Moodle cloud-based virtual learning environment, allowing students to develop a critical appreciation of the use of digital materials and technology as part of their learning experience.



Employability

The University continues to focus on student employability and graduate employment outcomes and has been rewarded for its efforts with improvements in all its employability performance measures in the last two years:

Measure	2012 Result	2014 Result	Change
DLHE Survey			
Graduates into jobs/further study	82%	90%	+ 8%
Graduates into graduate jobs/further study	56%	67%	+ 11%
Employment Rate	60%	72%	+ 12%
Performance against HESA benchmark	-3%	+0.2%	+ 3.2%
How well graduates felt prepared for employment	62%	66%	+ 4%
How well graduates felt prepared for self-employment	35%	41%	+ 6%
How well graduates felt prepared for further study	71%	72%	+ 1%
National Student Survey – supplementary questions			
As a result of my course, I believe that I have improved my career prospects.”	81%	87%	+ 6%
“Good advice is available for making career choices.”	67%	74%	+ 7%
“Good advice is available on further study opportunities.”	65%	75%	+ 10%
Employability Service – student utilisation data			
Number of 1:1 employability support sessions delivered to students	2,656	5,917	+ 3,261
Number of employability support hours delivered to students	776	3,056	+ 2,280
University League Tables*			
Complete University Guide – graduate prospects score	55	56	+ 1
Complete University Guide – overall league table position	93	89	+ 4
Sunday Times University Guide – graduate prospects score	56	57	+ 1
Sunday Times University Guide – overall league table position	90	75	+ 15
The Guardian League Table – graduate prospects score	53	57	+ 4
The Guardian League Table – overall league table position	103	81	+ 22

*Note that the results for the University League Tables relate to the DLHE Survey year and not to the year in which the League Tables are published.

A cross-University approach to Employability

Employability at Middlesex continues to be delivered through a pan-University approach which draws on the knowledge, skills, experience and networks of the Schools, the Institute for Work Based Learning, the Centre for Academic Practice Enhancement, the Employability Service and other student support services (including Library & Student Support, Sport & Recreation and Student Exchanges) as well as the University's Student Union.

The following are in-year examples which illustrate the type of activities Schools are engaged in to support student employability:

- **Science & Technology Employer Forum** which connected employers with students for the purpose of sharing insights into global employment practices; employers engaged included IBM, GSK, Accenture and TCS, one of the largest IT consulting companies in the world;
- **Art & Design Fashion Runway Panel** which comprised experts from major names in the fashion industry who provided real-time feedback and assessment to students; experts engaged included those from Glass Magazine, Wunderland, Hunger Magazine, Vivienne Westwood and Diesel;
- **Media & Performing Arts Project** with FutureRising that resulted in students exploring creative industry opportunities with leading employers including Cake, Mozoo, TVC Group and EG+;
- **Enterprise Development Hub Online Sales Competition** which created a competitive environment in which students were supported to establish their own internet businesses;
- **School of Health & Education** which provided opportunities for students to review their employability through formal and regular personal development planning sessions;
- **School of Law Clinical Legal Education Programme** that supported students to access work experience opportunities with leading legal organisations including 36 Bedford Row, Tuckers, the European Human Rights Advocacy Centre and Wood Green Legal Clinic.



Student numbers

Student headcount numbers 2014/15

London campus – Home & EU students	15,670
London campus – International students	3,834
Dubai campus	2,509
Mauritius campus	856
Malta campus	190
Collaborative	18,680
Total	41,739

Middlesex University has over 40,000 students taking programmes at our campuses in London, Dubai, Mauritius and Malta, and at collaborative partners across the world.

There are over 15,000 students from the UK and EU on our London campus, and almost 4,000 students from outside the EU.

Student experience

In line with many other London post-92s, our student satisfaction scores took a slight dip in this year's National Student Survey, dropping two points to 83% after two years of continuous improvement.

These results demonstrate clear room for improvement, but nonetheless are hard won in the current fees climate – and demonstrate a significant ongoing investment in the student experience across all cohorts of students.

We continued our emphasis on inclusion and engagement for our international cohort – beginning the year with our British Tea Party welcome for students during orientation, but with this emerging theme of inclusion continuing throughout the year – with speakers such as Krishnan Guru Murthy reviewing media ethics and responsibilities within the global arena.

MDX House moved from a design vision to a physical reality – with students past and present using social media to comment on their appreciation of this relaxed yet sophisticated space – with thanks going both to the University and to MDXSU for their role in developing the look and feel of the interior.

MDXSU also stepped into the frame with the second outing of the Student-led Teaching Awards – again with nominations demonstrating the professionalism, inspiration and support offered by Middlesex academics from all Schools.

The Disability and Dyslexia Service (DDS) provides advice and guidance to students and staff regarding the implementation of reasonable adjustments so that disabled students are not disadvantaged due to their disability. This includes, for example, ensuring that learning materials are in the appropriate format, allowing additional time to complete exams, and allocating support workers where appropriate. DDS also assists eligible students to apply for the Disabled Students Allowance (DSA), which provides assistive technology and non-medical help.

Middlesex University is committed to promoting equality of opportunity and adheres to the reasonable adjustment provisions under the Equality Act 2010. The University has set an upper limit to the amount of support it will provide to students not in receipt of DSA. These students, who are primarily international, will receive up to 50% of the DSA. This has ensured that the University provides a reasonable level of extra support whilst avoiding an unlimited financial liability.

During 2015/16 the University will put in place measures to prepare the institution for the loss of income resulting from changes to DSA funding from 2016/17 onwards.

Cereal Killer Cafe speaking at a postgraduate event



Interior of MDX House



Research and business

We continue to make good progress with the implementation of the University's research strategy, with continued investment in staff, students and infrastructure.

A highlight of the year was the excellent result achieved in the Research Excellence Framework 2014 assessment. The University was ranked as the 10th most improved in the UK, rising to an overall Power Rank of 58th with 92% of our submitted work being ranked at 2* - 4* (internationally recognised to world leading). This will result in an associated increase in funding from the Higher Education Research Council England, of almost 70%, to £4.43m for 2015/16.

We have enjoyed continued success in research grant and contracts, with research income recognition increasing from £4m in 2013/14 to £5m in 2014/15.

Research Council grants include £250k from the Economic and Social Research Council for an investigation into implementation and compliance with human rights law at international, regional and national levels, and £144k from the Arts and Humanities Research Council for work on Black Artists and Modernism.

A grant of £117k was awarded to Lisa Marzano from the Psychology Department by the Samaritans to increase understanding of why people choose to take their lives on the railways, and what factors might influence their decision.

Further successes in EU funding included a grant of £400k for a project entitled a Large-Scale Systems Approach to Flood Risk Assessment and Management, and £243k for a study into the prevention of online child abuse.

Knowledge transfer and knowledge exchange

The benefits of knowledge transfer (KT) and knowledge exchange activity are various. The most direct benefit to the University comes in the form of the income earned from knowledge transfer services. In 2014/15 this amounted to £11.4m. The financial crisis and ensuing recession during 2008-13 reduced KT revenues for all but the largest and most research intensive universities, but revenues from business related knowledge transfer are now returning to a level above that of 2008 at Middlesex.

The second source of revenues to Middlesex University from KT activity comes in the form of funding from HEFCE- the modest but vital Higher Education Innovations Fund (HEIF) money allocated to institutions on the basis of a formula reflecting past performance. Middlesex's HEIF funding rose to £847k this year – a result of improved performance. This funding helps academic Schools develop their KT activities by, for instance, buying in specialist services or hiring resources needed for knowledge exchange projects.

Other benefits from KT work include the development of partnerships with organisations large and small, public and private, national and international, which become partners in further KT work and in research projects. KT also contributes to the evidence that our research has an impact outside of the University – evidence of considerable importance in the HEFCE Research Excellence Framework (REF) 2014, and likely to be of similar importance in the next exercise. KT work is also the cornerstone of much regional engagement work, allowing Middlesex to participate in the economic development of the region – from partnerships using innovation funding with Barnet Council in transportation, to collaboration with boroughs and community groups in social care across London, to consultancy in public health and the economics of regional growth, in the UK and beyond.

A few examples of new KT activities captured in 2014/15, suggest the variety of this work – activities which make a contribution to University income, whilst simultaneously translating knowhow and research knowledge to domains of activity outside of academic life where it has impact and salience. Professor Kay Caldwell (Nursing) won a contract for a Continuing Professional Development cohort from Health Education North Central and East London (£1m); Dr Miranda Horvath (Psychology) and colleagues were commissioned by British Transport Police to conduct a rapid evidence assessment on sexual harassment and sexual offences on public transport (£49k); Professor Fergus Lyon (CEEDR), in association with IFF Research, won an evaluation contract to review a major BIS programme of regional growth funding (£680k); and the Flood Hazard Research Centre (Science & Technology) was awarded €547k of Horizon 2020 funding as part of 18-university European collaboration project to develop novel and innovative tools for flood risk assessment and management. All of these projects, and many others too, demonstrate that Middlesex KT addresses problems and issues of global significance in our social, technological, economic, cultural and intellectual lives. It will be important, in the coming years, to enhance this work further as part of our commitment to being a truly useful institution of higher learning for the wider community.

Resources

People

Our average staff numbers were 1,959 in 2014/15. Group staff costs (excluding restructuring costs) were £98.9m representing 56.1% of total income.

During the year we continued to support the implementation of the University people strategy. The strategy outlines the University's vision to provide an excellent workplace for staff, facilitating the success of a workforce dedicated to the successful provision of academic and professional services in support of the University's strategic goals.

Our new academic staffing structure went live on 1 September 2014, following a University wide mapping exercise of its entire academic staff onto new job descriptions. This clarified the academic pathways via the research or the professional practice route alongside a strong contribution to teaching.

Staff development

Development of the University's leadership capability has been an emphasis this year. Development of academic leadership has been supported through the delivery of a series of cohort-based programmes. We have continued to actively support The Leadership Foundation for Higher Education's initiative for women's leadership development through the sponsorship of thirteen participants. The programme aims to improve the numbers of women in senior higher education posts.

Preparations for supporting performance management through the completion of the online appraisal pilot began, with the start of the full roll out of online appraisal system supplemented by a programme of support for staff and managers to enhance the quality of appraisal discussions.



Estates and facilities

The estates strategy continues to focus on providing qualitative improvements around the campus for staff, students and the local community.

Following the approval of planning permission, works have commenced on the Forum North which will provide 3,300 square metres of space to the Hendon Campus and will be completed in August 2016. As part of the project the Nursery relocated to a temporary location on the AstroTurf.

A newly leased property in Colindeep Lane was refurbished and provides office space for the Finance and HR departments. The space vacated by Finance and HR has been converted into academic office space as part of a programme to improve the working environment on the Hendon Campus.

A dedicated room in the College Building has been refurbished for Marketing to improve the provision for prospective students.

Plans are being progressed to develop more space at Allianz Park in partnership with Saracens for the London Sports Institute. Negotiations with the London Borough of Barnet have provided additional space in the Town Hall for teaching and the lease of the Church Farm Museum which will be used for research office space.

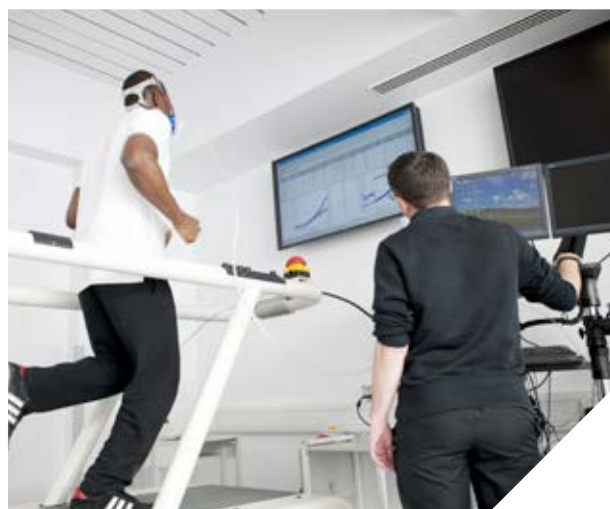
Information technology

The University's Admissions Service has reviewed and redefined the processes and structures that underpin the Middlesex applicant journey, to ensure a 'best in class' service is provided to applicants. One strand of this work includes introduction of new technology solutions to support and enhance customer engagement and improve processing arrangements through the development of

- a new online applicant portal to enable applicants to apply, submit documentation and track the status of their application;
- integrated document management to enable all documents to be held alongside their respective applicant/student record
- workflow functionality to enable actions to be automated including notifications to individuals and teams.

Other projects include: the upgrade of our student and staff Intranet web sites; a new online appraisal system; the upgrade of our Travel system which supports international payments; a new online room booking system; and infrastructure, storage and desktop upgrades.

The Grove Atrium, Middlesex University London





Public benefit and corporate social responsibility

Corporate social responsibility

At Middlesex University we aim to embed corporate social responsibility (CSR) into everything we do and have developed a CSR policy with five key pillars:

- Our staff, focusing on work life balance, development and mutual respect,
- Our students, covering student experience and providing education for all,
- Our local communities, concentrating on engagement, supporting and volunteering,
- Our business partners, providing transparency, ethical & sustainable purchasing, sharing best practices,
- Environmental management, certifying our management systems to eco-campus, managing our construction impacts and supporting student initiatives

Volunteering and community work

The University sits at the heart of Hendon's civic centre and plays a significant role in the community. From taking part in litter picks through to hosting major events such as the North London Literary Festival or organising a series of events to support national initiatives such as Mental Health Awareness week the University continues to fully participate in local life.

Our sports and recreation team actively engage students and staff in a wide variety of community development

initiatives, many of which are linked to sport. Activities undertaken last year included delivering sports coaching sessions in local primary schools and at borough sports events, delivering sports and fitness instruction to children deemed to be 'at risk', event marshalling at the London Marathon, providing sports massage for finishers at the London Marathon, and working with "Kit Aid" to help distribute second hand sports kit to developing countries overseas.

A group of 20 students and staff undertook a trip to Mauritius in June and delivered educational sessions in dance leadership and first aid, provided multi-sports coaching and organised a football tournament for "street children" in support of a local NGO, and helped to organise a local fun run event with the Mauritius mobile forces, and local athletes participating.

Sustainability

Sustainability has remained a top priority for the University. We have developed our environmental management system further, improving our resource use and making good on our policy aspirations. We have introduced a 'Go Green Week'; waste management is achieving a 50% recycling rate; upgrades to energy efficient LED lighting is reducing energy use in certain classrooms by 70%, and sustainable travel incentives have all helped enhance our green credentials. Our efforts have been recognised by a significant rise in the People and Planet League table. This year we achieved a placing of 24, which when you consider that we were placed 111 just four years ago is a momentous achievement.



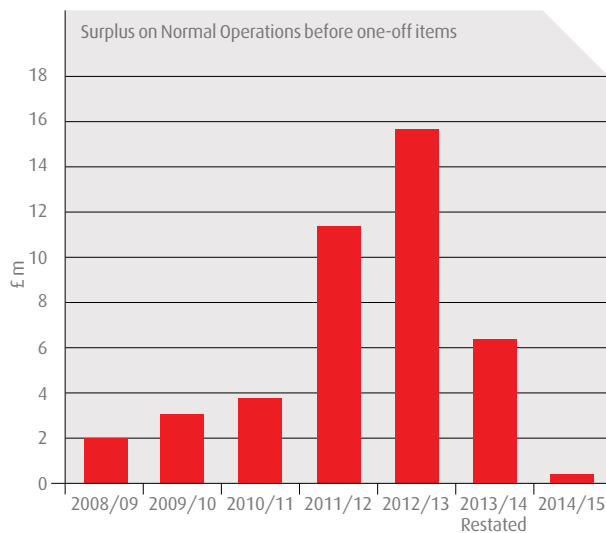
Financial review - for the year ended 31 July 2015

Results for the year

The University recorded an historical cost surplus for the year of £46k, the ninth consecutive year of surpluses. The historical cost surplus was achieved after charging £0.9m of restructuring costs, with the underlying surplus before this one-off item being £1m, or 0.6% of turnover.

In 2014/15, the University faced continued pressure on student recruitment, volatility in the Higher Education sector, cost inflation pressures as wage costs increase and fees for undergraduate students remaining capped at £9k.

Results overview

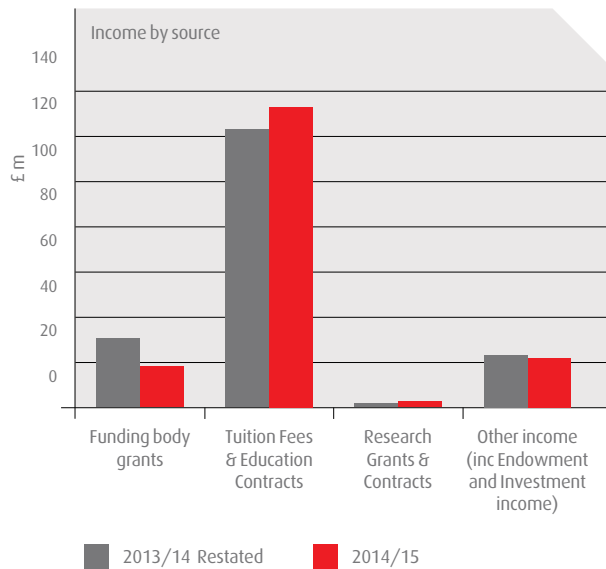


Total income this year was £176.4m, a reduction of £2.4m or 1.3% against the prior year. This was as a result of recruiting fewer students than the previous year.

Expenditure in the year totalled £176.3m, a 0.9% increase over the previous year. This reflects the University's strategy of moving towards a new staff structure, increasing academic staff headcount and wage cost inflation. During the year, strict controls have been maintained on non-staff cost, coupled with lower bad debt write-downs due to improved credit control procedures.

	2014/15	Restated 2013/14
Financial Results	£m	£m
Income	176.4	178.8
Expenditure (excluding restructuring costs)	(175.4)	(173.4)
Taxation and other items	(0.1)	(0.3)
Surplus on normal operations before one-off items	0.9	5.1
Staff restructuring costs	(0.9)	(1.4)
Surplus on property disposals (including valuation gains)	0.0	8.1
Historical cost surplus after taxation and historic cost adjustment	0.0	11.8

Income Analysis



Tuition fee income rose this year, in part reflecting the full effect of the £9k fees applying to all UK/EU undergraduate cohorts. The increase in tuition fee income reflects the government's shift from funding higher education via the HEFCE teaching grant to students funding their own education. This offsets the corresponding reduction in funding body teaching grants, including the NCTL grant for initial teacher training now funded via tuition fees.

Tuition Fees and Education Contracts now account for 75.2% of the University's total income (compared

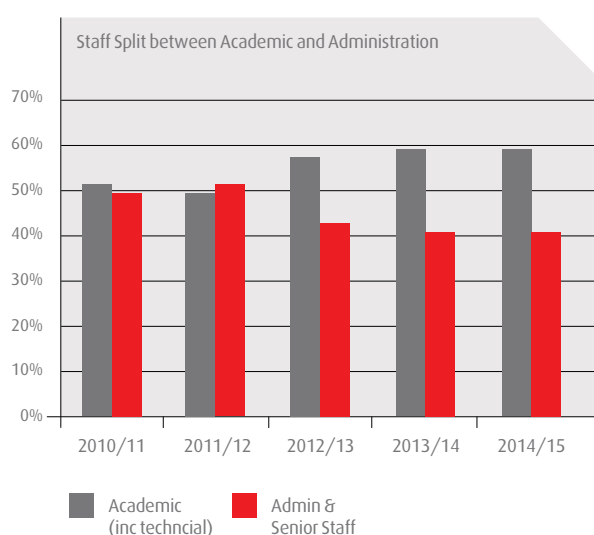
to 68.9% in 2013/14), Funding Body grants make up 9.5%, Research Grants and Contracts 2.8% and other income (including endowments) equates to 12.5%. Going forward, the University expects to maintain the specialist funding it currently receives through the HEFCE teaching grant to support the widening participation agenda.

Research income increased to £4.9m (from £4m in 2013/14) following the appointment of high calibre academic staff who are contributing to our vision of being recognised internationally for the quality of our research, in addition to excellent teaching. This had a positive impact on our strong REF submission.

Expenditure

Staff costs increased by £4.8m to £99.9m, an increase of 5%; this includes £0.9m incurred relating to the restructuring of academic and administration provision across the University. The change in staff expenditure in part reflects the University's strategic plan to increase the number of academic staff with a research focus and lower the staff student ratio. Staff costs (excluding restructuring costs) represent 56.1% of total income.

Expenditure overview



Spend on other operating expenses reduced by £2m (or 3.3%), reflecting the close control over expenditure in our continuing drive for efficiency, particularly in administration.

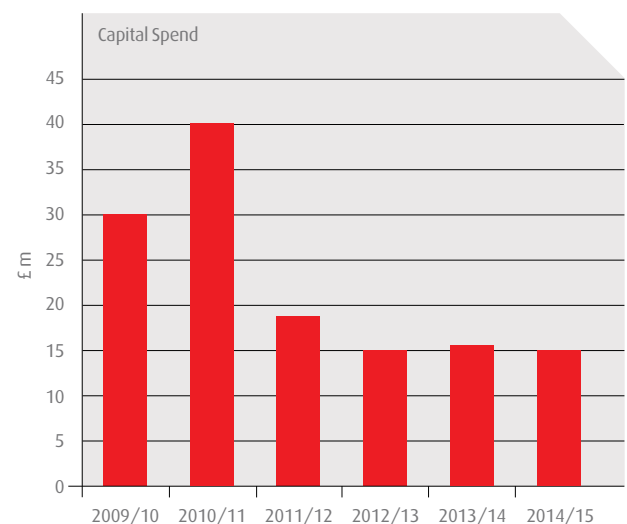
With the net book value of tangible fixed assets reflecting the University's estate now fully consolidated onto one campus at Hendon, the total depreciation charge on these assets decreased by 2.2%, primarily due to ongoing investment in new buildings and a £0.1m impaired assets write down required this year.

Interest costs decreased by £1m (or 14.3%) on last year, reflecting the lower net finance charge on pension scheme liabilities. The ongoing interest expense relates to bank loans to fund the building work at Hendon.

Balance Sheet

The University completed the thirteenth year of its Estates Development Strategy and invested a further £14.6m in infrastructure. In consolidating the University's operations onto one campus in London, investment was made during the year in a number of building reconfigurations to develop and improve student and staff facilities.

Balance Sheet overview



The pension liability for the University's Local Government Pension Scheme (LGPS) increased from £76.9m last year to £99.3m this year. The main drivers include mortality rates increasing with the average life expectancy for both men and women going up by 0.1 years, a decrease in the discount rate from 4.2% to 3.7% reflecting the decrease in annualised yields on long term AA rated corporate bonds, and a marginal decrease of 0.1% per annum on long term future expected investment returns.

Treasury Management

The University's cash and short term deposit levels fluctuate throughout the year due to the timing of tuition fee receipts, capital expenditure programmes and property sales. The average monthly cash balance in the year decreased from £61.3m last year to £56.1m this year, with the monthly balance ranging from a minimum of £38.6m to £77m over the year.

Cash balances at year-end are invested in fixed term deposits with Lloyds Bank and secure AA rated banks and building societies through Royal London Cash Management. The long term policy remains to maintain minimum working capital cash levels at two months of expenditure which equates to approximately £29.4m. Going forward the University will maintain this working capital year on year.

The University's loan profile is as detailed below. This excludes £9m shown in the accounts as a long term creditor which relates to the lease premium received on Student Halls which is being amortised over the life of the lease (35 years).

Loan Balances	Total Debt 2014/15 £m	Total Debt 2013/14 £m
Barclays	34.0	35.5
Lloyds	54.2	55.3
Total Borrowings	88.2	90.8

Outlook

The University is on track to deliver sustainable financial performances for the foreseeable future. Such performances will enable the University to continue to fund existing operations and make an investment in its future.

Demand from UK/EU undergraduates remains strong and the University is recovering from the lower than expected student recruitment this year, despite the flexibility introduced around student number controls that has led to increased competition in the sector from both other universities and private providers.

Risk and uncertainties

The University has a well established set of procedures to assess and manage risks at both the corporate and departmental level.

The corporate risk register lists all key risks facing the University at this time. The overriding financial risk going forward is the behaviour of other universities following the lifting of the student cap and changes this will make to recruitment behaviour across the sector; this has added to the volatility in a dynamic Higher Education sector. Adding to this volatility is the uncertainty around the outcome of the Comprehensive Spending Review which will be announced in November 2015, and the inclusion of overseas student numbers in the Home Office's targets regarding net immigration.

The University is seeking to mitigate the risk of volatility in the UK/EU undergraduate student cohort by reviewing its course portfolio, assessing our areas of strength, identifying the areas at risk and deciding on the most sustainable curriculum going forward. We will also be embedding a financial sustainability programme to ensure we continue to invest in priority programmes and areas.

The University's Board of Governors Committee reviews the key risks at each of its six meetings during the year so that appropriate mitigating actions can be taken.





Corporate governance

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 Guide for Members of Higher Education Governing Bodies in the UK issued by the Committee of University Chairs.

Charitable status

Middlesex University is an independent Higher Education Corporation with powers defined under the Education Reform Act 1988 and the Further and Higher Education Act 1992. Its Instrument of Government was approved by the Privy Council in March 1993.

The University is also an exempt charity under the Charities Act 2011. For the purposes of charity law the Governors are the trustees of the University and, as required, have regard to the Charity Commission's guidance on public benefit.

The Board of Governors

It is the Board of Governors' responsibility to bring independent judgment to bear on issues of strategy, performance, resources and standards of conduct.

The Board of Governors is provided with regular and timely information on the overall financial performance of the University together with other information such as performance against funding targets, proposed capital expenditure, quality matters and personnel related matters such as health and safety and environmental issues.

In the year ended 31 July 2015, the Board of Governors met six times. The Board is responsible for setting the strategic direction of the University and for the finance, property, investments and general business of the University and is required to present audited financial statements for each financial year.

The Board of Governors conducts its business through a number of committees. Each committee has terms of reference approved by the Board of Governors. The standing committees are Finance Committee, Governance and Nominations Committee, Remuneration Committee and Audit and Risk Committee.

All governors are able to take independent professional advice in the furtherance of their duties at the University's expense and have access to the Clerk to the Board, who is responsible for ensuring that all applicable procedures and regulations are complied with. The appointment and removal of the Clerk are matters for the Board of Governors as a whole.

Formal agendas, papers and reports are supplied to Governors in a timely manner, prior to Board meetings. Briefings are also provided on an ad hoc basis.

The Board of Governors has a strong and independent non-executive element and no individual or group dominates its decision making process. The Board of Governors considers that each of its non-executive members is independent of management and free from any business or other relationship which could materially interfere with the exercise of their independent judgment.

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 Chief Executive, the Vice-Chancellor.

Appointments to the Board of Governors

Any new appointments to the Board of Governors are a matter for the consideration of the Board as a whole. The Board of Governors has a Governance and Nominations Committee that considers the skills set available to the Board and issues of succession planning. It also advises on mechanisms for securing the services of new governors, including advertisement and interview, and identifies preferred candidates to the Board. The Board also has responsibility for ensuring that appropriate training is provided as required.

Finance Committee

The Finance Committee meets three times a year and comprises four independent members of the Board of Governors who meet with members of the Executive team. It provides 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 three times a year, with the University's external and internal auditors in attendance. The Committee comprises four independent members of the Board of Governors and two co-opted members and 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 Higher Education Funding Council for England 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 has the opportunity to meet 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 recommendations and internal audit undertake periodic follow up reviews to ensure such recommendations

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

Remuneration Committee

The Remuneration Committee determines the salaries and conditions of service of the Vice-Chancellor and deputy Vice-Chancellors. Details of remuneration for the year ended 31 July 2015 are set out at note 6 of the financial statements.

Governance and Nominations Committee

The Governance and Nominations Committee meets twice a year and comprises four members of the Board of Governors. The 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.

Internal control

The University's Governing Body, the Board of Governors, is responsible for ensuring that the University maintains an effective system of internal control. 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 2015 and up to the date of approval of the financial statements, and accords with HEFCE 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 financial control and making any appropriate amendments. He is also responsible for reporting to the Board of Governors any material weaknesses or breakdowns in internal financial 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. The Board of Governors holds an away day each year to discuss in greater detail a key strand of the corporate plan. The assumptions and aims are reviewed against domestic demand, international demand, funding and research and business development.
- 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 audit which include 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 Board of Governors' review of the effectiveness of the system of internal control is informed by the work of the internal auditors, Grant Thornton, who operate to the standards defined in the HEFCE code of audit practice.
- An organisation-wide risk register is maintained and is available via the University's intranet. The register is reviewed and updated regularly and management report on the actions taken to mitigate risks. The register and corporate 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.
- Monthly management accounts are presented to Finance Committee and the Board of Governors. The annual budget and financial forecasts are presented for formal approval by both of these committees, while any strategic plan revisions and the annual monitoring statement go to the Board.

The Governing Body 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 2015 and up to the date of approval

of the annual report and accounts, that it is regularly reviewed by the Governing Body. The University also complies with the Committee of University Chairmen Higher Education Code of Governance published in December 2014.

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 16 November 2015, 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.

Membership of the Board of Governors

Board of Governors – Trustees and Members during 2014/15, including the period up to the approval of the financial statements		
Mr Colin Hughes (Chair)	Independent governor	
Mr Peter Thomas (Deputy Chair)	Independent governor	
Professor Tim Blackman	Vice-Chancellor	Appointed 1 July 2015
Mr Bipin Desai	Independent governor	Demitted office 6 July 2015
Professor Michael Driscoll	Vice-Chancellor	Demitted office 31 July 2015
Mr Nick Fuller	Independent governor	
Ms Firoozeh Ghaffari	Staff governor	
Mr Stephen Hand	Independent governor	Demitted office 15 September 2014
Professor Martin Loomes	Academic Board nominee	
Professor Angela McFarlane	Independent governor	
Ms Marianne Neville-Rolfe	Co-opted governor	
Mr Ross Porter	Staff governor	
Ms Geraldine Proudler	Independent governor	
Mr Alan Riddell	Independent governor	
Ms Ann Robinson OBE	Independent governor	Demitted office 31 October 2015
Mr Nik Rochez	Independent governor	
Mr Jaz Saggu	Independent governor	Appointed 21 September 2015
Mr Aman Siddiqi	Student governor	
Mr Martin Taylor	Independent governor	

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 terms and conditions of the Financial Memorandum agreed between the Higher Education Funding Council for England (HEFCE) and the Funding Agreement with the National College for Teaching and Leadership (NCTL) and the University's Board of Governors, the 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 HEFCE, SFA and the NCTL are used only for the purposes for which they have been given and in accordance with the Financial Memorandum 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 outturns;
- 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 HEFCE, and whose annual programme is approved by the Audit and Risk Committee.

Key Performance Indicators

The Middlesex KPIs reflect six areas' performance in relation to students and teaching and two measures for research.

The KPI dashboard presents the Middlesex performance for the latest year (red bar), the Middlesex performance in the previous two years (black bars) and the performance of a group of 15 London and near London competitor institutions (grey bars). The horizontal red line shows the target level of performance set out in the Strategic Plan 2012-2017.

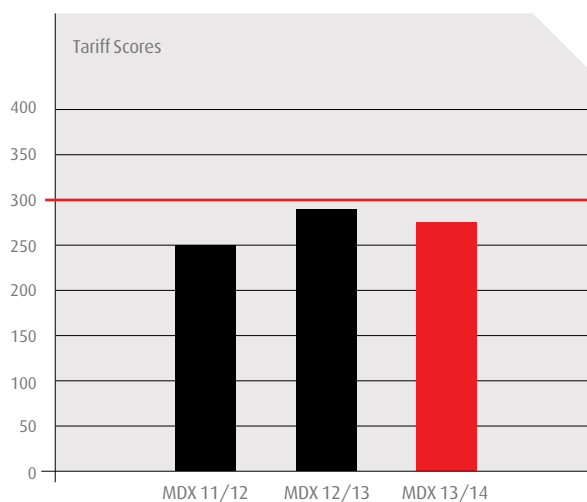
The improvements in the research KPIs reflect the University's strong performance in the 2014 Research Excellence Framework.

On the student side Middlesex has performed well in terms of the proportion of students obtaining good awards (1sts and 2:1s) and on graduate employability. Other KPIs have not performed as well and we recognise that we need to focus on these to improve these measures, and the experience for our students.

Middlesex University KPI Dashboard

The last version of the MDX KPI dashboard was published in November 2014. This paper provides the 2015 results for each KPI compared the 2014 results. An updated version of the KPI dashboard will go to the November 2015 Board.

2015 Results

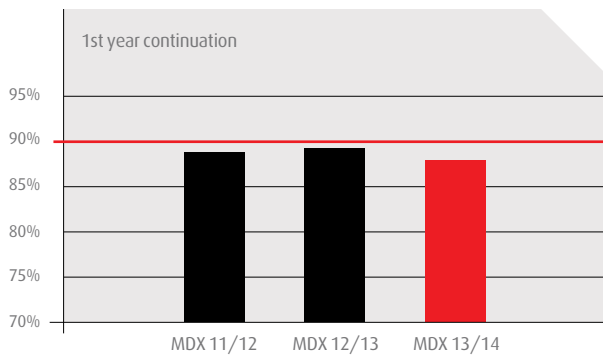


The tariff score decreased between the 2012/13 and 2013/14 intakes from 284 to 271.

NB it is expected that the 2014/15 intake tariff that will be reported next year will increase to c.280.

1st year Continuation

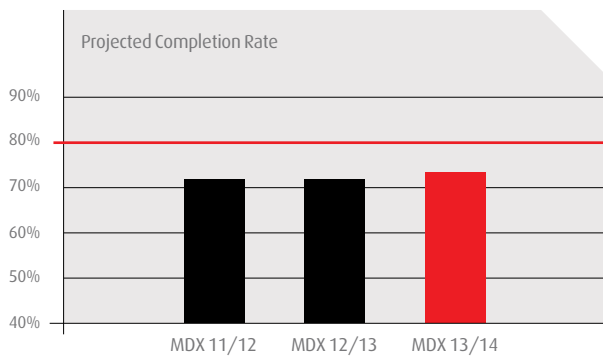
2015 Results



The 1st year continuation decreased between 2012/13 (2011 starters) and 2013/14 (2012 starters) from 88.1% to 87.2%.

Projected Completion Rate

2015 Results

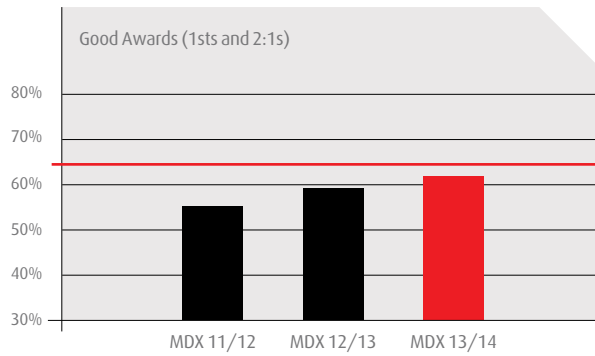


The projected completion rate increased between 2012/13 and 2013/14 from 71.7% to 72.3%. NB this measure is closely linked to the 1st year progression KPI and it is likely that performance in this measure will decrease in line with progression next year or the year after.



% Good Awards

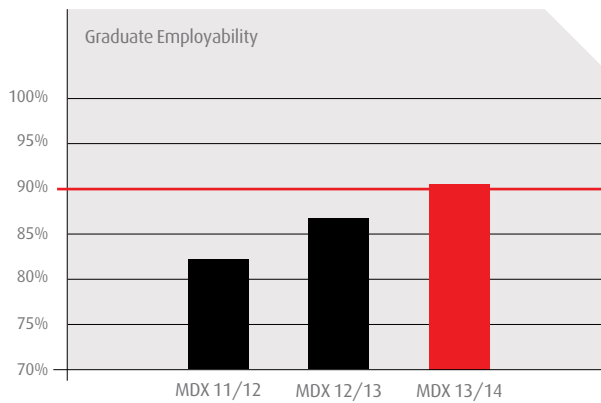
2015 Results



The proportion of students gaining good awards increased between 2012/13 and 2013/14 from 59.3% to 61.3%.

Graduate Employability

2015 Results

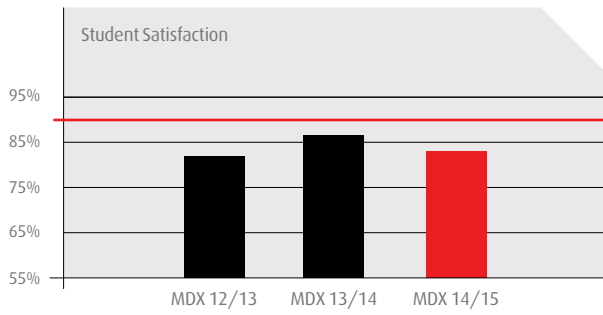


The proportion of students in work 6 months following graduation increased between 2012/13 to 2013/14 from 87.2% to 90%.



Student Satisfaction

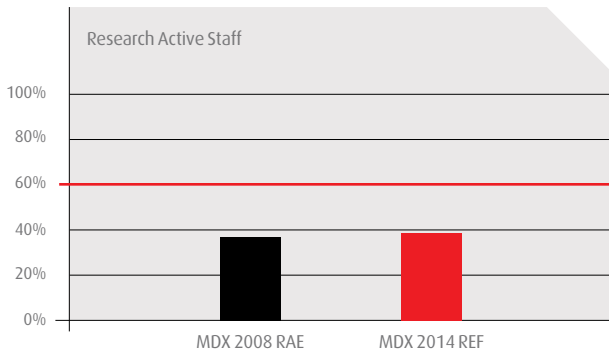
2015 Results



The NSS result for overall satisfaction decreased from 85% to 83%.

Research Active Staff

2014 Results

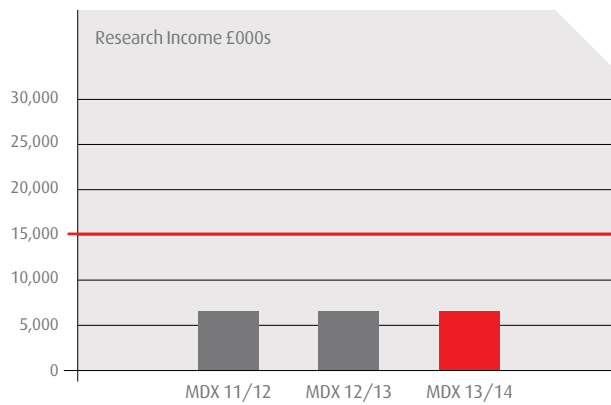


The proportion of staff submitted in the REF (35%) was higher than the proportion submitted in the 2008 RAE (31%).



Research Income

2014 Results



The research income increased from £6,243k to £6,584k between 2012/13 and 2013/14.



Independent auditors' report to the Governors of Middlesex University

We have audited the financial statements of Middlesex University for the year ended 31 July 2015 which comprise the Consolidated Income and Expenditure Account, Consolidated Statement of Total Recognised Gains and Losses, the Balance Sheets for the Group and the University, the Consolidated Cash Flow Statement and the related notes. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

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.

Respective Responsibilities of the University's Governing Body and Auditors

As explained more fully in the statement of responsibilities of the Board of Governors, 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.

Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law, regulatory requirements and International Standards on Auditing (UK and Ireland) and the Audit Code of Practice issued by the Higher Education Funding Council for England. Those standards require us to comply with the Financial Reporting Council's (FRC's) Ethical Standards for Auditors.

Scope of the audit of the financial statements

A description of the scope of an audit of financial statements is provided on the FRC's website at www.frc.org.uk/auditscopeukprivate.

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 Memorandum of Assurance and Accountability with the Higher Education Funding Council for England.

Opinion on the financial statements

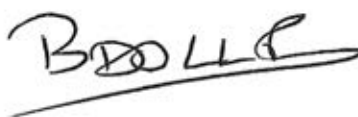
In our opinion, the financial statements:

- give a true and fair view of the state of the Group's and the University's affairs as at 31 July 2015 and of the Group's income and expenditure, recognised gains and losses, and statement of cash flow for the year;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been properly prepared in accordance with the Education Reform Act 1988, the Statement of Recommended Practice: Accounting for Further and Higher Education.

Opinion on other matters required by the Higher Education Funding Council for England Audit Code of Practice

In our opinion, in all material respects:

- Funds from whatever source administered by the University for specific purposes have been properly applied to those purposes and, if relevant, managed in accordance with relevant legislation;
- Funds provided by HEFCE have been applied in accordance with the Memorandum of Assurance and Accountability and any other terms and conditions attached to them; and
- The requirements of the HEFCE's Accounts Direction have been met.



James Aston, Senior Statutory Auditor
for and on behalf of BDO LLP, Statutory Auditor
Gatwick
United Kingdom

Date: 20 November 2015

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

Statement of principal 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. Accounting convention

The financial statements have been prepared in accordance with both the Statement of Recommended Practice: Accounting for Further and Higher Education 2007 (SORP) and applicable United Kingdom accounting standards.

The financial statements are prepared under the historical cost convention as modified by the revaluation of inherited land and buildings assets.

B. Going concern

The University's business activities and future activities are set out in the Introduction from the Vice-Chancellor. 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 financial statements consolidate the accounts of the University and its material subsidiary undertakings. Details of the subsidiary undertakings included are given at note 13. The subsidiary undertakings are consolidated on a line by line basis with intra-group transactions and balances eliminated on consolidation.

The consolidated financial statements do not include those of the Middlesex University Students Union as the University has no financial interest, does not exert control or dominant influence over policy decisions. The grant expenditure included at note 7 represents the University contribution to Students Union activities.

D. Income recognition

Funding body recurrent block grants are accounted for in the period to which they relate.

Tuition fee income chargeable to students or their sponsors is credited to the income and expenditure account over the period in which the students are studying. Where the amount of the 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 and recognised as expenditure.

Income from grants, contracts and other services rendered are recognised on an accruals basis, together with any related contributions towards overhead costs and included to the extent of the completion of the contract or service concerned. Income received in excess of such performance is recognised on the balance sheet as deferred liabilities.

Donations with restrictions are recognised when relevant conditions have been met: in many cases recognition is directly related to expenditure incurred on specific purposes. Donations which are to be retained for the benefit of the University are recognised in the statement of group total recognised gains and losses and in endowments: other donations are recognised by inclusion as other income in the income and expenditure account.

Endowments and investment income is credited to the income and expenditure account on a receivable basis. Income from restricted endowments not expended in accordance with the restrictions of the endowment, is transferred from the income and expenditure account to restricted endowments.

Capital grants received to finance the acquisition of tangible fixed assets are treated as deferred capital grants and released to income on a straight line basis over the same period as the related asset is depreciated.

E. Endowment assets

Endowment assets are stated at valuation. Increases or decreases in value arising on the revaluation or disposal of endowment assets, is accounted for by debiting or crediting the endowment asset, crediting or debiting the endowment fund and is reported in the statement of group total recognised gains and losses.

F. Agency arrangements

Funds the University receives and disburses as paying agent on behalf of a funding body (or other body) where the University is exposed to minimal risk or enjoys minimal economic benefit related to the transaction are excluded from the income and expenditure account. The balances and movement of these funds are disclosed in notes 35 to 38.

G. Leases

Costs in respect of operating leases are charged on a straight-line basis over the lease term.

Finance leases, which are substantially deemed to transfer all the benefits and risks of ownership of an asset to the University, are treated as if the asset had been purchased outright. These assets are included in fixed assets and the capital elements of the leasing commitments are shown as obligations under finance leases. The lease rentals are treated as consisting of capital and interest elements. The capital element is applied in order to reduce outstanding obligations and the interest element is charged to the income and expenditure account in proportion to the reducing capital element outstanding. Assets held under finance leases are depreciated over the shorter of the lease term or the useful economic lives of the equivalent owned assets.

H. Taxation

Middlesex University is an exempt charity within the meaning of schedule 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 (ICTA 1988). Accordingly, the Institution is potentially exempt from taxation in respect of income or capital gains received within categories covered by section 505 of ICTA 1988 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 tangible fixed assets is included in their cost.

All UK subsidiaries companies are liable to Corporation Tax and VAT in the same way as any other commercial organisation.

I. Tangible fixed assets

Capitalisation

Freehold land and buildings, long leasehold and short leasehold premises are included at cost or valuation together with subsequent refurbishment expenditure, less amounts written off by way of depreciation. In the case of properties and assets inherited by the University under the Education Reform Act 1988, these are included at valuation at the time of inheritance.

Depreciation

Freehold land is not depreciated. Finance costs that are directly attributable to the construction of land and buildings are capitalised as part of the costs of those assets. Equipment costing less than £30k per individual item is generally written off in the year of acquisition. All other equipment is capitalised at cost.

Depreciation is provided on capitalised tangible fixed assets, other than freehold land, over the following periods:

Freehold buildings

Freehold buildings and major improvements	50 years
Minor improvements to freeholds buildings	10 - 20 years

Fixtures, fittings and equipment

Fixtures, fittings and equipment (including van and minibus fleet)	5 - 10 years
Computer hardware and software	4 years
Motor cars	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.

Valuation

Following the implementation of Accounting Standard FRS15 'Tangible Fixed Assets' during the year ended 31 July 2000, the University adopted a policy of not revaluing fixed assets. The carrying amounts of tangible fixed assets previously revalued were retained at their book value.

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 income and expenditure account 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.

J. Investments

Investments in subsidiary undertakings are stated at the original cost of the investment less a provision for impairment in value where appropriate.

Investments held as part of the University's treasury management activity with a maturity date at the year end of shorter than 12 months are treated as short term deposits within current assets.

K. Stock

Stocks of finished goods and work-in-progress are valued at the lower of cost and estimated net realisable value. Where appropriate, a provision is made for obsolete, slow moving or defective items.

L. Cash

Cash flows comprise increases or decreases in cash. Cash includes cash in hand, deposits repayable on demand and overdrafts. Deposits are repayable on demand if they are available within 24 hours without penalty.

M. Foreign Currencies

Foreign currency transactions are recorded at the rate of exchange ruling at the date of the transaction. Foreign currency monetary assets and liabilities denominated in foreign currencies are translated into sterling either at year end rates or, where there are related forward foreign exchange contracts, at contract rates. The resulting exchange differences are taken to the income and expenditure account for the period which they arise.

N. Accounting for charitable donations**Unrestricted donations**

Charitable donations are recognised in the accounts when the charitable donations has been received, or if, before receipt, there is sufficient evidence to provide the necessary certainty that the donation will be received and the value of the incoming resources can be measured reliably.

Endowment funds

Where charitable donations are to be retained for the benefit of the University as specified by the donors, these amounts are accounted for as endowments. There are three main types:

1. **Unrestricted permanent endowments** where the donor has specified that the fund is to be permanently invested to generate an income stream which can be applied to any objective.
2. **Restricted expendable endowments** where the donor has specified a particular objective other than the purchase or construction of tangible fixed assets, and the University can convert the donated sum into income.
3. **Restricted permanent endowments** where the donor has specified that the fund is to be permanently invested to generate an income stream to be applied to a particular objective.

O. Accounting for retirement benefits**Defined benefit pension schemes**

The University contributes to two principal staff pension schemes - the Teachers' Pension Scheme (TPS) and the Local Government Pension Scheme (LGPS) administered by the London Borough of Barnet. The schemes are defined benefit schemes which are independently administered and are contracted out of the second state pension scheme (S2P).

Past service costs are recognised immediately in the Income and Expenditure account if the benefits have vested. If the benefits have not vested immediately, the costs are recognised over the period until vesting occurs. The interest costs and the expected return on assets are shown as a net amount of other finance costs or credits adjacent to interest. Actuarial gains and losses are recognised immediately in the statement of total recognised gains and losses.

The difference between the fair value of the assets held in the University's defined benefit pension scheme and the scheme's liabilities measured on an actuarial basis using the projected unit method are recognised in the University's balance sheet as a pension scheme liability. The carrying value of any resulting pension scheme asset is restricted to the extent that the University is able to recover the surplus either through reduced contributions in the future or through refunds from the scheme. The pension scheme balance is net of any related deferred tax balance.

Changes in the defined benefit pension scheme asset or liability arising from factors other than cash contribution by the University are charged to the income and expenditure account or the statement of total recognised surplus and deficits in accordance with FRS17 "Retirement Benefits".

Other pension schemes

The University continues to make a number of supplementary payments to a diminishing number of former staff and dependants of those staff, who took early retirement during the 1990's. The liabilities can be estimated under FRS17 and are included in the financial statements at note 19.

P. Provisions

Provisions are recognised in the financial statements when the University has a present legal or constructive obligation as a result of a past event. It is probable that a transfer of economic 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 discounted to present value where the time value of money is material. The discount rate used reflects current market assessments of the time value of money and reflects any risks specific to the liability.



Financial statements

Consolidated income and expenditure account

Year ended 31 July 2015

	Notes	Year ended 31 July 2015 £000	Restated Year ended 31 July 2014 £000
Income			
Funding body grants	1	16,681	28,565
Tuition fees and education contracts	2	132,723	123,150
Research grants and contracts	3	4,934	3,987
Other income	4	21,564	22,619
Endowment and investment income	5	513	490
Total Income		176,415	178,811
Expenditure			
Staff costs	6	99,864	95,069
Other operating expenses	7	59,849	61,914
Depreciation	12	10,481	10,719
Interest and other finance costs	8	6,117	7,134
Total Expenditure		176,311	174,836
Surplus after depreciation of tangible fixed assets at valuation and before tax		104	3,975
Surplus on disposal of fixed assets	12	-	8,066
Surplus after depreciation of tangible fixed assets at valuation and disposal of assets but before tax		104	12,041
Taxation	10	(69)	(142)
Minority interest		(137)	(198)
(Deficit)/surplus on continuing operations after depreciation of tangible fixed assets at valuation, disposal of assets and tax		(102)	11,701
Transfer from accumulated return within restricted endowments		228	320
Surplus for the year retained within general reserves	23	126	12,021

All items of income and expenditure arise from continuing operations.

Statement of Group historical cost surpluses and deficits

Year ended 31 July 2015

	Notes	Year ended 31 July 2015 £000	Restated Year ended 31 July 2014 £000
(Deficit)/surplus on continuing operations before taxation		(33)	11,843
Difference between historical cost depreciation and the actual charge for the year calculated on the re-valued amount	22	148	148
Historical cost surplus for the year before taxation		115	11,991
Historical cost surplus for the year after taxation		46	11,849

Statement of Group total recognised gains and losses

Year ended 31 July 2015

	Notes	Year ended 31 July 2015 £000	Restated Year ended 31 July 2014 £000
(Deficit)/surplus on continuing operations after depreciation of assets at valuation and disposal of assets and tax		(102)	11,701
New endowments	21	123	119
Actuarial loss on enhanced pension provision	19	(900)	-
Actuarial loss on Local Government Pension Scheme	32	(21,890)	(18,153)
Foreign exchange translation gains/(losses) on foreign currency net investment in subsidiaries	23	406	(361)
Total recognised losses for the year		(22,363)	(6,694)
Total losses recognised since last financial year		(22,363)	(6,694)
Reconciliation			
Opening reserves and endowments		42,284	48,978
Total recognised losses for the year		(22,363)	(6,694)
Closing reserves and endowments		19,921	42,284

The notes on pages 48 to 70 form part of these financial statements.

Balance sheets

as at 31 July 2015

	Notes	Group 2015 £000	University 2015 £000	Restated Group 2014 £000	Restated University 2014 £000
Fixed assets					
Tangible assets	12	200,758	200,354	196,495	196,033
Investments	13	36	61	36	61
		200,794	200,415	196,531	196,094
Endowment assets	21	576	576	681	681
Current assets					
Stock	14	17	17	303	23
Debtors: amounts falling due within one year	15	22,571	22,914	20,532	19,193
Debtors: amounts falling due after more than one year	15	1,497	1,497	1,559	1,559
Cash at bank and in hand	16	19,788	10,740	14,772	8,626
Short term deposits		42,921	42,921	56,839	56,839
		86,794	78,089	94,005	86,240
Creditors: amounts falling due within one year	17	(37,219)	(34,559)	(36,334)	(34,142)
Net current assets		49,575	43,530	57,671	52,098
Total assets less current liabilities		250,945	244,521	254,883	248,873
Creditors: amounts falling due after more than one year	18	(94,580)	(94,580)	(98,042)	(97,718)
Provisions for liabilities	19	(11,170)	(11,170)	(11,915)	(11,915)
Total net assets excluding pensions liability		145,195	138,771	144,926	139,240
Net pensions liability	32	(99,349)	(99,349)	(76,945)	(76,945)
Total net assets including pensions liability		45,846	39,422	67,981	62,295

Balance sheets

as at 31 July 2015 (cont'd)

	Notes	Group 2015 £000	University 2015 £000	Group 2014 £000	University 2014 £000
Deferred capital grants	20	26,053	26,053	25,502	25,502
Endowments					
Expendable	21	176	176	267	267
Permanent	21	400	400	414	414
		576	576	681	681
Reserves					
Revaluation reserve	22	8,964	8,964	9,112	9,112
Income and expenditure account (excluding pension reserve)					
	23	109,730	103,178	109,436	103,945
Pension reserve	23	(99,349)	(99,349)	(76,945)	(76,945)
Income and expenditure account (including pension reserve)					
		10,381	3,829	32,491	27,000
		19,921	13,369	42,284	36,793
Minority interest		(128)	-	195	-
Total funds		45,846	39,422	67,981	62,295

The financial statements on pages 43 to 70 were approved and authorised for issue by the University Board of Governors on 17 November 2015.

and were signed on its behalf by:



Colin Hughes
Chair of the Board of Governors



Professor Tim Blackman
Vice-Chancellor



Peter Vermeulen
**Deputy Vice Chancellor,
Finance**

Consolidated cash flow statement

Year ended 31 July 2015

	Notes	Year ended 31 July 2015 £000	Year ended 31 July 2014 £000
Net Cash inflow from operating activities	24	11,831	16,731
Returns on investment and servicing of finance	25	(4,970)	(5,145)
Taxation	10	(69)	(142)
Capital expenditure and financial investment	27	(13,178)	(3,070)
Cash (outflow)/inflow before management of liquid resources		(6,386)	8,374
Financing	26	(2,621)	(2,423)
(Decrease)/Increase in cash in the year	28	(9,007)	5,951
Reconciliation of net cash flow to movement in net (debt)/funds			
(Decrease)/increase in cash in the year	28	(9,007)	5,951
Loan repayment in the year	26	2,599	2,411
Cash used to repay finance leases	26	22	12
Change in net (debt)/funds	28	(6,386)	8,374
Net debt at 1 August	28	(18,524)	(26,898)
Net debt at 31 July		(24,910)	(18,524)

The notes on pages 48 to 70 form part of these financial statements.

Notes to the accounts for the year ended 31 July 2015

1. Funding body grants	Year ended 31 July 2015 £000	Year ended 31 July 2014 £000
Recurrent grant		
Higher Education Funding Council for England (HEFCE)	12,450	22,196
National College of Teaching & Leadership (NCTL)	6	694
Specific grants		
Higher Education Innovation Fund (HEIF)	563	563
Research grants	2,623	2,593
MODNet grants	–	237
Other grants	98	99
Deferred capital grants released in year		
Buildings (HEFCE)	693	1,920
Fixtures, fittings and equipment (HEFCE)	248	263
	16,681	28,565

2. Tuition fees and education contracts	Year ended 31 July 2015 £000	Restated Year ended 31 July 2014 £000
Full-time home and EU students	82,417	74,051
Full-time international (non EU) students	28,264	27,409
Part-time students	2,713	3,103
Short courses and training CPD	9,427	8,209
NHS education contracts	9,902	10,378
	132,723	123,150

Note 2 has been restated for the year ended 31 July 2014 for the recognition of Tuition Fee income that more closely matches the academic period over which the degree courses are delivered. This has reduced the income by £1,481k.

3. Research grants and contracts	Year ended 31 July 2015 £000	Year ended 31 July 2014 £000
Research Councils	536	435
UK based charities	484	565
UK central government	916	828
UK industry	277	117
European Commission	2,532	1,257
EU other	–	20
Other overseas	115	692
Other sources	74	73
	4,934	3,987

6. Staff (cont'd)**Senior post-holders' emoluments**

The emoluments of the Vice-Chancellor's are shown on the same basis as for other higher paid staff and represent in year earnings.

Emoluments of the Vice-Chancellor (Professor Michael Driscoll) August 2014 to July 2015.	Year ended 31 July 2015 £000	Year ended 31 July 2014 £000
Salaries	286	273
Benefits in kind	54	53
Total emoluments	340	326

Professor Michael Driscoll (Vice-Chancellor 1999 to 2015) left the role as Vice-Chancellor on 31 July 2015 and emoluments represent twelve months salary.

Compensation for loss of office paid to the Vice-Chancellor was £229k. For the period to 27 November 2015 the Vice-Chancellor is in receipt of compensation for loss of office as benefits other than cash with an estimated value of £24k. The compensation pay and benefits are funded from general income and approved by the University's Remuneration committee.

The Vice-Chancellor did not receive any pension contributions in the year (2014: nil).

Emoluments of the Vice-Chancellor (Professor Tim Blackman) July 2015.	Year ended 31 July 2015 £000	Year ended 31 July 2014 £000
Salary	19	–
Contribution to relocation costs	1	–
Pension contributions	20	–
	2	–
Total emoluments	22	–

Professor Tim Blackman joined the University as Vice-Chancellor on 01 July 2015 and therefore emoluments represent one months salary.

The Vice-Chancellor has received a contribution to relocation costs, an allowance approved by the University's Remuneration committee which is funded from general income.

The pension contributions for the Vice-Chancellor are in respect of employer's contributions to to the Local Government Pension Scheme and are paid at the same rate as for other employees.

Higher Paid post-holders' emoluments

The number of other higher paid staff, excluding the senior post-holders, who received emoluments (excluding employer pension contributions and compensation for loss of office) in the following ranges was:

	Year ended 31 July 2015 number	Restated Year ended 31 July 2014 number
£100,000 to £109,999	3	7
£110,000 to £119,999	2	1
£120,000 to £129,999	2	-
£140,000 to £149,999	1	2
£150,000 to £159,999	1	2
£160,000 to £169,999	2	-
£180,000 to £189,999	-	1
	11	13

The numbers of higher paid staff has been restated for the year ended 31 July 2014 for emoluments excluding employer pension contributions.

	Year ended 31 July 2015 £000	Restated Year ended 31 July 2014 £000
The above higher paid staff emoluments are made up as follows:		
Salaries	1,704	1,630
Benefits in kind	75	35
	1,779	1,630
Pension contributions	166	250
Total emoluments	1,945	1,880

The pension contributions of higher paid staff 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 employees.

	Year ended 31 July 2015 £000	Year ended 31 July 2014 £000
8. Interest and other finance costs		
Net finance charge on pension scheme liabilities (Note 32)	634	1,499
Loans not wholly repayable within five years	5,255	5,446
Bank overdrafts	2	2
Finance leases	-	1
Other finance costs	226	186
Total	6,117	7,134
Reconciliation of interest payable:		
Total interest payable	6,117	7,134
Interest payable included within income and expenditure account	6,117	7,134

9. Analysis of total expenditure by activity	Staff costs £000	Other operating expenses £000	Depreciation £000	Interest and other finance costs £000	Total £000
Academic schools	58,723	9,155	1,353	-	69,231
Academic services	22,396	19,381	1,599	2	43,378
Research grants and contracts	2,707	2,227	-	-	4,934
Residences, catering and conferences	83	4,880	301	-	5,264
Premises	2,253	12,423	6,846	5,255	26,777
Central services and administration*	12,555	8,720	349	-	21,624
Other expenses	216	3,063	33	860	4,172
	98,933	59,849	10,481	6,117	175,380
Staff restructuring Costs	931	-	-	-	931
Total expenditure	99,864	59,849	10,481	6,117	176,311

The depreciation charge has been funded by:

Revaluation reserve released (Note 22)	148
Deferred capital grant released (Note 20)	982
General income	9,351
	10,481

*Central services and administration expenditure includes expenditure incurred on student and staff facilities and amenities, and general educational expenditure.

10. Taxation	Year ended 31 July 2015 £000	Year ended 31 July 2014 £000
Foreign taxes	69	142
	69	142

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

The University is an exempt charity within the meaning of schedule 2 of The Charities Act 1993 and, as such is a charity within the meaning of section 506(1) of the Taxes Act 1988. Accordingly the University is potentially exempt from taxation in respect of income or capital gains received within categories covered by sections 478-488 of the Corporation Tax Act 2010 (CTA 2010) (formally enacted in section 505 of the Taxes Act 1988) or section 256 of the Taxation and 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.

The Board of Governors does not believe that the University or its UK trading subsidiary companies were liable for any UK corporation tax on profit arising out of their activities during the year.

11. Surplus on continuing operations	Year ended 31 July 2015 £000	Restated Year ended 31 July 2014 £000
The surplus on continuing operations for the year is made up as follows:		
University's (deficit)/surplus for the year	(529)	10,166
Surpluses generated by subsidiary undertakings	652	1,199
Impairment of investment in subsidiary undertaking	3	656
Total consolidated surplus	126	12,021

12. Tangible fixed assets	Freehold land £000	Freehold and leasehold buildings £000	Fixtures, fittings and equipment £000	Assets in the course of construction £000	Total £000
University					
Cost or Valuation					
At 1 August 2014	20,212	191,410	20,994	3,100	235,716
Additions	–	7,663	2,638	4,298	14,599
Transfers between classifications	–	1,810	257	(2,067)	–
Disposals	–	(368)	(2,501)	–	(2,869)
At 31 July 2015	20,212	200,515	21,388	5,331	247,446
Depreciation					
At 1 August 2014	–	29,866	9,817	–	39,683
Charge for year	–	5,797	4,479	–	10,276
Transfers between classifications	–	40	(40)	–	–
Eliminated in respect of disposals	–	(368)	(2,449)	–	(2,867)
At 31 July 2015	–	35,335	11,757	–	47,092
Net book value at 31 July 2015	20,212	165,180	9,631	5,331	200,354
Net book value at 1 August 2014	20,212	161,544	11,177	3,100	196,033
Inherited	5,400	3,562	–	–	8,962
Financed by capital grant	–	23,394	190	2,469	26,053
Other	14,812	138,224	9,441	2,862	165,339
Net book value at 31 July 2015	20,212	165,180	9,631	5,331	200,354

12. Tangible fixed assets (cont'd)	Freehold land £000	Freehold and leasehold buildings £000	Fixtures, fittings and equipment £000	Assets in the course of construction £000	Total £000
Group					
Cost or Valuation					
At 1 August 2014	20,212	191,410	22,369	3,100	237,091
Exchange revaluation	-	-	(14)	-	(14)
Additions	-	7,663	2,887	4,298	14,848
Transfers between classifications	-	1,810	349	(2,06)	92
Disposals	-	(368)	(2,794)	-	(3,162)
At 31 July 2015	20,212	200,515	22,797	5,331	248,855
Depreciation					
At 1 August 2014	-	29,866	10,730	-	40,596
Charge for year	-	5,797	4,684	-	10,481
Transfers between classifications	-	40	52	-	92
Eliminated in respect of disposals	-	(368)	(2,704)	-	(3,072)
At 31 July 2015	-	35,335	12,762	-	48,097
Net book value at 31 July 2015	20,212	165,180	10,035	5,331	200,758
Net book value at 1 August 2014	20,212	161,544	11,639	3,100	196,495
Inherited	5,400	3,562	-	-	8,962
Financed by capital grant	-	23,394	190	2,469	26,053
Other	14,812	138,224	9,845	2,862	165,743
Net book value at 31 July 2015	20,212	165,180	10,035	5,331	200,758

Disposals include the write off of historical tangible fixed assets that are fully depreciated. The gross cost of these assets amounted to £2,840k (2014: £8,859k).

The net book value of fixtures, fittings and equipment tangible fixed assets includes the following amounts in respect of assets held under finance leases:

Group and University	At 31 July 2015 £000	At 31 July 2014 £000
Cost	-	36
Cumulative depreciation charged	-	(22)
Net book value at 31 July 2015	-	14

As a result of the Education Reform Act 1988, the freehold interests in properties occupied by Middlesex University Higher Education Corporation (was then Middlesex Polytechnic) previously held by the London Boroughs of Barnet, Enfield and Haringey were formally transferred to the Corporation itself with effect from 1 April 1989.

12. Tangible fixed assets (cont'd)	At 31 July 2015 £000	At 31 July 2014 £000
The cost or valuation of Land and Buildings comprises:		
University		
Freeholds		
Assets inherited upon incorporation:		
Buildings, valued at depreciated replacement cost	3,562	3,710
Freehold land, valued at market existing use	5,400	5,400
	8,962	9,110
Assets stated at cost	176,430	172,646
Net book value at 31 July 2015	185,392	181,756

The transitional rules set out in FRS15 Tangible Fixed Assets have been applied on implementing FRS15. Accordingly the book values at the date of implementation have been retained.

At transfer the freehold buildings were valued at replacement cost as determined by a professional valuer for insurance purposes as at 31 March 1989 and reduced by an estimated amount of depreciation. Freehold land was revalued by the district valuer on an open market existing use basis as at 31 March 1991. All other assets continue to be shown at historic cost.

13. Investments of the University	Group year ended 31 July 2015 £000	University year ended 31 July 2015 £000	Group year ended 31 July 2014 £000	University year ended 31 July 2014 £000
Investments in Subsidiary undertakings:-				
Subsidiary companies	–	25	–	25
Other Investments:-				
CVCP Properties PLC	36	36	36	36
	36	61	36	61

13. Investments of the University (cont'd)	Parent interest in ordinary shares voting rights	Principal activity	Country of incorporation
Principal trading subsidiary			
MU Ventures Limited	100%	Consultancy Services	England and Wales
Middlesex Services Limited (Hong Kong)	100%	Student recruitment and marketing services	Hong Kong
Middlesex Uni (SEA) SDN BHD	100%	Student recruitment and marketing services	Malaysia
Middlesex Educational Services (Mauritius) Limited	100%	Student recruitment and marketing services	Mauritius
Middlesex International (Dubai) FZ-LLC	100%	Training and development, academic staff provision	Dubai/UAE

Investments in trading subsidiary companies are stated at cost with the exception of MU Ventures Limited. The University holds a £2m provision against MU Ventures Limited (2014: £2m).

MU Ventures Limited owns 76% of Middlesex University (Malta) Limited with 24% owned by STC International Limited.

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 JSS (Mauritius) Limited with 49% owned by JSS Academy Limited.

The board believe that the carrying value of the investments is supported by the subsidiary company net assets and/or business plans.

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 2015 are included in the group financial statements by virtue of the fact 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.

CVCP Properties plc is a company owned by 132 UK university institutions, whose executive heads (vice-chancellors/principals) are members of Universities UK.

Other Investments also represent shares held in Argentium International Limited against which a £30k provision is held (2014: £30k).

14. Stock	Group Year ended 31 July 2015 £000	University Year ended 31 July 2015 £000	Group Year ended 31 July 2014 £000	University Year ended 31 July 2014 £000
Stocks of finished goods	–	–	277	–
Work-in-progress	17	17	26	23
	17	17	303	23

15. Debtors

	Group Year ended 31 July 2015 £000	University Year ended 31 July 2015 £000	Group Year ended 31 July 2014 £000	University Year ended 31 July 2014 £000
Amounts falling due within one year:				
Trade debtors	3,591	2,832	3,947	3,073
Tuition fees	4,590	4,590	3,529	3,529
Other debtors	6,257	5,374	6,050	4,733
Amounts owed by subsidiary companies	–	3,127	–	2,051
Prepayments and accrued income	8,133	6,991	7,006	5,807
	22,571	22,914	20,532	19,193
Amounts falling due after more than one year:				
Prepayments	1,497	1,497	1,559	1,559
	24,068	24,411	22,091	20,752

16. Cash at bank and in hand

Cash at bank and in hand includes £391k (2014: £352k) in respect of monies held on behalf of third parties.

17. Creditors: amounts falling due within one year

	Group Year ended 31 July 2015 £000	University Year ended 31 July 2015 £000	Restated Group Year ended 31 July 2014 £000	Restated University Year ended 31 July 2014 £000
Bank loans and overdrafts	2,737	2,737	2,592	2,592
Other loans	351	–	5	5
Obligations under finance leases	2	–	10	–
Research grants received on account	5,374	5,374	4,457	4,457
Trade creditors	10,472	9,529	12,447	11,562
Social security and other taxation payable	2,543	9,529	2,707	2,525
Accruals and deferred income	15,740	14,443	14,116	13,001
	37,219	34,559	36,334	34,142

Note 17 deferred income balances have been restated for the year ended 31 July 2014 following the recognition of Tuition Fee income that more closely matches the academic period over which the degree courses are delivered. This has increased the balance of deferred income by £1,481k.

18. Creditors: amounts falling due after more than one year

	Finance leases £000	Mortgages £000	Other £000	Total £000
Group and University				
Long term creditor as at 1 August 2014	14	88,200	9,828	98,042
Add back: transfer to short term creditors	10	2,592	702	3,304
Additions during the year	–	–	(3)	(3)
Capital repaid in year	(22)	(2,599)	(669)	(3,290)
Creditor outstanding at 31 July 2015	2	88,193	9,858	98,053
Transfer: to short term creditors	(2)	(2,737)	(734)	(3,473)
Long term creditor as at 31 July 2015	–	85,456	9,124	94,580

Total University liabilities falling due after more than one year are £94,580k (2014: £97,718k). The group has an additional £Nil other liabilities (2014: £324k) falling due after more than one year.

18. Creditors: amounts falling due after more than one year (cont'd)

	Group Year ended 31 July 2015 £000	University Year ended 31 July 2015 £000	Group Year ended 31 July 2014 £000	University Year ended 31 July 2014 £000
Analysis of long term creditor				
Due:				
Between one and two years	3,454	3,454	3,228	3,159
Between two and five years	11,713	11,713	23,121	23,122
In five years or more	79,413	79,413	71,680	71,437
Finance leases	-	-	14	-
Total long term debt	94,580	94,580	98,042	97,718

Borrowings

Bank Mortgages are repayable over the loan 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 campus properties to which they relate.

	Term	Fixed until	Interest rate %	Loan Expiry date	Amount outstanding at 31 July 2015
Property name:					
Hendon Campus	25 Years	2030	5.2900%	2030	£34,049k
Hendon Campus	28 Years	2037	6.5950%	2037	£11,426k
	27 Years	2037	6.4250%	2037	£14,265k
	26 Years	2037	6.5450%	2037	£9,518k
	26 Years	2026	6.7050%	2037	£4,764k
	26 Years	2016	6.3950%	2037	£4,754k
	25.5 Years	2017	5.1550%	2037	£9,417k

	Group Year ended 31 July 2015 £000	University Year ended 31 July 2015 £000	Group Year ended 31 July 2014 £000	University Year ended 31 July 2014 £000
Finance lease obligations				
Obligations under finance leases fall due as follows:				
Within one year	2	-	6	-
Between one and two years	-	-	5	-
Total	2	-	11	-

19. Provisions for liabilities	Enhanced pension provision £000	Restructuring provision £000	Onerous contract provision £000	Total £000
Group and University				
At 1 August 2014	5,578	983	5,354	11,915
Utilised in year	(487)	(911)	(971)	(2,369)
Actuarial loss arising recognised in the STRGL	900	–	–	900
Charged to income and expenditure account	206	292	226	724
At 31 July 2015	6,197	364	4,609	11,170

Provisions include:

A pension provision in respect of pension enhancements payable on behalf of staff who took early retirement during the 1990s. Currently there are 179 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 2015 and changes in assumptions has resulted in an 'increased pension liability. This change in assumptions has resulted in a debit of £900k which has been recognised in the STRGL for the year ended 31 July 2015.

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 2015. It is estimated that the provision will be fully utilised in the income and expenditure account in 2015/16 dependent upon the agreed departure date of the relevant employees.

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.

20. Deferred capital grants	Buildings £000	Fixtures, fittings and equipment £000	Assets under construction £000	Total £000
Group and University				
Funding bodies				
At 1 August 2014	23,154	438	936	24,528
Grants received	–	–	1,533	1,533
Released to income and expenditure account	(693)	(248)	–	(941)
At 31 July 2015	22,461	190	2,469	25,120
Other grants & benefactions				
At 1 August 2014	974	–	–	974
Released to income and expenditure account	(41)	–	–	(41)
At 31 July 2015	933	–	–	933
Totals				
At 31 July 2015	23,394	190	2,469	26,053
At 1 August 2014	24,128	438	936	25,502

All deferred capital grants relate to the University. Grants are released to the income and expenditure account to match depreciation incurred on the defined capital programmes.

21. Endowments	2015 Total £000	2015 Restricted expendable £000	2015 Restricted permanent £000	2014 Total £000
Group and University				
Capital value	678	266	412	884
Accumulated Income	3	1	2	(2)
At 1 August	681	267	414	882
Net Additions	123	123	-	119
Income for the year	5	1	4	4
Reclassification of capital value	-	12	(12)	-
Expenditure for the year	(233)	(227)	(6)	(324)
At 31 July	576	176	400	681
Capital value	556	156	400	678
Accumulated Income	20	20	-	3
At 1 August	576	176	400	681
Represented by:				
Cash balances	160	176	(16)	267
Short term deposits	416	-	416	414
Analysis by type of purpose:				
Prize, scholarship and bursaries funds	496	96	400	493
Short term deposits	80	80	-	188
22. Revaluation reserve				
Opening balance at 1 August			Group and University 2015 £000	Group and University 2014 £000
			9,112	9,260
Release in year to Income and Expenditure account			(148)	(148)
Closing balance at 31 July			8,964	9,112

The release to the Income and Expenditure Account represents an amount equal to the depreciation charged in the year on assets acquired in 1989 from London Boroughs of Barnet, Enfield and Haringey at the inception of Middlesex University Higher Education Corporation (was then Middlesex Polytechnic). The transferred building assets were valued in 1989 at £56,650k (£3,562k 2015 after disposals and transfers to current assets) and land assets following revaluation in 1991 £28,475k (£5,400k 2015, after disposals and transfers to current assets).

	Group Year ended 31 July 2015 £000	University Year ended 31 July 2015 £000	Restated Group Year ended 31 July 2014 £000	Restated University Year ended 31 July 2014 £000
23. Income and expenditure account				
Opening balance at 1 August	32,491	27,000	38,836	34,839
Surplus/(deficit) after depreciation of assets at valuation and taxation	126	(529)	12,021	10,166
Actuarial loss on enhanced pension provision	(900)	(900)	–	–
Actuarial loss on Local Government Pension Scheme	(21,890)	(21,890)	(18,153)	(18,153)
Foreign exchange translation gains/(losses) on foreign currency net investment in subsidiaries	406	–	(361)	–
Release from revaluation reserve	148	148	148	148
Closing balance at 31 July	10,381	3,829	32,491	27,000

	Group Year ended 31 July 2015 £000	University Year ended 31 July 2015 £000	Restated Group Year ended 31 July 2014 £000	Restated University Year ended 31 July 2014 £000
Analysis of the income and expenditure account				
Income and expenditure account (excluding pension reserve)	109,730	103,178	109,436	103,945
Pension reserve (Note 32)	(99,349)	(99,349)	(76,945)	(76,945)
Income and expenditure account (including pension reserve)	10,381	3,829	32,491	27,000

	Year ended 31 July 2015 £000	Restated Year ended 31 July 2014 £000
24. Reconciliation of consolidated operating surplus to net cash inflow from operating activities		
Surplus on continuing operations after depreciation of fixed assets at valuation and disposal of assets but before tax	104	12,014
Depreciation (Note 12)	10,358	10,719
Impairment of tangible fixed assets (Note 12)	123	–
Deferred capital grants released to income (Note 20)	(982)	(2,223)
Loss/(gain) on disposal of tangible fixed assets (Note 12)	90	(7,009)
Pension cost less contributions paid (Note 32)	(120)	(408)
Investment income (Note 5)	(513)	(490)
Interest payable (Note 8)	6,117	7,134
Foreign exchange translation gains/(losses) on foreign currency	406	(364)
Dividend paid to minority interest	(460)	–
Decrease in stocks of finished goods and work-in-progress (Note 14)	286	133
Increase in debtors (Note 15)	(1,977)	(1,581)
Increase/(decrease) in creditors (Notes 17 and 18)	44	(1,435)
(Decrease/ increase in provisions (Note 19)	(1,645)	214
Net cash inflow from operating activities	11,831	16,731

	Year ended 31 July 2015 £000	Year ended 31 July 2014 £000
25. Returns on investment and servicing of finance		
Income from endowments and interest received	513	490
Interest paid	(5,483)	(5,634)
Interest element of finance lease rental payment	-	(1)
Net cash outflow from returns on investment and servicing of finance	(4,970)	(5,145)

	Year ended 31 July 2015 £000	Year ended 31 July 2014 £000
26. Financing		
Finance lease repayments	(22)	(12)
Loan repayment in the year	(2,599)	(2,411)
Net cash outflow from financing	(2,621)	(2,423)

	Year ended 31 July 2015 £000	Year ended 31 July 2014 £000
27. Capital expenditure and financial investment		
Payments made to acquire tangible fixed assets	(14,834)	(15,504)
Proceeds from sales of tangible fixed assets	-	11,379
New endowments received	123	119
Deferred capital grants received	1,533	936
Net cash (outflow)/inflow from capital expenditure	(13,178)	(3,070)

	At 1 August 2014 £000	Cashflows £000	At 31 July 2015 £000
28. Analysis of changes in net debt			
Cash and liquid resources	71,611	(8,902)	62,709
Endowment cash	681	(105)	576
Cash	72,292	(9,007)	63,285
Mortgages and loans	(90,792)	2,599	(88,193)
Finance leases	(24)	22	(2)
Borrowings	(90,816)	2,621	(88,195)
Net debt	(18,524)	(6,386)	(24,910)

	Year ended 31 July 2015 £000	Year ended 31 July 2014 £000
29. Capital commitments		
Provision has not been made for the following capital commitments at 31 July 2015:		
Commitments contracted for at 31 July	1,738	2,157
Authorised by the board but not contracted for at 31 July	26,261	34,480
	27,999	36,637

	Year ended 31 July 2015 £000	Year ended 31 July 2014 £000
30. Financial commitments		
At 31 July the Group was committed to making the following annual rental payments in respect of operating leases:		
Buildings:		
Expiring within one year	7	-
Expiring within two and five years	(158)	17
Expiring after more than five years	1,934	1,583
Equipment:		
Expiring within one year	11	151
Expiring within two and five years	401	536
	2,195	2,287

31. Professional Advisors**External Auditors**

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

Grant Thornton LLP	30 Finsbury Square, London EC29 2YU
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Bankers

Lloyds Bank plc	4th Floor, 25 Gresham Street, London EC2V 7HN
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Legal advisors

Collyer Bristow	4 Bedford Row, London WC1R 4DF
Eversheds	Franciscan House, 51 Princes Street, Ipswich IP1 1UR
Nabarro Nathanson	Lacon House, Theobald's Road, London WC1X 8RW
SA Law	Gladstone Place, 36-38 Upper Marlborough Road, St Albans, Hertfordshire AL1 3UU
Weightmans LLP	Exchequer Court, 33 St Mary Axe, London EC3A 8AA

Tax and Pension advisors

KPMG LLP	15 Canada Square, London E14 5GL
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32. Pension schemes

The University's employees belong to two principal pension schemes, the Teachers' Pension Scheme (TPS) for academic staff and the Local Government Pension Scheme (LGPS) for all other staff. The schemes are defined benefit schemes providing benefits based on a final pensionable salary. The pension service costs and contributions for the year for the University and its subsidiaries in respect of these two schemes was £11,497k (2014: £10,995k)

Teachers' Pension Scheme

Under the definitions set out in Financial Reporting Standard (FRS) 17 - Retirement benefits, the Teachers' pension scheme (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 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 for the University's academic staff were 14.1% of pensionable salaries from 1 August 2014 to 31 July 2015. The employer's contribution rate remains at 14.1% in the period to 31 August 2015 and from 1 September 2015 increases to 16.48% of pensionable salaries.

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 last valuation of the TPS related to the period 1 April 2001 to 31 March 2004. The Government Actuary's report of October 2006 revealed that the total liabilities of the Scheme (pensions currently in payment and the estimated cost of future benefits) amounted to £166,500 million. The value of the assets (estimated future contributions together with the proceeds from the notional investments held at the valuation date) was £163,240 million. The assumed real rate of return is 3.5% in excess of prices and 2% in excess of earnings. The rate of real earnings growth is assumed to be 1.5%. The assumed gross rate of return is 6.5%.

The 2006 interim actuarial review, published in June 2007, concluded, as at 31 March 2006, and using the above assumptions, that the scheme's total liabilities amounted to £176,600 million.

The Government has announced the 2008 valuation of this scheme has been suspended, pending the introduction of a reformed scheme in 2015.

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 contribution made for the year ended 31 July 2015 was £8,437k (2014: £7,874k) of which employers contributions totalled £6,516k (2014: £6,170k) and employees contributions totalled £1,921k (2014: £1,704k).

For the period from 1 April 2014 to 31 March 2015 the overall employer contribution rate was 26.6%. In 2014 the University entered into a funding deficit recovery plan with the scheme administrators, this treatment required the cost of providing pension benefits to be broken down into two distinct elements: current scheme funding of 11.3% of pensionable salaries from 1 April 2015 and a deficit reduction contribution of £3,541k in the period to 31 March 2016. The overall employers contribution rate payable to 31 March 2016 is 26.6%. The indicative rate from 1 April 2016 as disclosed in the full actuarial valuation of the fund for the period to 31 March 2013 is 11.3% of pensionable salaries for current scheme funding and a deficit reduction contribution of £3,638k. The total employer contributions expected to be paid into the scheme during the year ended 31 July 2016 are £6,559k.

32. Pension schemes (cont'd)

Financial Reporting Standard (FRS) 17 – Retirement benefits

The following information is based upon a full actuarial valuation of the Fund at 31 March 2013 updated to 31 July 2015 by a qualified independent actuary.

The major assumptions used by the actuary were:	At 31 July 2015	At 31 July 2014
Financial assumptions:		
Inflation (RPI increases)	3.4%	3.4%
Inflation (CPI increases)	2.5%	2.6%
Rate of increase in salaries	4.3%	4.4%
Rate of increase for pensions	2.5%	2.6%
Discount rate for liabilities	3.7%	4.2%

Mortality assumptions:

The post retirement mortality tables adopted are the S1PA tables (2013: S1PA Heavy tables)

Life expectancy from age 65 (years)		At 31 July 2015	At 31 July 2014
Retiring today	Males	22.1	22.0
	Females	24.4	24.3
Retiring in 20 years	Males	24.2	24.1
	Females	26.8	26.7

The University's share of assets in the scheme and the expected rates of return are set out below:

Asset class:	31 July 2015 Fair value £000	31 July 2015 Expected return % pa	31 July 2014 Fair value £000	31 July 2014 Expected return % pa	31 July 2013 Fair value £000	31 July 2013 Expected return % pa
Equities	94,753	7.2	90,455	7.2	91,252	6.5
Other bonds	45,251	4.0	42,750	4.0	41,600	4.3
Gilts	89	3.4	101	3.4	–	3.4
Property	–	–	–	–	–	3.2
Cash	981	3.2	677	3.2	1,342	0.5
Total	141,074	6.1	133,983	6.2	134,194	5.8

Analysis of the amount shown in the balance sheet

Middlesex University:	At 31 July 2015 £000	At 31 July 2014 £000
Estimated asset share	141,074	133,983
Present value of scheme liabilities	(239,864)	(210,373)
Present value of unfunded liabilities	(559)	(555)
Total value of liabilities	(240,423)	(210,928)
Net pension deficit	(99,349)	(76,945)

32. Pension schemes (cont'd)	At 31 July 2015 £000	At 31 July 2015 % of staff cost	At 31 July 2014 £000	At 31 July 2014 % of staff cost
Analysis of the amount charged to staff costs within operating surplus:				
Current service cost	5,900	6.0%	5,482	5.9%
Curtailments and settlements	496	0.5%	280	0.3%
Total Operating charge	6,396	6.5%	5,762	6.2%
Analysis of the amount charged to interest payable:				
Expected return on pension scheme assets	8,335	8.4%	7,765	8.3%
Interest on pension scheme liabilities	(8,969)	(9.1%)	(9,264)	(9.9%)
Net charge	(634)	(0.6%)	(1,499)	(1.6%)
Analysis of amount recognised in Statement of Total Recognised Gains and Losses (STRGL):				
Actual return less expected return on pension scheme assets			(145)	(4,163)
Experience (losses)/gains			(5,102)	5,275
Changes in financial and demographic assumptions underlying the present value of scheme liabilities			(16,643)	(19,265)
Actuarial loss recognised in STRGL			(21,890)	(18,153)
Movement in deficit during the year				
Deficit at the beginning of year			(76,945)	(57,701)
Movement in the period:				
Current service cost			(5,900)	(5,482)
Employer contribution			6,476	6,131
Contributions in respect of unfunded benefits			40	39
Impact of settlements and curtailments			(496)	(280)
Net finance charge on liability			(634)	(1,499)
Actuarial losses			(21,890)	(18,153)
Deficit at the end of year			(99,349)	(76,945)
Movement in present value of the scheme liabilities				
Opening present value of the defined benefit obligation			212,077	191,895
Movement in the period:				
Current service cost			5,900	5,482
Interest cost			8,969	9,264
Actuarial losses			16,644	8,882
Gains on curtailments			496	280
Estimated benefits paid (net of transfers in)			(5,544)	(5,331)
Contributions by scheme participants			1,921	1,704
Unfunded pension payments			(40)	(39)
Closing present value of the defined benefit obligation			240,423	212,077

32. Pension schemes (cont'd)	At 31 July 2015 £000	At 31 July 2014 £000
Movement in the fair value of the scheme assets		
Opening fair value of scheme assets	135,132	134,194
Movement in the period:		
Expected return on scheme assets	8,335	7,765
Actuarial losses	(5,246)	(9,331)
Employer contribution including unfunded benefits	6,516	6,170
Contributions by scheme participants	1,921	1,704
Estimated benefits paid including unfunded benefits	(5,584)	(5,370)
Fair value of scheme assets at end of period	141,074	135,132

Amounts for the current and previous four periods are as follows:	Year ended 31 July 2015 £000	Year ended 31 July 2014 £000	Year ended 31 July 2013 £000	Year ended 31 July 2012 £000	Year ended 31 July 2011 £000
Defined benefit obligation	(240,423)	(212,077)	(191,895)	(186,677)	(157,029)
Scheme assets	141,074	135,132	134,194	119,915	111,110
(Deficit)	(99,349)	(76,945)	(57,701)	(66,762)	(45,919)
Experience adjustment on scheme liabilities	(1)	10,443	(47)	(17)	6,554
% of scheme liabilities	(0.0%)	4.9%	(0.0%)	(0.0%)	4.2%
Experience adjustment on scheme assets	(5,246)	(9,331)	5,527	(2,353)	2,891
% of scheme assets	(3.7%)	(6.9%)	4.1%	(2.0%)	2.6%
Cumulative actuarial loss	(72,023)	(50,133)	(31,980)	(41,811)	(20,992)

33. Post balance sheet events

On the 30th September 2015 the University's principal trading subsidiary, Middlesex International (Dubai) FZ-LLC acquired the 100% ownership of Middlesex International JSS (Mauritius) Limited after purchasing the 49% shareholding of JSS Academy Limited.

34. Related party transactions

Due to the nature of the University's operations and the composition of the Board of Governors (being drawn from public and private sector organisations) it is inevitable that transactions will take place with organisations in which a member of the Board of Governors may have an interest. All transactions involving organisations in which a member of the Board of Governors may have an interest are conducted at arm's length and in accordance with the University's financial regulations and normal procurement procedures.

Middlesex University Students' Union (MDXSU) (Charity registration number 1140254) is represented on the University's board of governors. The board agreed to pay MDXSU a grant of £888k for the year ending 31 July 2015 (2014: £867k).

A register of interests is maintained for members of the Board of Governors and senior management, and no related party transactions of a material nature were reported during the year.

Governors did not receive remuneration in respect of their service to the University during the year. The amount paid to 8 governors (2014: 7 Governors) in respect of travel and subsistence expenses during the year amounted to £1,725 (2014: £2,031).

34. Related party transactions (cont'd)

The University has taken advantage of the exemption under Financial Reporting Standard (FRS) 8 - Related Party disclosures, not to disclose transactions with its wholly owned subsidiary companies listed in note 13.

Included in the financial statements are the following transactions between the University and related parties.

	Income £000	Expenditure/ transfers £000	Balance due (from)/to related party £000
Joint ventures and partners:			
Middlesex International JSS (Mauritius) Limited	178	-	(23)
MDXU Limited	-	-	-
Middlesex University (Malta) Limited	-	-	(242)

35. HEFCE – Access and hardship funds

	At 31 July 2015 £000	At 31 July 2014 £000
Balance brought forward	18	18
Funds received	-	425
	18	443
Disbursed to Students	(18)	(425)
Balance carried forward at 31 July	-	18

As a result of changes to HEFCE's allocations for Access to Learning Fund (AFL) funding, from the 1st August 2014 all AFL funds have been released to the income and expenditure account with income being reported within note 1.

36. HEFCE – National Scholarship Programme funds

	At 31 July 2015 £000	At 31 July 2014 £000
Balance brought forward	-	-
Funds received	548	1,182
	548	1,182
Disbursed to Students	(548)	(1,182)
Balance carried forward at 31 July	-	-

The programme aims to help individual students from low-income backgrounds as they enter higher education. HEFCE administer the programme on behalf of the Department for Business, Innovation and Skills (BIS), which sets the overall policy and funding level.

The University has match-funded the BIS contribution, so that more money can be made available through the scheme to students. This note does not include the University's funding contribution to the scheme (including matched funding) and related student disbursements which are reported at note 1 (funding) and note 7 (disbursements).

	At 31 July 2015 £000	At 31 July 2014 £000
37. NCTL – Teacher Training Bursaries		
Balance brought forward	27	511
Funds received	1,000	646
	1,027	1,157
Disbursed to Students	(937)	(1,130)
Balance carried forward at 31 July	90	27

Funding body hardship funds, bursaries and other student grants received as detailed in notes 35 to 37 are available solely for students and student support; the University acts only as a paying agent. All of the funding and related disbursements are therefore excluded from the income and expenditure account and shown within trade creditors.

	At 31 July 2015 £000	At 31 July 2014 £000
38. million+		
Balance brought forward	307	326
Subscriptions received from affiliated universities	373	372
	680	698
Campaign expenses	(379)	(391)
Balance carried forward at 31 July	301	307

million+ 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 million+. All of the funding and related disbursements are therefore excluded from the income and expenditure account and shown within trade creditors.

