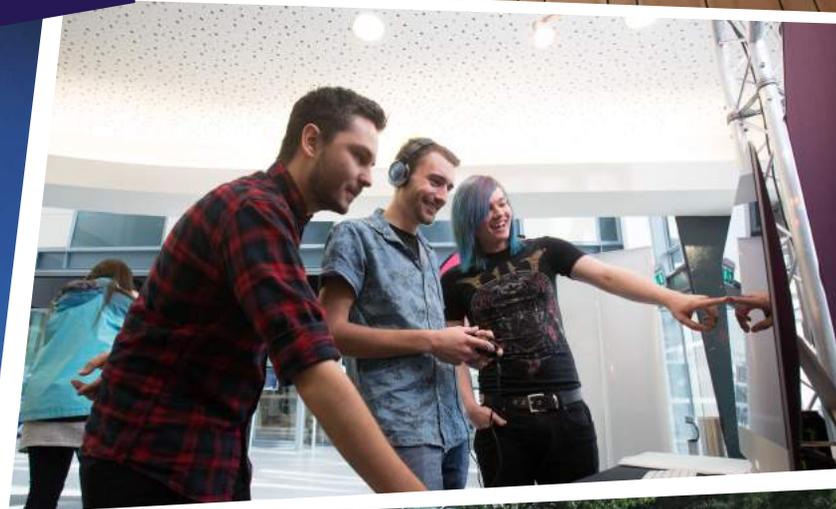


LEEDS BECKETT UNIVERSITY

FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 JULY 2017

www.leedsbeckett.ac.uk



LEEDS BECKETT UNIVERSITY

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Cover images (clockwise from top right): Broadcasting Tower at City Campus, students at our Computing Showcase, Leeds Beckett festival volunteers, Student Ambassadors giving tours, Graduation 2017 and Portland Building at City Campus.



Our Leeds Beckett University community



At Leeds Beckett University we have a strong collective commitment to delivering the best possible experience for our students, staff, partners, and stakeholders. With our rich heritage dating back to the founding of the Leeds Mechanics Institute in 1824, our future aspiration is to create great graduates, exceptional employees, dynamic citizens and enterprising leaders. We work closely with employers and partners to ensure our graduates are ready for work, ready for life, and ready to seize the opportunities that lie ahead.

We have a community of almost 26,000 students studying at our Leeds campuses and over 2,300 members of staff¹, and offer a range of undergraduate, postgraduate and professional provision across our 13 academic schools. Overall, we have 18,700 full-time students, 7,200 students pursuing part-time and flexible programmes, and 1,700 students studying Leeds Beckett programmes abroad.² Our international students come to us from 114 different countries across the globe.³

Our University estate spans two main campuses: the rural Headingley Campus nestling in 100 acres of woodland on the outskirts of Leeds, and our large City Campus located in the Civic Quarter of Leeds City Centre, with award winning buildings the Rose Bowl and Broadcasting Place.

Our University has an annual turnover of £221m and we contribute an estimated £520m to the regional economy. We are actively engaged in the network of 31 Northern Powerhouse universities who together contribute £18bn to GDP and sustain more than 150,000 jobs, making a formidable contribution to the regional skills base by educating and training some 518,000 highly skilled people every year.

¹ Staff number is Full Time Equivalent (FTE)

² All student numbers are rounded to the nearest 100 and are sourced from the HESA Student and Offshore Aggregate return for 2015/16.

³ Based on the domicile of students registered as non-UK, from the HESA Student and Offshore Aggregate return for 2015/16.

Continuing our strategic journey together

This has been a pivotal year for our University as we introduced our new *Strategic Planning Framework 2016-2021* under the leadership of our Vice Chancellor Professor Peter Slee, who joined our University in September 2015. The framework provides a new Vision, Mission and Values:

Our Vision: To be an excellent, accessible, globally engaged University contributing positively to a thriving Northern economy.

Our Mission: To ensure we use our knowledge and resources to make a positive and decisive difference to people, communities and organisations.

Our Values: Student focus, excellence, inspiration, creativity, professionalism, enterprise, integrity.

A single set of 12 key performance indicators (KPIs) were developed relating to the 4 cornerstones of the framework: *An excellent education and experience; Leading research and academic enterprise; A community of great people; Sustainable resources*. The framework consists of two cross-cutting themes which focus on how our University interacts with our external audiences (*engaged and applied*) and how our University operates internally (*enabling and effective*), as a people focused organisation. Our *Strategic Planning Framework* is underpinned by six key supporting strategies, our *Education Strategy; Research & Enterprise Strategy; Finance Strategy; People Strategy; IT Strategy; and Estates Strategy*, which provide further detail on how we will seek to achieve our strategic ambitions during the course of the framework.

This year a focus was placed upon our academic structures with a move away from 4 large faculties to 13 individual academic schools with distinct identities, with the new post of Dean of School created and supported by the new roles of Head of Subject and Course Director. These new appointments will strengthen academic integrity and oversight of the student experience each school provides. The purpose of this realignment is to develop an academic structure more streamlined for students to access, and empower staff delivering teaching, learning and research to contribute to the aims of our *Strategic Planning Framework* through more localised academic decision making and accountability.

In September 2016, newly appointed school leadership teams presented their individual five-year plans to our *University Executive Team*, outlining their future vision and aspirations concerning their five-year contribution to the realisation of our University KPIs. Subsequent to the realignment of our schools, our professional service areas re-focused the support provided to our new academic structures, providing a model for service delivery which reduces the non-core demands on academic staff time.

Our University leadership was further enhanced by developments to our executive decision-making structures and with new senior appointments. We were delighted to welcome our first Director of University Recruitment to our Leeds Beckett community in January 2017 who will take responsibility for international, as well as European and UK student recruitment. We also appointed to the new post of Pro Vice Chancellor, Global Engagement, to work with international partners and produce a Leeds Beckett *Global Engagement Strategy*. Additionally, one of our existing Pro Vice Chancellors has taken on the new role of Pro Vice Chancellor,

Business Engagement, to develop and strengthen our relationships with employers. We have extended our *University Executive Team*, and created a new *Senior Management Group*, a forum in which School Deans and professional Service Directors discuss and debate strategy and policy. This means that, through their input, every group of colleagues in our University is represented in these strategic discussions.

Progress under our *Strategic Planning Framework 2016-2021*

Our Year 1 performance under our new *Strategic Planning Framework* and associated 12 KPIs was reported to our Board of Governors in November 2016. The results revealed we have made excellent early progress towards our institutional five-year targets, with year one targets met or exceeded across 9 out of a total of 12 KPIs. In particular, we have achieved positive increases in our levels of student satisfaction, graduate employment, staff satisfaction, and financial sustainability.

In May 2017 we were delighted to achieve our five-year KPI for 'Service Excellence' ahead of schedule. This KPI will now be recalibrated to create a further, stretching target, as part of our commitment to continuously transforming and improving our customer experiences.

Responding to the changing external landscape

The past year has seen a continuation of new policy and legislative developments affecting the higher education sector. At this stage it is unclear what impact the UK's decision to exit the European Union will have upon our students and staff from EU countries, international research and collaboration, international recruitment and the participation of our students in international exchange schemes such as Erasmus+. During this period of uncertainty, our University will continue to welcome and support EU staff and students, as well as building upon existing and creating new partnerships to ensure the future success of our University and promote and sustain regional growth in a post-EU Britain.

In April 2017 the Higher Education and Research Act passed into law. The Act was heralded as representing the most important changes to the sector in 25 years, designed with the primary aim of giving teaching parity with research. Central to this is the encouraged marketization of the sector, with the new Office for Students given the power to grant and revoke degree awarding powers, and the new Teaching Excellence Framework (TEF), designed to recognise and reward excellence in teaching and learning, and help inform prospective students' choices for higher education. Our University is in a strong position to respond to these policy changes, having consistently improved teaching and student satisfaction performance over the past six years⁴, as well as exploring alternative modes and methods of delivery to meet the demands of students and employers. These planned enhancements include the flexible delivery of our undergraduate programmes, increasing our partnership working with FE colleges to better define progression routes from FE study into HE and working with employers to develop a range of degree apprenticeships, available and attractive to both mature students and/or those wishing to study part-time.

⁴ National Student Survey results 2010-2016 for the question 'overall I am satisfied with the quality of the course'.

Enhancing academic quality

The Higher Education Funding Council's (HEFCE) revised external quality assessment process, the Annual Provider Review, commenced this academic year. This review process is informed by outcomes and metrics arising from the delivery of our higher education provision. A positive outcome from the Annual Provider Review process is required for an award to be made under the Teaching Excellence Framework (TEF) and we were delighted to subsequently receive 'silver' status in June 2017, reflecting our commitment to continually enhancing our academic quality and teaching standards. To further support the enhancement of academic quality, during the past year we have undertaken a comprehensive review of our University's *Academic Regulations* and associated processes to develop greater clarity and simplicity for colleagues.

Providing an excellent education and experience

One of the four cornerstones of our *Strategic Planning Framework* is to provide an excellent education and experience to all of our students. We provide a wide range of student-facing services to support our students through each stage of the student lifecycle and our professional services work in partnership with our academic school teams to ensure the individual needs of our students are fully supported.

Our National Student Survey⁵ results have continued to show excellent progress in increasing our overall student satisfaction and several of our courses received 100% overall satisfaction score in 2016: Early Childhood Education BA (Hons) (leading to Qualified Teacher Status); Sport Development BA (Hons); Journalism BA (Hons); Broadcast Media Technologies BSc (Hons); Business Information Technology BSc (Hons); Speech and Language Therapy BSc (Hons); Human Geography BA (Hons); Physiotherapy BSc (Hons); and Playwork BA (Hons). Our satisfaction scores for Library and IT resources remain consistently high.

In the latest Student Barometer⁶, an independent survey which ranks universities globally taken by both domestic and international students, we received a 93% overall satisfaction score from our students, with 85% of respondents saying they would recommend us. We were also ranked second in the world for our personal tutors and fourth in the world for technology and virtual learning facilities.

Preparing our students for graduate success

We are proud of our graduate success, with 96.4% of all our undergraduates in work or further study six months after graduating⁷ and 97.6% of all our postgraduates in work or further study six months after graduating.⁸ We are committed to providing a wealth of ongoing support to enhance the future employability of our students. Many of our courses offer our students the opportunity for professional work placements, allowing them to gain valuable skills, create their own professional networks and enrich their CVs. In 2016/17, a total of 5,602 placements were made available for our students, with a total of 2,431 organisations. We work in partnership with some of the biggest names in industry and leading professions to offer our students the best possible opportunities. Our graduates have gone on to work with top global companies including: O2, Disney, the BBC and Microsoft. Our students and graduates also

⁵ National Student Survey results 2017

⁶ i-graduate Student Barometer, Autumn Wave 2016

⁷ Destinations of Leavers from Higher Education survey 2015-16. Includes all UK, EU and overseas undergraduates.

⁸ Destinations of Leavers from Higher Education survey 2015-16. Includes all UK, EU and overseas postgraduates.

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benefit from a number of volunteering opportunities, locally, nationally and internationally.

We encourage our students and graduates to be entrepreneurial, providing support and advice for business start-ups. Since 2004, our Enterprise & Innovation Academy team has helped create 195 student and graduate start-up businesses, through providing access to experienced business mentors.

Embedding employability across the whole student lifecycle is key to our approach to preparing our students for graduate success and is a significant feature of our *Education Strategy*. This is strengthened by our relationships with Professional, Statutory and Regulatory Bodies (PSRBs), with many of our courses accredited by 42 PSRBs.

Recognising teaching excellence and exceptional pastoral support

Our TEF award of ‘silver’ was based on the TEF panel judgement that our University delivers high-quality teaching, learning and outcomes for its students and consistently exceeds rigorous national quality requirements for UK higher education. The TEF panel commended our University for course design and assessment practices, opportunities for students to engage with professional practice through live project briefs and placements, our strategic focus on developing physical and digital learning resources and an institutional culture that facilitates, recognises and rewards excellent teaching. In July, we were pleased to be named as a finalist in the first Global Teaching Excellence Awards, and this year another one of our colleagues was successful in gaining a UK National Teaching Fellowship (the highest national award in teaching), bringing our total number of Leeds Beckett University National Teaching Fellows to 12.

We were awarded four stars overall in the latest QS rankings⁹, the international higher education benchmarking agency which also publishes university world ranking league tables, with five star ratings, the highest ranking available, achieved across four categories: employability, learning environment, internationalisation and inclusiveness.

Through our Developing Excellent Academic Practice (DEAP) framework we offer two programmes accredited by the Higher Education Academy (HEA) enabling staff to endorse their commitment to student learning, and therefore become HEA Fellows. To date, 774 staff members have achieved a category of HEA fellowship, of which: 55 are Associate Fellows, 499 are Fellows and 211 are Senior Fellows. We have also supported 10 Principal Fellows of the HEA (including 2 Emeritus) to achieve recognition through direct application to the HEA. During 2017, a further 32 staff members commenced study on our newly re-designed and HEA accredited Postgraduate Certificate in Academic Practice.

Competing within a highly competitive student recruitment environment

Competition within domestic and international student recruitment markets has continued to intensify, producing an even more challenging recruitment environment. In particular, the removal of student number control (SNC) limits continues to have a strong impact on recruiting universities. A growing economy has increased the number of attractive and alternative opportunities for talented school and college leavers, whilst the number of 18 year olds continues to fall. International recruitment has been particularly challenging. Uncertainty

⁹ QS World University Rankings, March 2017

on future immigration policy, the UK's decision to leave the European Union, changing demands on Tier 4 licence holders and aggressive strategies from our competitors have all made the recruitment of international students more difficult, and protracted conversations with the UKVI led to a delay in the cycle of our recruitment activity. Taken together, these factors have resulted in a negative impact on our international fee income of c £5m for 2016/17. Whilst the majority of the impact will be seen in 2016/17 there will be residual issues for a further two years as the smaller undergraduate cohort rolls through. Whilst the overseas market has been challenging, our University continues to recruit successfully and we have maintained our position in recruiting one of the largest undergraduate student intakes in the UK, increased significantly our postgraduate recruitment numbers and have begun to address our position within international markets.

We are undertaking a number of initiatives to re-energise recruitment performance, including the appointment of a Director of University Recruitment; the reorganisation of marketing, communications and student recruitment operations; the adoption of new market-driven approaches to pricing and the setting of entry tariffs; and reviews of UK and international student recruitment strategies. We expect these changes to deliver positive impacts in the 2017/18 recruitment cycle.

Building and maintaining strong academic partnerships and collaborations

Our University continues to have an extensive and diverse portfolio of collaborations and partnerships. In 2016/17 we had agreements with 31 collaborative partners, including 9 franchises, 16 joint and validated provision in place (11 domestic and 5 international) and 157 partnership arrangements including 25 articulation agreements.

We continue to work closely with overseas regulatory and quality assurance agencies including the Tertiary Education Commission in Mauritius, Malaysian Qualifications Agency, Education Bureau in Hong Kong and the Council for Private Education in Singapore. We effectively engaged with the QAA Review of Trans National Education (TNE) during 2016/17 which focused on the Republic of Ireland. We held our third Quality Conference in July 2017, which brought together practitioners from our University, the UK HE sector and also from our UK and International partnerships to discuss a range of topics and themes that enable excellence in higher education.

Leading research and academic enterprise

Our HEFCE Quality-Related (QR) funding allocation for 2016/17 saw an increase to over £2.3m from £2.1m in 2015/16. As part of the main QR allocation the Research Degree Programme (RDP) funding was maintained at £503,406 in 2016/17, reflecting continued recruitment of research students into those units receiving QR funding. We have seen an increase in the number of awards made to our University from Research Councils including:

- Arts & Humanities Research Council, *Our Criminal Ancestors* project
- Natural Environment Research Council, Global Challenges Research Fund, *Research for Emergency Aftershock Response*
- Arts & Humanities Research Council, *Civilian Fire Heroes* project

In addition, our academic colleagues have continued to participate in consortium bids for Erasmus+ funding with a high level of success with funding almost €284k.

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This year we welcomed 147 new research students. Students are supported by our Research Training Programme, covering various research methodologies such as ethnography and grounded theory and more practical skills such as literature searching, interview skills, preparing for confirmation of registration and annual progression. We also welcomed the UK's first Professor of Race and Education to our academic staff community in April 2017.

Our University holds the European Commission's prestigious HR Excellence in Research Award, awarded in July 2015, in recognition of continued commitment to the career development and management of our academic research staff. In maintaining and building on this award, our University's *Research and Enterprise Committee* undertook a formal two-year self-assessment review in March 2017, in line with the award's guidelines for continuing recognition, formulating the *HR Excellence in Research Action Plan for 2017-2019*. The achievement of, and continued contributions to, this award demonstrates the commitment and resources our University has made available to researchers.

We have four Research Institutes; the *Institute for Health and Wellbeing*, *Institute of Sport, Physical Activity and Leisure*, the *Leeds Sustainability Institute* and the *Retail Institute*, which remain the focus for our research activities, alongside our approved Research Centres. This year saw the formal approval of two new Research Centres; the *Centre for Psychological Research*, and the *Centre for Dementia Research* adding to the rich academic diversity of Research Centres bringing the total number of Research Centres across our academic portfolio to 13.

We have transformed the way we are managing our approach to the next Research Excellence Framework (REF) exercise to be conducted in 2021. In order to ensure effective coordination of effort within cross-disciplinary units, we have appointed 11 Directors of Research, each responsible for activity within a REF Unit of Assessment. Our *Research & Enterprise Committee* has also developed plans to respond positively to the outcomes of the Stern Review¹⁰, which made far-reaching recommendations to Government about the way the next REF might be managed.

During 2016/17 our University was awarded five new Knowledge Transfer Partnerships (KTPs), bringing our total portfolio to 11 partnerships. Each KTP is a three-way partnership between a business, an academic institution and an associate (who is a recently qualified graduate) who is offered the opportunity to study at postgraduate level. The academic institution employs the recently-qualified graduate who works at the company and brings new skills and knowledge to the business. In early 2017 we were shortlisted for a Times Higher Education Leadership and Management Award for our Knowledge Transfer Partnership (KTP) with a specialist transport logistics company.

Over the past year our *Enterprise Service* has played an integral role in developing our University's first provision around degree apprenticeships. We are now on the government register of approved training providers and currently have two degrees to which we are recruiting; BSc (Hons) Digital and Technology Solutions and the BA (Hons) Business Management Practice, leading to Chartered Manager accreditation. We have also been approved to become an end point assessing organisation for both of these degrees.

¹⁰ Research Excellence Framework Review: An independent review of university research funding by Lord Nicholas Stern, published 28 July 2016: <https://www.gov.uk/government/publications/research-excellence-framework-review>. Consultation by Higher Education Funding Council (HEFCE): <http://www.hefce.ac.uk/rsrch/refconsultation/>

Additionally, a well-known UK hospitality company selected our University to be their national provider and we are currently in talks with other large organisations who are looking for a University partner in the development of degree apprenticeships. In April 2017 we launched our University Business Centre, Digital Hub, with one of the largest local and regional multimedia organisations in the UK and a University Business Centre, Creative Hub, with a specialist, market leading textiles company.

Delivering an enhanced, energy-efficient and sustainable estate

Throughout the year we have developed an ambitious *Campus Master Plan* for our University estate, driven primarily by the desire to ensure that each of our academic schools and professional service areas has its own 'home' with the right amount and quality of space to achieve its five-year strategic ambitions. The plan includes the creation of two new buildings: the Creative Arts Building on the City Campus and the Carnegie Teaching & Research Building on the Headingley Campus. The main aims of our *Campus Master Plan* are to:

- deliver the type and size of teaching spaces required to inspire the next generation of students to excel
- ensure schools have a physical home and a focus for their activities
- deliver specialist facilities to meet the needs of our *Research Strategy*.

At the end of the first full year of our *Estates Strategy*, considerable progress has been made across all areas with over £125m of capital development now underway. This includes the recent £4m refurbishment at Cloth Hall Court creating a bespoke conference venue, which has enabled us to provide the required space within our City Campus buildings for the Leeds Business School to be allocated the Rose Bowl Building as its academic 'home'. This development signalled the start of our *Campus Master Plan* programme and the strategic requirement for all our academic schools to have their own 'home' will continue to be delivered over the next five years.

Planning permission was received for our new £75m Creative Arts Building on our City Campus. This 14,500 sq m development will provide an iconic home for academic, creative and cultural activities in the civic heart of Leeds, becoming a stand-out landmark site for the Northern Film School, Music, Performing Arts and Fashion students. The proposed building will be home to nearly 2,000 students and staff, who are currently spread across various locations in the city, creating an inspiring artistic and creative hub.

In line with our *University Strategic Planning Framework*, focus has been placed on improving the functional suitability of teaching spaces. Over the last 12 months, over 15% of teaching space has been remodelled and refurbished to improve the student learning experience. This year we also met our Carbon reduction targets for 2020/21 by reducing our output by over 1500 tonnes, demonstrating our continued commitment to lowering our carbon footprint through developing our campus environment and working practices to be more sustainable for future generations.

Building a community of great people

We aim to attract and retain great people; support and encourage them in fulfilling their potential, and together succeed in delivering excellence for our students, partners, visitors, stakeholders and colleagues. A key theme of our *Strategic Planning Framework* is to be a 'community of great people'. To support this our University has developed and launched a new *People Strategy* this year, to inspire success across our academic schools and professional service areas. Through this *Strategy*, we aim to encourage excellent performance, clarify responsibilities, reduce bureaucracy and provide a positive working environment, which is both supportive and challenging.

Our commitment to service excellence and continuous improvement is reflected in our Customer Service Excellence (CSE) accreditation,¹¹ which we have held across our entire institution since 2013. Following our successful re-accreditation in June 2016, we undertook our first surveillance assessment in early 2017 and gained a further eight 'compliance plus' awards, bringing our total number of compliance plus awards to 17. In his report, our external assessor commended our transition to the academic school structure and its positive impact on customer service. We also met our institutional KPI for 'Service Excellence' three years ahead of schedule by achieving compliance plus judgements under the CSE criteria 'timeliness and quality of service'. A new stretching KPI will be developed to sit within the remaining three years of our *Strategic Planning Framework*, to ensure we continue to improve service excellence for all.

Our commitment to equality & diversity

As an accessible and globally-engaged University we are committed to developing an inclusive and diverse community of staff and students. To achieve this, we use national equality benchmarks and frameworks to inform our activities and measure our progress. In April 2017 we were delighted to be recognised by the Equality Challenge Unit with an Institutional Bronze award as part of the Athena SWAN charter mark. The award recognises the work undertaken to address gender equality in relation to representation, student progression into academia, staff career progression and the working environment. The award also supports our continued work on the Equality Challenge Unit, Race Equality Charter, an evidence based framework to improve the representation, progression and success of minority ethnic staff and students within higher education, which we will be submitting for in 2019.

In 2017, for the third successive year, we were pleased to see our University placed in the Stonewall Top 100 Workplace Equality Index¹². The Stonewall Top 100 is regarded as the definitive benchmarking tool for organisations to measure their progress on Lesbian, Gay, Bi and Trans (LGBT) inclusion in the workplace with several hundred organisations taking part each year.

¹¹ The Customer Service Excellence standard is a Government standard that offers a practical tool for driving customer-focussed change within an organisation.

¹² Stonewall Top 100 Employers 2017: http://www.stonewall.org.uk/sites/default/files/top_100_employers_2017-web_0.pdf

Our charitable purpose

Leeds Beckett University is a not for profit organisation with the charitable purpose of advancing education for the public benefit. Our *Strategic Planning Framework 2016-2021* consolidates our charitable aims and objectives, with a clear vision, mission, values and key performance indicators (KPIs) that provide stretching targets to advance teaching, learning, research and enterprise. Surpluses are reinvested solely for the benefit of our students and the wider university community.

Our University has a strong tradition of, and continuing commitment to, providing socially inclusive and life enhancing higher education opportunities for all our students, regardless of background. We invest in bursary schemes and progression activities to encourage students into higher education who traditionally would not have considered this as an option. These students are further supported, as are all of our students, by our academic and student services who provide tailored support for all our students to give them every opportunity to realise their full potential.

We are an exempt charity within the definition of the Charities Act 2011. Our Board of Governors are our University Trustee Board; membership for the financial year ending July 2017 is provided in our Corporate Governance Statement on page 24. Our charitable status relies on ensuring our activities are in line with our charitable aims and thereby the integrity with which we undertake them. In confirming this statement and in setting and reviewing our University's objectives and activities, our Board of Governors confirm that the trustees have complied with their duty of paying due regard to the Charity Commission's guidance on the reporting of public benefit and particularly to its supplementary public benefit guidance on the advancement of education. This statement has been included in conformance with the formal reporting requirement introduced by the Higher Education Funding Council for England (HEFCE) as the principal regulator of English higher education institutions under the Charities Act.

The advancement of education

The primary purpose of our University is the advancement of education through the provision of teaching, learning, research and enterprise. Students and staff of our University are our immediate beneficiaries, however, our strong regional engagement and international reach means that a range of local, national and international charities, communities, schools, colleges, businesses and partners also benefit from our expertise and activities.

Our tuition fees, scholarships and financial support

We set our tuition fees to enable our University to provide the highest quality environment and to continuously enhance our academic and pastoral support to our students to promote their retention and success. The fee for all home/EU students beginning a full-time undergraduate bachelor's degree at our University in the academic year 2016/17 was £9,000. This same fee level was charged on a pro-rata basis for all home/EU students beginning a part-time undergraduate bachelor's degree. If a course includes a placement year there is no charge to the student for this year, as we wish to encourage them to invest in this beneficial experience. This is priced as 20% of full time fee, in line with external requirements, and is then waived. We believe this pricing structure is simple to understand and has a neutral impact on students who choose to transfer courses.

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We wish to encourage students from backgrounds which traditionally do not participate in higher education but who have the ability to succeed and who we believe can benefit from our employability focused curriculum. We are fully committed to offering a range of scholarships, bursaries and other financial support to ensure students from all backgrounds can thrive at our University. Examples of the financial support we provide are given below.

Our *Care Leavers' Bursary* is intended to assist students under the age of 25 who are leaving care to attend university or who have been living independently since leaving care. In 2016/17, 38 individual students received Care Leavers Bursary awards of £1,500 and seven students received £300, totalling over £59,000. Our Leeds Beckett Hardship Fund provided financial support to 1104 students, totalling £439,055, and our UPP hardship fund was awarded to 71 students, totalling £63,662.

Our *Partnership Bursary* is aimed at students who apply to us from our partner schools and colleges and indicate we are their firm choice via their UCAS application. In 2016/17 we awarded 109 students a £300 cash bursary, totalling £32,700. Additionally, our Bright Futures Scholarship provides financial support to students who might otherwise be unable to afford a university education. Nine first year students received an award of £1,000 each in early 2017, based on academic merit. This award is generously funded by members of our alumni community.

Our internal research has found that provision of hardship funds, bursaries for care leavers and other financial support contributes positively to student retention and progression. These awards were also shown to have a positive effect on student wellbeing and students who received such funds were more likely to achieve a good honours degree than those who did not receive any support. We will continue to monitor and evaluate the impact of our financial support schemes to ensure students are receiving the most appropriate support for their needs.

We also assist students to support themselves financially by offering a range of careers advice and guidance, and by providing practical support into paid part-time employment. We have a dedicated Bursary and Scholarship Officer to provide financial information and advice and act as the dedicated single point of contact for care leavers, students estranged from their families and students who are carers of another adult, for all their non-academic support needs.

Our integrated approach to widening participation

We have developed an integrated programme of activities which supports targeted cohorts of school pupils and college students from aspiration and attainment raising access programmes, support throughout their university career and into planning for graduate success. We believe these longitudinal programmes of support are the most effective way to raise the attainment of individuals from disadvantaged or under-represented backgrounds. Additionally, we continue to build on our beneficial partnership work, working with the Go Higher West Yorkshire partnership, established in 2011 by 12 HE providers in West Yorkshire (FE colleges with HE provision, and universities), representing a broad and diverse range of institutions offering a vast array of different courses, subjects, qualifications and modes of study.

We consistently recruit large numbers of students from state schools and from low participation neighbourhoods and increasing numbers of mature students: performing ahead of sector-wide averages¹¹. We welcome the diversity and drive these students bring to our community. We are increasing our access and attainment raising activities across and beyond our region to reach more of these students, as well as those who may wish to study part-time to fit around their other commitments.

Our *Disability Assessment Team* work with our *Outreach and Access Team* to visit schools and colleges to encourage students with disabilities to consider early planning for their transition into university and ensuring they are aware of how to access the support available via the Disabled Students Allowance and our University.

Through our work in schools and colleges, we continue to seek to attract greater numbers of white working class males and black minority ethnic (BME) students into higher education. With both groups currently under-represented in the HE sector and within our University, we utilise a wide range of subject specific activities and interventions that also include parents and guardians to support college and school pupils to make informed choices when considering a higher education pathway.

Providing targeted student support

Our *Education Strategy* focuses on the needs of the individual as well as groups of students with specific characteristics. We provide inclusive learning pathways combined with a flexible framework of student support. We monitor a student's engagement with their course of study so we can offer individualised support where a student is identified as being 'at risk' of early withdrawal.

Student Services colleagues are dedicated to ensuring our students get the most from their time at our University and are the central delivery arm of our *Student Support Framework* strand of our *Education Strategy*. They provide specialist services to those with particular support needs and act as a signpost to other sources of help and information. This service is committed to the concept of supporting a holistic student experience working in partnership with our academic schools, professional services, our Students' Union, external agencies and students. The aim is to offer a wide range of relevant services and support throughout the student lifecycle, which encourage and enable student engagement and success. *Student Services* collaborates with our academic schools to provide proactive communications to encourage students from low-participation groups to engage with our support services as early as possible in their academic studies so that they can access the specific support they require.

The Service also acts as a consultancy for staff across our University and delivers a range of development opportunities for colleagues regarding at risk student groups, student life issues and routes to appropriate support mechanisms. This includes providing briefings and guidance for academic colleagues providing support, so they are aware of the interventions that can be made when a student becomes at risk of early withdrawal or academic failure due to financial pressures. This ensures that financial support is part of an integrated approach to supporting our students during their studies.

¹¹ Higher Education Statistics Agency (HESA) Widening Participation Performance Indicators 2015/16, released February 2017

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Our *Student Wellbeing Team* assists students with issues such as exam stress, homesickness, bereavement, relationship difficulties or anxiety. The experienced team of counsellors, mental health advisors and chaplains provide confidential guidance and advice. They offer a range of appointments as well as a website which includes self-help resources, information on sources of out-of-hours help and details of how to access their services. The aim of this service is to empower students, develop their resilience and ensure they are able to continue to study to the best of their ability.

During 2016/17 our University undertook research into the learning journey of BME students to understand the local reasons for the attainment gap between white and BME students, recognising that this is a sector-wide challenge with its roots in societal issues and earlier educational stages. Whilst we are continuing to make improvements to our BME student outcomes, we recognise there is further to go, and are working on developing a series of actions informed by our research project findings.

The outcomes of our recent 'deep dive' research project to improve the learning journey of disabled students has increased our focus on inclusive academic practice, including the availability of lecture capture software; providing access to learning resources in advance of taught sessions and developing a range of inclusive assessment options. The conclusions of our pilot work with the National Autistic Society are being embedded into the work of our *Disability Advice and Assessment Team* to ensure we offer an 'autism friendly' service. This includes regular awareness sessions for staff to engage appropriately with students with an autistic spectrum condition. Throughout our work with disabled students we adopt the social model of disability and apply the definition of disability as defined by the Equality Act 2010.

This year we became the first university in West Yorkshire to sign the Stand Alone Pledge¹², a commitment by higher education institutions to recognise and strengthen their current and future support for students who are estranged from their families. We will help these students make informed choices about their future, their choice of course, and their university application. We will also provide a current student as a mentor to help them prepare for successful transition to university and guarantee access to university accommodation for 365 days a year.

Safeguarding the wellbeing of vulnerable groups

Safeguarding the wellbeing of our students to ensure they have the best possible experience at our University and thrive educationally is central to our mission and therefore we are committed to providing an environment that is safe and protects individuals from harm. This is particularly imperative for our interactions with more vulnerable groups who may require additional guidance and support. We have a robust *Policy on Safeguarding Vulnerable Groups*, which contains a *Safeguarding Code of Conduct*.

Our University has a Nominated Officer and designated Safeguarding Officers in place who act as key points of contact for reporting concerns regarding vulnerable groups. We have procedures in place for reporting and dealing with disclosures of abuse, for recruitment and selection for positions that involve supporting vulnerable groups, and specific admissions procedures for under 18s,, complemented by specific training in this area.

¹² The Stand Alone charity support adults that are estranged from their family or key family member. Their Stand Alone Pledge allows institutions to publically commit to supporting students who are studying without the support or approval of a family network.
<http://www.thestandalonepledge.org.uk/about-the-pledge>

Our University recognises its duty under the Counter-Terrorism Act 2015 to engage with the Prevent Duty and put reasonable measures in place to safeguard our students from indoctrination into any form of extreme ideology which may lead to the harm of self or others. Our University engages in the Prevent partnership in the City, as well as with the regional Prevent Co-ordinator for Further and Higher Education in the sector to ensure appropriate procedures, risk assessments and staff training are in place.

Research with significant societal benefits

Following the REF 2014, we continue to increase and enhance the impact of our research activities in the areas of excellence highlighted within the REF 2014, as well as in new areas of expertise, through collaboration and multidisciplinary engagement, and the professional development of research staff and students. We are continuing to expand and develop our research base through our Institutes and Centres, creating a strong and sustainable research environment for our staff and students.

Much of our research activity is focused on addressing critical issues facing our industries, and upon improving the health and wellbeing of individuals in the UK and beyond. A great deal of our research activity is focused upon improving healthcare for our most vulnerable groups in society, in addition to improving life outcomes. For example, in recognition of their continued dedicated research into dementia care, the *Dementia Care Mapping (DCM) Epic Trial team* won the Research Team of the Year Award at the *Educate North and UK Leadership Awards* in May 2017. The team were commended for the far reaching societal impact of the study, beyond the immediate research findings.

In 2016/17 the Carnegie School of Education and Childhood embarked on a new collaborative research initiative with schools and nurseries. All 1,096 partner schools and organisations were encouraged to apply for up to £10,000 of funding each to work with our University in researching critical areas of development within their individual setting or in collaboration with others. Additionally, we established the *Carnegie Centre of Excellence for Mental Health in Schools*, the first national centre dedicated to improving mental health provision in schools. The *Centre* aims to strengthen the mental health of future generations by supporting schools to make positive changes at all levels of the UK's education system, thereby improving outcomes and life chances.

Our commitment to Corporate Social Responsibility

Our University's *Corporate Social Responsibility (CSR) Statement* provides an overview of our approach to being a socially responsible organisation in the advancement of our strategic aims and objectives. This year we have focused our activities on progressing our current partnership working across our region through active engagement with regional third sector forums and groups. Our relationships are based on seeking mutually beneficial associations which will support the development of our graduates through placement and volunteering opportunities, provision of future graduate skills for such organisations in our region and through partnership working where our student and staff expertise can make a positive difference to an organisation's contribution to our region. For example, locally our *Institute of Health and Wellbeing* has established a partnership with Hamara, a healthy living centre in Beeston in Leeds. Nationally, our *UK Centre for Events Management* has established partnerships working with over 40 charities, to provide valuable hands on

experience for our students while supporting the charitable aims of these organisations.

We continue to be a signatory to the *Leeds Social Value Charter*, which includes being sustainable, fair and ethical in all we do as one of its key guiding principles, and as a major City of Leeds employer, we engage with this Charter to contribute to making our city a healthy, compassionate and caring place to live and work.

Inspiring local and global citizenship

Our University runs a number of international volunteering projects throughout the year, available to both students and staff. Last year our international volunteering programme supported 139 placements on 14 group projects in 12 countries, and a further 57 independent volunteers were supported to volunteer at host organisations across the world. Between 2006 and 2016, almost 1,500 staff and students volunteered in 22 countries around the world. The programmes provide our volunteers with a unique global perspective in addition to delivering support to communities in need across the world.

We actively encourage our students and staff to volunteer locally, using their skills to give something back and shape the society in which they live. Local schemes range from helping school children with their reading to supporting a city or neighbourhood event. Our sports volunteering programme works in partnership with Sport England and British Universities & Colleges Sport (BUCS), together we are committed to providing volunteers with opportunities to develop and to gain qualifications. Opportunities involve volunteering in local schools and sports clubs who require more help in delivering, managing or promoting sport to their participants or wider community.

Our commitment to ethical practices

In July 2016 our Board of Governors' approved a new *Ethics Framework* for our University. The framework was developed in line with the Higher Education Code of Governance (Committee of University Chairs 2014) in order to ensure our Governing body have clear oversight of how ethical issues are addressed as they arise, in line with our strategic objectives. The *Ethics Framework* has subsequently been updated to reflect where we have undertaken reviews and further consolidated our ethical approach. The revised *Ethics Framework* was approved by our *Governance & Nominations Committee* in June 2017.

Our transparency statement with regard to the Modern Slavery Act 2015 was updated and published on our external web site this year. This statement is made pursuant to section 54(1) of the Modern Slavery Act 2015.

2016/17 has been another successful year for our University. A surplus for the year of £4.2m is equivalent to 1.9% of income. However, it is after £9.1m of non-cash pension charges which when eliminated reveals an underlying operational surplus of £13.2m, equivalent to 6.0% of income. This exceeds the level of annual performance targeted under our financial strategy.

A consequence of our operational surplus was the generation of cash inflows from operations of £33.6m, equivalent to 15.2% of total income which compares favourably to the forecast sector average of 8.4%. Over the last 5 years our average operating cash inflows have been equivalent to 17.1% of income. Together with £2.4m of capital grants received in the year and £1.4m of investment income, our operating cash inflows funded £24.8m of capital investment on the development of new buildings and facilities, £8.2m of debt servicing costs and a £4.3m increase in our cash balances. At the end of July our cash and investment balances were equivalent to 188 days' worth of recurrent expenditure.

Our balance sheet continues to be strong with net assets continuing to grow during the year. Before pension liabilities they grew by £11.7m, equivalent to 4.3% of income, but following a £26.2m reduction in our pension liabilities following the last actuarial valuation of the West Yorkshire Pension Fund, our net assets after pension liabilities grew by 27.6% during the year. We continue to show our student residences on balance sheet, a consequence of which is that our balance sheet includes £65.5m of long terms loans that are funded from our student residences income rather than from our remaining income. Loans funded from our remaining income of £31m are equivalent to 14% of total income and as such are less than the sector average.

Our financial strategy is to generate surpluses sufficient to fund the University's long term investment requirements whilst at the same time ensuring that our liquidity levels adequately meet working capital requirements. Our only recourse to further borrowing will be if an acceleration of our investment programme to meet our overall strategic aims necessitates it. In this regard our Board have recently agreed a proposal to borrow £50m which, together with existing cash and investment balances, will enable the concurrent development of a major new flagship building at each of our 2 campuses, which together comprise the major elements of our 5-year investment of over £210m in our estate and our facilities for the direct benefit of our students and stakeholders.

Our financial performance and position places us well to respond to continuing uncertainty and change in our funding and control environment and in the markets in which we operate. Our financial capacity is significant and through robust yet prudent planning our aim is to protect the University from any sudden adverse changes whilst simultaneously providing the experience and facilities that our students and stakeholders need and want.

Constitution and Powers

Leeds Beckett University is a higher education corporation established under the Education Reform Act 1988 (“ERA”). The University’s powers are defined in section 124 of the ERA, as amended by the Further and Higher Education Act 1992 and subject to any relevant regulations, orders or directions made by the Secretary of State or Privy Council, are principally to provide further and higher education, carry out research and to publish the results connected with that research.

The corporation has exempt charitable status as defined in the Charities Act 2011. The charitable purpose of the University is the advancement of education for the public benefit.

As an exempt charity the University is regulated by the Higher Education Funding Council for England (HEFCE). The Board of Governors, both collectively and individually as trustees, has complied with the duty to have due regard to the guidance on public benefit published by the Charity Commission and in particular its supplementary public benefit guidance on the advancement of education. Further information on the delivery of the University’s charitable objectives for the public benefit can be found in the Operating and Financial Review.

Regulatory Framework

The Higher Education Funding Council for England is the University’s principal regulator. However, in April 2017, the Higher Education and Research Act received royal assent and signals the first major regulatory reform to the UK higher education sector in 25 years through the creation of two new bodies – the Office for Students (OfS) and UK Research and Innovation (UKRI) – which will regulate and fund higher education providers in future.

The OfS will replace HEFCE from April 2018. Greater statutory emphasis is placed on the OfS as a market regulator and protector of student interest. This represents a shift from conditions associated with the granting of funds to conditions associated with inclusion on the register of higher education providers. There will be a period of transition until the end of the 2018/19 academic year and the University will actively engage with the forthcoming consultation on the new regulatory framework and the associated timeline for its introduction.

Corporate Governance

The University’s framework of governance is established in its Instrument and Articles of Government. The Board of Governors is committed to high standards in all aspects of the University’s governance. The University aims to conduct its business in accordance with the seven principles in Public Life (selflessness, integrity, objectivity, accountability, openness, honesty, and leadership) and during 2016/17 has complied with the Higher Education Code of Governance produced by the Committee of University Chairs.

HEFCE conducted its most recent quinquennial Assurance Review in July 2016 and considered itself able to place reliance on the University’s accountability information.

The Board of Governors most recently reviewed its effectiveness during 2014/15 with the support of the Higher Education Consulting Group who brought an independent perspective. Subsequently the Board had fully implemented the agreed action plan and enhancements to its governance processes by July 2016. During 2016/17, the Board has

further reviewed its Statement of Primary Responsibilities and confirmed that its committee terms of reference and membership remain appropriate following a review of each. The next effectiveness review is scheduled to commence in 2017/18.

Board of Governors

The Board of Governors is the governing body of the University. It comprises twenty governors, consisting of thirteen independent members, four staff nominees, two students' union nominees, and the Vice Chancellor, who is its only executive member.

Mr David Lowen is the Chair of Governors, a role he has held since 1 December 2014. He enters his second term of office on 1 September 2017, following an internal appointment process undertaken from within the Board. Mr Steven Webb is Deputy Chair of the Board. He has held this role since 1 September 2015.

During the academic year 2016/17 there was stability in the Board's membership. No new independent or staff governors were appointed. Jack Harrison joined the Board as a student governor following his election as to the position of Vice President, Education of the Students' Union in July 2017, as part of the annual cycle of student elections.

A recruitment exercise to appoint two independent governors, in preparation to succeed those standing down at the end of the academic year, commenced in Spring 2017 through an open, competitive process which paid particular attention to the desire to improve the diversity of the Board. A full list of governors who held office or stood down between 1 August 2016 and the presentation of the financial statements to the Board in November 2017 is outlined in the table below.

New governors receive a personalised induction programme and all governors are eligible to take part in relevant training and development at the University's expense. In 2016/17 independent, staff and student governors alike took advantage of a variety of sessions offered by the Leadership Foundation through its governor development programme. In addition, governors were offered opportunities to develop their knowledge of the University through tours of new facilities across the University's estate and to also share their perspective and experiences through 'pairing' with different schools and services.

The Chair of the Board and the chairs of Board committees are entitled to remuneration, in accordance with the Instrument of Government, following the completion of an annual review process and the approval of the Board on the recommendation of the Governance and Nominations Committee. Note 7 to the financial statements shows the remuneration paid to governors.

All governors are entitled to reimbursement of out of pocket expenses incurred in discharging their responsibilities and these amounts are published on our website on a quarterly basis.

The University maintains a register of interests of governors and senior managers which is available for inspection on request to the Clerk to the Board of Governors. Jenny Share, Secretary & Registrar, is the Clerk to the Board of Governors.

The work of the Board and its committees

The Board's responsibilities are set out in the University's Articles of Government and a Statement of Primary Responsibilities is in place, in accordance with guidance set out in the Higher Education Code of Governance.

Responsibilities reserved for the Board's decision include:

- Determining the educational character and mission of the University
- Approving annual estimates of income and expenditure
- Ensuring the solvency of the institution and safeguarding its assets
- Appointing the Vice Chancellor
- Amending the Articles of Government
- Appointing the external auditors.

In 2016/17, the Board met formally on five occasions and in addition held two strategic 'Away Days'. The Away Days provided the opportunity for the Board to hear from each of the 13 Deans of School in the new academic structure and discuss their five-year plans, in the context of the wider University strategy and key performance indicators approved by the Board in 2016. This year the Board has also given consideration to the University's student recruitment cycle and a broader stakeholder perceptions analysis as part of the development of new marketing and communications strategies.

The Board has continued to give attention to the continued financial sustainability and development of the University and has approved key proposals for capital expenditure on new buildings as part of the implementation of the *Campus Master Plan* at both the Headingley and City Campuses. The Board has also approved revisions to the Financial Regulations to accommodate the revised budget model introduced to support the implementation of a new academic structure. At each of its meetings, the Board has also discussed various aspects of the student experience and academic cycle of outcomes for the University as part of its new approach to overseeing academic governance in order to provide annual assurance of the standards of academic awards and the quality of student learning opportunities at Leeds Beckett University.

In undertaking its responsibilities, the Board also operates a committee structure which includes the following:

- Finance, Staffing and Resources Committee
- Audit Committee
- Governance and Nominations Committee
- Senior Staff Remuneration Committee

These four committees are formally constituted with terms of reference and are made up of predominantly independent members of the Board. Each committee chair reports to every meeting of the Board on the areas of activity delegated to the Committee and matters for Board approval.

Finance, Staffing and Resources Committee

The Finance, Staffing and Resources Committee advises the Board on strategy and policy relating to the University's financial performance and sustainability, human resources, health and safety, equality and diversity and the strategic development and maintenance of the University's estate. It meets four times a year.

The details associated with the development of the Carnegie Teaching and Research Building on the Headingley Campus and the Creative Arts Building on the City Campus and their financing have been a key area of focus for the Committee during 2016/17. It has also continued to monitor the University's financial position, sustainability and future forecasts, particularly in light of the University's capital development plans and student recruitment position. The Committee has considered tuition fees to 2019 and the Students' Union annual block grant for 2017/18 and made recommendations in relation to each which have been approved by the Board of Governors. The Committee has also reviewed the University's Treasury Management Policy and received a briefing and updates on the University's pension liabilities.

In relation to human resources the Committee has started work on a revised equality and diversity policy and considers safety, health and wellbeing at each of its meetings. It has also received detailed briefings on the review of support for academic structures and the implications that this restructuring and realignment of posts has had on support staff.

Audit Committee

The Audit Committee is responsible for reviewing the effectiveness of the University's system of risk management and internal control.

The Audit Committee meets four times annually, with the external and internal auditors in attendance. The Committee considers detailed internal audit reports and recommendations for the improvement of the University's systems of internal control, together with management's response and implementation plans. This year the internal audit programme comprised 10 reviews, including the consideration of risk management at school level, IT business continuity, processes and controls in relation to marketing and payroll and the University's HESA Finance and Staff Record returns in relation to the quality of the data held and submitted by the University.

The Committee continued to consider 'deep dive' analysis reports on a number of different areas of the Corporate Risk and Assurance Framework in 2016/17, including research and enterprise risks, the estates and capital expenditure programme and the future vision and structure for marketing and communications. It also received updates on cyber security and compliance with the University's UK Visa and Immigration responsibilities and considered a refreshed annual procurement and value for money report and approved a revised fraud response framework.

Governance and Nominations Committee

The Governance and Nominations Committee advises the Board on the appointment of governors and good practice in governance, which includes certain aspects of the regulatory compliance agenda, such as the University's mechanism for addressing student complaints, dealing with requests for information under data protection and freedom of information legislation and the effectiveness of Academic Board.

The focus of the Committee's work during 2016/17 has been the process relating to the re-appointment of the Chair of the Board and most recently, the preparations relating to the appointment of two new independent governors in relation to reviewing the skills, experience and diversity profile of the Board's membership. The Committee has also overseen the University's compliance with the Modern Day Slavery Act 2015 and considered the future learning and development requirements of the Board and individual governors.

Senior Staff Remuneration Committee

The Senior Staff Remuneration Committee is responsible for determining the salaries and monitoring performance of the Vice Chancellor, Secretary and Registrar and other senior staff, including the University's Deputy Vice Chancellors, who are designated as senior post holders.

The approved framework for the review of senior staff remuneration relating to achievements in 2015/16 was used by the Senior Staff Remuneration Committee during this academic and financial year. The framework within which the Senior Staff Remuneration Committee will work to review remuneration relating to activities and achievements in 2016/17 was considered and approved by the Board in July 2017.

A Review Group has been established to consider the functions of the Senior Staff and Remuneration Committee and assess how effectively it acts with appropriate transparency, probity and in line with best practice. The findings of the Review Group will be reported to the Board of Governors.

The terms of reference of all Board committees are reviewed annually. No changes were recommended during 2016/17 and this position was approved by the Board on 14 July 2017.

Academic Board

The Academic Board is the University's principal academic authority. Subject to the powers of the Board of Governors and the Vice Chancellor, it is responsible for the academic affairs of the University, the design and implementation of the academic regulatory framework, and for general issues relating to learning, teaching and research. Its forty members are drawn entirely from staff and students and it is chaired by the Vice Chancellor.

The Academic Board reports to the Board of Governors after every meeting as part of the Vice Chancellor's report.

In 2016/17 the Academic Board considered the University's submission and the subsequent outcomes of the Teaching Excellence Framework, it approved a new Access Agreement and a revised admissions policy and a new structure, format and content of some key academic regulations which support the implementation of the University's new academic structure.

Executive Management

Professor Peter Slee is the Vice Chancellor and as the Chief Executive Officer is responsible to the Board of Governors for the organisation, direction and executive management of the University. The Vice Chancellor is the 'Accountable officer' for the purposes of the Memorandum of Assurance and Accountability with the Higher Education Funding Council for England (HEFCE) and is advised by the University Executive Team (UET).

Internal Control

The Board is responsible for instituting and maintaining a sound system of internal control that supports the achievement of the University's aims and objectives and safeguards public and other funds and assets for which it is responsible. In discharging this responsibility, the Board complies with the requirements of the HEFCE Memorandum of Assurance and Accountability. The system of internal control is designed to manage rather than eliminate risk and to provide reasonable, but not absolute, assurance of effectiveness. The Board is satisfied that an adequate system of internal control has been in place for the year ended 31 July 2017 and up until the date the financial statements were signed.

The Vice Chancellor is responsible for implementing the system of internal control. The Audit Committee undertakes detailed review and monitoring of the system of internal control on behalf of the Board. The University's internal audit service was provided by KPMG LLP and operated to standards defined in the HEFCE Audit Code of Practice. The internal auditors submit regular reports to the Audit Committee, which include an independent opinion on the adequacy and effectiveness of the system of internal control, together with recommendations for improvement. The Audit Committee's work is further informed by reports from management on the implementation and development of the system of internal control and by comments from the external auditors in their management letter and other reports.

Risk Management

The Board has overall responsibility for risk management. A Risk Management Policy, which accords with HEFCE guidance, is in place and was updated in April 2017. As part of the process of managing risk, the Board approves the corporate strategy and budget, reviews progress against key performance indicators, and takes account of opportunities and risks in decision-making. A robust system for identifying, reporting, and managing risk is in place, and is considered as part of the University's strategic planning process. A corporate risk and assurance framework is maintained, and each school and service has a local risk register. These are reviewed regularly by management and the corporate risk and assurance framework is considered at each meeting of the Audit Committee and annually by the Board of Governors. The University also has a risk appetite statement as approved by the Board in July 2016.

Financial Control

The Board is required to secure the economical, efficient, and effective management of the University's resources and to safeguard its assets, including the prevention and detection of fraud.

CORPORATE GOVERNANCE STATEMENT

The Board must ensure that funds from HEFCE are used only for the purposes for which they have been given and in accordance with the HEFCE Memorandum of Assurance and Accountability; and that there are appropriate financial and management controls in place to safeguard public funds and funds from other sources. Key elements of the University's financial control system include a comprehensive strategic planning process, underpinned by annual income, expenditure, capital, and cash flow budgets, and monthly review of financial performance. The Finance, Staffing and Resources Committee undertakes detailed reviews of financial planning and performance on behalf of the Board. The Board receives regular forecasts of financial out-turn. Comprehensive financial regulations and procedures are in place, which clearly define the system for approval and control of expenditure, including the responsibilities and levels of authority of managers. Capital investment is subject to rigorous appraisal and review. The system of financial control is also reviewed by the internal auditor which reports its findings to the Audit Committee.

The Board has placed significance on the annual report and opinion of the Audit Committee in relation to the University's risk management, control and governance and its economy, efficiency and effectiveness (value for money) and the management and the quality assurance of data submitted to HESA, the Students Loans Company, HEFCE and other bodies. In coming to its opinion the Audit Committee and the Board has been mindful of the reports presented to it from both management and external assurance providers, in particular the work of the internal and external auditors.

The Board is responsible for keeping proper accounting records which disclose, with reasonable accuracy, at any time, the financial position of the University and which ensure that the financial statements are prepared in accordance with the Education Reform Act 1988, the HEFCE Accounts Direction, the Statement of Recommended Practice: Accounting for Further and Higher Education, and applicable UK law and relevant accounting standards. Under the terms of the HEFCE Memorandum of Assurance and Accountability, the Board, through its Accountable Officer, is required to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the University and of the institutional surplus or deficit and cash flows for that year.

In the preparation of the financial statements, the Board has taken reasonable steps to ensure that suitable accounting policies are selected and applied consistently; judgments and estimates are made that are reasonable and prudent; and applicable accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements.

Jenny Share

Secretary & Registrar and Clerk to the Board

CORPORATE GOVERNANCE STATEMENT

BOARD OF GOVERNORS 2016/17		
David Lowen (Chair)	Independent Governor	
Steven Webb (Deputy Chair)	Independent Governor	
Kirsty Bashforth	Independent Governor	
Mobina Begum	Co-opted Staff Governor	
Ann Bishop	Independent Governor	
Andy Brown	Independent Governor	
Professor Andrew Cooper	Academic Board Nominee	Appointed 16 January 2017
Jean Dent	Independent Governor	
Les Everett	Independent Governor	
Dr David Fletcher	Independent Governor	
Jack Harrison	Student Governor	Appointed 01 July 2017
Professor Nicki Latham	Independent Governor	Appointed 01 September 2017
Professor Peter Marsh	Co-opted Governor	
Jayne Mothersdale	Academic Board Nominee	Stood down 31 August 2016
Joe Murray	Student Governor	Stood down 30 June 2017
Dorron Otter	Co-opted Staff Governor	Stood down 31 July 2017
Professor Ruth Pickford	Academic Board Nominee	Stood down 31 August 2016
Meg Robinson	Student Governor	
Jenny Ryatt	Independent Governor	Appointed 01 September 2017
Ted Sarmiento	Co-opted Staff Governor	Appointed 01 September 2017
Professor Peter Slee	Vice Chancellor	
Richard Walker	Independent Governor	Stood down 31 July 2017
Gill Webber	Independent Governor	
Nick Whitaker	Independent Governor	
Dr Esme Hanna	Academic Board nominee	Appointed 30 October 2017

Independent auditors report to the Governing Body of Leeds Beckett University (the “institution”)

Report on the audit of the financial statements

Opinion

In our opinion, Leeds Beckett University's group financial statements and parent institution financial statements (the “financial statements”):

- give a true and fair view of the state of the group's and of the parent institution's affairs as at 31 July 2017 and of the group's income and expenditure, gains and losses, changes in reserves and cash flows for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been properly prepared in accordance with the requirements of the Statement of Recommended Practice – Accounting for Further and Higher Education and the 2016/17 HEFCE Accounts Direction.

We have audited the financial statements which comprise the Balance Sheets as at 31 July 2017; the Consolidated Statement of Comprehensive Income and Expenditure for the year ended 31 July 2017; the Consolidated and University Statement of Changes in Reserves for the year then ended; the Consolidated Cash Flow Statement for the year then ended; the Statement of Principal Accounting Policies; and the notes to the financial statements.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (“ISAs (UK)”) and applicable law. Our responsibilities under ISAs (UK) are further described in the Auditors' responsibilities for the audit of the financial statements section of our report. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Independence

We remained independent of the group in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, which includes the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements.

Conclusions relating to going concern

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

- the Governing Body's use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or

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

However, because not all future events or conditions can be predicted, this statement is not a guarantee as to the group and parent institution's ability to continue as a going concern.

Reporting on other information

The other information comprises all of the information in the Operating and Financial Review other than the financial statements and our auditors' report thereon. The Governing Body is responsible for the other information. Our opinion on the financial statements does not cover the other information and, accordingly, we do not express an audit opinion or, except to the extent otherwise explicitly stated in this report, any form of assurance thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated. If we identify an apparent material inconsistency or material misstatement, we are required to perform procedures to conclude whether there is a material misstatement of the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report based on these responsibilities.

Based on the responsibilities described above and our work undertaken in the course of the audit, ISAs (UK) require us also to report certain opinions and matters as described below.

Responsibilities for the financial statements and the audit

Responsibilities of the Governing Body for the financial statements

As explained more fully in the Financial Control section of the Corporate Governance Statement set out on pages 22 and 23, the Governing Body is responsible for the preparation of the financial statements in accordance with the applicable framework and for being satisfied that they give a true and fair view. The Governing Body is also responsible for such internal control as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the Governing Body is responsible for assessing the group and parent institution's ability to continue as a going concern, disclosing as applicable, matters related to going concern and using the going concern basis of accounting unless the Governing Body either intends to liquidate the group and parent institution or to cease operations, or has no realistic alternative but to do so.

Auditors' responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of

assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

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

Use of this report

This report, including the opinions, has been prepared for and only for the Governing Body as a body in accordance with the Statutes of the institution and section 124B of the Education Reform Act 1988 and for no other purpose. We do not, in giving these opinions, accept or assume responsibility for any other purpose or to any other person to whom this report is shown or into whose hands it may come save where expressly agreed by our prior consent in writing.

Other required reporting

Opinions on other matters prescribed in the HEFCE Audit Code of Practice issued under the Further and Higher Education Act 1992

In our opinion, in all material respects:

- funds from whatever source administered by the institution for specific purposes have been properly applied to those purposes and, if relevant, managed in accordance with relevant legislation;
- income has been applied in accordance with the institution's statutes; and
- 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.

Other matters on which we are required to report by exception

Under the HEFCE Audit Code of Practice issued under the Further and Higher Education Act 1992 we are required to report to you if, in our opinion the statement of internal control included as part of the Corporate Governance Statement, is inconsistent with our knowledge of the parent institution and group. We have no exceptions to report from this responsibility.

Greg Wilson
PricewaterhouseCoopers LLP
Chartered Accountants and Statutory Auditors
Newcastle Upon Tyne
28 November 2017

INDEPENDENT AUDITORS' REPORT

- (a) The maintenance and integrity of the Leeds Beckett University website is the responsibility of the Governing Body; the work carried out by the auditors does not involve consideration of these matters and, accordingly, the auditors accept no responsibility for any changes that may have occurred to the financial statements since they were initially presented on the website.
- (b) Legislation in the United Kingdom governing the preparation and dissemination of the financial statements may differ from legislation in other jurisdictions.

STATEMENT OF PRINCIPAL ACCOUNTING POLICIES

1. Basis of Preparation and Consolidation

These financial statements have been prepared in accordance with the Statement of Recommended Practice (SORP): Accounting for Further and Higher Education (2014) and in accordance with Financial Reporting Standards (FRS 102). The University is a public benefit entity and therefore has applied the relevant public benefit requirement of FRS 102. The financial statements are prepared in accordance with the historical cost convention and following the Governors' review of our long-term sustainability. Judgements made by management in the application of these accounting policies that have a significant effect on the financial statements are detailed in note 32.

The consolidated financial statements combine the financial statements of the University and all its subsidiaries for the current financial year. The results of subsidiaries acquired or disposed of during the period are included in the Consolidated Statement of Income and Expenditure from the date of acquisition or up to the date of disposal. Intra-group transactions are eliminated on consolidation. Associated companies and joint ventures are accounted for using the equity accounting method.

The consolidated financial statements accounts do not include the income and expenditure of the Students' Union as the University does not have the power or ability to exert control or dominant influence over policy decisions.

2. Income Recognition

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

Tuition fee income is stated net of any discount or waiver and credited to the Consolidated Statement of Income and Expenditure over the period in which students are studying. Related payments such as bursaries and scholarships are accounted for as expenditure and not deducted from income.

Government grants are recognised within the Consolidated Statement of Income and Expenditure when any performance related conditions have been met, except for grants given to create a specific fixed asset, which are recognised within the Consolidated Statement of Income and Expenditure over the period that that the asset is expected to be used.

Research grants and contracts are recognised within the Consolidated Statement of Income and Expenditure when any performance related conditions have been met, except where the income is from a government source for a specific capital equipment, in which case income is recognised over the expected life of the equipment. Performance conditions mean that income is recognised according to a specified level of service, which could be one single occasion in the middle or end of the work required. Where there are no conditions the income is recognised as soon as it is reasonably certain to be received.

Other Non-exchange income, including grants and income from non-government sources are recognised within the Consolidated Statement of Income and Expenditure when any performance related conditions have been met.

Donations and endowments are recognised within the Consolidated Statement of Income and Expenditure when any performance conditions have been met or restrictions lifted.

STATEMENT OF PRINCIPAL ACCOUNTING POLICIES

Endowments are donations where usually only the income generated by the gift can be used or where the donation is for a specific purpose and may be repayable if the funds cannot be utilised for that purpose.

Investment income and dividends or other returns from investment assets are recognised as they become receivable, either as restricted or unrestricted income, according to the terms of the restriction applied to the individual endowment fund. Gains or losses in the value of the holdings are not income or expenditure but are shown separately in the Consolidated Statement of Income and Expenditure as realised or unrealised gains or losses as appropriate.

Restricted Reserves record all non-exchange income that has been given for a specific purpose within the University's usual range of activity to the extent that the income has not been applied for the use specified.

Agency Funds where funds are received but disbursed as paying agent on behalf of a third party are excluded from both income and expenditure.

3. Retirement Benefits

The University provides retirement benefits for most of its employees by making contributions to the Teachers' Pension Scheme (TPS), University Superannuation Scheme (USS) and the West Yorkshire Pension Fund (WYPF).

The **TPS** is a defined benefit multi-employer scheme but due to its mutual nature it is not possible to identify the assets and liabilities of individual members and therefore it is accounted for as a defined contribution retirement benefit scheme. The cost of providing pensions is the contributions payable in the period. There is no obligation on employers to fund any deficit in the scheme.

The **USS** is a defined benefit multi-employer scheme where, due to its mutual nature, it is not possible to identify the assets and liabilities of individual members and therefore it is accounted for as a defined contribution retirement benefit scheme. The cost of providing pensions is therefore the basic contribution rate payable in the period.

There is an agreement to fund a share of any deficit in the scheme by paying a higher rate of contributions for a period of time which is reviewed triennially. The estimated cost of this, discounted at an appropriate rate, is recognised as a liability within Pension Provisions.

The **WYPF** is a defined benefit multi-employer scheme where the assets and liabilities of members are identified. The charge in the Consolidated Statement of Income and Expenditure is the estimated cost of providing a pension benefit for the additional years' service.

The net liability to provide future pension benefits, discounted at an appropriate rate, less the fair value of assets in the fund are shown in the Balance Sheet as a provision. Any changes in assumptions and valuations are shown as an Actuarial Gain or Loss in the Consolidated Statement of Income and Expenditure. The calculation is performed by a qualified actuary using the projected unit credit method. When the calculation results in a benefit to the Group, the recognised asset is limited to the total of any unrecognised past service costs and the present value of benefits available in the form of any future refunds from the plan, reductions in future contributions to the plan or on settlement of the plan and takes into account the adverse effect of any minimum funding requirements.

STATEMENT OF PRINCIPAL ACCOUNTING POLICIES

4. Employment Benefits

Employment benefits are recognised as an expense in the year in which the services have been rendered. The difference between services rendered and the payments made are recognised as an asset or liability.

5. Tangible Fixed Assets

Fixed assets are stated at cost or, in case of freehold land and buildings at 1 August 2014, deemed cost, less accumulated depreciation and accumulated impairment losses. The deemed cost represents the fair value as at 1 August 2014.

Staff costs are capitalised only when incurred in direct consequence of specific fixed asset projects.

Borrowing costs are not capitalised.

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

Depreciation methods, remaining useful lives and residual values are reviewed at each Balance Sheet date and all assets are subject to periodic impairment reviews when appropriate.

Freehold land

Freehold land is not depreciated as it is considered to have an indefinite useful life.

Freehold buildings

Freehold buildings are depreciated on a straight line basis over their expected remaining useful lives. Subsequent additions to buildings are depreciated on a straight line basis over the expected useful life of those changes. Depreciation is not charged on assets in the course of construction.

Leasehold land and buildings

Leasehold land and buildings are depreciated over the life of the lease up to a maximum of 50 years.

Where leasehold land and buildings are modified the cost is depreciated over shorter of the expected useful life of the modifications or the remaining lease period.

The estimated cost of restoring the asset to the condition required by the lease is recognised in the Consolidated Statement of Income and Expenditure on a straight-line basis over the remaining period of the lease and the accumulated liability is recorded as a Provision for dilapidations.

Leased equipment, furniture & fittings

Leased equipment, furniture & fittings are depreciated over the life of the lease.

STATEMENT OF PRINCIPAL ACCOUNTING POLICIES

Where the lease permits modifications to the asset but the asset needs to be returned to its original state at the end of the lease, a provision is created for the expected cost of these dilapidations over the remaining life of the lease.

Equipment, furniture & fittings

Individual purchases over £5,000 and with an expected useful life exceeding 2 years are accounted for as fixed assets and depreciated on a straight-line basis over their expected useful life.

Asset class	Life in years
Specialist equipment, furniture & fittings	3-25
Motor Vehicles	4

Certain items cost individually under £5,000 but constitute a significant asset, All purchases of these assets are capitalised as a pool, except where the cost is to replace damages or individually exceeds £5,000. Each pool is depreciated on a straight-line basis over its estimated average useful life.

Asset pool	Life in years
Furniture	10
IT equipment	3-10
AV equipment	5
Cameras	3
Music equipment	5
Fashion equipment	10
Signage	5

6. Heritage assets

Individual works of art and other valuable artefacts valued at over £25,000 are capitalised and recognised at their cost or value where reasonably obtainable. Assets initially received as donations are initially recognised at fair value. Heritage assets are not depreciated.

STATEMENT OF PRINCIPAL ACCOUNTING POLICIES

7. Intangible Assets

Initial costs of acquiring rights to software and the costs of creating corporate information systems, including consultancy services and essential staff recruited specifically for that purpose, are capitalised and depreciated over the expected useful life of the systems.

Intangible assets, including any goodwill, are subject to periodic impairment reviews when appropriate.

8. Finance Leases

Leases in which the University assumes substantially all the risks and rewards of ownership of the leased asset are classified as finance leases and recognised as a fixed asset and as a liability. The asset is valued initially at an amount equal to the lower of its fair value and the present value of the minimum lease payments at inception of the lease, depreciated over the shorter of the lease term and the estimated useful lives and subject to an impairment test where appropriate.

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

Where the lease permits modifications to the asset but the asset needs to be returned to its original state at the end of the lease, a provision is created for the expected cost of these dilapidations over the remaining useful life of the lease.

9. Service Concession Arrangements

Buildings held under service concession arrangements are recognised in the Balance Sheet at the present value of the minimum lease payments when the building was brought into use, with a corresponding financial liability.

Payments under the service concession arrangement are allocated between service costs, finance charges and financial liability repayments to reduce the financial liability to zero over the life of the arrangement.

10. Operating Leases

Operating lease payments are charged on a straight-line basis over the lease term. Any lease premiums or incentives are spread over the minimum lease term.

Where the lease permits modifications to the asset but the asset needs to be returned to its original state at the end of the lease, a provision is created for the expected cost of these dilapidations over the remaining life of the lease.

11. Inventories

Stocks and Work In Progress are stated at the lower of cost and net realisable value.

STATEMENT OF PRINCIPAL ACCOUNTING POLICIES

12. Investments

Non-current investments are held on the Balance Sheet at amortised cost less impairment.

Current asset investments are held at fair value with movements recognised in the Consolidated Statement of Income and Expenditure.

Investments in associate companies and subsidiaries are carried at cost less impairment.

13. Associated and Subsidiary companies

Subsidiary companies results are consolidated under the equity accounting method. Any increase or decrease in the share of each associated company's net assets is added to or deducted from the value of the investment.

14. Provisions, Contingent Liabilities and Contingent Assets

Provisions are recognised in the financial statements when:

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

The amount recognised as a provision is determined by discounting the expected future cash flows at a pre-tax rate that reflects risks specific to the liability. The University recognises provisions for ex-gratia pensions, with the cost charged to the Consolidated Statement of Income and Expenditure in the period the pension was agreed and for the expected cost of dilapidations, where a lease requires that the asset needs to be returned to its original state at the end of the lease.

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

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

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

15. Cash and Cash Equivalents

Cash at bank and in hand includes cash in hand and deposits repayable within 48 hours without penalty.

STATEMENT OF PRINCIPAL ACCOUNTING POLICIES

Cash equivalents are short term, highly liquid investments that are readily convertible to known amounts of cash with insignificant risk of change in value. Therefore, an investment normally qualifies as a cash equivalent only when it has a short maturity of, say, three months or less from the date of acquisition. Bank overdrafts are normally considered financing activities similar to borrowings. However, if they are repayable on demand and form an integral part of an entity's cash management, bank overdrafts are a component of cash and cash equivalents.

16. Tax

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

The University receives no similar exemption in respect of Value Added Tax. Irrecoverable VAT on purchases is included in the cost of such purchases. Any irrecoverable VAT incurred on fixed assets is included in their cost.

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

Deferred tax is provided in full on timing differences which result in an obligation at the balance sheet date to pay more tax, or a right to pay less tax, at a future date, at rates expected to apply when they crystallise based on current rates and law. Timing differences arise from the inclusion of items of income and expenditure in taxation computations in periods different from those in which they are included in financial statements. Deferred tax assets are more likely than not to be recovered.

Deferred tax assets and liabilities are not discounted.

17. Currency

Transactions in foreign currencies are translated into sterling at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies at the balance sheet date are retranslated to the functional currency at the foreign exchange rate ruling at that date. Foreign exchange differences arising on translation are recognised in the Statement of Comprehensive Income

18. Impairment

Where there is reasonable evidence that the net book value of any asset may exceed its net realisable value, the fair value is determined and an impairment charge is made to reduce the asset value to its net realisable value. If in any subsequent period it is identified that the realisable value of any asset exceeds its carrying value, the carrying value can be increased, but only to the extent of any previous impairment charges, less any depreciation that would have been charged if no impairment charge had been made.

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME AND EXPENDITURE FOR THE YEAR ENDED 31 JULY 2017

	Notes	Year Ended 31 July 2017		Year Ended 31 July 2016	
		£000	£000	£000	£000
INCOME					
Tuition fees and education contracts	1		164,818		167,108
Funding body grants	2		16,954		16,086
Research grants and contracts	3		3,361		2,701
Other income	4		35,211		35,449
Investment income			1,054		738
			<u>221,398</u>		<u>222,082</u>
New Endowments & Donations	5		30		36
Total Income			<u>221,428</u>		<u>222,118</u>
EXPENDITURE					
Payroll costs excluding pension provision charges		117,285		112,970	
Accrual to maintain pension provisions		5,959		3,604	
Total Staff costs	6		<u>123,244</u>		<u>116,574</u>
Exceptional Restructuring expenses			1,492		1,715
Total Other Operating expenses	8		64,802		67,224
Total Depreciation and Amortisation	10		18,663		17,625
Interest payable excluding pension financing charges		5,810		5,796	
Pension financing charges		3,126		3,002	
Total Interest and other finance costs	9		<u>8,936</u>		<u>8,798</u>
Total Expenditure	10		<u>217,137</u>		<u>211,936</u>
Surplus/(deficit) before taxes, gains & losses and associated company results			4,291		10,182
Gain/(loss) on disposal of assets			(13)		239
Share of operating profit/(loss) in associate	16		-		18
Surplus/(Deficit) for the year before Tax			<u>4,278</u>		<u>10,439</u>
Taxation	11		(152)		(43)
Surplus/(Deficit) for the year after Tax			<u>4,126</u>		<u>10,396</u>
Gain/(loss) on actuarial adjustments	24		33,995		(41,179)
Unrealised gains/(losses) on investments			(191)		-
Total Comprehensive Income/(expense) for the year			<u><u>37,930</u></u>		<u><u>(30,783)</u></u>
Surplus/(Deficit) for the year after Tax attributable to:					
Non-Controlling Interest			384		85
University			<u>3,742</u>		<u>10,311</u>
Total Comprehensive Income for the year after Tax attributable to:					
Non-Controlling Interest			384		85
University			<u>37,546</u>		<u>(30,868)</u>

All amounts relate to continuing operations.

STATEMENT OF CHANGES IN RESERVES FOR THE YEAR ENDED 31 JULY 2017

Consolidated	Endowments	Restricted	Unrestricted	Total excluding Non- controlling interest	Non- controlling interest	Total
Balances at 1 August 2015	83	5,631	161,681	167,395	-	167,395
Surplus/(deficit) in Income and Expenditure after Tax	(5)	601	9,715	10,311	85	10,396
Surplus/(deficit) in Other Comprehensive Income	-	-	(41,179)	(41,179)	-	(41,179)
Acquisition incl write-back of balance provided for	-	-	530	530	123	653
Post acquisition dividend to non-controlling interest	-	-	(10)	(10)	5	(5)
Released to Unrestricted Reserves	-	(145)	145	-	-	-
Balances at 31 July 2016	78	6,087	130,882	137,047	213	137,260
Surplus/(deficit) in Income and Expenditure after Tax	2	1	3,739	3,742	384	4,126
Surplus/(deficit) in Other Comprehensive Income	-	-	33,804	33,804	-	33,804
Acquisition incl write-back of balance provided for	-	-	(162)	(162)	51	(111)
Post acquisition dividend to non-controlling interest	-	-	-	-	(5)	(5)
Released to Unrestricted Reserves	-	(142)	142	-	-	-
Balances at 31 July 2017	80	5,946	168,405	174,431	643	175,074

University	Endowments	Restricted	Unrestricted	Total excluding Non- controlling interest	Non- controlling interest	Total
Balances at 1 August 2015	83	5,631	161,681	167,395	-	167,395
Surplus/(deficit) in Income and Expenditure after Tax	(5)	601	9,626	10,222	-	10,222
Surplus/(deficit) in Other Comprehensive Income	-	-	(41,179)	(41,179)	-	(41,179)
Acquisition incl write-back of balance provided for	-	-	-	-	-	-
Post acquisition dividend to non-controlling interest	-	-	-	-	-	-
Released to Unrestricted Reserves	-	(145)	145	-	-	-
Balances at 31 July 2016	78	6,087	130,273	136,438	-	136,438
Surplus/(deficit) in Income and Expenditure after Tax	2	1	3,183	3,186	-	3,186
Surplus/(deficit) in Other Comprehensive Income	-	-	33,804	33,804	-	33,804
Acquisition	-	-	-	-	-	-
Post acquisition dividend to non-controlling interest	-	-	-	-	-	-
Released to Unrestricted Reserves	-	(142)	142	-	-	-
Balances at 31 July 2017	80	5,946	167,402	173,428	-	173,428

BALANCE SHEETS AS AT 31 JULY 2017

	Notes	Consolidated		University	
		31 July 2017	31 July 2016	31 July 2017	31 July 2016
		£000	£000	£000	£000
Fixed Assets					
Intangible assets	12	4,599	2,885	4,599	2,885
Tangible assets	13	327,012	325,714	326,315	325,044
Fixed asset investments	14	37	37	37	201
Investments in associated companies	16	-	-	-	-
Total fixed assets		331,648	328,636	330,951	328,130
Current Assets					
Stock		74	64	59	58
Debtors	18	13,183	13,494	13,802	13,470
Investments	17	64,152	42,000	64,152	42,000
Cash at bank and in hand		33,649	51,454	31,101	50,390
Total current assets		111,058	107,012	109,114	105,918
Less: Creditors: amounts falling due within one year	19	(37,910)	(39,170)	(37,072)	(38,587)
Net current assets		73,148	67,842	72,042	67,331
Total assets less current liabilities		404,796	396,478	402,993	395,461
Less: Creditors: amounts falling due after more than one year	20	(120,703)	(124,198)	(120,546)	(124,003)
Provisions:					
Net Pension liability	24	(107,465)	(133,639)	(107,465)	(133,639)
Other Provisions	25	(1,554)	(1,381)	(1,554)	(1,381)
Total provisions		(109,019)	(135,020)	(109,019)	(135,020)
Net assets		175,074	137,260	173,428	136,438
Endowment Funds					
Permanent	26	28	27	28	27
Expendable	26	52	51	54	51
Total endowments		80	78	82	78
Restricted Reserves	27	5,946	6,087	5,946	6,087
Unrestricted Reserves		168,405	130,882	167,400	130,273
		174,431	137,047	173,428	136,438
Non-Controlling Interest		643	213	-	-
Total Reserves		175,074	137,260	173,428	136,438

The Financial Statements on pages 34 to 53 were approved by the Board of Governors on 24 November 2017 and were signed on its behalf by:

D LOWEN
Chair of the Board

P SLEE
Vice Chancellor

P HARRISON
Director of Finance

CONSOLIDATED CASH FLOW STATEMENT FOR THE YEAR ENDED 31 JULY 2017

Notes	Year Ended 31 July 2017 £000	Year Ended 31 July 2016 £000
Surplus/(deficit) for the year	4,126	10,396
Adjustment for non-cash items:		
Depreciation & Amortisation	18,663	17,625
(Increase)/Decrease in Stock	(10)	43
(Increase)/Decrease in Debtors	(13)	3,323
Increase/(Decrease) in Creditors	691	(3,566)
Increase/(Decrease) in Pension Provisions	4,695	2,254
Increase/(Decrease) in Other Provisions	(18)	389
Increase/(decrease) in share of associated company net assets	-	(18)
Adjustments for investing and financing activities items:		
Interest Receivable	(1,054)	(738)
Interest Payable	8,936	8,798
(Gain)/Loss on disposal of fixed assets	13	(239)
Capital Grant income	(2,383)	(2,177)
Net cash inflow/(outflow) from operating activities	33,646	36,090
Cash flow used in investing activities		
Proceeds from the disposal of assets	22	304
Deferred Capital Grants Received	2,383	2,177
Sale of fixed asset investments	-	-
Movement on Deposits	(22,152)	(5,000)
Investment income	1,360	609
Purchase of Tangible Fixed Assets	(22,677)	(16,794)
Purchase of Intangible Assets	(2,064)	(1,695)
Acquisition of subsidiaries	(116)	-
Dividends paid to Non-controlling interests	-	(5)
Dividends received from Associated companies	-	-
Total Cash flow used in investing activities	(43,244)	(20,404)
Cash flow used in financing activities		
Interest Paid	(5,821)	(5,692)
New endowments received	-	-
New bank loans	-	-
New Finance Leases	217	217
New Other interest-bearing loans	-	-
New Other interest-free loans	-	-
Repayment of amounts borrowed	(1,685)	(1,461)
Capital Element of Finance Lease Rental	(596)	(521)
Other interest-bearing loans repaid	(19)	35
Other interest-free loans repaid	(303)	(176)
Total Cashflow used in financing activities	(8,207)	(7,598)
Increase in cash in the year	(17,805)	8,088
Cash and Cash equivalents at beginning of year	51,454	42,735
Cash and Cash equivalents gained from acquisition	-	631
Cash and Cash equivalents at end of year	33,649	51,454

NOTES TO THE FINANCIAL STATEMENTS

Note 1. Tuition fees and education contracts

	Year Ended 31 July 2017 £000	Year Ended 31 July 2016 £000
HE course fees		
<i>Home and EC domicile students</i>		
Full-time undergraduate	138,699	140,843
Full-time postgraduate	7,132	5,008
Part-time undergraduate	3,155	2,883
Part-time postgraduate	4,119	3,459
<i>Overseas (non-EC) domicile students</i>		
Overseas students	9,132	12,723
Sub-total HE course fees	162,237	164,916
Research Studentships	58	143
Short course fees	1,373	1,111
Education contracts UK	406	394
Education contracts overseas	744	544
	164,818	167,108

Note 2. Funding body grants

	Year Ended 31 July 2017			Year Ended 31 July 2016
	HEFCE £000	NCTL £000	Total £000	Total £000
<i>Recurrent grants:</i>				
HEFCE Teaching	3,082	-	3,082	3,201
HEFCE Research	2,347	-	2,347	2,169
HEFCE Widening participation	6,053	-	6,053	6,545
Other funding bodies	-	104	104	260
Higher Education Innovation Fund	2,678	-	2,678	1,390
<i>Specific grants:</i>	307	-	307	344
<i>Releases of deferred capital grants:</i>	2,383	-	2,383	2,177
	16,850	104	16,954	16,086

Grants are mostly received from the Higher Education Funding Council for England [HEFCE] or from the National College for Teaching and Leadership [NCTL] in respect of teacher training.

Note 3. Research grants and contracts

	Year Ended 31 July 2017 £000	Year Ended 31 July 2016 £000
Research councils	481	132
UK based charities	694	586
UK central government, local, health and hospital authorities	1,194	1,116
UK industry, commerce, public corporations	578	528
EU government bodies	142	200
EU other	38	5
Other overseas	204	125
Other	30	9
	3,361	2,701

Note 4. Other income

	Year Ended 31 July 2017 £000	Year Ended 31 July 2016 £000
Knowledge Services	9,472	8,097
Other Grants receivable	340	333
Residences, catering and conferences	23,478	25,004
Remaining other income	1,921	2,015
	35,211	35,449

The following income is included within the above figures:

Operating lease rentals in respect of Woodhouse Building (Note 13)	146	159
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NOTES TO THE FINANCIAL STATEMENTS

Note 5. New Endowments & Donations

	Year Ended 31 July 2017	Year Ended 31 July 2016
	£000	£000
New endowments	-	-
Income from restricted donations	15	24
Income from unrestricted donations	15	12
	<u>30</u>	<u>36</u>

Donations are primarily to provide bursaries and prizes for University students.

Note 6. Staff costs

	Year Ended 31 July 2017	Year Ended 31 July 2016
	£000	£000
Staff costs		
Wages and salaries	95,189	93,068
Social security costs	9,612	8,076
Other pension costs (Note 23)	18,443	15,430
	<u>123,244</u>	<u>116,574</u>
	£000	£000

Emoluments of the Vice-Chancellor

Emoluments of the former Vice-Chancellor

Basic salary	-	46
Benefits in kind	-	-
	-	<u>46</u>
University's pension contributions to the Teachers' Pensions Agency, in respect of the Vice-Chancellor:	-	-
Total emoluments	-	<u>46</u>

The former Vice-Chancellor, Professor Susan Price, retired on 30 September 2015.

Emoluments of the current Vice-Chancellor

Basic salary	222	202
Benefits in kind	-	-
	222	<u>202</u>
University's pension contributions to the Teachers' Pensions Agency, in respect of the Vice-Chancellor:	37	33
Total emoluments	<u>259</u>	<u>235</u>

The current Vice-Chancellor, Professor Peter Slee commenced his term of office on 1 September 2015 and therefore 2015/16 data reflects 11 months of the year.

Total emoluments of the office of Vice-Chancellor.	<u>259</u>	<u>281</u>
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Key management personnel

The University Executive Team (known as Vice-Chancellor's Group in 2015) are those persons having authority and responsibility for planning, directing and controlling the activities of the University. Staff costs paid to this group are as follows:

	Year Ended 31 July 2017	Year Ended 31 July 2016
	£000	£000
	<u>1,325</u>	<u>965</u>

Compensation for loss of office

Compensation for loss of office, including pension costs and provisions for terminations agreed but not completed before 31 July 2017, paid to former higher paid employees during the year amounted to £nil (2016: £nil). Any pay in lieu of notice is included in the total staff costs and the analysis below.

Remuneration of other higher paid staff, excluding employer's pension contributions

	Year Ended 31 July 2017	Year Ended 31 July 2016
	Number	Number
£100,000 - £109,999	1	3
£110,000 - £119,999	1	-
£120,000 - £129,999	2	2
£130,000 - £139,999	-	-
£140,000 - £149,999	2	2
£150,000 - £159,999	1	1
£160,000 - £169,999	1	-
	<u>8</u>	<u>8</u>

Average full-time equivalent

	Number	Number
Academic staff	1,027	1,033
Support staff	1,407	1,404
	<u>2,434</u>	<u>2,437</u>

NOTES TO THE FINANCIAL STATEMENTS

Note 7. Governor remuneration

In accordance with the Instrument of Government, the Board of Governors has the power to remunerate the lay Chair and Chairs of Committees and Vice-chairs for their services as Governors. Governors who are also employees or students of the University are not entitled to claim such remuneration. The amounts paid and waived in the period are as follows:

	Year Ended 31 July 2017	Year Ended 31 July 2016
	£	£
David Lowen	15,000	11,250
Jean Dent	7,500	7,500
Bill Hartley	-	6,000
Steven Webb	-	3,750
David Fletcher	7,500	-
Les Everett	7,500	-
Total Remuneration	<u>37,500</u>	<u>28,500</u>
The following Governors waived their entitlements to all or part of their remuneration:	£	£
Steven Webb	1,000	1,500
Gabrielle Atmarow	4,375	7,500
Total waived	<u>5,375</u>	<u>9,000</u>

Reimbursement of expenses

All Governors are entitled to reimbursement of expenditure incurred directly in attending meetings, provided that the claim is in accordance with the requirements that all senior employees have to meet in order to reclaim expenditure, for example, the production of relevant receipts.

	Year Ended 31 July 2017	Year Ended 31 July 2016
	£	£
Andrew Cooper	11	-
Jean Dent	20	-
David Fletcher	731	922
Bill Hartley	-	263
David Lowen	-	697
Peter Marsh	344	407
Megan Robinson	17	-
James Starnes	-	47
Richard Walker	698	746
Gill Webber	1,307	1,154
Nick Whitaker	2,983	2,357
Total reimbursement	<u>6,111</u>	<u>6,594</u>

Note 8. Other operating expenses

	Year Ended 31 July 2017	Year Ended 31 July 2016
	£000	£000
Student support	5,228	4,946
Teaching support	5,607	6,961
Staff support	6,921	8,037
Rents & rates	13,754	13,763
Other facilities management	7,747	8,836
Utilities	3,105	3,261
Equipment	4,746	4,348
Consumables	2,695	2,857
Catering	2,846	2,965
Travel and subsistence	2,707	2,829
Professional services	5,257	3,065
Advertising and marketing	3,694	3,589
Insurance and financial expenses	43	1,723
Other expenses	452	44
	<u>64,802</u>	<u>67,224</u>

NOTES TO THE FINANCIAL STATEMENTS

Note 8. Other operating expenses continued

	Year Ended 31 July 2017	Year Ended 31 July 2016
	£000	£000
The following costs are included within the above figures:		
External auditors' remuneration for:		
University audit services	56	59
Subsidiaries audit services	19	2
Non-audit work	10	9
Internal auditors' remuneration for non-audit work	134	118
Operating lease rentals - buildings	11,740	11,358
Operating lease rentals - plant & equipment	108	199
Student Union grant	1,194	1,194

Note 9. Interest and other finance costs

	Year Ended 31 July 2017	Year Ended 31 July 2016
	£000	£000
Finance charges in respect of Service Concession Agreements and finance leases	4,573	4,561
Finance charges in respect of pension provisions	3,126	3,002
Bank loans not wholly repayable within 5 years	1,201	1,234
Other interest payable	36	1
	<u>8,936</u>	<u>8,798</u>

Service Concession Agreements are secured on residential properties

Note 10. Analysis by activity

	Staff Costs	Re- organisation costs	Other Operating Expenses	Depreciation	Interest Payable	Total
	£000	£000	£000	£000	£000	£000
2016/17 Activity						
Academic departments	69,937	766	12,012	1,731	-	84,446
Academic services	14,897	274	5,914	3,194	-	24,279
Research grants and contracts	3,677	-	2,627	88	-	6,392
Residences, catering and conferences	2,262	-	14,052	11	4,460	20,785
Premises	4,516	15	13,723	13,477	-	31,731
Administration	19,675	435	8,972	81	4,444	33,607
Other services rendered	2,500	-	6,358	53	-	8,911
Other	5,780	2	1,144	28	32	6,986
Total	<u>123,244</u>	<u>1,492</u>	<u>64,802</u>	<u>18,663</u>	<u>8,936</u>	<u>217,137</u>

Tangible asset depreciation [Note 13]
Intangible asset amortisation [Note 12]

18,313
350
18,663

2015/16 Activity

Academic departments	68,598	1,178	12,160	1,862	-	83,798
Academic services	13,842	120	6,156	2,259	-	22,377
Research grants and contracts	3,197	1	2,515	67	-	5,780
Residences, catering and conferences	1,917	54	15,314	26	4,480	21,791
Premises	4,241	1	14,162	12,896	-	31,300
Administration	21,334	126	12,536	472	4,315	38,783
Other services rendered	2,229	-	3,831	40	-	6,100
Other	1,216	235	550	3	3	2,007
Total	<u>116,574</u>	<u>1,715</u>	<u>67,224</u>	<u>17,625</u>	<u>8,798</u>	<u>211,936</u>

Tangible asset depreciation [Note 13]
Intangible asset amortisation [Note 12]

17,324
301
17,625

Note 11. Taxation

Taxation recognised in the Statement of Comprehensive Income and Expenditure relates to current tax liabilities on subsidiaries of the University. There is no significant Deferred Tax liability.

NOTES TO THE FINANCIAL STATEMENTS

Note 12. Intangible assets Consolidated and University

	Software purchased	Assets under development	Total
	£000	£000	£000
Cost			
At 1 August 2016	1,986	1,749	3,735
Assets brought into use	92	(92)	-
Additions at cost	152	1,912	2,064
Disposals and transfers in Year	-	-	-
At 31 July 2017	<u>2,230</u>	<u>3,569</u>	<u>5,799</u>
Accumulated amortisation			
At 1 August 2016	(850)	-	(850)
Charge for year	(350)	-	(350)
Eliminated on disposals and transfers	-	-	-
At 31 July 2017	<u>(1,200)</u>	<u>-</u>	<u>(1,200)</u>
Net book value at 31 July 2017	<u>1,030</u>	<u>3,569</u>	<u>4,599</u>
Net book value at 31 July 2016	<u>1,136</u>	<u>1,749</u>	<u>2,885</u>

Note 13. Tangible assets Consolidated

	Land	Freehold Buildings	Leasehold Buildings	Equipment	Assets under construction	Total
	£000	£000	£000	£000	£000	£000
Cost						
At 1 August 2016	34,570	382,288	32,364	37,456	4,002	490,680
Assets brought into use	-	4,002	-	-	(4,002)	-
Additions at cost	-	8,175	-	8,338	3,115	19,628
Disposals and transfers in Year	-	-	-	(101)	-	(101)
Acquired from acquisition	-	-	-	-	-	-
At 31 July 2017	<u>34,570</u>	<u>394,465</u>	<u>32,364</u>	<u>45,693</u>	<u>3,115</u>	<u>510,207</u>
Accumulated depreciation						
At 1 August 2016	-	(138,398)	(6,910)	(19,658)	-	(164,966)
Charge for year	-	(11,544)	(1,006)	(5,763)	-	(18,313)
Eliminated on disposals and transfers	-	-	-	84	-	84
Acquired from acquisition	-	-	-	-	-	-
At 31 July 2017	<u>-</u>	<u>(149,942)</u>	<u>(7,916)</u>	<u>(25,337)</u>	<u>-</u>	<u>(183,195)</u>
Net book value at 31 July 2017	<u>34,570</u>	<u>244,523</u>	<u>24,448</u>	<u>20,356</u>	<u>3,115</u>	<u>327,012</u>
Net book value at 31 July 2016	<u>34,570</u>	<u>243,890</u>	<u>25,454</u>	<u>17,798</u>	<u>4,002</u>	<u>325,714</u>

University

	Land	Freehold Buildings	Leasehold Buildings	Equipment	Assets under construction	Total
	£000	£000	£000	£000	£000	£000
Cost						
At 1 August 2016	34,570	381,474	32,364	37,456	4,002	489,866
Assets brought into use	-	4,002	-	-	(4,002)	-
Additions at cost	-	8,133	-	8,325	3,115	19,573
Disposals and transfers in Year	-	-	-	(101)	-	(101)
At 31 July 2017	<u>34,570</u>	<u>393,609</u>	<u>32,364</u>	<u>45,680</u>	<u>3,115</u>	<u>509,338</u>
Accumulated depreciation						
At 1 August 2016	-	(138,254)	(6,910)	(19,658)	-	(164,822)
Charge for year	-	(11,517)	(1,006)	(5,762)	-	(18,285)
Eliminated on disposals and transfers	-	-	-	84	-	84
At 31 July 2017	<u>-</u>	<u>(149,771)</u>	<u>(7,916)</u>	<u>(25,336)</u>	<u>-</u>	<u>(183,023)</u>
Net book value at 31 July 2017	<u>34,570</u>	<u>243,838</u>	<u>24,448</u>	<u>20,344</u>	<u>3,115</u>	<u>326,315</u>
Net book value at 31 July 2016	<u>34,570</u>	<u>243,220</u>	<u>25,454</u>	<u>17,798</u>	<u>4,002</u>	<u>325,044</u>

NOTES TO THE FINANCIAL STATEMENTS

Note 13. Tangible assets continued

All assets are valued at cost but for Freehold land and buildings at 1 August 2014, the costs used were based on the 2014 valuation taken as deemed cost. Subsequent additions are at cost. Leasehold Buildings relate to buildings on land not owned by the University and are valued at original cost.

Freehold Buildings includes the capital cost of buildings that are the subject of two Service Concession Agreements [see Note 22]. This is because the buildings are on land that is owned by the University and the buildings will become the property of the University when the agreement ends. The cost of the asset is £93,818,000 [2016: £93,818,000] and the net book value is £54,864,000 [2016: £57,049,000].

On 30 June 1997 the University entered into a lease, with CVCP Properties plc, for part of the City Site, Woodhouse Building. Under the terms of the lease, which runs for 20 years, CVCP Properties plc is permitted to use the leased premises for educational purposes. The lease has been classed as an operating lease and the rental income is disclosed in note 4, Other income. The lease came to an end on 29 June 2017 and this is reflected in the operating lease rentals figure disclosed in note 4.

On 30 June 1997 the University entered into an underlease, with CVCP Properties plc, for part of the City Site, Woodhouse Building. Under the terms of the lease, which runs for 20 years (less 3 days), the University is permitted to use the leased premises for educational purposes. The lease has been classed as an operating lease and the rental payments are disclosed in note 8, Other operating expenses. The lease came to an end on 26 June 2017 and this is reflected in the operating lease rentals - buildings figure disclosed in note 8.

Equipment includes two Heritage Assets which comprises of a painting "The Golden Trees" by Joash Woodrow, this is valued at £25,000 being the purchase cost. There has been an addition in the year for a 'Rob Ward' Sculpture, purchase cost of £8,500. As these are heritage assets, they are not depreciated.

Note 14. Investments

	Consolidated		University	
	31 July 2017	31 July 2016	31 July 2017	31 July 2016
	£000	£000	£000	£000
Fixed asset investments				
<i>Wholly-owned subsidiary companies:</i>				
Leeds Beckett University Enterprises Limited	-	-	-	-
<i>Partly-owned subsidiary companies:</i>				
MoreLife Limited [see Note 15]	-	-	-	164
MyPeakPotential Limited [see Note 15]	-	-	-	-
<i>Other:</i>				
CVCP Properties plc	37	37	37	37
	<u>37</u>	<u>37</u>	<u>37</u>	<u>201</u>

Investments in subsidiaries are explained in Note 15 below.

CVCP Properties plc is an unquoted company, originally set up by the members of Universities UK to finance property acquisition, and the shares are stated at cost. In the Governor's opinion, the market value of the investment is not materially different from the cost at the balance sheet date.

Note 15. Subsidiary undertakings

Leeds Beckett University Enterprises Limited is a wholly owned company limited by guarantee which undertakes consultancy, applied research and conference letting activities. It prepares Financial Statements to 31 July.

MyPeakPotential Limited [MPP] is a company registered in England & Wales which provides accommodation facilities for outdoor activities and its base is in Germany. It prepares Financial Statements to 31 December. The University has owned a 30% stake in the company for many years and on 17 May 2016 acquired an additional 4,285 shares giving it a 51% holding. MPP has been consolidated as at 31 July 2017 based on management accounts made up to that date.

MoreLife Limited [MoreLife] is a company registered in England & Wales which provides services to tackle childhood obesity. It prepares Financial Statements to 31 March. The University owns a 50% holding and on 9 November 2015 there were various changes to MoreLife's structure which meant that the University subsequently exercised effective control of the company. Subsequently the University and MoreLife have collaborated in developing consultancy services together. The results of MoreLife have been consolidated as at 30 June 2017 based on management accounts at that date.

The University is a member of the Northern Universities Consortium for Credit Accumulations and Transfer (NUCCAT). NUCCAT is involved in promoting and sharing best practice, staff development, undertaking projects with regards to modularity, credit frameworks and related academic matters. The potential liability of the University is limited to £1 in the event of bankruptcy of NUCCAT.

Note 16. Associated company

The University acquired 40 shares out of 99 £1 Ordinary Shares issued, a 40% holding, in Rhodes Beckett Limited (Rhodes Beckett), a company registered in England & Wales. Rhodes Beckett provides services to advise organisations and their employees on health and wellbeing matters. The University has sold certain intellectual property to Rhodes Beckett and is a customer of the new business. Rhodes Beckett was formed on 20 November 2013 and prepares Financial Statements to 30 April. The Financial Statements at 30 April 2016 show that the company has made accumulated losses and the University holding has been written down accordingly.

	Consolidated and University	
	31 July 2017	31 July 2016
	£000	£000
Associated company investment		
Share of net assets at 1 August	-	147
Purchase of shares	-	-
Share of profit/(loss) for the year	-	18
less: Dividends received	-	-
less: transfer to Investments in subsidiaries [Note 15]	-	(165)
Share of net assets at 31 July	<u>-</u>	<u>-</u>

NOTES TO THE FINANCIAL STATEMENTS

Note 17. Current Investments

	Consolidated and University	
	31 July 2017	31 July 2016
	£000	£000
Fixed interest deposits	64,152	42,000
	64,152	42,000

The Governors believe that the carrying value of the investments is supported by the underlying net assets.

Note 18. Debtors

	Consolidated		University	
	31 July 2017	31 July 2016	31 July 2017	31 July 2016
	£000	£000	£000	£000
Amounts falling due within one year:				
Trade debtors	9,534	10,055	8,705	8,675
Prepayments and accrued income	3,628	3,325	5,076	4,681
Due in more than one year	21	114	21	114
	13,183	13,494	13,802	13,470

Note 19. Creditors: amounts falling due within one year

	Consolidated		University	
	31 July 2017	31 July 2016	31 July 2017	31 July 2016
	£000	£000	£000	£000
Trade creditors	4,864	5,545	4,864	5,545
Loans due in less than one year (Note 21)	2,891	2,763	2,863	2,738
Other taxation and social security	5,090	6,125	4,672	5,778
Accrued liabilities	16,414	17,360	18,272	18,212
Deferred income	7,685	6,400	5,434	5,337
Interest accrued	966	977	966	977
	37,910	39,170	37,071	38,587

Note 20. Creditors: amounts falling due after more than one year

	Consolidated		University	
	31 July 2017	31 July 2016	31 July 2017	31 July 2016
	£000	£000	£000	£000
Loans due in more than one year (Note 21)	93,910	96,481	93,753	96,286
Other creditors due after more than one year	26,771	27,652	26,771	27,652
Taxation due in more than one year	22	65	22	65
	120,703	124,198	120,546	124,003

Note 21. Borrowings

	Consolidated		University	
	31 July 2017	31 July 2016	31 July 2017	31 July 2016
	£000	£000	£000	£000
(a) Bank loan				
The bank loan is repayable as follows:				
In one year or less	1,752	1,742	1,739	1,734
Between one and two years	1,857	1,829	1,844	1,821
Between two and five years	3,639	4,488	3,600	4,464
In five years or more	22,457	23,332	22,353	23,187
	29,705	31,391	29,536	31,206

The above bank loan includes £1.706m repayable by instalments falling due between the year-end and 2019, secured on a portion of the freehold land and buildings of the University and £0.169m repayable by instalments falling due between the year-end and 2039, secured on a portion of the freehold land and buildings of a subsidiary.

The remaining £27.83m represents amounts drawn down under various terms, on a fixed interest basis, repayable between the year-end and 2035. In August 2016 the University agreed to fix the interest payable rate on all elements of these loans.

	Consolidated		University	
	31 July 2017	31 July 2016	31 July 2017	31 July 2016
	£000	£000	£000	£000
(b) Finance Lease				
The net obligations to which the University is committed				
In one year or less	217	188	217	188
Between one and two years	127	185	127	185
Between two and five years	15	42	15	42
In five years or more	-	1	-	1
	359	416	359	416

These leases principally relate to office equipment and vehicles.

NOTES TO THE FINANCIAL STATEMENTS

Note 21. Borrowings continued

	Consolidated		University	
	31 July 2017	31 July 2016	31 July 2017	31 July 2016
	£000	£000	£000	£000
(c) Service Concession Arrangements				
The net obligations to which the University is committed				
In one year or less	503	512	503	512
Between one and two years	677	631	677	631
Between two and five years	3,152	2,708	3,152	2,708
In five years or more	61,151	62,011	61,151	62,011
	<u>65,483</u>	<u>65,862</u>	<u>65,483</u>	<u>65,862</u>

These loans are repayable between the year-end and 2035 and are secured on the University's student accommodation [see Note 22].

	Consolidated		University	
	31 July 2017	31 July 2016	31 July 2017	31 July 2016
	£000	£000	£000	£000
(d) Other interest-bearing loans				
The net obligations to which the University is committed				
In one year or less	15	17	-	-
Between one and two years	1	18	-	-
Between two and five years	-	-	-	-
In five years or more	-	-	-	-
	<u>16</u>	<u>35</u>	<u>-</u>	<u>-</u>

These loans are from shareholders of a subsidiary to that subsidiary and are repayable over the next two years.

	Consolidated		University	
	31 July 2017	31 July 2016	31 July 2017	31 July 2016
	£000	£000	£000	£000
(e) Other interest-free loans				
The net obligations to which the University is committed				
In one year or less	404	304	404	304
Between one and two years	254	402	254	402
Between two and five years	380	634	380	634
In five years or more	200	200	200	200
	<u>1,238</u>	<u>1,540</u>	<u>1,238</u>	<u>1,540</u>

These are interest-free, unsecured loans to support improving the University's sustainable use of resources.

Note 22. Service Concession Arrangements

The University has two contracts in respect of student accommodation which are reported as Service Concession Arrangements. These have always been shown as a fixed asset included under freehold land & buildings [see Note 13], as the buildings are on land owned by the University, with a corresponding liability shown as borrowings [see Note 21(c)]. The contract also provides for a facilities management charge which is subject to annual adjustment in respect of inflation. The total payments are scheduled to increase each year reflecting expected increases in the University's income.

During 2005/06 the University entered into a finance lease agreements with UPP Leeds Metropolitan Limited covering three student halls of residence comprising 1,559 bedrooms, which provided additional finance for the University's development. The company is responsible for managing and operating the halls of residence in close co-operation with the University. Under the terms of the leases, the University retains the freehold interest and the three properties revert back to the University at the end of the thirty year term.

In 2009/10 the University entered into a 35 year lease agreement with UPP Leeds Metropolitan 2 Limited to finance the building of the Carnegie Village student accommodation comprising 475 beds on the Headingley campus. This also included a similar arrangement to manage and operate the residences in close co-operation with the University.

The total amounts committed under the agreement and the maintenance commitment are shown below. These exclude inflation on the maintenance costs, which depends on the RPI index and reviewed annually.

	Consolidated and University			
	Gross Payments		Maintenance costs	
	31 July 2017	31 July 2016	31 July 2017	31 July 2016
	£000	£000	£000	£000
In one year or less	8,432	8,189	3,489	3,346
Between two and five years	35,113	33,941	13,958	13,385
In five years or more	169,831	187,607	60,159	69,515
Total payable	<u>213,376</u>	<u>229,737</u>	<u>77,606</u>	<u>86,246</u>
less future Facility Maintenance costs	(77,606)	(86,246)		
less future Financing costs	(70,287)	(77,629)		
Net borrowing [Note 21c]	<u>65,483</u>	<u>65,862</u>		

NOTES TO THE FINANCIAL STATEMENTS

Note 23. Pension costs

This note deals primarily with the cost of pensions. Note 24 below explains the pension provisions held in the Balance Sheet. The three principal pension schemes for the University's staff are the Teachers' Pension Scheme (TPS), the Universities Superannuation Scheme (USS) and the Local Government Pension Scheme (LGPS) which are externally funded and contracted out of the State Earnings-Related Pension Scheme.

The LGPS is regulated by statute, with separate regulations for (a) England & Wales and (b) Scotland. The benefits of the LGPS are determined nationally by regulation and meet the definition of a defined benefit scheme. The LGPS is a funded scheme, with some 100 separate funds administered locally by administering authorities. Each fund has many employing authorities. The City of Bradford Metropolitan District Council is the administering authority for the West Yorkshire Pension Fund (WYPF), i.e. the LGPS local fund. The metropolitan councils in West Yorkshire, and other bodies, for example the University, are employing bodies within the WYPF. The WYPF is a funded defined benefit scheme.

The University reports pension costs in accordance with Financial Reporting Standard 102 (FRS102): Retirement Benefits requiring detailed disclosures for defined benefit schemes. The TPS and USS are multi-employer schemes for which it is not possible to identify assets and liabilities to institutional members and are therefore accounted for as if they were defined contribution schemes.

The total pension cost for the University, and its subsidiary companies, was:

	Year Ended 31 July 2017	Year Ended 31 July 2016
	£000	£000
Costs of TPS	(7,050)	(6,844)
Costs of USS	(805)	(652)
Costs of WYPF (See below)	(10,410)	(7,838)
Other pension costs and accruals	(178)	(96)
Total pension cost (Note 6)	<u>(18,443)</u>	<u>(15,430)</u>

The number of staff who are members of the various schemes are as follows:

	Number	Number
TPS	1,279	1,302
USS	66	63
WYPF	1,417	1,432
	<u>2,762</u>	<u>2,797</u>

Teachers' Pension Scheme (TPS)

The Teachers' Pension Scheme (TPS) is a statutory, contributory, defined benefit scheme. The regulations under which the TPS operates are the Teachers' Pensions Regulations 1997, as amended. These apply to teachers in schools and other educational establishments in England & Wales maintained by local authorities, to teachers in many independent and voluntary-aided schools, and to teachers and lecturers in establishments of further and higher education. Membership is automatic for full-time teachers and lecturers and from 1 January 2007 automatic for teachers and lecturers in part-time employment following appointment or a change of contract. Teachers and lecturers are able to opt out of the TPS.

Although teachers and lecturers are employed by various bodies, their retirement and other pension benefits, including annual increases payable under the Pensions (Increase) Acts are, as provided for in the Superannuation Act 1972, paid out of monies provided by Parliament. The teachers' contributions and employers' contributions are credited to the Exchequer under arrangements governed by the above Act.

The contribution rate paid into the TPS is assessed in two parts. First, a standard contribution rate (SCR) is determined. This is the contribution, expressed as a percentage of the salaries of teachers and lecturers in service or entering service during the period over which the contribution rate applies, which if it were paid over the entire active service of these teachers and lecturers would broadly defray the cost of benefits payable in respect of that service. Secondly, a supplementary contribution is payable if, as a result of the actuarial investigation, it is found that accumulated liabilities of the account for benefits to past and present teachers, are not fully covered by standard contributions to be paid in future and by the notional fund built up from past contributions. The total contribution rate payable is the sum of the SCR and the supplementary contribution rate.

With effect from 1 April 2015 the scheme changed to a career average basis with some protection for employees who were active before 1 April 2012. Employee contributions are on a tiered structure. The rates currently vary as follows (with the previous rates shown in brackets): from 7.4% (7.4%) on salaries up to £26,259.99pa (£25,999pa) to 11.7% (11.7%) on salaries over £75,750pa (£75,000pa). The employers contribution is 16.48% from 1 April 2017, (previously 16.48%), which includes 5.6% to meet the shortfall in the fund over the next fifteen years.

On 9th March 2012, following the Independent Public Services Pensions Commission report (the 'Hutton Report'), a proposed final agreement has been published which will change the scheme to pay pensions based on career average rather than final salaries, together with other modifications to the scheme, to take effect in 2015.

There was a balance of £944,000 owing by the University as at 31 July 2017 (2016: £933,000 owed by the University).

The Teachers' Pensions Regulations require an annual account, the Teachers' Pension Account, to be kept of receipts and expenditure (including the cost of pensions' increases). From 1 April 2001, the Account has been credited with a real rate of return (in excess of price increases and currently set at 3.5%), which is equivalent to assuming that the balance in the Account is invested in notional investments that produce that real rate of return.

The Government Actuary (GA), using normal actuarial principles, conducts a formal actuarial review of the TPS, not less than every four years. The aim of the review is to specify the level of future contributions. The last valuation of the TPS was at 31 March 2012 and can be found on the Teacher Pensions website at: www.teacherspensions.co.uk. The GA's report published in June 2014 revealed a deficit of £15.0 billion as the total liabilities of the Scheme (pensions currently in payment and the estimated cost of future benefits) amounted to £191.5 billion and the value of the assets (estimated future contributions together with the proceeds from the notional investments held at the valuation date) was £176.6 billion. The assumed real rate of return is 3.0% in excess of prices (using the CPI measure), which are expected to increase by 2% as are pensions, while real earnings growth is assumed to be 2.75%.

Universities Superannuation Scheme (USS)

The Universities Superannuation Scheme (USS) is a defined benefit scheme which is contracted out of the States Second Pension (S2P). The assets of the scheme are held in a separate fund administered by the trustee, Universities Superannuation Scheme Limited. Under the scheme trust deed and rules, the employer contribution rate is determined by the trustee acting on actuarial advice.

Because of the mutual nature of the scheme, the institution is unable to identify its share of the underlying assets and liabilities of the scheme on a consistent and reasonable basis and therefore accounts for the scheme as if it were a defined contribution scheme. As a result, the amount charged to the income and expenditure account represents the contributions payable to the scheme in respect of the accounting year. However, the obligation to make additional contributions to the reduction of the scheme deficit has been provided for and is included on the Balance Sheet as part of the Pension Provisions.

NOTES TO THE FINANCIAL STATEMENTS

Note 23. Pension costs continued

Since 31 March 2017 the University's contribution rate was 18.0% [previously 18.0%] including 2.17% as a contribution towards the scheme deficit. The employees' contribution rate is 8.0% [previously 8.0%]. The final salary provision ceased as at 31 March 2016 with members transferring to the career average provision. The salary threshold for defined benefits increased to £55,550 from 1 April 2017. Above this level, members are able to contribute to a defined contribution scheme.

There was a balance of £0 owing to the USS by the University as at 31 July 2017 (2016: £64,000). However there was a balance of £575 owing by the University as at 31 July 2017 (2016: £0)

West Yorkshire Pension Fund (WYPF)

The actuaries to the WYPF completed a valuation of the Fund as at 31 March 2016 in accordance with the Regulations governing the LGPS. The results of the valuation were set out in the Rates and Adjustments Certificate dated 31 March 2017. Based on that valuation, the required employer contribution rate for the University was set at 13.1% (previously 11.8%) of pensionable remuneration per annum, from 1 April 2017 to 31 March 2020. In addition an additional sum of £1,024,000 in 2017/18, increasing annually to £1,091,600 in 2019/20, is to be paid and additional contributions will be required in respect of the costs arising from non-ill health early retirements prior to age 60 occurring in the period of the Rates and Adjustments Certificate. The 2016 valuation was carried out using the projected unit actuarial method.

During the year, the University's contribution rate was 13.10% (11.8% to 31 March 2016). The employees' contribution rate ranged from 5.5% to 12.5%. The expected current service cost for 2016/17 is £10.852m. There was a balance of £646,000 owing by the University as at 31 July 2017 (2016: £601,000).

Reconciliation of funded status to balance sheet		
	Value as at 31 July 2017 £m	Value as at 31 July 2016 £m
Fair value of assets	222.660	196.355
Present value of liabilities	(314.258)	(313.974)
Net pension asset / (liability) (Note 24)	<u>(91.598)</u>	<u>(117.619)</u>

Analysis of income and expenditure charges		
	Year ending 31 July 2017 £m	Year ending 31 July 2016 £m
Current service cost	(10.343)	(7.892)
Past service cost charged in staff costs	(0.009)	(0.103)
Total included under Staff costs	(10.352)	(7.995)
less contributions already charged	4.626	4.595
Payroll accrual to maintain current service costs per FRS102	(5.726)	(3.400)
Interest cost	(7.508)	(8.824)
Expected return on assets	4.748	6.321
Interest Expense recognised	(2.760)	(2.503)
Total credit/(charge)	<u>(8.486)</u>	<u>(5.903)</u>

Analysis of gains and losses recognised in Consolidated Statement of Comprehensive Income and Expenditure		
	Year ending 31 July 2017 £m	Year ending 31 July 2016 £m
Asset gains/(losses)	18.655	13.645
Liability gains/(losses)	15.197	(53.840)
Total gain/(loss) in SOCI	<u>33.852</u>	<u>(40.195)</u>

Changes to the present value of liabilities during the accounting year		
	Year ending 31 July 2017 £m	Year ending 31 July 2016 £m
Current service cost	10.343	7.892
Interest cost	7.508	8.824
Contributions by participants	2.715	2.602
Actuarial (gains) / losses on liabilities	(15.197)	53.840
Net benefits paid out	(5.094)	(6.051)
Past service cost	0.009	0.103
Net increase/(decrease) in liabilities	0.284	67.210
Opening present value of liabilities	313.974	246.764
Closing present value of liabilities	<u>314.258</u>	<u>313.974</u>

NOTES TO THE FINANCIAL STATEMENTS

Note 23. Pension costs continued

Changes to the fair value of assets during the accounting year		
	Year ending 31 July 2017 £m	Year ending 31 July 2016 £m
Expected return on assets	4.748	6.321
Actuarial gains / (losses) on assets	18.655	13.645
Actual return on assets	23.403	19.966
Contributions by the employer	5.281	5.157
Contributions by participants	2.715	2.602
Net benefits paid out	(5.094)	(6.051)
Net increase/(decrease) in assets	26.305	21.674
Opening fair value of assets	196.355	174.681
Closing fair value of assets	222.660	196.355

Assumptions

The latest actuarial valuation of the University's liabilities took place as at 31 March 2013. The principal assumptions used by the independent qualified actuaries in updating the latest valuation of the Fund for FRS102 purposes were:

Principal financial assumptions		
	31 July 2017	31 July 2016
Percentage rates per annum:		
Discount rate	2.60%	2.40%
RPI inflation		
CPI inflation	2.00%	1.80%
Rate of increase to pensions in payment	2.00%	1.80%
Rate of increase to deferred pensions	2.00%	1.80%
Rate of general increase in salaries (Based on an average over expected working lives)	3.25%	3.20%
The assumed life expectations of members are as follows:		
Members aged 65 at Accounting Date:		
Males	22.1	22.7
Females	25.2	25.6
Members aged 45 at Accounting Date:		
Males	23.0	24.9
Females	27.0	28.0

Asset allocation		
	Asset split at 31 July 2017 (%)	Asset split at 31 July 2016 (%)
Equities	76.9	75.1
Property	4.4	4.8
Government bonds	9.7	11.2
Corporate bonds	3.9	4.2
Cash	1.7	1.4
Other	3.4	3.3
Total	100.0	100.0

NOTES TO THE FINANCIAL STATEMENTS

Note 24. Provisions for pensions

	Consolidated and University			Total
	Defined Benefit Pensions	Unfunded Pensions	USS Deficit payments	
	£000	£000	£000	£000
At 1 August 2015	72,083	14,304	817	87,204
Charged under Staff Costs	7,892	165	204	8,261
Charged under Reorganisation Costs	103	-	-	103
Expenditure in year	(5,157)	(915)	(38)	(6,110)
Charged under Finance Costs (Note 9)	2,503	485	14	3,002
Charged under Actuarial (gains)/losses	40,195	984	-	41,179
At 31 July 2016	117,619	15,023	997	133,639
Charged under Staff Costs	10,343	375	233	10,951
Charged under Reorganisation Costs	9	-	-	9
Expenditure in year	(5,281)	(905)	(79)	(6,265)
Charged under Finance Costs (Note 9)	2,760	348	18	3,126
Charged under Actuarial (gains)/losses	(33,852)	(143)	-	(33,995)
At 31 July 2017	91,598	14,698	1,169	107,465

The Defined Benefit Pension provision relates to benefits provided by our Local Government Pension Scheme [LGPS], which is administered by the West Yorkshire pension Fund [WYPF]. Details of this provision and the other Defined Benefit Schemes that the University offers to staff are set out in Note 23.

Unfunded pensions are provided for where the University agrees to pay a pension in addition to the normal scheme entitlements at the time, for example in certain instances of redundancy. The provision estimate is calculated by our actuaries, Aon Hewitt, based on the expected life of the obligation and discounted at a rate appropriate to this year. The assumptions used are similar to those used in calculating the LGPS provision and are set out in Note 23.

The USS Deficit payment provision relates to the obligation that the University has undertaken to make an additional contribution of 2.17% of relevant payroll costs, that are expected to eliminate the current deficit on the USS pension scheme, details of which are set out in Note 23. These additional payments are planned to continue until 2031, assume pay increases of between 3.2% and 3.5% [2016: 2.6%-3.3%] and a discount rate of 1.87% [2016:1.76%].

Note 25. Other Provisions

	Consolidated and University	
	31 July 2017	31 July 2016
	£000	£000
Liability for costs of restoration of leasehold properties on termination:		
At 1 August	1,381	992
Expenditure in the year	-	(24)
Charged in income and expenditure account	173	413
At 31 July	1,554	1,381

Note 26. Endowments

	Consolidated and University		
	Permanent Restricted	Expendable Restricted	Total
	£000	£000	£000
At 1 August 2015	27	56	83
New Endowments	-	-	-
Interest for year	-	1	1
Direct expenditure for year	-	(6)	(6)
At 31 July 2016	27	51	78
New Endowments	-	-	-
Interest for year	1	1	2
Direct expenditure for year	-	-	-
At 31 July 2017	28	52	80

Endowment funds are held with the University's Current Investments. Their purpose is primarily to provide bursaries and prizes for University students.

Note 27. Restricted Reserves

	Consolidated and University			Total
	Capital Grants	Revenue Grants	Donations	
	£000	£000	£000	£000
At 1 August 2015	5,149	446	36	5,631
New grants and donations	-	1,873	24	1,897
Interest for year	-	-	-	-
Direct expenditure for year	-	(1,264)	(32)	(1,296)
Released to Unrestricted Reserves	(142)	(3)	-	(145)
At 31 July 2016	5,007	1,052	28	6,087
New grants and donations	-	-	-	-
Interest for year	-	-	1	1
Direct expenditure for year	-	-	-	-
Released to Unrestricted Reserves	(142)	-	-	(142)
At 31 July 2017	4,865	1,052	29	5,946

NOTES TO THE FINANCIAL STATEMENTS

Note 28. Related Party Disclosures

The University has taken advantage of the disclosure exemption under FRS102, which applies to transactions and balances between wholly-owned subsidiaries.

Members of the Board of Governors are required to declare any outside interests that they held during the year. When an item arises in which a member has a pecuniary, business, family, or other personal interest, it must be declared and the member concerned may not take part in the consideration of the matter nor vote on it.

Due to the nature of the University's operations and the composition of the Board of Governors (many of whom are involved with other local public and private sector organisations), there are transactions with organisations in which a member of the Board of Governors or senior staff, or those closely connected to them, may have an interest. All such transactions are conducted at arm's length and in accordance with the University's Financial Regulations. There are five members of University staff who are spouses of University Senior Management / Governors, and are paid on salary ranges in keeping with their peers for equivalent grades. The son of one of the Governors is a student at the University. This is an arm's length transaction and no additional discounts are given on the standard University fees.

All transactions totalling more than £1,000 are summarised below by organisation and the relevant governor or staff member:

Organisation	Name and position held	University Income		University Expenditure		Balance owed to/(owing by University) £'000
		£'000	in respect of	£'000	in respect of	
Bettys & Taylors Ltd	Mr A Brown - Managing Director	7	Tuition fees	-	-	-
Committee of University Chairs	Mr D Lowen - Deputy Chair	-	-	2	Subscription & membership fees	-
Council for the Advancement and Support of Education	Professor P Slee - Provides services to	-	-	1	Corporate subscriptions	-
Fulneck School	Dr B El-Haddadeh - Governor	0	Short course fees	5	Room hire & franchising	-
Higher Education Academy	Professor P Cardew - Associate	-	-	58	Subscription & membership fees	-
Horsforth School	Ms J Share - Governor	0	Short course fees	1	Franchising	(0)
Kier Group Plc	Ms K Bashforth - Non-Executive Director	1	Sponsorship income	-	-	-
Leeds Beckett Students' Union	Ms N Goldthorpe - Secretary Ms M Robinson - President Mr J Harrison - Vice President	30	Facilities hire	1,112	Grants	6
Leeds Beckett Students' Union Trading Company	Ms N Goldthorpe - Secretary Ms M Robinson - Director	-	-	2	Catering services	-
Leeds Carnegie Rugby Football Club	Professor P Smith - Director	70	Research studentships, training grants & event income	42	Physiotherapy & sports coaching services	9
Phoenix Dance Theatre	Mr A Fryer - Director & Trustee	-	-	2	Consultancy & staff development activities	-
Premier Farnell Plc	Mr S Webb - Company Secretary	11	Research grants	45	Books, communications equipment & building maintenance supplies	(2)
PSL Enterprises Ltd	Ms J Dent - Trustee	1	Event income	5	Catering & room hire	(1)
Refugee Council	Mr N Whitaker - Trustee & Director	-	-	1	Agency payments	1

NOTES TO THE FINANCIAL STATEMENTS

Note 28. Related Party Disclosures continued

Organisation	Name and position held	University Income		University Expenditure		Balance owed to/(owing by University) £'000
		£'000	in respect of	£'000	in respect of	
Royal Television Society	Mr D Lowen - Director & Trustee	-	-	0	Event running costs	-
Simon Jersey Ltd	Mr R Walker - Director	-	-	25	Uniforms	0
Society of College, National & University Libraries	Ms J Norry - Northern Collaboration Treasurer	-	-	4	Subscription & membership fees	-
Unipol	Ms J Share - Trustee	-	-	207	Rents & subscription fees	-
	Ms P Preston - Trustee	-	-			-
	Mr D Collett - Director & Trustee	-	-			-
Unison Leeds Beckett Branch	Ms M Begum - Branch Secretary	-	-	(2)	Administrative charges	-
University of Bolton	Professor P Marsh - Emeritus Professor	2	Tuition fees	-	-	-
Yorkshire Country Cricket Club	Professor P Smith - Board Member	219	License fees & service charges	16	Partnership & sponsorship activities	126

Note 29. NCTL Training bursaries

Training bursaries have been provided in the year in order that eligible post-graduate trainee teachers can receive their entitlement to a tax-free bursary whilst they train.

	31 July 2017 £	31 July 2016 £
Amount held in creditors due within one year at 1 August	24,265	(10,850)
Funding body grants		
Training bursaries	<u>569,803</u>	<u>679,615</u>
Expenditure		
Training bursaries	<u>(611,068)</u>	<u>(644,500)</u>
Amount held in (Debtors)/Creditors due within one year at 31 July	<u>(17,000)</u>	<u>24,265</u>

Note 30. Capital commitments

	Consolidated and University	
	31 July 2017 £000	31 July 2016 £000
Commitments contracted at 31 July but not provided for	<u>2,323</u>	<u>9,169</u>

NOTES TO THE FINANCIAL STATEMENTS

Note 31. Financial commitments

	Consolidated and University	
	31 July 2017 £000	31 July 2016 £000
At 31 July the University had future minimum lease payments due under operating leases as follows:		
Land and buildings		
In one year or less	11,099	11,214
Between one and five years	15,689	22,867
In five years or more	25,618	28,915
	<u>52,406</u>	<u>62,996</u>
Other		
In one year or less	22	35
Between one and five years	34	5
In five years or more	-	-
	<u>56</u>	<u>40</u>

Note 32. Accounting estimates and judgements

The material accounting estimates and judgements applied in these financial statements relate principally to the pension provisions made and also to amounts provided for bad debts, reinstatement of alterations to leasehold properties on termination and the lives estimated for fixed assets.

Assumptions relating to the pension provisions made and, in particular, in respect of the funded LGPS scheme with WYPF, are set out in Note 23. In making these judgements the University has taken note of advice from Aon Hewitt Limited, who prepared calculations of the provisions. The calculations of the WYPF provision is sensitive to the choice of discount rate and the estimate of changes to salaries, pensions and mortality. A change of 0.1% in discount rate would change the provision made by around £6.5m; a change in the rate of salary increase of 0.1% would change the provision made by around £1.7m; a change in the rate of pension increase of 0.1% would change the provision made by around £5.0m; and a change one year in mortality would change the provision made by around £9.4m. Changes in these assumptions would also affect the projected annual service cost by up to £0.4m in the case of the mortality assumption.

Debtors are reviewed annually and amounts which are deemed to be irrecoverable are written off, subject to approval of the Board of Governors. Remaining balances at the year-end are then reviewed on the basis that amounts that appear to be more than twelve months overdue are provided for. This is adjusted for specific circumstances, including adding in accounts that are less than twelve months overdue but are demonstrably not recoverable, and reduced by a percentage estimated to be recoverable for some groups of overdue debt.

Where leases of property require that property to be handed over in a certain condition at the end of the lease, the value of alterations made is estimated and a proportion of this used as the amount likely to be required for reinstatement. This provision is then built up evenly over the life of the lease but is reviewed annually and re-estimated as properties approach the end of each lease, with advice provided by the University's estates management team and their professional advisors.

Depreciation is based on the estimated life of the asset and, additionally buildings are depreciated based on their individual components, both for new buildings and where a valuation was used as deemed cost for the conversion to FRS102. The information used to identify different components and their costs is based on advice from the University's professional advisors. For alterations to existing buildings and other assets the colleagues who are responsible for proposing and managing the project provide the relevant advice and estimates.