

Financial Statements

for the year ending **31 July 2017**



Vision

To be recognised as a modern civic university delivering solutions to the challenges of the 21st century

Mission

Our mission is to create and sustain a vibrant community for learning and knowledge where staff and students work together in an active and supportive partnership; providing opportunities to enrich our students, partners and wider society through education, training, research, scholarship and knowledge transfer.



Contents

	Page
Operating and Financial Review	5
Public Benefit Statement	15
Board of Governors	25
Officers and Advisors of the University	26
Responsibilities of the Board of Governors	26
Corporate Governance	27
Report of the Auditors	36
Statement of Principal Accounting Policies	38
Statement of Consolidated Income and Expenditure	43
Consolidated and University Statement of Changes in Reserves	44
Consolidated and University Balance Sheets	45
Consolidated Cash Flow Statement	46
Notes to the Financial Statements	47

Operating and Financial Review

Scope of the Financial Statements

These are the consolidated statutory accounts of Liverpool John Moores University and its subsidiaries for the year ended 31 July 2017.

Our actions in pursuing our Vision over the last 5 years were guided by our 2012-17 Strategic Plan which set out a detailed roadmap for the University. Our strategic objectives were:

- A university known for excellent teaching within an academically engaging and supportive student experience that produces graduates who, as citizens, are prepared for life and the world of work and are valued as contributors to society.
- A university where scholarship is at our core and our Research Institutes are recognised as beacons of excellence that provide inspiration and motivation for staff, students and society.
- A university which is true to its values and is recognised globally as a driving force that through partnership supports wealth creation, social well-being, culture and the arts within the city-region and beyond.

Our Strategic Plan for 2017-2022 Our Vision

Our Vision is to be pioneering modern civic university, delivering solutions to the challenges of the 21st century.

Our Values

Excellence - We strive for the highest standards in everything we do

Transformation - We believe in the power of education to drive transformation across social, cultural and economic boundaries

Innovation - We are innovative and progressive with an entrepreneurial spirit; we think creatively about new ways to do things

Partnership - We believe that by working in partnership we can achieve strong and lasting results

Leadership - We believe in leading the way, challenging convention and breaking new ground

Community - We believe in the power of sharing expertise, and of people coming together with a common purpose.

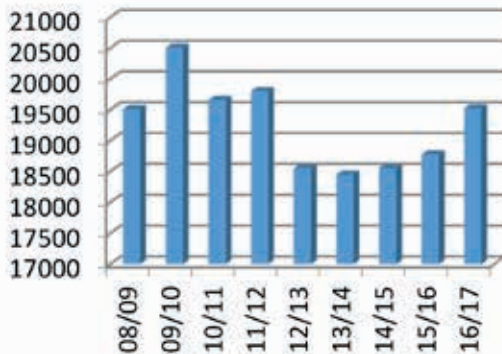
Our Mission

As a Modern Civic institution, we set the following as our Goals:

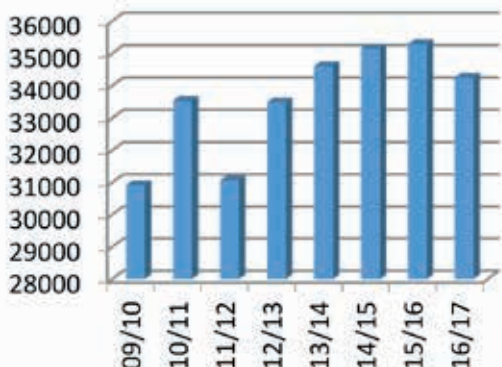
- To serve our people and communities, at home and further afield.
- To enrich the lives of those we work with.
- To act as an anchor institution in the City of Liverpool.

The LJMU 2017-22 strategy as approved by the Board of Governors sets out what these means for our life as a University. It means an outstanding student experience, which expands the horizons of students and offers rich opportunities for them to develop their confidence, skills and character. It means excellence in education, with contemporary curricula and innovative models of delivery that embed the knowledge and skills our students need. It means engaging in impactful research and scholarship that address the challenges of our day. And, it means civic and global engagement that builds

Student Numbers



Students Applications



and deepens our connections - within the city and across the globe - where these enrich the lives of our students, our city, and the broader communities of which we are privileged to be part.

We are seeking to realise this vision in a challenging external climate. Patterns of demand are changing, competition is increasing, and the funding landscape is becoming more constrained. Yet this is also a moment of opportunity, one which will reward imagination, tenacity, relevance, conviction. We believe we are well-positioned to thrive in this environment, and to realise our ambitions.

OPERATIONS

Students

LJMU is one of the largest Universities in the UK with 22,500 students in Liverpool plus a further 1,670 students enrolled on accredited University courses overseas. Actual full time equivalent numbers for 2016/17 were 19,522. This represents an increase of 3.92% compared with 2015/16.

The 2016/17 recruitment was in line with planned control numbers for 2016/17. This was achieved whilst maintaining intake quality.

As shown above, undergraduate student applications and recruitment via UCAS remains buoyant despite the very challenging environment that universities are facing. LJMU continues to operate very effective widening participation and outreach activities which are identified in the Access Agreement recently approved by OFFA. The University is a partner in the Merseyside Collaborative Outreach Programme.

In total, 97 new programmes were approved for development in 2016/17 of which 30 were Postgraduate taught and 67 undergraduate.

The university continued to ensure that, wherever possible, programmes have Professional Statutory Regulatory Body accreditation. Of the 262 Key Information Set (KIS) course records 107 accreditations are recorded, including multiple accreditations on some programmes. There are 67 distinct KIS programmes with one or more accreditations representing 26% of KIS records.

The Academic Registry continues to ensure a coherent and consistent approach to quality assurance and enhancement across the University. The University has built upon its exceptional outcome in the Higher Education Review by the Quality Assurance Agency (QAA), by further reviewing key processes.

Following a review of the University's VLE (Blackboard) the University has taken the decision to implement a new VLE (Canvas). The new system will be operational for the 2017/18 academic year. The project will provide a significant enhancement of the digital offering to students.

The University continues to invest in the delivery of skills support. In 2016/17 all areas of skills support have been consolidated within the Library Service under the brand of skills@ljmu.

In 2016 LJMU recorded an increase in graduate prospects (72.4% of UK, Full-time, first degree students – increase of 4.7%), a further decrease in unemployment (4.64% for UK, full time, first degree students – decrease of 2.56%) and increase in further study and training (21.2% for UK, full-time, first degree graduates – an increase of 7.5%).

New Careers Zones located in areas of high student footfall contributed to a record 30,000 student interactions with the Careers Team.

During the year over 8,600 students completed the Bronze, Silver or Gold stages of the World of Work Skills Certificate. The certificate continues to be designed, developed and delivered collaboratively with many employer partners and a Student Advisory Group and is being continuously modified and improved following feedback.

With additional investment, the university organised another successful year of the LJMU "Career Accelerator" funded internships for unemployed graduates and Level 5 students. The student internships were focussed on supporting the Liverpool City Region economic priority sectors.

The Careers Team coordinated the development of LJMU degree apprenticeships by establishing and hosting the degree apprenticeship central team of professional service and academic staff. As a result, LJMU delivered all targets including to develop capacity and capability and number of new degree apprenticeship starts in the Faculty of Business and Faculty of Technology and Environment.

The University has been recognised for its achievements and was the recipient of the University of the Year award presented by Educate Northwest and sponsored by the Daily Telegraph. In addition the University has been shortlisted for the University of the Year award.

Research & Scholarship

The University has continued to keep abreast and inform changes to the UK research and innovation policy landscape during 2016/17. Institutionally, and through our mission group the University Alliance, we have fully engaged in discourse and consultation about the future direction and operation of UK Research & Innovation, the government's Industrial Strategy, Brexit and the next/second Research Excellence Framework (REF). Consequently, we are realigning and refreshing related internal strategies including a newly endorsed Research Strategy for the University and at the start of 2017, launched a new Knowledge Exchange Framework to aid the translation of our research into impact.

The vast majority of Quality-Related (QR) funding received by the University (based on REF2014 performance/outcomes) continues to be dispersed to faculties to support research facilities, researcher development initiatives and in funding postgraduate researcher (PGR) studentships. Likewise, centrally-held resources in Research & Innovation Services (RIS) and the Graduate School, have been competitively awarded to reward researchers delivering impact beyond academia (the LJMU Impact Awards), to support research collaborations with academics at esteemed universities worldwide (LJMU Collaborative Research Fellowships) and to enhance the PGR experience (PGR conference travel fund).

The broader researcher development provision delivered by RIS (the ACTivator programme, launched in 2015) and the skills and personal development training offered by the Graduate School, continue to evolve and diversify. Indeed, the provision of new online modules in 2017, reflects the needs and expectations of staff and students. Also in 2017, we were able to benchmark our progress through participation in national surveys (CROS, PIRLS and PRES) and undertake ground-work to enable RIS and LJMU's Leadership Development Foundation to work more closely together to support research leaders. These initiatives, and evidence of positive outcomes from prior years' activity, were instrumental in LJMU retaining its European Commission HR Excellence in Research Award following a four-year (external) review (December 2016).



Highlights

- At the end of July 2017 LJMU was managing a research grants portfolio of £55m.
- £10.8m in new research grant funding was awarded to LJMU in 2016-2017; an increase of 8% on the previous year.
Research Grant Income totalled £9.2m in 2016-2017
- Research Institutes and Centres remain central to the research environment of the University and in 2016 the Institute for Health Research was re-launched with a substantive leader, and a clear remit to work across structural boundaries
- Academic staff continue to submit substantive research grant bids to external organisations rising in 2016-2017 to an excess of 365 grants bids per annum a 26% increase on 2015-2016 totals. There has been a continued improvement in the guidance and support available to academic staff in preparing high quality bids and on the importance of peer review within the grants submission process.
- The number of research degrees awarded by the University in 2016-2017 was 99; a 16% increase on the number reported in 2015-2016. This total includes 87 PhDs which has risen by 13% from 77 in the previous year.
- Grants are awarded from a very wide range of sponsors. UK Research Council income (the most competitive source of research funding) accounts for 25% of our total research income in year. RCUK awards received in year include £570k for a 3 year project to research pulmonary delivery of a targeted mucosal nanocarrier vaccine for pneumonia from the MRC and a £344k grant from ESRC to support research on defining skin xenobiotic metabolism.
- Funding from European Union awards, including Horizon 2020, the EU Research and Innovation funding programme, was the single greatest source of research funding in 2016-17 and at £2.45m accounts for 27% of total research income. Awards in year include OActive a €4.89m Research Innovation Action led by EDEX from Cyprus. LJMU are one of 13 collaborators who will aim to make a significant leap forward adopting a multi-scale holistic approach to generate robust predictors for new personalised interventions for delaying onset and slowing down progression of Osteoarthritis.
- UK Government funds awarded in year total £2.3m and include £100k from Innovate UK to support research into the development of small peptide CGRP antagonists for migraine therapy and a £70k award from the Public Health Institute to deliver a Community Connector Evaluation.

- The Medical Research Council awarded LJMU £75k from their Proximity to Discovery fund to broaden collaboration and interaction with industry. An LJMU pump-priming scheme to support collaborative research projects and an Innovation Showcase event in collaboration with Bionow followed the announcement.
- LJMU signed an MoU with the University of Liverpool's Technology Directorate; enabling researchers from LJMU to access technologies, equipment and expertise managed as Shared Research Facilities (SRFs) by the Faculty of Health and Life Sciences Technology Directorate, such as the Centre for Cell Imaging, the Centre for Proteome Research and the Magnetic Resonance Imaging Centre.

Commercial Enterprise, Knowledge Exchange and Student Entrepreneurship

The University utilises income from the Higher Education Innovation Fund (HEIF) combined with core funds to ensure support for Commercial Enterprise, and Knowledge Exchange (KE) activity across the University. Following the establishment of the central support team; RIS, an integrated approach to these activities continues to support both external clients and stakeholders along with our own staff.

RIS continue to deliver key activities to support a successful KE strategy; these activities include bespoke training and events to upskill and engage academics in the KE agenda; aligned activities to use KE as a vehicle for Impact from Research and a proactive move of lab to real life in technology transfer strategy.

Student and graduate entrepreneurship is supported by the LJMU Centre for Entrepreneurship, which runs a suite of opt in startup training programmes for students and graduates. These included, in 2016/7: Startup Wednesdays (weekly seminars on startup topics) Startup for Summer (2 day bootcamps) and Idealab, a team based student accelerator programme run as a summer school. In order to ensure deal flow for the student enterprise provision, the Centre support academics through the Enterprise Educators Academe

Highlights

- LJMU is ranked 11th in the UK for the number of active Graduate Start Ups
- Attendees to free public lectures increased to over 15,000 putting LJMU 27th in the UK in this category.
- LJMU is ranked within the top 50 Universities in the UK for new patents filed.
- Analysis of the Higher Education Business and Community Interaction survey (HE-BCIS) for 2015-16 showed the total annual value of LJMU's interaction with business and the community was £9.5m.
- LJMU is ranked 49th in the UK for income from Regeneration and Development programmes
- During 2016/17 the university was managing 30 live commercialisation development projects including the Smart Meter project. Following a 3 month market validation exercise the project has attracted considerable interest and LJMU is now working on a small trial of devices with an NHS partner to monitor the behavioural activity of dementia patients. A grant submission to NIHR for a larger trial is being prepared and there are discussions underway with public and private sector organisations on applications of the devices for their clients.
- LJMU took part in two external Commercialisation calls – PreCURE and ICURE. PreCURE was a pilot scheme run by Sensor City Liverpool Ltd (Liverpool's UEZ) which utilised ICURE methodology, acting as a precursor screen for the main programme.

- LJMU has seen 100% success with the main ICURe programme – with 3 submissions, 1 accepted on to round 1 of the main programme (cohort 7) and 2 accepted on to the Cyber Security programme. Each submission has completed the full programme and will be seeking to submit to round 2 in 2017/18.
- The academic community continues to deliver Commercial enterprise and commercialisation practices, with all faculties delivering to these agendas. Engagement and collaboration with external partners covering all sectors and multiple industries.
- Key highlights include contract research around Laser Repair Technologies for the National Composites Centre. The school of Pharmacy and Biomolecular Sciences secured multiple research projects with International Industry Partners. Bespoke training programmes have been delivered across the Health, Education, Pharmaceutical, Maritime and Construction Industries to support the development of key skills and specialisms. Consultancy projects were delivered across a broad range of expertise within the University; from 3D Facial Analysis for government agencies and cultural bodies to our Sports Scientists delivering competitive advantage to household names in energy drinks and footwear to service evaluations for the charity sector our academics made an impact through Knowledge Exchange.
- LJMU had 4 live KTP projects running during 2016/17 and a further 2 under development.
- A KTP with Uplec, Electronic Design and Manufacture Telecommunications Specialists, was successfully transferred into LJMU from Glyndwr University; the first time a transfer of this kind has been secured. Through the KTP the partnership has developed with the company now having a base at Sensor City.
- A cross faculty KTP project within the School of the Built Environment and the Liverpool Screen School with Beverly Clifton Morris was shortlisted within the Business/Industry Collaboration category of the Educate North Awards 2017.
- The Centre for Entrepreneurship hosted the high profile International Enterprise Educators Conference with over 250 delegates in attendance. The team also attended a number of high profile international events including; delivering a keynote speech at the Entrepreneurship Eco System Conference in Shenzhen, the 2nd, speaking at the 2nd UK-China Enterprise and Innovation Summit in Beijing and were awarded the Certificate of Merit for IdeaLab in the Youth Incubator Awards at the ICIE conference in Malaysia.
- New developments in year for the Centre included the development with Rice University, Texas of a student leadership and cultural exchange programme.
- 2016-2017 brought multiple awards to the Centre including the USASBE Outstanding Programme Overseas. The team secured UK BEIS Enterprising Britain Award – Building Enterprise Skills (UK National winner) and Investing in Entrepreneurial Skills (European winner) at the European Enterprise Promotion Awards. The Centre were finalists in the Lloyds Bank National Business Awards and have been nominated for a THELMA Technology Transfer category for IdeaLab. B-Micro represented LJMU in the Duke of York New Entrepreneur of the Year awards.

Resources

Property & Capital Development

The primary link between the overall Property & Capital Development Strategy and the University's overarching Strategic Plan, is in the creation of a University whose estate and infrastructure are exemplars of a modern city-based campus. In creating this, the University will enhance the student, staff and research experience, further support

social and economic engagement and relentlessly pursue excellence.

In addition, the University's Property & Capital Development Strategy will assist in delivering the University's long term strategic objectives, as interpreted in a number of important themes. The University's Property and Capital Development Strategy will address these themes specifically by identifying and responding to the following issues:

- The Student Experience: in both learning and social perspectives and consequently adequate space will be provided for each.
- Flexibility: There is a requirement for the University to respond flexibly and quickly to changes in the competitive environment, so that the right type of space is made available when required. To ensure that the University estate is sufficiently flexible to adjust to changing circumstances and can respond to external initiatives.
- ICT Infrastructure: Digital technology will continue to affect teaching, learning and research and the spaces in which these take place.
- Operational Delivery: There will be a need to implement effective and efficient business operations and where and how these should take place will influence the University's Property and Capital Development Strategy.
- Environmental Sustainability: To guarantee that the University's 2020 carbon reduction targets are achieved and in the interests of sustainability, all new buildings and business practices will meet rigorous criteria regarding energy usage, carbon emissions and reduction of car usage.
- Regional Growth: To develop facilities that will maximise the University's potential and will contribute to the regional economy of Liverpool.
- Physical Environment: To create a sense of place within the city and through the medium of architecture and urban design reflect the University's academic ethos.
- Health, Safety and Wellbeing: To ensure that the University estate meets all Health & Safety, statutory, regulatory and HEFCE requirements.
- Long Term Maintenance: To ensure that the University's property portfolio is correctly maintained to an appropriate and agreed standard.
- Fit for Purpose: To ensure that the University estate is appropriate to deliver first class research, teaching and learning, academic, service and social needs.
- Capital Development: To provide a basis for capital planning and to identify priorities for property investments.
- Delivery Programme: To develop robust programme management systems to ensure that all development programmes are delivered to agreed time, cost and quality targets.

The University's ambition over the next five years is to continue to invest £180 million in the creation of a Connected University Campus that combines ongoing investment in bricks and mortar with the delivery of high quality, innovative, cutting edge buildings that offer transformational learning, teaching, research and civic opportunities for the entire University.

The key projects within the Capital Development Strategy include:

- The redevelopment of the Copperas Hill site as an environment that all students and staff will want to identify and connect to as a heart of the University campus. With a location next to Liverpool Lime Street Station, this presents a unique opportunity

for the University to make a bold statement to staff, students, stakeholders and the public that LJMU is a place for excellence, transformation, innovation, partnership, leadership and community.

- A sustainable refurbishment programme that will ensure the entire University's entire property portfolio is fit for purpose, efficient and flexible.
- The development of a connected city centre university campus that co-locates all University buildings into an integrated centre of knowledge and learning.

Over the past twelve months the University has undertaken a substantial amount of capital investment in its property portfolio and has made excellent progress in delivering enhanced learning, teaching and research spaces. The following progress has been made over the past twelve months;

- New Student zones in Redmonds Building, John Lennon Art & design Building, John Foster Building, IM Marsh, Byrom Street and Tithebarn Street. These areas were designed in consultation with students to create spaces for them to relax in to encourage them to stay on campus between lectures/tutorials.
- Refurbishment of Lecture theatre 506 in Byrom Street to trial a new collaborative seating layout to facilitate modern teaching methods.
- Development of a new drama theatre in the old upper gym at John Foster Campus, along with accommodating drama staff and rehearsal space within the Modular building.
- Increased security across campus by the introduction of more access control, improved CCTV systems and security guard patrols.
- A new student advice and wellbeing counselling facility in the Aquinas Building.
- Creation of new PGR study rooms in John Foster Building, Redmonds Building and Byrom Street.
- Repurposing of underutilised teaching rooms into staff offices to address demand created by INSPIRE recruitments.
- Refurbishment of IT suites in John Foster Building
- Creation of a new management suite for the Faculty; Liverpool Business School in Redmonds Building.
- Refurbishment of Geology Laboratories at Byrom Street
- Reconfiguration of IT suites at IM Marsh to improve IT facilities and also free up space to create additional student social space.
- Toilet refurbishments in James Parsons Building, Tithebarn Street and IM Marsh.
- Lift car, Fire alarm panels and fire escape refuge alarm replacements in Libraries.
- New Boilers to Part of Byrom Street
- Replacement generator for Max Perutz Building
- Enhancement of the IT fibre optic network across the city with new duct and cables installed between the JMU Tower and Byrom Street.
- Started the construction of the Data Centre relocation site at Byrom Street
- Upgraded water supply to laboratories in Byrom Street to Cat 5 compliance.

- Fire compartmentation upgrade works to Byrom Street
- Dry rot repairs to Egerton Court
- Replacement of general lighting to LED to 6th & 7th floors of Byrom Street Phase2.

These works were in addition to the annual redecoration programme and planned maintenance works that were undertaken across the estate.

The above works have been completed with an approximate value of £6.3m.

A key strategic principle of the University's Property and Capital Development Strategy is the consolidation of activities into key zones. Within the University's current Estate Development Strategy, we have relocated the Professional Service Teams from Kingsway House and JMU Tower into the Exchange Station building. Situated in the heart of The City's Central Business District, Exchange Station provides the University with an exciting 48,000 sq. ft. office space. The central core of the former Victorian railway station has been completely transformed to incorporate a stunning concourse and newly refurbished office suites with all of the technology, security, sustainability and design requirements for businesses.

Following the remodelling of the space for the University, 440 staff have been relocated into the Exchange Station building, allowing the University to terminate the leasehold interest on both Kingsway House and JMU Tower Building. The move to Exchange Station has substantial benefits for the University and will provide significant enhancements to working practices, image and branding. (-27%) by 2020. The projected reduction reflects current and scheduled increase in availability of zero/low carbon generation and the programmed closure of coal fired power stations.

Sustainable Development and Environmental Responsibility 2017-2022

Sustainable Development and Environmental Responsibility are about much more than meeting compliance drivers. The University will continue to play a positive, leading role across the Liverpool City Region and beyond.

Sustainable development

The University's Sustainable Development agenda is incorporated in its Environment and Sustainability Policy, the key aims and objectives of which are to:

- Review the environmental aspects and impacts of its proposed refurbishment and development activities
- Aspire to fully implement use of SKA rating 'Good practice Measures for Higher Education' to inform design and delivery of refurbishment projects and to achieve a minimum 'Excellent' BREEAM rating for all, new buildings*
- Improve the quality of campus life and the wellbeing of the University's student body, staff and visitors
- Sustainably operate and maintain its estate, provide a high quality teaching and learning environment and to identify operational cost improvement opportunities for reinvestment to the benefit of all its stakeholders

*BREEAM: Building Research Establishment Energy Assessment Model containing tools for assessing the environmental impact of whole buildings
SKA rating: Royal Institute of Chartered Surveyors model for assessing refurbishment/fit-out projects against a set of sustainability good practice criteria

- Encourage collaboration and co-operation across the University, between its staff and students; and between Faculties, Schools, Divisions and Departments in order to promote sustainable development and the observance of environmental responsibility
- Recommend, develop, implement, monitor and review Sustainable Development and Environmental Management Policy, supporting Codes of Practice and actions to create a University which is proficient in its administration and observance of environmental issues and optimises its performance for the benefit of students, staff and the community.

Environmental responsibility

Environmental responsibility is at the core of the institution's vision to be a modern civic university delivering solutions to the challenges of the 21st Century.

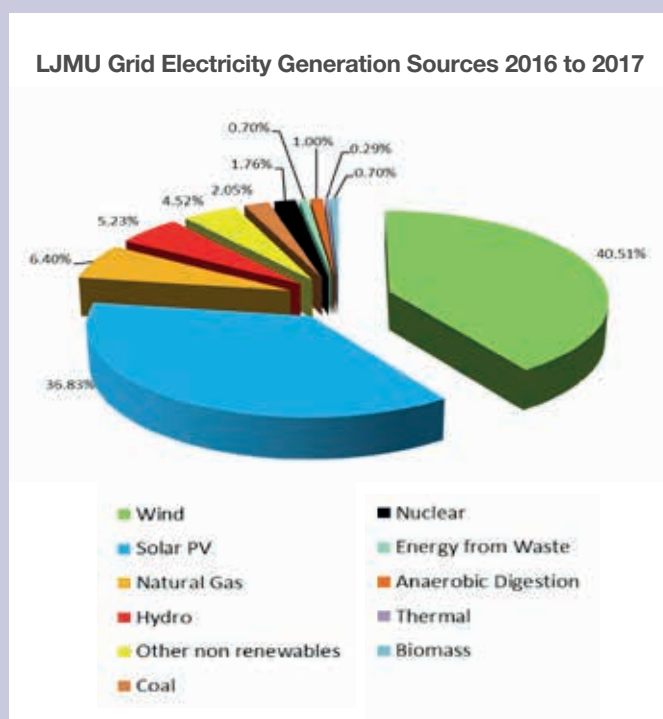
The aims and objectives of the University's environmental responsibility agenda are to:

- Regularly review activities to ensure that the institutional Environmental Aspects and Impacts register remains accurate and contemporaneous
- Develop and maintain a University Environmental Legal Register identifying environmental legislation applicable to institutional activities and arrangements for ensuring compliance with the same
- Provide reassurance that the University complies with applicable statutory environmental obligations and strives to observe and embrace environmental best practice in all its activities. Estate Management are currently undertaking a comprehensive consultation to refresh understanding of prevailing environmental management arrangements across the University. An interim update was presented to the Environment and Sustainability Panel in July 2017 and is due to be concluded by December 2017
- Recommend, develop, implement, monitor and review LJMU's Environmental Management Policy, supporting Codes of Practice and actions to create a University which is proficient in its administration and observance of environmental issues
- To pro-actively manage and reduce the impact of institutional activities on the environment
- Regularly consult with stakeholders to jointly review the environmental aspects and impacts of institutional activities
- Maintain, continually improve and promote awareness of environmental standards and requirements across the University
- Improve the quality of campus life and the wellbeing of the University's student body, staff and visitors
- Encourage collaboration and co-operation across the University, between its staff and students; and between Faculties, Schools, Divisions and Departments in order to promote environmental responsibility.

Sustainability initiatives

The key sustainability initiative implemented in 2016/17 was the decision to change LJMU's grid-supplied electricity from a conventional fuel mix to a Carbon Trust certified 100% naturally renewable product. LJMU will shortly be issued with Energy Labelling certificates evidencing its commitment to sourcing products that sustainably support business delivery by its grid electricity supply chain partner, Smartest Energy Ltd. The 100% natural renewable supply agreement came into effect on 1st February 2017 resulting in 50% of LJMU's 2016/17 overall electricity needs being supplied from zero carbon

generation sources. The pie chart below shows the breakdown of generation sources used to provide LJMU's grid supplied electricity during 2016/17.



2020 Carbon vision and target

Carbon management is a key component of LJMU's response to the sustainable development and environmental challenges of the 21st Century.

LJMU's 2015 – 2020 Carbon Management Plan (CMP) aligns with HEFCE's 2020 sector carbon reduction target of -43% of 2005/06 academic year emissions arising from the direct combustion of fossil fuels and consumption of grid supplied electricity to heat and power buildings and fuels used in University vehicles. The University is currently ahead of its Carbon Management Plan emissions target with provisional 2016/17 CMP calculated emissions of 9,460tCO₂ and may achieve its 2020 goal of 8,588tCO₂ in the 2017/18 academic year through a combination of further reductions in grid-supplied electricity carbon intensity and planned abatement measures. The suitability and sufficiency of the Plan is reviewed annually by the Environment and Sustainability Panel to ensure that institutional progress is maintained in so far as is practicable. This year's review will also consider the implications of the recently announced 2017/22 University Strategic Plan and its 2017/22 Estate Capital Investment Plan to ensure that future capital investment initiatives incorporate carbon emission mitigation measures that, as a minimum, ensure that progress towards LJMU's 2020 target is not compromised.

The University's new engineering services maintenance provider Graham FM, will work in partnership with Estate Management to identify and realise further operational abatement opportunities through reactive and planned maintenance activities. The partnership will jointly assess the prevailing condition of all LJMU engineering services plant and provide a 5 year forward maintenance programme that will be reviewed annually and used to inform selection of the most efficient replacement plant and equipment.

2016/17 Carbon abatement opportunities

LJMU's Carbon Management Plan identified several carbon abatement opportunities. Given the scope and extent of refurbishment projects undertaken during 2016/17, a decision was made to focus resources on delivering two of the key abatement initiatives

■ Changes to the times of operation of computers

IT Services implemented changes to hibernation schedules for both student and staff managed computers. The changes reduce the number of operational hours a PC runs in normal mode.

LJMU currently has approximately 5,500 PCs for students and staff. The potential reductions per hour are in the order of 330kWh less electricity consumed and therefore 125kgCO₂ less emitted to the environment

■ LED lighting upgrade scheme

A decision was made at the Carbon Management Delivery Group to invest £240,000 on the first phase of a project to replace all fluorescent lighting with high efficiency LED lighting and controls at the Byrom Street Campus.

The projected benefits delivered by the LED replacement project to the teaching, learning office and circulations spaces at the Byrom Street campus are a 66% increase in lamp life and a 75% reduction in lighting electricity consumption.

Carbon Reduction Performance Assessment

The University's 2015/16 carbon reduction performance was independently appraised by Brite Green Ltd (sustainability consultancy) as part of an annual assessment of all UK HEI's sustainability performance, utilising published HESA Estate Management Return (EMR) data. Their report was published on 29th September 2017 and ranks LJMU in the top 10 (8th) of 125 HEIs with regard to delivering the greatest year on year percentage change in emissions intensity by m² of its estate since 2008/09.

Carbon Reduction Commitment (CRC) Energy Efficiency Scheme performance

LJMU continues to demonstrate reductions in reportable emissions, with independently audited and certified 2016/17 emissions of 9,860tCO₂, 7% below 2015/16 levels. LJMU's CRC emissions have reduced by over 21.8 % since the inception of the scheme in 2010 and provides further reassurance on the progress LJMU has made in reducing its emissions.

I.T. Developments

Customer Support

- Deployed a new, modern helpdesk system introducing a fully functional self-service portal for both staff and students.
- Modified internal support processes to ensure they follow industry-standard ITIL best practice to deliver a consistently high quality service.
- Created a Service Catalogue advertising the technology services on offer to the wider university.
- Replaced over 600 student access PCs across the university.
- Deployed 160 new powerful PCs throughout the Byrom Street Campus.
- Responded to over 15,000 support requests maintaining over 99% satisfaction with the service provided.

Network & Infrastructure

- Installed a new resilient network into Exchange Station facilitating the relocation of over 450 staff.
- Procured a new telephone system and carried out the first phase of the installation deploying over 400 new handsets throughout Exchange Station.
- Installed new network links between JMU Tower to the Byrom Street Campus and reconfigured the core network in preparation for the relocation of the university's main data centre.
- Expanded the Wi-Fi coverage by installing an additional 250 access points utilising the latest wireless technologies.
- Introduced guest-Wi-Fi to support events such as Open Days, Conferences and none Academic visitors
- Completed tendering exercises for the supply of new PCs and core server infrastructure equipment ensuring the university derives the benefits available from partnering with industry leading suppliers.

Business Support

- Supported the moves to the new Canvas VLE and the replacement Library Management System enabling users to seamlessly logon to the externally hosted system with their university credentials.
- Utilised the latest data analytics technologies to produce dynamic Business Information reports to better inform decision making.
- Advanced a complex procurement to select a Research and Project Grants system
- Conducted a pilot around workforce allocation with Academic Staff based on a total hours model
- Continued to develop and support the electronic release of results to students
- Developed interfaces into a 3rd party solution to support EHC's adoption of a new placement management solution for Allied Health
- Created an automated system for the post approval process, replacing a manual, paper-based system with an integrated workflow
- Created an automatic interface between Syllabus Plus and Student Information System and a prototype Personal Timetable application.

Sports Facilities

- An agreement with Liverpool City Council's Sports and Leisure Division continues to provide the following facilities to students and staff:
- The provision of general access to a range of sports and leisure facilities across the Life Style venues.
- To enable the Liverpool Students Union to provide facilities for its club and societies, presently provided either at IM Marsh or purchased from private providers.

Governance and Risk

- The University's governance practices are consistent with the Higher Education Code of Governance by the Committee of University Chairs (CUC), published in December 2014.
- The University remains strongly committed to adopting best practice in terms of Governance and Management.
- Risk management is incorporated into the corporate planning and decision making process of the Institution. The Risk Management Policy contains a definition of the Institution's risk appetite, reflecting informal advice from the University's internal auditors and members of the Board with specific expertise in this area.

Modern Slavery

Modern slavery is a crime and a violation of fundamental human rights. It takes various forms, such as slavery, servitude, forced and compulsory labour and human trafficking, all of which have in

common the deprivation of a person's liberty by another in order to exploit them for personal or commercial gain.

Liverpool John Moores University is committed to improving its practices to combat slavery and human trafficking. As part of the annual statement, LJMU expresses its commitment to better understanding its supply chains and working towards greater transparency and responsibility towards people working on them. LJMU has worked with its suppliers in the product supply chains to encourage more of them to commit to the highest standards of business in dealing with Modern Slavery.

The first University Statement was published on the University website and will be updated on an annual basis. The next statement will be made pursuant to section 54(1) of the Modern Slavery Act 2015 and constitutes Liverpool John Moores University and its group companies slavery and human trafficking statement for the financial year ending July 2017.



Results for the Year

FINANCIAL HEADLINES

- Group Surplus for the year £7.558m
- Income increase of 1.8% to £208.6m
- Capital expenditure £8.7m
- Expenditure increase of 11.4% to £206.5m

The 2016/17 year is the second year of reporting under the Financial Reporting Standards 102 (FRS102). This resulted last year in changes in the manner in which we must account for income and expenditure as well as the disclosure of our assets and liabilities including pension liabilities.

Income and Expenditure Account

As a result of the continuing strategic approach to the finances of the University 2016/17 has given rise to a surplus of £7.558m for the year. No assets were sold during the year.

Total Income increased by 1.8% to £208.6m. The main change is a result of increase tuition fee related income from increase student numbers.

Expenditure increased by 11.4% with significant improvements in particular for improving the students experience including estate related works whilst also incurring pay increases.

Balance Sheet

The Balance Sheet has maintained its strength after excluding the impact of the changes in the reporting requirements for Pensions.

Fixed Assets have decreased by £10.5m. The decrease is as a result of the changes relating to the development at the old Royal Mail building site. The demolition of the old building has enabled the preparation for the development to progress. Student social zones have been developed and enhanced over the summer period.

Investments, Cash and Cash Equivalents have increased by £8.7m during the year, as part of the preparations for the future University wide Estate Masterplan.

This will help the University deliver the improvement and developments across the whole university.

The University's consolidated Income, Expenditure and Results for the year to 31 July 2017 are summarised as follows:

	2016/17 £m	2015/16 £m
Income	208.6	204.9
Expenditure	206.5	185.3
Surplus after depreciation of assets at valuation and before tax	2.1	19.6
(Loss)/Gain on disposal of fixed assets	(0)	(0.2)
Share of operating (deficit)/gain in joint venture	5.53	(0.1)
Surplus/(Deficit) before tax	7.609	19.3
Taxation	(0.1)	(0.1)
Surplus/(deficit) for the year	7.558	19.2
Actuarial (loss)/gain in respect of pension schemes	11.9	(37.6)
Total comprehensive income for the year	19.87	(18.4)



Future

The principal risks and uncertainties being faced by LJMU relate to the changing political and economic climate, the ramifications of the fee regime and the ever changing needs of students. These can impact future student recruitment as well as the LJMU's ability to deliver the planned improvements for student experience and Estate development. LJMU needs to ensure that investment opportunities are created. LJMU continues to work to rise to the challenges of these risks and uncertainties. LJMU has continued to be seen as an appealing and exciting place to study; exceeding its targeted student numbers for 2017/18 whilst enhancing retention rates.

The Institution will need to continue to work hard to ensure that the continued level of success for its students is delivered in 2017/18 and onwards. This will be achieved by the successful implementation of the 2017-22 Strategic Framework. This clearly sets out our ambitions for the coming years.

Conclusion

2016/17 has been a successful year for LJMU. Continued significant investment for the enhancement of the student experience through the staffing establishment and infrastructure has enabled continued improvements in academic delivery.

This, coupled with the successful implementation of the 2012-17 Strategic Framework and the on-going delivery of the 2017-22 Strategic Framework places LJMU in a strong position to manage the challenges and difficulties currently facing Universities in the light of the changing financial climate ahead.

Mr Rod Hill BA, FCMA, IPFA
Chairman

Public Benefit Statement 2015/16

1. Public Benefit

1.1 The University is an exempt charity and as such is required to undertake activities in accordance with the charitable purpose of the advancement of education for the public benefit. The Board of Governors, as the charity trustees of the University, confirm that they have complied with the duty in section 17 of the Charities Act 2011, to have due regard to the public benefit guidance published by the Charity Commission for England and Wales, and 'Annex E: Exempt Charities', within the updated version of the Memorandum of Assurance and Accountability between HEFCE and Institutions (2017/08). The Board of Governors has also received the new 'Essential Guide for Trustees' published by the Charity Commission in July 2015.

1.2 The University achieves its charitable purposes through its vision "to be a pioneering modern civic University, delivering solutions to the challenges of the 21st century". The University's mission is to create and sustain a vibrant community for learning and knowledge where staff and students work together in an active and supportive partnership, providing opportunities to enrich our students, partners and wider society through education, training, research, scholarship and knowledge transfer. Liverpool John Moores University is an ambitious and forward thinking Institution that challenges convention and believes passionately in the concept of 'One University' – a community working together to common student-centred objectives within a clear strategy.

1.3 Public benefit is embedded in the University's Strategy 2017-2022 through its aims to be:

- A University known for an outstanding student experience, which expands the horizons of students and offers rich opportunities for them to develop their confidence, skills and character.
- A University known for excellence in education, with contemporary curricula and innovative models of delivery that embed the knowledge and skills our students need.
- A University known for impactful research and scholarship that address the challenges of our day, and
- A University known for its civic and global engagement that builds and deepens its connections within the City and across the globe – where these enrich the lives of our students, of the City, and the broader communities of which we are privileged to be a part.

2. Specific information is provided below about how the University delivers public benefit in all its activities:

2.1 Student Access and Equal Opportunities

2.1.1. For over 180 years, LJMU has remained true to its original mission of creating and supporting opportunities for participation in quality higher education by under-represented groups and is proud of its tradition. The University's longstanding and successful track record of widening participation is evidenced by its performance against Higher Education Statistical Agency (HESA) widening participation indicators. 98% of LJMU's UK domiciled young students are from state schools (UK average 89.9%); 19% from lower participation neighbourhoods (UK average 11.3%) and the percentage of mature students with no previous higher education experience and from lower participation neighbourhoods is 21.6% (UK average 12.3%). 6.9% of LJMU's UK full-time first degree students are in receipt of the Disabled Students' Allowance which is now in line with the UK average and 11% of full-time, first degree home students are from a BME background.

2.1.2 As identified above, LJMU has a high proportion of under-represented students as evidenced by a variety of measurements and indicators of access performance. The University is above all the HESA performance benchmarks for attracting students from

widening participation backgrounds (including location adjusted benchmarks). Its success in this area is also reflected in the number of students from lower-socio economic backgrounds.

2.1.3 The University has committed to spend in excess of 20% of its fee income above the basic rate on access measures in 2017-18. This includes outreach activity, investment in retention strategies and initiatives that improve the employability and success of LJMU graduates.

2.1.4 The University remains committed to ensuring that all students that are able to participate in higher education can do so regardless of their financial circumstances and provides a holistic approach to financial support. The following support is offered:

- Progression Bursary of £500 per annum for eligible full-time home students with a household income of £25,000 or less to support retention.
- Fee waiver of £1550 for full-time home and EU students taking the Foundation Year of a four year STEM programme.
- John Lennon Imagine Award - a minimum bursary of £1,000 per year to help care leavers and estranged students with their living costs.
- Young Adult Carers Bursary - £500 per year to help with their living costs
- Anthony Walker Bursary – through its work with the Crown Prosecution Service and the Anthony Walker Foundation LJMU will offer a £500 per year cash bursary to two BME students who study law or law and criminal justice at the University in 2017. There are also mentoring and volunteering opportunities for the successful recipients.
- Student Support Fund – the University will allocated £750,000 in 2017-18 to a student support fund. This fund is directed at students who are most in need in order to aid their retention and progression. The fund is closely monitored and reviewed where necessary.

2.1.5 The University has made steady progress with its BME activities, exceeding its targets and improving recruitment of "home" students from BME backgrounds.

2.2 Employability

2.2.1 Students who attend the University benefit directly from the quality of the education they receive. The University's 'World of Work Programme' aims to ensure that every student is equipped with the skills they need to stand out from the crowd and to successfully engage in the world of work, either because they possess skills which are highly valued by employers or because they are well equipped to set themselves up in their own business. In 2016/17 Careers Zones in locations across the University enjoyed high student footfall providing career support services where and when students require it. The Careers Team conducted 32,060 student interactions and the following number of students completed three statements that constitute the World of Work Skills Certificate – Self Awareness (5,450); Organisational Awareness (2,004); and Making Things Happen (657). In doing so each student reflected and provided evidence of these essential employability attributes.

2.2.2 The Careers Team is accredited against the Department for Business, Innovation and Skills EMQC Matrix Quality Standards. It offers a range of services designed to support students and graduates in their job hunting and these services are available to the University's alumni for life. We saw the leaving class of 2016 secure the highest percentage of graduates for seven years





securing managerial and professional employment, the highest percentage securing postgraduate study and seven successive years of decreasing unemployment. In 2016/17 new initiatives developed by the Centre included: (1) Customised School Career Plans agreed between the Careers Team and academic Schools; (2) The establishment of Employability Champions for each academic programme; (3) School-focussed Career Planning Guides made available as hard and digital resources; and (4) The development of online 'Careers 27/7' resources.

2.2.3 In addition to administering 250 LJMU funded internships for students and graduates, the Centre arranged for 919 representatives from 764 organisations to interact with the students by being a visiting speaker, attending a Careers Zone, providing live projects or meeting with staff. The Centre received the Times Higher Award for Outstanding Employer Engagement in 2016.

2.2.4 The Centre has also provided training and consultancy services for universities in Jordan, Egypt, Morocco, Tunisia and the USA. The Director of Graduate Advancement continues to provide public benefit as a member of the Liverpool Manufacturing Futures Group; the North West Business Leadership Team; as an Adviser to the Liverpool City Council Select Committee on Employment, Skills and Enterprise; as a member of the Board of Directors of the Association of Graduate Careers Advisory Services, and in actively facilitating active partnerships with the Chambers of Commerce; the Institute of Directors; the Federation of Small Businesses; the local Civil Service; and the CBI.

2.2.6 The Centre for Entrepreneurship supports LJMU students and recent LJMU graduates to start up in business or become self-employed. The Centre offers a range of services; in-curricular support to modules and programmes that focus on business start-up, extracurricular workshops on a range of start-up topics and intensive boot camp training programmes, all alongside confidential one to one advice and mentoring. Complementing these activities are a dedicated peer to peer network that has over 1200 members and a range of financial support for entrepreneurs. Strategically, the Centre seeks to champion entrepreneurship as a career option and highlighting the benefits of enterprising pedagogies in the classroom.

2.2.7 For the past ten years students from the Sport Development with Physical Education programme in the School of Sports Studies, Leisure and Nutrition have been involved with the Namibia based International Development through Excellence and Leadership in Sport (IDEALS) programme. This aims to establish a high quality, progressive and coordinated sports leadership development exchange programme for young people aged 20-30 between the UK and partner countries. The aim is to increase the employability of UK students and their international counterparts through a peer to peer sport-based programme that develops their sport, leadership and life skills.

2.3 Research and Knowledge Transfer

2.3.1 Publication of research outcomes is a standard condition of research funding agreements; this leads to enhanced public knowledge and is a vital part of the way that research creates societal impact. Impact is at the forefront of the University's research activities and the benefits arising from our research extend far beyond our academic peers. Indeed, the outcomes of the Research Excellence Framework 2014 verified the outstanding and very considerable reach and significance of our impact on wider society (three-quarters of impact judged to be 4* and 3*). From working directly with industry and commerce, public and third sector organisations, to engaging with members of the public, the University's researchers are helping to inform public debate, policy, shape new laws, transform lives and enhance the environment.

2.3.2 LJMU's research is carried out in a wide variety of subject areas that span all areas of the University, including the arts and humanities,

science, engineering and medicine. In each case, the research has the aim of increasing our knowledge of the subject under study and of enhancing society by means of influencing local or national government policies or by generating wealth and well-being via partnership with industry or healthcare services. The impact of our research is varied and includes the work of our Astrophysics Research Institute in supporting the National Schools' Observatory, which supports over 8,000 UK and Irish teachers and students by making our Liverpool Telescope available to stimulate the scientific aspirations of school children [see also 2.5.6-2.5.8 below]. Our Research Institute for Sport and Exercise Sciences (RISES) carried out wide-ranging activities that include promoting physical activity to improve the health of children and work with elite football clubs and national sport governing bodies and associations that lead the way in analysis of match performance and player preparation/recovery.[see also 2.3.5; 2.5.9-2.5.11 below]

2.3.3 In the recent Research Excellence Framework assessment, 96% of our research was judged to be internationally recognised in terms of originality, significance and rigour, with 67% world-leading or internationally excellent. Our teaching is informed by our high-quality research activities, ensuring that our programmes of study are stimulating for the students and their content is informed by the latest cutting-edge research.

2.3.4 The University's research is truly global, building on opportunities for collaboration with some of the best minds, organisations and facilities from across the globe (especially throughout Europe, North America and Asia); with more than half the University's published research co-authored internationally. This global presence leads to a stimulating and contemporary student learning experience. A thriving research base helps the University to engage globally, and embrace internationalisation to the benefit of its students, staff and partners.

2.3.5 LJMU's School of Sport and Exercise Sciences continues to be at the forefront of development and innovation in sport and exercise sciences and is recognised as a world-leading department. The School continues to align to the continual development of an innovative, research-led and applied curriculum. The School is committed to encouraging students and staff to challenge the status quo and subsequently seek to make a difference to professional practice, performance and the wider society. The School was named as one of the top departments in the world in the new Academic Ranking of World Universities (ARWU) for the Sports Sciences subject area that has been compiled for the first time in 2016 through ShanghaiRankings, the official publisher of the ARWU, and announced at the beginning of December 2016. The School was ranked sixth best department in the world highlighting its global research influence. These results also showed the School ranked as the second best department in the UK and the third best in Europe. The Research Institute is a world-class environment at the cutting-edge of developments in this field through research in biomechanics, cardiovascular health, exercise metabolism, brain and behaviour, physical activity, and sport psychology. The Institute operates across a range of domains that include cellular, molecular and medical aspects, through to an understanding of more behavioural personal and humanistic existence; from early years through to later years and from health through to performance environments. In all these domains the School is committed to making a difference by enhancing the lives of others.

2.3.6 Face Lab is a research group based in the School of Art and Design and is part of ART LABS, an LJMU research centre. Face Lab completes craniofacial identification and forensic art research as well as forensic and archaeological consultancy work for organisations such as the police, national and international museums and international forensic institutes. International Police Forces and forensic scientists use the facility to help identify dead bodies

or living people based on witness accounts or facial images. Face Lab also analyses skeletal remains or preserved bodies alongside historical evidence for archaeological organisations to depict faces from the past. Face Lab has an active public engagement profile and contributes to international policy, cultural enrichment and heritage conservation.

2.3.7 Research conducted at the highly specialised Face Lab relates to CCTV identification, post-mortem decomposition, ancestry determination, craniofacial reconstruction, preserved bodies and facial animation. It is equipped with the latest technology including laser scanning and 3D-printing as well as modelling, texturing, animation and haptic reconstruction software.

2.3.8 The Liverpool Screen School have been successful in a bid to JISC and Globelynx to become a Broadcast Hub. JISC's aim is to strengthen relationships between research and education institutions, and broadcasting networks, by supporting the creation of three "broadcasting hubs" in the UK. Broadcast hubs are sites that host equipment that enables them to connect to news broadcasters across the globe. Hubs are then able to film and stream an expert into a live broadcast. As one of the successful bidders, Liverpool Screen School have been awarded funding to assist the procurement of equipment (camera, lighting, etc.) necessary for an HD broadcast and streaming. This equipment will enable the University to connect to all national and international broadcasters and news networks, including BBC, Sky, ITN, CNBC, Bloomberg and Al Jazeera.

2.3.9 The Liverpool Business School has previously undertaken research for Public Services Management and has worked with organisations such as MerseyCare, Age Concern, Liverpool and Knowsley Councils, Merseyside housing associations, the UK Department of Health, and with international groups. This work is now expanding to include private sector developments encompassing areas such as project management, insider research, on-line marketing, finance and investment management, as well as digital business. To support economic development and growth there is a particular focus on scale-up support and the development of a skilled workforce through the degree apprenticeship scheme.

2.3.10 The University's Public Health Institute's primary aim is to successfully impact on the health and wellbeing of communities, inequalities, and global public health challenges across the life course. The Institute delivers intelligence and evidence to inform public health policy and practice in a wide variety of areas. Combines with this is an increasing portfolio of both undergraduate and postgraduate programmes in environmental health, public health, and addictions serving the current and future public health workforce from the City Region, nationally and internationally.

2.3.11 The Public Health Institute contributes to health-related policy nationally and internationally. The Institute offers expertise in a range of methodologies including evidence synthesis and systematic review, social value research, quantitative analysis and epidemiology, intelligence and surveillance and participatory research methods. The Institute draws from a wide range of visiting lecturers and professors from diverse backgrounds, representing the scope of public health. The Public Health Institute's areas of specialism include: drugs, alcohol, violence, communities and social engagement and young people.

2.3.12 The Institute continues to contribute to the development of National Drug Strategies and a number of national and international guidance documents. Systematic reviews of evidence for the effectiveness of drug prevention interventions, and optimal provision of needle and syringe exchange programmes underpinned National Institute for Health and Clinical Excellence (NICE) guidance in these areas. The Public Health Institute also coordinates the UK arm of the European Monitoring Centre for Drugs and Drug Addiction's

(EMCDDA) early warning system on psychoactive drugs and this intelligence also feeds into UK monitoring systems.

2.4 Economic Engagement and Collaborative Partnerships



2.4.1 The University accesses various external sources of funding to support projects which address the Social and Economic Engagement strand of the University's strategic plan. External funding is sought from a wide range of UK and European sources, including European Regional Development Fund (ERDF), European Social Fund (ESF), Research and Technological Development (RTD) programmes as well as various government initiatives:

- LCR Activate, a transformational £5m ERDF project was secured in the year. Led by LJMU, in partnership with FACT (Foundation for Art and Creative Technology) and the LCR Local Enterprise Partnership, LCR Activate will put Liverpool City Region's digital and creative industries (DCI) sector at the forefront of innovation in emerging digital technologies.
- LCR Activate will drive innovation and help accelerate growth in the Liverpool City Region's digital and creative sector via the application of cognitive computing, big data/high performance computing, merging data and cloud technologies. It will help SMEs adopt new technologies and apply these to product development.
- The project will increase the number of enterprises receiving support and co-operating with research institutions (LJMU) and deliver additional employment in higher value industries.

2.4.2 In 2012-13 the University began to put in place a set of corporate partnerships with some of the major arts & cultural organisations within the city-region. Given the University's city-centre location and civic ethos, the University has begun to establish strong formal links to the world-class cultural and arts establishments within the City with the primary driver of putting these relationships in place to improve the student experience – providing opportunities for LJMU students to access for free, or at discounted rates, the premier cultural establishments within the city. Additional benefits accrue, including opportunities for academic collaboration and co-creation of exhibitions and performances, as well as corporate benefits such as reputational enhancement through joint events and co-branding. The primary focus is on enhancing the student experience, and we are now promoting a series of 'exclusive offers' for LJMU students to enjoy a range of offers and discounts at cultural events across the city. Four head-line partnerships are now in place with The Royal Liverpool Philharmonic Orchestra (RLPO); The Everyman & Playhouse; The Royal Court Theatre; and Tate Liverpool. In addition the University has sponsored a number of cultural events or arts organisations, notably: Light Night; Homotopia; The Biennial; John Moores Painting Prize; and Dot-Art.

2.4.3 The School of Sport, Leisure and Nutrition continues to translate and apply its research through its public engagement, partnerships and collaborations. Key areas of activity over the last year have included work with Sports Coach UK, England Netball, Youth Sports Trust, British Cycling, Lever Hulme Trust and Howdens. The School have also led on bringing the prestigious global coach conference to Liverpool for the first time. This collaboration with the International Council for Coaching Excellence brought delegates from around the world to discuss sport coaching development. The School has a number of diverse areas including research in schools, outdoor spaces, National governing Bodies of Sport, and food science and development.

2.4.4 The School of Education provides undergraduate and postgraduate programmes related to initial teacher education and professional development and multidisciplinary programmes for wider education professions and for those studying early childhood with early years and inclusion specialisms. The School partners with in excess of 300 schools and sixth form colleges across Merseyside and works with schools and other education settings, childcare, health and social care providers to develop an evidence-based approach to support and enrich learning. The School has developed collaborative partnerships including with School Improvement Liverpool (SIL) delivering a Special Education Needs programme and working collaboratively with a number of regional schools and organisations to develop bespoke programmes to meet specific needs. Collaborative work is also undertaken with organisations such as Eco Schools England to promote education for sustainable development within early childhood education policy and practice in England.

2.4.5 The Merseyside Science Learning Partnership (SLP) led by the School of Teacher Education and Professional Learning, receives funding from the Department for Education to lead professional learning improving the currency of teachers in STEM subjects in schools across Merseyside. As part of a national network of SLPs the group is having a significant impact on improving teaching in science subjects in local schools.

2.5 Outreach and Community Engagement

Some illustrations of the University's contributions are:

2.5.1 LJMU has a long-established and successful history of outreach activity designed to raise aspirations and attainment and encourage students from under-represented groups to apply to higher education. In further developing its outreach strategy the University has taken into consideration its current student composition, its work on equality and diversity and the regional context in which it operates.

2.5.2 All outreach activity is carefully planned and targeted based on a range of internal and external information sources and analyses. This includes UCAS (Universities and Colleges Admissions Service) management statistics and research, HEFCE performance indicators, GCSE and A Level attainment data, higher education participation rates of schools and colleges and LJMU's own institutional monitoring and research.

2.5.3 Equality and diversity is embedded within all aspects of the University's outreach work. The University also seeks to widen participation for disabled students, Looked after Children (LAC) and specific BME groups that are under-represented in higher education, for example, black males. Given that the University is based within an area of high deprivation and the high percentage of students from the Liverpool city region, widening participation outreach is largely targeted at local schools and communities.

2.5.4 LJMU has invested in, and will continue to invest in, longer-term, well-targeted and sustained outreach programmes that work with potential applicants over a number of years rather than just one-off interventions. Specifically, the University strives to:

- Raise aspirations and attainment within local and regional communities and provide high quality information, advice and guidance through a programme of outreach activity targeted at schools, colleges and parents. This includes 650 plus outreach activities reaching over 60,000 prospective students and key stakeholders from over 240 schools/colleges. This activity is delivered both in schools and at LJMU.
- Encourage technical and professional routes into higher education, by working closely with up to 25 FE colleges to deliver an ultimate target of 60 outreach activities and progression events by 2020. This will include providing advice on alternative pathways into Higher Education such as Degree Apprenticeships.
- Continue to work in partnership with other bodies, such as All About STEM in terms of stimulating interest in STEM (Science, Technology, Engineering and Mathematics) subjects in schools and colleges and participating in events such as 'Big Bank North West'. In addition, LJMU delivers the Royal Society of Chemistry's 'Chemistry for All' programme, which will run until July 2019 and involves six local secondary schools. The programme promotes chemistry to pupils from widening participation backgrounds through engaging outreach interventions and is focused on equipping pupils with the skills to improve attainment as well as supporting STEM provision in the Merseyside region. The University is match funding this project.
- Attract and promote access to HE for mature learners. Work will focus on outreach with 25 FE colleges primarily directed at students undertaking Access programmes, as well as outreach work with community groups. This includes drop-in days, coffee mornings and online chats throughout the year as well as specific student finance clinics. In addition, LJMU engages with Pre-Access students to help bridge the skills gap at Level 3 and advises students on their progression options. The University aims to deliver 60 activities a year to returners to education by 2020.
- Foster relationships between LJMU and its community by delivering a programme of local community outreach. This includes initiatives such as staff and student volunteers supporting local schools and colleges through governorship, assisting with reading and numeracy and acting as mentors to improve attainment. The University currently supports over 1,000 pupils through sustained volunteering work.
- Promote, train and employ a team of student advocates to support LJMU outreach activities. Well-trained and informed students act as good role models for students and support outreach through student life presentations, providing shadowing opportunities and assisting with campus tours and taster days. Student advocates devise and deliver their own subject taster sessions, which help to raise aspirations and awareness of specific subjects and professions. LJMU students also benefit from the experience by gaining essential skills that will help them to engage successfully in the work place, thus providing a strong strategic fit with LJMU's employability programme.
- Continue to invest in an intensive outreach programme delivering over 200 interactions each year, directed at 7,500 local pupils from 19 target local schools covering Years 7 to 13. The schools were selected based on a high proportion of students on free school meals as well as reviewing POLAR data to identify the proportion of students that participate in higher education. In addition, each school identified pupils who met additional under-represented characteristics. Based on LJMU's "Dream, Plan, Achieve" progression curriculum and tailored to the needs of schools and learners, this programme provides students with first-hand experience of subjects and courses they are interested in as well as the opportunity to work intensely for a day on a subject they are considering studying at Level 3 and/or degree level. In Year 7 and 8, whole year groups (reaching 2,400 pupils from the target schools) benefit from aspiration raising drama performances delivered by LJMU student advocates. From Year 9 the schools identify a cohort of students from under-represented groups in each school year to engage with the programme. Outreach will also be targeted at primary schools that feed into the progression curriculum secondary schools.
- Provide the opportunity for 300 students from under-represented groups to attend a residential summer school to help raise aspirations and gain experience of higher education and student life. In terms of progression to HE, disadvantaged summer school participants are, on average, over twice as likely to be accepted to HE as similarly disadvantaged people who do not participate in such activity. From LJMU's application data, half of students who

attended an LJMU Summer School in 2015 made an application to the University for entry in 2016 and 50% of these students enrolled.

2.5.5 Through collaboration and partnership at a local, regional and national level the University is able to extend the impact and reach of its access work:

■ **National Collaborative Outreach Programme (NCOP) -**

LJMU is a partner in the Merseyside NCOP, Shaping Futures. In 2016, Higher Education (HE) providers were invited by HEFCE to bid for further collaborative funding as part of a new collaborative initiative following on from LJMU's successful involvement in the Merseyside National Network for Collaborative Outreach. The NCOP funding will see the consortia targeting specific wards of deprivation and demonstrating impact of progression to HE through successfully raising aspirations and attainment. LJMU has been involved in the initial scoping exercise with schools within these target wards to establish appropriate interactions to be delivered. In addition, an audit of existing activity delivered by HEIs has been undertaken to ensure the NCOP activity complements existing institutional outreach and avoids duplication. The audit has revealed the priority schools that will be targeted as part of the NCOP delivery model.

As well as the core Shaping Futures programme delivered by a dedicated team based at the lead Institution, partners will be able to bid for funding to run bespoke projects targeted at under-represented groups as identified by HEFCE. LJMU has submitted a bid to support funding that builds on a successful National Network for Collaborative Outreach project that it delivered in partnership with the Transformation Trust to support GCSE attainment.

■ **Higher Education Liaison Offices Association (HELOA)**

- LJMU is committed to working with other HE providers to ensure good practice in the delivery of accurate and up to date Information Advice and Guidance. This includes ensuring appropriate staff are members of HELOA through which they can access relevant personal development opportunities, which support their ability to offer up to date and impartial advice on matters relating to Access to HE.

■ **National Educational Opportunities Network (NEON) –**

LJMU is also a member of NEON, supporting regional and national events, which foster a culture of collaborative working amongst widening participation professionals. NEON ensures that the under-representation of certain groups in HE is addressed sympathetically and encourages sharing of best practice in adopting strategies to redress the balance in inequalities to access. Specifically a member of LJMU's Outreach team is a member of NEON's Disabled Working Group.

■ **Greater Merseyside Care Leavers into Higher Education network**

- the University is the Chair of this network which was formed under the former Aimhigher programme. The network consists of four Higher Education Institutions from Greater Merseyside plus representatives from Further Education colleges and staff from the various Local Authority leaving care teams. The aim of the network is to provide a joined-up approach to raising the aspirations of Looked After Children (LAC) and supporting these students through the transition to Higher Education.

2.5.6 LJMU's world-leading Astrophysics Institute (ARI) leads research collaborations with premier UK and international universities on projects from the formation of stars in the Milky Way to the evolution of galaxies since the Big Bang. The ARI owns and operates the World's largest and most sophisticated Robotic Telescope, based in the Canary Islands, and time on this telescope is made available to the National Schools' Observatory (NSO) alongside its function as a National Facility for research. The NSO is a major internet-based

outreach and education project and now has over 8,000 active users of the telescope in UK and Irish schools. Since the NSO was launched, over 130,000 observations have been requested by users. The NSO project is funded by LJMU and is offered free to registered school users. Expansion of the scope and reach of the NSO is being undertaken within the University's Widening Participation agenda with a new website in 2017 that opens the project to international users and to use by individual learners outside the classroom.

2.5.7 Outside of the NSO, Astrophysics also deliver an extensive programme of public engagement: in the 2016 calendar year, ARI researchers delivered about 100 talks, workshops and other school and public activities in a wide variety of venues around the country to a total audience of over 10,000 people. Many of these focused on audiences under-represented in science and technology careers, including partnerships with schools in lower socio-economic areas. Through funding from the Royal Astronomical Society, as part of their bicentennial celebrations, the University is engaged in outreach programmes with the Workers' Educational Association (WEA) centred on hard to reach minority groups in addition to collaborations with the Liverpool Museums, and local arts organisations such as the Tate, FACT and Everyman Theatre. The Astrophysics Institute also helped found, and continues to provide knowledge input to 'Spaceport', a locally based major tourist attraction owned by Mersey Travel and attracting around 50,000 customers per year.

2.5.8 A particular focus in 2016/17 has been the development of collaborations with arts organisations. Building on the success of the award winning 2015 RHS Chelsea Flower Show 'Dark Matter' garden, Astrophysics has developed collaborations with a number of local arts venues including the Everyman Theatre, FACT and Tate Liverpool. These have, so far, involved: providing expert advice to theatre and dance companies (including a collaboration to produce an online dance piece with IJAD Dance which was joined by people from over 12 countries); contributing a major exhibition at FACT call The New Observatory; and creating a dedicated exhibition at Tate Liverpool. The latter two are ongoing at the time of writing, but are anticipated to have audiences of 10,000 and 20,000 respectively.

2.5.9 The School of Sport and Exercise Sciences continues to translate and apply its world leading research through its public engagement activity. The School promotes diverse engagement by being held in the University, hospitals, city public spaces, within national corporations, and national and local museums. Through the Face-2-Face programme the School has collaborated with key partners on award-winning public engagement projects including CBBC, Commonwealth Games, National History Museum, Comic Relief and Sport Relief. The School also holds partnerships and collaborations with industry partners focused on exercise, health and physical activity, including local and national hospitals, schools, and organisations committed to health promotion and positive behaviour change.

2.5.10 The Football Exchange in association with sport coaching staff from the School of Sport Leisure and Nutrition was selected as the lead delivery partner for a UK Football Study Programme for Yunnan Education Centre for International Exchange (YECIE) for coaches from Yunnan Province, China. The call to provide training for coaches and professional support staff from the Yunnan province was co-ordinated by the British Council for Education Services, China. The 12-week educational programme embraced aspects of UK football management, practical coaching, advanced coaching and pedagogy, psychology of football, physiology and nutrition for football, match and performance analysis of football. Critically, the programme enhanced the skill set of the coaches from the Yunnan province with a view to improving the technical skills and theoretical knowledge and develop their capacity for training young people and increasing China's football competitiveness. Importantly, this experience has elevated the School's, and the Football Exchange's profile in China.



2.5.11 The International Olympic Committee (IOC) is looking to develop and launch a new programme called “Global Active Cities”. This was initially envisioned as an important part of Olympic legacy for Olympic cities but more importantly has recently been developed as a potential worldwide programme to “badge or certify” any city wishing to demonstrate its commitment to raising levels of physical activity through a coordinated population-based approach. The IOC are currently working with The Association For International Sport for All (TAFISA), a Swiss Health Management Company (Evaleo), and the City of Liverpool (including Liverpool City Council and LJMU) as “the” Model of an Active City. The Physical Activity Exchange in the Research Institute for Sport and Exercise Sciences (RISES) is helping to develop International Organization for Standardization (ISO) standards and working with TAFISA on the project to advise pilot cities on becoming an ‘Active City’. This leading role is based on the Liverpool Active City model, through which the RISES Physical Activity Exchange team have a long history of research and development. Pilot Cities from as far as Papua New Guinea, Argentina and Canada heard about the role of Universities in creating an Active City and best practice with physical activity intervention design and evaluation. The PA Exchange team will be working with all these pilot cities as they begin the diagnostic and development phases towards the standards. All this pilot work is developing in advance of a planned launch of the IOC Global Active Cities programme in 2017 when Liverpool and LJMU will have a central role in shaping and supporting the development of Active Cities around the globe. Direct collaboration and support from the Physical Activity Exchange to local governments, health and educational partners in global active cities represents substantial “Reach” and with appropriate monitoring and research the University expects significant impact.

2.5.12 In conjunction with The School of Sports Studies Leisure and Nutrition the University has been selected to host the International Council of Coaching Excellence Global Coach Conference 2017. This prestigious event runs from 31st July to the 2nd August 2017 at the Arena and Convention Centre, Liverpool with pre-conference events running on the weekend of the 29th/30th July at LJMU.

2.5.13 The School’s public engagement events enable the public to experience sport and exercise science and explore the research that underpins athletic performance and exercise/physical activity generally. It engages with populations from the elite athlete to the patient, from the youngest in society to its oldest adults, the able to those less able and hard-to-reach groups. The School of Sport and Exercise Sciences actively supports MerseySTEM and offers training and support opportunities for the University’s staff and students to engage in STEM Ambassador activities.

2.5.14 The School of Pharmacy and Biomolecular Sciences launched the esteemed Royal Society of Chemistry (RSC) outreach project ‘Chemistry for All’ which is aimed at understanding the impact of longitudinal interventions in chemistry by promoting the significance of chemistry to school children. The School established the Pharmacy Innovation Centre, the first of its kind, to promote research and collaborations and professional activities among community, hospital, and academic pharmacists. The School of Pharmacy and Biomolecular Sciences is one of the very first four Schools which have been accredited as a Foundation School by the Royal Pharmaceutical Society of Great Britain under its workplace education programme to support newly qualified pharmacists. The School is also one of the main contributors to the development and progress of the Centre for Advanced Policing Studies, a multidisciplinary centre which aims at developing knowledge in policing, crime prevention and allied security professions.

2.5.15 LJMU’s Legal Advice Centre (LAC) was established in April 2014 and is based within the School of Law. The LAC’s clinics advise on family, employment, will and administration, civil litigation and commercial property law advice. Since the LAC’s inception students have gained experience in interviewing, drafting and legal research and delivered the equivalent of over £250 million worth of advice to the local community. The LAC is supported by volunteer solicitors from ten legal practices from across the city, all acting on a pro bono basis to supervise client appointments and advice and mentor LJMU students. The LAC also offers opportunities for students to volunteer on projects working with solicitors in Liverpool. Most recently, students assisted with the campaign for fresh inquests into the Birmingham Pub Bombings.

2.5.16 The LAC is also running a pilot of Keele University’s CLOCK scheme, allowing LJMU students to work alongside the Personal Support Unit (PSU) as lay court assistants in the Liverpool Family Court whilst aiming to coordinate pro bono work with that of other third sector agencies and clinics, and local legal aid firms, to maximise support for vulnerable, unrepresented litigants. The LAC is currently the only university law clinic in England and Wales focusing its research on client outcomes and experiences. It is also a member of the Liverpool Law Society’s Access to Justice Committee, the national Clinical Legal Education Organisation, the European Network of Clinical Legal Education and the Global Alliance for Justice Education.

2.5.17 The School of Law has developed ‘Learning Together’, which is the first nationally delivered programme of this type delivered in a community setting. The programme has been developed in

collaboration with the User Voice organisation, Merseyside CRC and HMP Liverpool. The project aims to develop a community of praxis, through collaborative learning and co-production between individuals who have been or are currently subject to supervision within the criminal justice system, Masters Level students and practitioners, to share knowledge and develop learning regarding the Criminal Justice System. Each service user is allocated a learning mentor from the MA Criminal Justice programme. A bespoke programme of ten sessions has been created and delivered by members of the Criminal Justice Team to allow participants to question and challenge their own beliefs, opinions, stereotypes and misconceptions relating to key issues in criminal justice. A collaborative teaching approach is used to deliver sessions which facilitate learning through the lived experience of both students and tutors. The programme is currently offered on a non-fee paying basis for those service users participating but is offered as an optional module on the MA programme.

2.5.18 The School of Law also hosts a series of Practitioner Forums which have been developed in conjunction with the Merseyside Branch of the National Association of Probation Officers (Napo). The forums aim to bring together practitioners and academics to discuss current and emerging research studies and strengthen the links between theory and practice in the delivery of rehabilitative services. There are four forums scheduled throughout the academic year and these have attracted nationally recognised academics and have been well attended by local practitioners.

2.5.19 In 2015, the Liverpool Centre for Advanced Policing Studies (LCAPS) was successful in securing financial support from the Police Knowledge Fund to develop collaborative teaching and research activity with Merseyside Police and the Office of the Police and Crime Commissioner for Merseyside. During 2016/17, the Centre delivered the project under the title 'Embedding Evidence Based Practice in Public Protection and Crime Prevention: A multi-disciplinary partnership'. The project established links between the University and Merseyside Police to advance the Force's capacity to engage with research evidence in helping to positively influence the decision-making practices and organisational working culture of the service. All partners within the collaboration have identified the catalytic effect the project has had in stimulating the enhancement of evidence-based approaches and in embedding an evidence-based thinking infrastructure that will ensure sustainability. The core project team, consisting of University-based Research Fellows and Police Officers seconded part-time from Merseyside Police, developed and delivered a bespoke package of accredited research training and supervision to a total of 71 police officers and staff (including a staff member from the Office of the PCC for Merseyside). The project team has also worked with senior leaders within Merseyside Police to develop mechanisms for facilitating, commissioning, and evaluating research within the organisation to help embed the engagement with research evidence within Merseyside Police (objectives realised through the establishment of Merseyside Police's Evidence-Based Steering Group and Evidence-Based Knowledge Hub). Running alongside these activities has been the PKF-led stimulation of research networks and opportunities between wider members of the LJMU research community (from the fields of Criminology, Computer Science, Applied Mathematics, Media Studies) and Merseyside Police partners.

2.5.20 In addition to this, Liverpool Centre for Advanced Policing Studies, in conjunction with the LFC Foundation has been successful in a bid to secure 750k of funding from the Premier League's Community Fund. Subject to a successful pilot which is ongoing, this project will develop a mass participation movement with grassroots football, physical activity and social outcomes at its core. The project involves volunteers from LJMU, estimated at 75, in the first year of the project working alongside qualified LFC Foundation coaches providing family friendly, high quality, pop up football /physical activity sessions across Merseyside's parks, open spaces and traditional FA Park-life pitches. The project is designed to engage with Liverpool's

children and young people with personal development opportunities through pitch side teachable moments, especially those socially excluded young people who are suffering from a lack of physical activity in areas which lack social cohesion. Amongst other aims, the project is designed to increase young people's positive attitude towards sports and their involvement in significant physical activity. The goal is to engage tens of thousands of local young people and their families in physical activity over the course of three years. Finally, LCAPS is collaborating with the trustees of the UK Police Memorial to create a digital resource to compliment the memorial that is being constructed at the National Memorial Arboretum in Staffordshire. The digital resource will tell the stories of those officers and staff who have given their lives in the course of police service and also the history and development of British policing. LCAPS will provide educational support for the memorial, at the site in Alrewas, Staffordshire, which will be dedicated to the courage and sacrifice of the officers who have lost their lives over the past 250 years. LCAPS is participating in a Heritage Lottery Fund bid to enable this.

2.5.21 Much of the work at the Public Health Institute is firmly focused on communities, engagement and social value. Work with third sector organisations continues with the potential for significant impact across the Liverpool City Region, as a result of the development of innovative mechanisms for recording and evaluating grassroots interventions.

2.5.22 The Public Health Institute continues to successfully engage with the public through regular public seminars/annual conferences and publication of a regular newsletter and annual report. This is distributed electronically within LJMU but more significantly to 2,000 local organisations and stakeholders.

2.5.23 The School of Nursing and Allied Health provides education in health and social care to the future and existing workforce of the NHS and local councils, focusing on the particular needs of services in the North West. The School engages with around 90 public and private sector organisations and works with external colleagues in 900 placement sites.



2.5.24 The annual School of Nursing and Allied Health Student Awards includes a community engagement category for volunteering or charitable work outside LJMU. Examples of nomination categories include: fundraising on National Nurses Day to support the Edith Cavell Nurses Trust; fundraising to buy a cryotherapy machine in Uganda; working for and fundraising for 'Scouse Kitchen', a charity that provides hot food to homeless people on Merseyside; voluntary support work for Childline; and the Honeysuckle team (bereavement service at the Liverpool Women's Hospital).

2.5.25 Two European funded projects were secured within the School, namely the HELIUM project, and the Health Enterprise Hub Innovation Exchange (HEHIE) project. The HELIUM project is Interreg Europe funded and the HEHIE project is ERDF funded. Both projects focus on public engagement in the health and wellbeing sector through a citizen-led approach to innovation – a City Region Living Lab. This approach is shaped by the City Region's innovation strategy and the needs of the Region's £23 billion economy; hence, the Liverpool Local Enterprise Partnership (LEP) is the UK partner on the HELIUM project. Public engagement takes the form of a series of open innovation events and corresponding 'co-creation' groups which focus on solving health challenges. Current work includes the development of two 'dementia' apps, med-tech which increases system efficiency, widening wellbeing participation through work-focused activities, and facilitating more citizen input within the precision medicine field.

2.5.26 Postgraduate teacher training students support the educational work of Liverpool's Schools, providing volunteer teaching support to children from the city's many immigrant communities enabling the work of these community based schools to flourish.

2.5.27 Postgraduate teacher training students have for several years worked with Liverpool ONE to develop a range of educational resources that relate the physical environment and vocational opportunities to several subject areas of the school curriculum. The products of this project are used to support learning in school groups visiting the retail centre.

2.5.28 As a flag-ship of LJMU's community engagement, the Roscoe Foundation for Citizenship promotes good citizenship amongst the young people in the Greater Merseyside region. More than 800 schools are engaged in the scheme, to promote good citizenship to school children by making awards to role models in society. LJMU believes that schools should be leading the way in encouraging young people to become caring, compassionate and tolerant individuals who have a real sense of civic responsibility. The Foundation also runs the prestigious Roscoe Lecture series, securing high profile speakers from the national and international community to present thought-provoking public lectures that are free and open to the community in the North West. Audiences typically number over 1000 (and sometimes reach 2500) and tickets are free of charge. Speakers have included notable people from the fields of national and international politics and diplomacy, academia, religion and belief, journalism and entertainment. Through the Roscoe Lectures, LJMU is able to give people from different walks of life the opportunity to exchange ideas, forge connections and hopefully gain greater understanding in a time of increasing diversity and change.

3. Sustainability

3.1 LJMU is a modern civic university aware of its social economic and environmental responsibilities and continually strives to improve its sustainability and environmental performance. Specifications for the University's new buildings and refurbishment require accommodation to align with and complement LJMU's sustainability vision, to be constructed to high environmental standards, and to support and enhance sustainable operating models. The University has since 1st February 2017 purchased all its grid supplied electricity from 100% Carbon Trust certified natural renewable generation sources and closely monitors and regularly reports on all utility consumption and waste resource management performance. LJMU has a sustainable communications presence on its website and uses social media channels to communicate information on the University's environmental performance, sustainability initiatives and travel plans to mitigate the effects of student and staff commuting.

4. Summary

4.1 Having had regard to the public benefit guidance published by the Charity Commission for England and Wales, the Board of Governors is assured that the University has met its charitable purpose of the advancement of education for the public benefit for the year 2015/16.



BOARD OF GOVERNORS

The University is an independent Higher Education Corporation whose authority derives from the Education Reform Act 1988, and the Further and Higher Education Act 1992.

The Board of Governors derive their authority from the University's Instrument and Articles of Government which was approved by the Privy Council on 5 March 1993, and revised in 1995 and 2002.

The Instrument and Articles of Government state that the Board shall consist of not less than twelve and not more than twenty-four appointed members. The Board must decide what size it wishes to be. The Board currently consists of twenty members, of whom up to thirteen would be independent members, one nominee each from the Academic Board and two students, two staff governors and two co-opted members. The membership of the Board is completed by the Vice-Chancellor, who is the Chief Executive.

In the period from 1 August 2016 membership of the Board of Governors has been as follows:

Ex-officio Members

Professor Nigel Weatherill Vice-Chancellor & Chief Executive

External Independent Members

Ms N. Benson	Deputy Chair of the Board Chair of Remuneration Committee
Ms K Byrne	Chair of Finance Committee
Mr R Hill	Chair and Pro Chancellor, Board of Governors Chair of Nominations Committee
Mr A Holroyd	Deputy Chair of Employment Committee (retired 3rd July 2017) Chair of Employment Committee (appointed 3rd July 2017)
Sir B Massie	Chair of Audit Committee (retired 3rd April 2017) Deputy Chair of Audit Committee (appointed 3rd April 2017)
Mr B McCann	Deputy Chair of Audit Committee (retired 3rd April 2017) Chair of Audit Committee (appointed 3rd April 2017)
Ms K McCormick	
Mr J Rowan	
Mr Eliot Ward	
Mr Carl Williams	
Ms Wendy Williams	
Mr Anthony Akaraonye	(appointed 3rd April 2017)
Mr Garry Banks	(appointed 3rd April 2017)
Mr Lee Gilmore	(appointed 3rd April 2017)
Mr J Stopforth	Deputy Chair of Finance Committee (retired 3rd April 2017)

External Co-opted Members

Mr P Holme	Co-opted Governor from Education Sector (retired 3rd July 2017) Chair of Employment Committee (retired 3rd July 2017)
Mr C Williams	Co-opted member of Audit Committee (became an Independent member of the Board on 11th April 2016)
Mr Charles Oddy	Co-opted member of Audit Committee (appointed 12th June 2017)

Nominee Members

Dr M Laing	Staff Governor (Academic Board Nominee)
Mr I Wroot	Governor (Academic Board Nominee)
Ms A Davis	Student Governor (Student President) (retired 29th June 2017)
Ms S Jette-Gray	Student Governor (Student Vice President) (retired 29th June 2017)
Miss Y Ibrahim	Student Governor (Student President) (appointed 3rd July 2017)
Miss H Charley	Student Governor (Student Vice President) (appointed 3rd July 2017)

Staff Members

Ms. S Maclennan	Staff Governor (Teaching Staff)
Mr J Trantom	Staff Governor (Non-Teaching Staff)

The Board of Governors are the Trustees of the University.

OFFICERS AND ADVISORS OF THE UNIVERSITY

Vice-Chancellor and Chief Executive

Professor Nigel Weatherill

Bankers

Barclays Bank plc.
1st Floor Octagon House
Gadbrook Park
Northwich
Cheshire CW9 7RB

External Auditors

KPMG LLP
1 St Peters Square
Manchester M2 3AE

Solicitors

Davies Wallis Foyster
5 St Pauls Square
Old Hall Street
Liverpool L3 9AE

Internal Auditor

RSM UK
9th Floor,
3 Hardman Street,
Manchester, M3 3HF

RESPONSIBILITIES OF THE BOARD OF GOVERNORS OF LIVERPOOL JOHN MOORES UNIVERSITY

In accordance with the Education Reform Act 1988, the Board of Governors of the University is responsible for the administration and management of the affairs of the University and is required to present audited financial statements for each financial year.

The Board of Governors is responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the University, and to enable it to ensure that the financial statements are prepared in accordance with the Education Reform Act, the Statement of Recommended Practice on Accounting for Further and Higher Education Institutions and relevant Accounting Standards. In addition, within the terms and conditions of a Financial Memorandum agreed between the Higher Education Funding Council for England and the Board of Governors of the University, the Board of Governors, through its designated office holder, 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 surplus or deficit and cash flows for that year.

In causing the financial statements to be prepared, the Board has ensured that:

- Suitable accounting policies are selected and applied consistently.
- Judgements and estimates are made that are reasonable and prudent.
- Applicable accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements.
- Financial statements are prepared on the going concern basis unless it is inappropriate to presume that the University will continue in operation. The Board is satisfied that the University has adequate resources to continue in operation for the foreseeable future; for this reason the going concern basis continues to be adopted in the preparation of the financial statements.

The Board of Governors is responsible for keeping adequate accounting records that are sufficient to show and explain the parent University's transactions and disclose with reasonable accuracy at any time the financial position of the parent University and enable them to ensure that its financial statements comply with relevant legislation and other relevant accounting standards. They are 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, and have general responsibility for taking such steps as are reasonably open to them to safeguard the assets of the group and to prevent and detect fraud and other irregularities.

The Board of Governors are also responsible under the Memorandum of Assurance and Accountability for:

- ensuring that funds from HEFCE and other funding bodies are used only for the purposes for which they have been given and in accordance with the Memorandum of Assurance and Accountability and any other conditions which HEFCE may from time to time prescribe;
- ensuring that there are appropriate financial and management controls in place to safeguard public funds and funds from other sources; and
- securing the economical, efficient and effective management of the university's resources and expenditure.

The Board of Governors is responsible for the maintenance and integrity of the corporate and financial information included on the University's website. Legislation in the UK governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.



Mr Rod Hill BA, FCMA, IPFA | Chair of the Board of Governors

1. Corporate Governance Statement 2016/17

1.1 The University is committed to adopting good practice in all aspects of corporate governance. It aims to conduct its business in accordance with the principles identified in the Committee on Standards in Public Life (selflessness, integrity, objectivity, accountability, openness, honesty and leadership) and the Committee of University Chairs' (CUC's) Higher Education Code of Governance. The Board of Governors has adopted the CUC's Higher Education Code of Governance and works to ensure that governance practice remains consistent with the principles of the Code. To this effect the Board carried out an extensive and robust review of its governance processes, policies and procedures throughout 2015/16 to align with the Code. The following processes for governance have been in place throughout the year ended 31st July 2017 and up to the date of approval of the financial statements.

1.2 It is the opinion of the Board of Governors that the governance practices of the University are consistent with the Higher Education Code of Governance, the Statutes of the University, and the 'Memorandum of Assurance and Accountability between HEFCE (Higher Education Funding Council for England) and Institutions (July 2017/08)'.

2. Status of the University

2.1 Liverpool John Moores University is a Higher Education Corporation as defined under the Education Reform Act 1988. The University has exempt charitable status as defined under the Charity Act 1993. As an exempt charity the University is regulated by HEFCE by virtue of the Charities Act 2006 (now consolidated into the Charities Act 2011). The members of the University's Board of Governors are the charity trustees and are responsible for ensuring compliance with charity law.

2.2 The University's objects, powers and framework of governance are set out in the Articles of Government approved by the Privy Council in 2002. The Articles and associated Instrument of Government set the governance framework for the University.

3. Summary of the University's Structure of Corporate Governance

3.1 The University's Board of Governors is comprised of lay, academic, students and staff appointed under the provisions of the Education Reform Act 1998, the majority of whom are independent and non-executive. The composition of the Board of Governors is set out on page 25. The role of Chair of the Board of Governors is separate from the role of the University's Vice-Chancellor & Chief Executive. The Chair is supported by the Deputy Chair of the Board. The matters reserved specifically to the Board of Governors for decision are set out in the Articles of Government of the University; the terms of reference of the Board and its Committees; and under the Memorandum of Assurance and Accountability between HEFCE and Institutions.

3.2 The Board of Governors holds to itself the responsibilities for the educational character, the ongoing strategic direction and the financial solvency of the University. The Board approved the University's Strategic Plan 2012-2017 on 15th February 2012 and the new Strategic Plan 2017-2022 on 3rd July 2017, which can be found at <https://www.ljmu.ac.uk/about-us/our-vision>.

3.3 In addition to its formal Board and Committee meetings, the Board holds a strategic workshop and a residential strategic event each year, affording the opportunity to consider, contribute to and influence strategic issues at an early stage in their development. The Board is also responsible for approval of all major developments, including capital developments. Governors are also in receipt of regular reports from Executive Officers on the day to day operations of the University's business and its subsidiary operations.



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

3.5 The Board of Governors is committed to continuous monitoring of its performance and has reviewed its terms of reference, programme of business, and the effectiveness of all its sub-committees, including the Academic Board during 2017. The performance review of the Chair of the Board was also conducted in August 2017 and a favourable report was presented to the full Board at its October 2017 meeting.

3.6 New governors participate in an induction programme and each year all governors are given the opportunity to attend training and development activities provided by the Leadership Foundation for Higher Education, receive regular bulletins regarding the activities across the University and the Higher Education sector, and receive regular governance briefings on particular relevant topics.

3.7 Members of the Board of Governors, the Trustees of the University, do not receive any remuneration for their service on the Board. Trustees are entitled to claim reasonable expenses incurred in undertaking their duties as Trustees in accordance with the University's financial regulations and charity law. In 2016/17 a total of £2,958.50 was paid to governors for expenses. This covered: travel expenses to formal and informal meetings and other University events; fees for training and developmental events; and travel, accommodation and other expenses incurred in representing the University at external events.

3.8 Upon commencing appointment, governors are required to declare any pecuniary, family or other personal interest, direct or indirect, and this is noted in the publicly available Register of Members' Interests. Governors are advised and expected to update their entry at any time as and when their circumstances change and the University also conducts an annual update in accordance with recommendations from the CUC.

3.9 In accordance with the introduction of the Bribery Act 2010, governors have taken responsibility for establishing an anti-corruption culture formulated around the six general principles of: Proportionate procedures; Top-level commitment; Risk Assessment; Due Diligence; Communication (including training); and Monitoring and Review. A statement of commitment from the Chair of the Board of Governors outlines that the Board of Governors expects all staff, associates and agents to conduct business in accordance with the highest standards of ethical behaviour and that any bribery, or any form of corruption, by a member of staff of the University will be considered as gross misconduct and the member of staff may face dismissal. To ensure that all staff are aware of the Bribery Act a mandatory e-learning module has been developed which gives an overview of the legislation to help staff to understand their corporate and individual duties and responsibilities. The module response rate is monitored on an annual basis by the Audit Committee. Agents, consultants and business partners who work with, or on behalf of, the University must act with integrity and behave ethically. The University will terminate agreements with such agents, consultants and business partners in the event of any breach of anti-bribery law, corruption or unethical behaviour of which it becomes aware.

3.10 The Board of Governors meets a minimum of four times a year and maintains a committee structure comprising:

- Audit Committee
- Employment Committee
- Finance Committee
- Nominations Committee
- Remuneration Committee

All of the above committees are formally constituted with terms of reference and comprise lay members of the Board of Governors. The Vice-Chancellor and Chief Executive is also a member of the Employment, Finance and Nominations Committees. The Chair and Deputy Chair of the Board are not members of the Audit Committee and there is no overlap in membership of the Audit and Finance Committees. On 12th June 2017 the Audit Committee also appointed an independent co-opted member to enhance its membership and expertise, particularly regarding risk management. There remains on the Audit Committee a member with the relevant financial qualifications and expertise required.

3.11 The Board of Governors and its Committees review their terms of reference on an annual basis to ensure that they are embedding risk management effectively into their work and that the terms of reference align with the Higher Education Code of Governance and the 'Memorandum of Assurance and Accountability between HEFCE and Institutions (July 2017/08)'. The Chair of the Board is Mr R Hill appointed from 1st April 2013. The Chair was due to retire on 31st March 2017, however on the 4th July 2016 the Chair's term of office was exceptionally extended until the completion of a major capital development, scheduled for the beginning of the new Academic Year 2018/19 with some flexibility for any prevailing circumstances at that time, or earlier. Succession planning for a new Chair began in July 2017. The Deputy Chair of the Board is Ms N Benson, appointed from 1st October 2015 to 30th September 2017. However, to ensure continuity and to oversee the selection process for a new Chair, the term of office of the current Deputy Chair has been extended for a further two years. The full Board of Governors, in the last financial year, met on 29th September 2016 (combined workshop), 21st November 2016, 12th December 2016 (workshop), 25th and 26th January 2017 (overnight strategic workshop), 3rd April 2017, and 3rd July 2017. Up to the present date in the new financial year, the Board has met on 2nd October 2017, and 27th November 2017.

3.12 In addition to the Board's Committees the Board also works closely with the University's Academic Board. The Academic Board meets at least five times a year and has 30 members comprising the Vice-Chancellor and Chief Executive as Chair, the Pro-Vice-Chancellors, the Registrar & Deputy Chief Executive, academic and professional services staff and students. The Academic Board is established as the principal academic body of the University, overseeing the overall planning, co-ordination, development and supervision of the academic work of the University and providing assurance to the Vice-Chancellor and Chief Executive and the Board of Governors for the quality and standards of its awards. The Academic Board, in the last financial year, met on 28th September 2016, 7th December 2016, 1st February 2017, 5th April 2017 and 28th June 2017. Up to the present date in the new financial year, the Academic Board has met on 4th October 2017 and 15th November 2017.

3.13 The Audit Committee, which meets at least four times a year, is responsible for overseeing the work of the external auditors (currently KPMG) and internal auditors, currently RSM. The Committee provides assurance on governance, accounting integrity, internal controls, data integrity, risk management, and the efficient use of resources. In line with government regulations, the Audit Committee has a member with the appropriate financial expertise and qualifications. The Committee also receives and considers reports from HEFCE as they affect the University's business, and monitors adherence with regulatory requirements. Whilst the Vice-Chancellor and Chief Executive and other senior managers attend meetings of the Audit Committee as necessary, they are not members of the Committee. Both the external and independent internal auditors also attend the Committee. The Committee meets the external and internal auditors annually, without management, for independent discussions in line with best practice. The Committee's membership comprises three independent

members and one co-opted independent member as from 12th June 2017. The Deputy Chair of Audit Committee took over as Chair in June 2017 and the previous Chair took the position of Deputy Chair at that time. The Audit Committee, in the last financial year, met on 12th October 2016, 9th November 2016, 13th March 2017 and 12th June 2017. Up to the present date in the new financial year, the Audit Committee has met on 9th October 2017 and 8th November 2017.

3.14 The Employment Committee meets at least three times a year and considers issues related to staffing and employment. Over the last year the Employment Committee has led on overseeing the implementation of a new People and Organisational Strategy. The responsibilities of the Committee also encompass equality and diversity monitoring and the oversight and review of HR policies. The Chair of Employment Committee retired from his position on the Board in July 2017 and was replaced by the Deputy Chair. In the last financial year the Employment Committee met on 17th October 2016, 27th February 2017, and 5th June 2017. Up to the present date in the new financial year, the Employment Committee has met on 16th October 2017.

3.15 The Finance Committee meets at least three times a year and recommends to the Board of Governors the University's annual revenue and capital budgets after giving consideration to the financial health of the University. It also receives at each meeting reports on the University's performance in relation to approved budgets, estate related capital investment plans and treasury management, and financial reports from the Liverpool Students' Union (LiverpoolSU), which is a separate legal entity. The Finance Committee, in the last financial year, met on 31st October 2016, 20th March 2017 and 19th June 2017. Up to the present date in the new financial year, the Finance Committee has met on 30th October 2017.

3.16 The Nominations Committee meets at least three times a year and considers membership issues and appointments to vacancies on the Board for non-executive members, based on a skills and diversity analysis. In the last financial year, the Nominations Committee met on 24th October 2016, 6th March 2017 and 26th June 2017. Up to the present date in the new financial year, the Nominations Committee has met on 23rd October 2017.

3.17 The Remuneration Committee meets at least three times a year and considers the performance and annual remuneration of the Vice-Chancellor and Chief Executive and the Senior Executive. The Committee also has oversight of the University's policy framework on severance payments for senior staff. In line with best practice the Committee presents an annual report to the full Board setting out its work of the last academic year. The Committee's minutes are also presented to the full Board meetings. The Chair of the Remuneration Committee, in line with best practice, is the Deputy Chair of the Board. In the last financial year the Remuneration Committee has met on 24th October 2016, 6th March 2017 and 26th June 2017. Up to the present date in the new financial year, the Remuneration Committee has met on 23rd October 2017.

4. Governance Monitoring and Review

In accordance with the Higher Education Code of Governance, the Board of Governors keeps its effectiveness under regular review. A full and robust governance effectiveness review had taken place during 2015/16 culminating in a detailed action plan which has been closely monitored by the Audit Committee and the Board of Governors during 2016/2017. The review concluded that the University has a high level of satisfaction in the effectiveness of the Board and outlined a number of actions for reviewing the Board's policies and terms of reference, and building upon relationships with the Academic Board. Alongside the review of the Board's committees the Vice-Chancellor and Chief Executive also implemented a full and robust review of the University's internal committee structure and the effectiveness of the Academic Board. The next review is due in 2019.

5. Internal Control

5.4 The Board of Governors is responsible for reviewing the effectiveness of the University's system of internal control. The system is designed to support the achievement of operational activities and to manage and limit the risk of failure to achieve policies, aims and objectives, while safeguarding the public and other funds and assets for which it is responsible, in accordance with the University's Statutes, the 'Memorandum of Assurance and Accountability between HEFCE and Institutions (July 2017)', the UK Corporate Governance Code, and best practice guidance from the British Universities Finance Directors Group.

5.5 The system of internal control is based on an ongoing risk management process designed to identify the principal risks to the achievement of the organisation's objectives; to evaluate the nature and extent of those risks; and to manage them efficiently, effectively and economically. It can therefore only provide reasonable and not absolute assurance of effectiveness. It is underpinned by compliance with the requirements of the core standards in:

- Governance
- Management
- Quality
- Reputation
- Financial Management
- Risk Management

5.6 The Board of Governors is committed to the continuous development of a comprehensive process for identifying, evaluating and managing the University's significant risks, both financial and non-financial, in line with HEFCE requirements. The Risk Management Policy is linked to the University's Strategy and the Board of Governors regularly discusses risk and related reports from its Committees, in particular the Audit Committee.

5.7 The Board of Governors, both directly and through its Finance and Audit Committees, is responsible for ensuring the economical, efficient and effective management of the University's resources, income and expenditure, and for safeguarding its assets. The system of internal financial control provides for comprehensive financial planning processes, assessments of annual income, expenditure, capital and cash flow budgets in conjunction with regular reporting to the Finance Committee and the Board of Governors in relation to five year forecasts and reporting of variances and the projection of out-turns.

5.8 The most recent overall assessment from the 'HEFCE Annual Provider Review 2016-17: Outcomes', dated 28th April 2017, is that the University is not at higher risk and meets its quality and standards matters. This positive outcome ensured the University continued to meet the Home Office's requirements for educational oversight for Tier 4 sponsorship and that the University was eligible for any TEF (Teaching Excellence Framework) year 2 award.

6. Processes and Control Arrangements

6.1 The following monitoring and review arrangements covering corporate governance, business, operational and compliance as well as financial risk have been in place throughout the year ended 31st July 2017 and up to the date of approval of the financial statements:

6.2 The Audit Committee, on behalf of the Board of Governors, receives a report annually from the Strategic Management Team regarding their review of the effectiveness of the system of internal control and which provides a statement of assurance to the Board of Governors signed by the Vice-Chancellor and Chief Executive. The review of the effectiveness of the system of internal control is informed by the work of the internal auditors; by the executive managers within the University structure who have responsibility for the

maintenance of the internal control framework; and by the opinions and recommendations of the external auditors in their management letter and other reports.

6.3 The University recognises that robust risk management is a key element of good governance, and its system of internal control incorporates a risk management framework encompassing strategic, operational, financial, and commercial risks; also matters of governance and compliance. The University has articulated a process for the identification, assessment, mitigation and review of corporate risks, and has operated this process throughout the year ended 31st July 2017. The documentation of controls and of assurance routes has been reviewed and enhanced during 2016/17.

6.4 The University has an agreed Risk Management Policy and a Risk Appetite Statement, and updated versions of both were approved by the Audit Committee on behalf of the Board of Governors during 2016/17. The University is committed to embedding risk management into the corporate planning and decision making processes of the Institution. Responsibility for identifying and evaluating the major risks faced by the University, and for ensuring that appropriate mitigating measures are in place, sits with the Strategic Management Team (SMT), which has considered the institutional register three times in the year ended 31st July 2017. The institutional Risk Register is reviewed by the Audit Committee twice yearly, and the Finance Committee reviews the high level financial risks annually. The Board of Governors' agenda includes a standard item for consideration of relevant or emerging risks, and the Board and SMT remain committed to the review and refinement of risk management procedures.

6.5 The Audit Committee receives regular reports from the independent internal auditors, RSM, on specific areas of internal control together with agreed management actions (formerly recommendations) for improvement. Audit planning arrangements and the methodology and approach of internal audit conforms to the latest professional standards reflecting the adoption of risk management techniques. The Director of Legal & Governance Services has introduced a regular tracking record of audit recommendations which is presented to the Audit Committee at each of its meetings.

6.6 The Audit Committee has adopted the Audit Code of Practice outlined in the 'Memorandum of Assurance and Accountability between HEFCE and Institutions (July 2017/08)' which is closely aligned to the Audit Committee's Terms of Reference which are reviewed on an annual basis. A copy of the Audit Code of Practice is provided to Audit Committee members when reviewing its terms of reference.

6.7 The University remains committed to good practice in Governance and Management. The principles of 'excellence and quality in all its activities and a commitment to a programme of continuous enhancement and monitoring' underpin the University's Strategy (2012-2017), which itself is based on the four core themes of:

- Establishing and Enhancing the Student Partnership;
- Excellence in Learning, Teaching and Assessment;
- Embedding Research and Scholarship; and
- Social and Economic Engagement

6.8 The new Strategic Plan 2017-2022 was approved by the Board of Governors on 3rd July 2017 and implemented in the new academic year September 2017. The new Plan builds on the previous Strategy 2012-2017, setting out the aims of the University under four core aims:

- Outstanding student experience – which expands the horizons of students and offers rich opportunities for them to develop their confidence, skills and character.

- Excellence in education – with contemporary curricula and innovative models of delivery that embed the knowledge and skills our students need.
- Impactful research and scholarship – that address the challenges of our day.
- Civic and global engagement – that builds and deepens our connections – within the city and across the globe – where these enrich the lives of our students, of the City, and of the broader communities of which we are privileged to be a part.

6.9 The University underwent an HE Review by the Quality Assurance Agency during the 2015/16 academic session, which involved a full visit by a Review Panel in February 2016. The University received an outstanding outcome from the Review, which included two 'commended' judgements for the quality and enhancement of student learning opportunities. The University remains fully committed to the provision of an exceptional student experience and the delivery of high quality teaching. Thus, following on from the comprehensive review of the Academic Framework 2015/16 – with implementation on a rolling basis from 2016/17 – the University has reviewed its Quality Assurance Framework to ensure it remains aligned with key external reference points, e.g. the Quality Code, Annual Provider Review and evolving TEF methodology. The revised quality assurance processes are risk based, and feature a number of enhancements. For example, the Annual Monitoring process has been revised so that continuous, real time monitoring is undertaken and Validation and Periodic Review processes have introduced a face-to-face Panel element. The role of the student has been enhanced in the reviewed processes. The Annual Provider Review outcomes for 2016/17 were positive, as outlined in 5.5 above. The University also received a Silver TEF rating.

6.10 The Strategic Management Team requires and ensures a regular review of the University's strategic direction and performance. Progress against the strategy is the responsibility of the Director of Strategic Planning, who, as a member of the Strategic Management Team, has specific responsibility for oversight of the performance and delivery of the University's strategy, as well as strategy-related risk management.

6.11 The Internal Audit Plan 2016/17 has continued to be derived from oversight of the University's control systems, having consideration of emerging sector issues and required assurances with clear linkages to the University's risk register. It is recognised that during 2016/17 the risk register process has been reviewed and updated as a process, with clear reporting on progress and proposed changes presented to the Audit Committee. Alongside audit planning meetings with the University management, consultation took place with the Audit Committee on a draft Internal Audit Plan prior to the start of the financial year to which the plan relates, and also an update to the three year audit strategy. The Internal Audit Plan progress and requirements were considered at each Audit Committee to ensure the plan remained appropriate and allowed for flexibility on assurances to meet governors' needs. In addition, during 2016/17, the Internal Auditors have discussed at the Summer Audit Committee potential auditable areas for coverage for 2017/18; which were a result of initial discussions with the Director of Legal & Governance Services and SMT. The Internal Audit Plan 2017/18 was approved at the Audit Committee held on 12th June 2017.

6.12 The Strategic Management Team and the Audit Committee, on behalf of the Board of Governors, receive internal audit reports from the independent internal auditors throughout the year, and in 2016/17 work was phased to ensure a more even flow of reports to each Audit Committee, with timings of reviews agreed to add most value. The Senior Management Team and RSM have worked throughout the year to deliver the audits at the right time to benefit University developments and opportunities. The majority of the assignment

reports were presented in year to the Audit Committee for 2016/17, alongside a detailed progress paper which summarised the collective outcomes of management actions and levels of assurance year to date, thereby signposting the year end annual opinion on work completed. The internal auditors' assignment reports have provided a clear opinion on the level of assurance provided on the specific review, with categorised and agreed management actions which are subsequently followed up on a cycle of follow up audits. The internal auditors adhere to the standards and principles defined in the Memorandum of Assurance and Accountability between HEFCE and Institutions [Revised Addition 2016/12], submit a progress report summarising their audit plan delivery to each Audit Committee, alongside the detailed assignment reports concluding on the design and application of the controls reviewed. In addition, the Internal Auditors have presented sectorial briefings to the Audit Committee throughout 2016/17, focussing on both control matters and sectorial matters, as well as held their annual meeting with Committee members in camera.

6.13 Based on the work the Internal Auditors have undertaken on the University's system of internal control, they do not consider that within these areas there are any issues that need to be flagged as significant control issues. The Organisation has an adequate and effective framework for risk management, governance, internal control and economy, efficiency and effectiveness. However, our work has identified further improvements to the framework of risk management, governance, internal control and economy, efficiency and effectiveness to ensure it remains adequate and effective. In forming their overall 'positive' opinion, the Internal Auditors also recognised the work undertaken in year by management to enhance practices based upon the outcome of their audit reviews.

6.14 Assessment grading for audits in 2016/17 were in the main either full or substantial, and all recommendations made by the Internal Auditors during the year were accepted by management. The internal auditors advised that they were satisfied that the University was implementing the appropriate policies and meeting the management actions and recommendations from the internal audit fieldwork.

6.15 The Annual Assurance Return is signed by the Vice-Chancellor & Chief Executive and received by the Audit Committee and the Board of Governors at its November meeting for oversight whereby it is then signed on behalf of the Board of Governors by the Chair of the Board. The Return confirms that the University's Accountable Officer, the Vice-Chancellor & Chief Executive, has met his obligations to HEFCE under the Financial Memorandum and that all relevant accountability returns are accurate, adhere to the published requirements and have been through the appropriate approval process.

6.16 The University's 'Policy for the Provision of Non-Audit Work by the External Auditors' sets out the requirements introduced through European regulations with regard to the provision of non-audit work and fees by external auditors. The external auditors include within their annual management audit letter an appendix summarising any additional work they have performed for the University and its subsidiaries and a review of the effectiveness of this Policy. As part of the reporting process the external auditors asks the Audit Committee to formally agree on an annual basis that it is content with the structure, content and operation of the Policy. In addition to the audit of the financial statements, during 2016/17 the External Auditors have also undertaken other work which was approved by the Audit Committee as per the 'Policy for the Provision of Non-audit work by the External Auditors', where appropriate, as follows:

- Debt Advisory: Provide advice and guidance in connection with the negotiation of amendments required for the University's bank loan facility agreement;
- Accounting and tax advice: Technical accounting and tax advice on the potential sale and leaseback of a property;

- Other Audit related services: Provision of Starbucks, Teachers Pension, U.S Student Loan and NCTL audit certificates in addition to providing external audit services for Sensor City Liverpool Ltd which is a joint venture between LJMU and the University of Liverpool;

- Tax compliance and advice services: Provided under a contract which was tendered for separately by the University.

6.17 The University has established a mechanism to ensure better utilisation of staff resource through the Staff Resource Management Group (SRMG). The Group is composed of the three Pro-Vice-Chancellors, the Director of People and Organisational Development and the Finance Director & Deputy Chief Executive. The SRMG takes a holistic view across the Institution when vacancies arise and new posts are funded. This approach provides the opportunity to redirect resources to ensure alignment with the Institution's strategy and to support particular projects and initiatives whilst also taking into account matters such as staff-student ratios and recruitment trends. In addition, the Group considers other aspects relevant to the Institution's staff establishment, e.g. requests for flexible working, end of probation reports, requests for sessional staff, job regradings, and redundancy payments. The SRMG provides oversight to the staff establishment, and ensures a robust, rigorous and auditable process is observed in terms of changes to the establishment. Moreover, the work of the Group ensures a consistent and evidence based approach is employed for changes to the staff establishment. More recently activity has involved the development of a work-flowed e-PAF (Post Approval Form) that will provide greater levels of efficiency and effectiveness in terms of processing, as well as enhanced levels of service for staff across the Institution. The e-PAF was formally launched in October 2016, and the paper version completely phased out by December 2016. The new work-flow solution provides enhanced functionality in terms of auditing, and provides for a more robust approach to considering – and recording – staff changes.

6.18 The University has also established a People and Organisational Development Steering Group to manage and oversee the strategic delivery of the People and Organisational Development Strategy which includes scrutinising all proposed policies and practices in order to ensure they meet the University's vision of being "a University that through an open, inclusive and fulfilling employment environment attracts and retains the very best talent from across the world". The Steering Group approach will be reviewed in the next academic year to ensure the most effective way of providing scrutiny through the development of the new People and Organisational Development Strategy 2017-2022.

6.19 The University's Recruitment Policy is designed to facilitate effective staff recruitment and selection in order to achieve its strategic aims, namely that staff are of the requisite standard to meet the needs of work and its control, as defined by the University's objectives and plans. Recruitment is a critical activity, crucial to organisational performance and every staff vacancy is considered an opportunity to raise the bar of performance. All those involved in recruitment activity undertake mandatory training prior to involvement in the process. It is the responsibility of the Chair of recruitment panels to ensure that all panel members have completed the training and that there are no conflicts of interest between a Panel member and candidates.

6.20 The University's values have been redefined within the new Strategic Plan 2017-2022 as below and stand at the heart of University policy and practice:

- *Transformation:* We believe in the power of education to drive transformation across social, cultural and economic boundaries.
- *Innovation:* We are innovative and progressive with an entrepreneurial spirit; we think creatively about new ways to do things.



- *Excellence*: We strive for the highest standards in everything we do.
- *Partnership*: We believe in working together to achieve lasting results.
- *Leadership*: We believe in leading the way, challenging convention and breaking new ground.
- *Community*: We believe in the power of sharing expertise and of people coming together with a common purpose.

6.21 Appropriate training is provided to maintain the competence of staff through a set of training guidelines for managers and staff, formally through the personal development and performance review appraisal process which was reviewed during 2017 and approved by the Employment Committee in October 2017. The University has now developed the Leadership and Development Foundation delivering personal development and training, leadership and organisational development to complement the work of the Learning and Teaching Academy.

6.22 The University has an Equality and Diversity Policy that underpins all activity. It is committed to promoting equal opportunities and inclusivity for all those involved within the University community, whether staff, students, visitors, contractors or clients. This commitment is to ensure that people's individual qualities are recognised and celebrated; and that people are treated with dignity and respect. An Equality and Diversity mandatory training module is also completed by all staff on an annual basis with completion recorded through the personal development and performance review appraisal process.

6.23 The transition of the reporting of annual leave from a paper based system to online has allowed staff to access the booking of leave through the University's Staff Infobase system which is approved online by their manager. This has resulted in a smoother booking process, with the risk of documents being lost in transit reduced. This has also had the benefit of allowing the University to report on annual leave taken at any point in the year and to communicate to managers at key points to remind them that their direct reports have outstanding leave balances.

6.24 The addition of a new post of a People and Organisational Development Analyst has enabled the development of a dashboard providing key data to inform and direct areas of HR related activity. This is presented to the Employment Committee on a regular basis.

6.25 The development of a new University website has helped to control authorship of content that is available publically. The University has reduced the number of authors from 300+ to less than 15, ensuring that all content available to the public is compliant with the University's digital brand guidelines, is aligned to the content strategy, and has a similar style and approach. This has also resulted in easier accessibility to the most recent and accurate information by all users of the website in compliance with information management legislation. The second phase of the development of the website had introduced a single publication route for academic staff profiles, drawing on data already present in other internal systems. This has reduced inconsistencies, reduced effort and improved the experience for the users of the website.

6.26 The transition of the expense claim system from paper based to online has allowed those staff who claim expenses (approximately 900 staff) to access the claiming of expenses, and the reconciliation of credit card transactions fully online. Those claims then go through the standard approval route. This has resulted in more efficient payments to staff and the ability to access receipts quickly. All expense claims continue to be audited by the Finance Department with a plan to reduce this to spot audits in the future. Also, the University Expense Policy has led the design of the online forms which readily make staff aware when they have breached existing guidelines leading to enhanced exception reporting.

6.27 The University's Finance, HR and payroll systems continue to undergo optimisation reviews to ensure that the University is reducing risk and managing controls effectively. The enhancements in this area include:

- The further development of cross validation rules to reduce the number of manual errors in the system;
- Invoice scanning to reduce manual input of invoice data, saving time and reducing errors;
- Compliance with regulatory changes such as enhancements to the Local Government Pension Scheme; Teachers' Pension; introduction of shared parental leave; and changes to Higher Education Statistical Agency (HESA) reporting requirements;
- The introduction of improved processes for managing grants and funded projects enabling greater control over budgeting, forecasting and report production for individual projects.
- Better processes for managing non-University employees, and how they are represented on the University's internal systems; and
- The evaluation of data sets in the Finance and People and Organisational Development Departments.

6.28 The University ensures that all procurement processes fully comply with the University's financial regulations, current EU regulations, the Public Contracts Regulations and the Public Procurement Regulations. All procurement (where applicable) is subject to competitive tender. If an individual tender process exceeds the current threshold for compliance with public sector procurement legislation, the tender process will follow EU guidelines and will be advertised in the Official Journal for the European Union (OJEU) and the UK Government Contracts Finder system.

6.29 A new Policy Management Framework was approved by the Strategic Management Team in July 2015 which led to the implementation of a new Policy Centre for all staff implemented on 4th May 2016. The Policy Centre is designed to make it easier for staff to access and keep up-to-date with all University policies, procedures and guidelines. The Policy Centre is centrally managed, approved, monitored, reviewed and archived appropriately and any new policies or changes to existing policies are communicated to all staff in a timely manner. Access to relevant policies is also provided to students and collaborative partners as part of the Policy Management Framework.

7 Particular Indicators of the Effectiveness of the Internal Control Systems during 2015/16.

These include:

7.1 HEFCE recommends that regular market testing of internal audit services should take place to maintain quality and cost effectiveness. Consequently in March 2014, the University re-tendered its internal audit service provision resulting in the appointment of new Internal Auditors, RSM, from 1st August 2014 until 31st July 2017, with the option for the University of extending for a further three years. The Audit Committee considered the re-appointment of the Internal Auditors at its meeting held on 12th June 2017 and agreed that RSM continue to be the University's auditors for a further year with their appointment to be further considered at that time. The work of the Internal Auditors and their reports are an important tool in facilitating the Audit Committee in fulfilling its mandatory requirements as set out in the Memorandum of Assurance and Accountability between HEFCE and Institutions (July 2017/08) (Annex A: Audit Code of Practice).

7.2 The Audit Committee receives the University's central monitoring log of statutory returns at each of its committee meetings. The log provides assurance on the management and quality of data and that returns are submitted in a timely and effective manner. The Strategic Management Team also have oversight of the log on a monthly basis.

7.3 The Office of Fair Access (OFFA) approved the University's Access Agreement 2018-2019 in July 2017, which had been recommended by the SMT and endorsed by the Board of Governors. LJMU's Access Agreement has been produced in accordance with the guidance issues by OFFA. Led by the Director of Student Recruitment & Admissions, the University has an established OFFA Working Group comprising staff from the Finance Department, Academic Registry, Teaching and Learning Academy, Student Advice and Wellbeing and Student Recruitment & Admissions. The Students' Union are also consulted as part of the process. The Director of Student Recruitment and Admissions is a member of OFFA's Access Agreement Reference Group that was established in September 2016 and provides input into and feedback on how OFFA operate.

7.4 Confirmation has been received from the Office for Fair Access and HEFCE that they have completed checks of the data components of the University's Access agreements and Student Opportunity allocation monitoring return for 2015-16 and confirmed they were happy with the quality of information provided.

7.5 The Strategic Management Team, the Board's Finance Committee and its Audit Committee, and the Board of Governors, receive regular financial reports and updates including budgets, monitoring, half year and outturn forecasts in addition to the end of year financial statements. In causing the financial statements to be prepared, and in compliance with the Memorandum of Assurance and Accountability between HEFCE and Institutions (July 2017/08), the Board of Governors has ensured that:

- The financial statements give a true and fair view of the state of the University's affairs, and of its income and expenditure, recognised gains and losses, changes in reserves and cash flows for the year. Judgements and estimates have been reasonable and prudent. The financial statements have taken into account relevant statutory and other mandatory disclosure and accounting requirements, and HEFCE requirements.
- The financial statements have been properly prepared in accordance with UK general accepted accounting principles and the Statement of Recommended Practice: Account for Further and Higher Education, and relevant legislation.
- Financial statements are prepared on the going concern basis and the Board is satisfied that the University has adequate resources to continue in operation for the foreseeable future.
- Funds from whatever source administered by the University for specific purposes have been properly applied to those purposes and managed in accordance with relevant legislation.
- Funds provided by HEFCE have been applied in accordance with the Memorandum of Assurance and Accountability and any other terms and conditions attached to them.
- The requirements of HEFCE's accounts direction have been met.

7.6 The Strategic Management Team and the Finance Committee have approved the 2020 HEFCE sector target for carbon reduction. This will require a reduction of 3,130 CO₂ which is a 26.71% reduction from the 2014/15 baseline emissions. The target was informed by the University's advisors INENCO taking due consideration of performance by the University and across the sector. The target was validated by a Sub-Group of the Strategic Management Team that was established to provide assurance that the target was both realistic and affordable. The delivery of the plan will be overseen by a Delivery Group including Strategic Management Team representation and will be governed by the University's Environment and Sustainability Panel. During 2016/17 there have been quarterly reports on progress to the Strategic Management Team in addition to annual reports to the Board of Governors' Finance Committee.

7.7 Following the implementation of an Anti-Bribery Policy in 2011 a number of activities have been undertaken to raise awareness in connection with the topics of Fraud, Anti-Money Laundering, Anti-Bribery and Due Diligence. Staff are required to complete the online Bribery Act E-Learning Module on induction and thereafter on an annual basis and prior to their Personal Development and Performance Review (PDPR) appraisal with their respective managers. Included in the PDPR document is a declaration asking the member of staff to confirm that they have completed the training. When conducting PDPR development sessions, line managers are reminded that they have a responsibility to ensure staff complete the module and to follow up with the relevant member of staff if the module has not been undertaken. Reports of staff completion rates can be produced upon request by the Staff Development Team and those completion rates are reported to the Strategic Management Team on a regular basis and annually to the Audit Committee. The Audit Committee received an annual report on Anti-Bribery, anti-Fraud and Anti-Corruption at its meeting held on 12th June 2017 and were assured that there had been no instances of bribery or corruption during 2016/17.

7.8 The University has a two stage process for the approval of an academic collaborative partnership. Stage one is the approval of an organisation as a new partner of the University. Stage two is the approval of a programme(s) to be delivered by/or in association with the partner, as below:

- **Stage One:** The Academic board approved a Risk Based approach to Due Diligence at its meeting held on 29th June 2016. The process is co-ordinated by the University's Academic Registry. An Assessment of Financial Due Diligence (FDD) is undertaken by the Academic Partnerships Team and the Finance Department. Following sign off of the required Due Diligence information by the relevant Executive Dean and, sign off of the FDD by the Deputy Finance Director, the documentation is submitted to the Collaborative Provision Panel for their consideration and approval. The agreed procedures are fully detailed within the Academic Collaborative Partnerships Operational Manual.



■ Stage Two: a Programme Proposal Form is completed, signed off by the Executive Dean of Faculty and then submitted to the Academic Planning Panel (APP) for its consideration and approval. Outcomes are reported up to the Education Committee and the Academic Board. Programmes approved for development by APP follow the University agreed procedures as fully detailed in the Validation of New Collaborative Programmes Procedures Manual. Both of the above Manuals are updated and approved on an annual basis.

7.9 To support the management of the UKVI (UK Visas and Immigration) Tier 4 sponsor licence the University UKVI Compliance Officer has continued to undertake internal audits to ensure Tier 4 activity complies with current sponsor guidance. LJMU has continued to subscribe to the UKVI premium service, which provides information to the University in relation to the core measurable rates. Continuously working with our UKVI account manager to ensure that UK immigration policy changes are reflected in the way that LJMU manage Tier 4 activity. For example, immigration policy changes in November 2016 have resulted in LJMU amending the way that we assign CAS's to students on maritime programmes that include sea time for the benefit of LJMU students and their financial sponsors.

An internal audit carried out during 2015/16 found the University's control framework in respect of UKVI Compliance was robust, this audit was followed up in 2016/17 to ensure that all measures were fully embedded. The Board can take substantial assurance that the controls upon which the University relies are suitably designed, consistently applied and operating effectively.

7.10 The University has met the reporting requirements of both the Freedom of Information Act and the Data Protection Act for requests received, including handling the requests effectively and within the legal timeframe. Staff are required to complete a mandatory online Data Protection and Records Management E-Learning Module on an annual basis which is monitored by managers via the Personal Development and Performance Review appraisal process. Both governors and staff have received updates and briefings regarding the incoming General Data Protection Regulation in May 2018 and the University continues its planning to ensure it will be compliance-ready for the new Regulation.

7.11 The University managed its occupational safety and health risks effectively during 2016/17. The total workplace accidents for staff, students and others reduced from 77 to 57. Accidents reported to the Health and Safety Executive increased from one to four. The corresponding incidence rate for reportable accidents per 1,000 staff increased from 0.42 to 1.62. This compares with 1.14 for the sector and the UK-wide figure of 2.74. Accident statistics submitted to the Higher Education Statistics Agency (HESA) were within sector norms. As part of its review of fire risk across University buildings, following the Grenfell Fire and reference to Aluminium Composite Material Cladding by the Department for Communities and Local Government, it was concluded that no LJMU buildings have such cladding.

7.12 The University's arrangements for Incident Management are set out in its Code of Practice MCP5 Incident Management. The Incident Management Team (IMT) is now chaired by the Registrar and Deputy Chief Executive, to create a strong formal link with the Strategic Management Team. A review of broader business continuity processes has been undertaken in the last 12 months, and a new policy and framework was approved by the Audit Committee in October 2016. A Business Continuity Management Group (BCMG), chaired by the Registrar and Deputy Chief Executive, has been established. The purpose of the BCMG, which includes members of IMT is to assess risks and plan contingencies at institutional level, to support the development of local plans, to review compliance on a periodic basis, and to encourage dialogue between those with responsibility for Business Continuity Management in different parts of the University.

7.13 The Occupational Health Unit adheres to the Higher Education Occupation Physician/Practitioners and Safe Effective Quality Occupational Health Service (SEQHS) framework, along with professional bodies' standards for students in vocational programmes. All health screening targets during 2016/17 were duly met. An internal audit of SEQHS was planned for 2017, however this is now likely to be undertaken in 2018. Mandatory accreditation is due to become an expectation by 2022 and the Unit is in a good position to achieve full compliance ahead of this date. The framework provides the clinical governance underpinning the Occupational Health Unit alongside guidance from the regulatory bodies and Department of Health.

7.14 After exhausting all of the University's internal complaint/appeal procedures, students are issued with a Completion of Procedures (COP) letter and may refer their complaint to the Office of the Independent Adjudicator (OIA). Following receipt of the COP letter, students have a maximum of 12 months in which to refer their complaint to the OIA. As the OIA's published statistics relate to calendar years rather than academic years, the 12 month period has not yet expired for students issued with COP letters in the latter part of 2016. The OIA has closed 12 LJMU complaints during 2016. Of those 12, no complaints were deemed to be 'Justified', one was 'Justified in Part', and six were deemed to be 'Not Justified, one complaint was 'Withdrawn' by the student. Four complaints were 'Settled' (these related to Out of Time or Eligibility decisions and were settled by the University agreeing to reconsider the complaint).

7.15 As part of the IT Strategy, major system development projects that require capital investment, are subject to a detailed business case and presented to the Planning and Resources Committee for approval. A Digital/IT Group, chaired by the Pro-Vice-Chancellor (Education), has responsibility for the prioritisation and monitoring of IT development requests deemed to be of a sufficient scale to warrant formal project management. As a working protocol, developments requiring more than 15 days of human effort across all teams are deemed to be a 'project', and are prioritised and monitored through the Digital/IT Group. Developments of less than 15 days across all teams are deemed to be operational in nature, and prioritisation and implementation progress is monitored through Information Technology Services.

7.16 The Academic Board receives an update on all medium and large scale Digital/IT development projects and Digital/IT related initiatives designed to enhance the student experience at each meeting.

7.17 At its 13th March 2017 meeting the Audit Committee received an annual report highlighting the major initiatives undertaken by the staff of the Procurement Services Team and information about the University's significant purchasing activity. The report identified a variety of value for money, contractual and operational activities undertaken by the Team.

7.18 The University ensures that all procurement processes fully comply with the University's financial regulations, current EU regulations, the Public Contracts Regulations and the Public Procurement Regulations. All procurement (where applicable) is subject to competitive tender. If an individual tender process exceeds the current threshold for compliance with public sector procurement legislation, the tender process will follow EU guidelines and will be advertised in the Official Journal for the European Union (OJEU) and the UK Government Contracts Finder system.

7.19 The P2P (Procure to Pay) e-market system has been implemented across the whole University. I-Buy requisitions (and the resultant order production) have continued to rise during the 2015/16 financial year. P2P has a major benefit in strengthening the control of budgets and authorisation of purchase orders and improves the efficiency of purchasing, receipting and invoice matching.

7.20 The Audit Committee received (in 2014/15) the outcome on the Procurement Maturity Assessment (PMA), undertaken by Southern

Universities Purchasing Consortium (SUPC) Procurement Shared Service at LJMU and approved the outcomes and recommended actions outlined within the report. The Assessment is an independent detailed assessment of a University's procurement function and provides the University with a bespoke action plan for improvement, a baseline to measure improvements, as well as benchmark scores against similar institutions. The purpose of the assessment is to help institutions to understand and improve the efficiency and effectiveness of their procurement functions, which can, in turn, lead to significant efficiency savings. A further PMA review took place during 2016 with improvements shown across many of the areas. In addition the review highlighted areas where the procurement team could, with further development, assist the University to implement the recommendations leading to potential savings and greater VfM through better supplier contract management.

7.21 The Diamond Report on Collaborative procurement has recommended a savings target of 30% for individual HEI spend via existing national or regional agreements. LJMU's collaborative spend for 2015/16 was £12.48million (28%) compared to £13.65 million (32%) in 2014/15. The fall was primarily due to an increase in Estate related spend which while tendered in accordance with the required regulations was not part of collaborative agreements. The University reported that the use of collaborative agreements contributed to £1.34 million towards the cashable savings reported in the Efficiency Measurement Model return.

7.22 The Strategic Management Team regularly reflects on progress against core institutional goals, and monitors performance against measures including recruitment and retention, student experience, employability and research income. Progress against the strategy is reported formally to the Board of Governors in the autumn each year, including performance against the associated Key Performance Outcomes (KPOs). An integrated strategic planning cycle was developed during 2015/16 and has been adopted in full for 2016/17; this is designed to sit beneath the top-level strategy, to translate it into plans and priorities in a holistic way, and to ensure that activities are genuinely driven by the University's vision and ambitions.

7.23 Following the implementation of the Counter-Terrorism and Security Act 2015, the University is now required to comply with the Prevent Duty; a key component of the Government's anti-terrorism strategy CONTEST. This duty places responsibility onto the University to 'have due regard to the need to prevent people from being drawn into terrorism'. Responsibilities fall into six broad categories around Leadership, Partnership, Staff Training, Welfare/Pastoral Care and Support, I.T. Policies and Student Unions. A Risk Log and associated Action Plan have been developed identifying all relevant areas of risk, methods of mitigation and areas of responsibility. This document is reviewed by the Strategic Management Team on a monthly basis. In addition to internal monitoring, HEFCE have delegated authority from the Home Office for compliance. An annual monitoring process is in place with reporting scheduled for December each year. An initial reporting mechanism, submitted to HEFCE in April 2016, indicated the University's satisfactory compliance with the Duty. This was followed by the first annual report submission to HEFCE on 1st December 2016, where once again the University was deemed to be compliant with the Duty.

7.24 The Annual Sustainability Assurance Report (ASSUR), received by the Board of Governors on an annual basis before submission to HEFCE, provides assurance that the University has in place a proper process for monitoring and managing the sustainability of the Institution, and of its core activities. The five KPIs identified as particularly worthy of governors' attention over the last year, and up to the date of the report, are:

- NSS score for overall satisfaction;
- NSS score for the teaching on my course;
- Research Income;

- Research Outputs (Publications) as measured by Symplectic (Independent Consultants); and
- Research, Enterprise, European and Collaborative Income (HE-BCI Defined)

All KPIs are linked to the strategic plan and monitored regularly by the SMT. The ASSUR report is signed by the Chair of the Board of Governors.

7.25 The University's Transparent Approach to Costing Return (TRAC) allows the University to fully cost its external research and other activities. The return is submitted to HEFCE by the end of January each year, and is signed by the Vice-Chancellor & Chief Executive, after having been reviewed by the University's Costing and Pricing Steering Group. As the financial accounts are not finalised until the preceding November, HEFCE acknowledge that approval of the TRAC return is unlikely to fit with universities' normal cycle of Board meetings, and therefore the TRAC is presented to the Board's Finance Committee at its March meeting. In addition in March 2016 as part of the academic workload planning audit the Internal Auditors undertook an audit of the academic time recording process which is used to inform the calculations within the TRAC return. The Internal Auditors made a number of recommendations to improve TRAC processes and the University is now working towards implementing these.

Opinion

8.1 The Board of Governors is of the view that there is an ongoing process for identifying, evaluating and managing the University's significant risks: that internal control systems have been in place for the year ended 31st July 2017 and up to the date of approval of the financial statements; that it is regularly reviewed by the Board of Governors; and that it accords with internal control guidance for directors on the UK Corporate Governance Code as deemed appropriate for HE. The Risk Management Policy and Framework has been reviewed and updated to reflect and align closely with the University's strategic plan 2017-2022.

9 Going Concern

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



INDEPENDENT AUDITOR'S REPORT TO BOARD OF GOVERNORS OF LIVERPOOL JOHN MOORES UNIVERSITY

REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS

Opinion

We have audited the financial statements of Liverpool John Moores University ("the University") for the year ended 31st July 2017 which comprise the Consolidated Statement of Comprehensive Income and Expenditure, Consolidated and University Balance Sheet, Consolidated Statement of Changes in Reserves and the Consolidated Cash Flow Statement and related notes, including the accounting policies in note 1.

In our opinion the financial statements:

- give a true and fair view of the state of the Group's and the University's affairs as at 31 July 2017, and of the Group's and the University's income and expenditure, gains and losses and changes in reserves, and of the Group's cash flows, for the year then ended;
- have been properly prepared in accordance with UK accounting standards, including FRS 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland, and with the 2015 Statement of Recommended Practice – Accounting for Further and Higher Education; and
- meet the requirements of HEFCE's Accounts Direction to higher education institutions for 2016-17 financial statements.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) ("ISAs (UK)") and applicable law. Our responsibilities are described below. We have fulfilled our ethical responsibilities under, and are independent of the group in accordance with, UK ethical requirements including the FRC Ethical Standard. We believe that the audit evidence we have obtained is a sufficient and appropriate basis for our opinion.

Going concern

We are required to report to you if we have concluded that the use of the going concern basis of accounting is inappropriate or there is an undisclosed material uncertainty that may cast significant doubt over the use of that basis for a period of at least twelve months from the date of approval of the financial statements. We have nothing to report in these respects.

Other information

The Board of Governors is responsible for the other information, which comprises the Operating and Financial Review, the Corporate Governance Statement and the Public Benefit statement. Our opinion on the financial statements does not cover the other information and, accordingly, we do not express an audit opinion or any form of assurance conclusion thereon. Our responsibility is to read the other information and, in doing so, consider whether, based on our financial statements audit work, the information therein is materially misstated or inconsistent with the financial statements or our audit knowledge. Based solely on that work, we have not identified material misstatements in the other information.

Board of Governors responsibilities

As explained more fully in their statement set out on page 26, the Board of Governors is responsible for: the preparation of the financial statements and for being satisfied that they give a true and fair view; such internal control as it determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error; assessing the group and parent University's ability to continue as a going concern, disclosing, as applicable, matters related

to going concern; and using the going concern basis of accounting unless it either intends to liquidate the group or the parent University or to cease operations, or has no realistic alternative but to do so.

Auditor's responsibilities

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 our opinion in an auditor's report. Reasonable assurance is a high level of assurance, but does not 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 aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the financial statements.

A fuller description of our responsibilities is provided on the FRC's website at www.frc.org.uk/auditorsresponsibilities.

REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS

We are required to report on the following matters under the HEFCE Audit Code of Practice (effective 1 August 2016) issued under the Further and Higher Education Act 1992.

In our opinion, in all material respects:

- funds from whatever source administered by the Group or the University for specific purposes have been properly applied to those purposes and managed in accordance with relevant legislation;
- income has been applied in accordance with the articles of government; 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.

THE PURPOSE OF OUR AUDIT WORK AND TO WHOM WE OWE OUR RESPONSIBILITIES

This report is made solely to the Board of Governors, in accordance with paragraph 13(2) of the University's Articles of Government and section 124B of the Education Reform Act 1988. Our audit work has been undertaken so that we might state to the Board of Governors those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the University and the Board of Governors for our audit work, for this report, or for the opinions we have formed.



Timothy Cutler
for and on behalf of KPMG LLP, Statutory Auditor
Chartered Accountants
1 St Peter's Square
Manchester
M2 3AE

STATEMENT OF ACCOUNTING POLICIES for the year ended 31 July 2017

1. Basis of preparation

These financial statements have been prepared in accordance with the Statement of Recommended Practice (SORP): Accounting for Further and Higher Education 2015 and in accordance with Financial Reporting Standards (FRS) 102. The University is a public benefit entity and therefore has applied the relevant public benefit requirement of FRS 102. The financial statements are prepared in accordance with the historical cost convention.

2. Basis of consolidation

The consolidated financial statements include the University and all its subsidiaries for the financial year to 31 July 2017. 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 method.

3. Income recognition

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

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

Investment income is credited to the statement of income and expenditure on a receivable basis.

Funds the University receives and disburses as paying agent on behalf of a funding body are excluded from the income and expenditure of the University where the University is exposed to minimal risk or enjoys minimal economic benefit related to the transaction.

Grant funding

Government revenue grants including funding council block grant and research grants are recognised in income over the periods in which the University recognises the related costs for which the grant is intended to compensate. Where part of a government grant is deferred it is recognised as deferred income within creditors and allocated between creditors due within one year and due after more than one year as appropriate.

Grants (including research grants) from non-government sources are recognised in income when the University is entitled to the income and performance related conditions have been met. Income received in advance of performance related conditions being met is recognised as deferred income within creditors on the balance sheet and released to income as the conditions are met.

Donations and endowments

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

Donations with no restrictions are recognised in income when the University is entitled to the funds.

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

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

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

Capital grants

Capital grants are recognised in income when the University is entitled to the funds subject to any performance related conditions being met.

4. Accounting for retirement benefits

The three principal pension schemes for the University's staff are the Universities Superannuation Scheme (USS), the Teachers' Pension Scheme (TPS) and the Merseyside Pension Fund (MPF). The schemes are defined benefit schemes which are externally funded and contracted out of the State Second Pension (S2P). The funds are valued every three years (MPF) and every five years (TPS) by professionally qualified independent actuaries.

The USS is a multi-employer scheme for which it is not possible to identify the assets and liabilities to University at members due to the mutual nature of the scheme and therefore this scheme is accounted for as a defined contribution retirement benefit scheme.

A liability is recorded within provisions for any contractual commitment to fund past deficits within the USS scheme.

Defined Contribution Plan

A defined contribution plan is a post-employment benefit plan under which the company pays fixed contributions into a separate entity and will have no legal or constructive obligation to pay further amounts. Obligations for contributions to defined contribution pension plans are recognised as an expense in the income statement in the periods during which services are rendered by employees.

Defined Benefit Plan

Defined benefit plans are post-employment benefit plans other than defined contribution plans. Under defined benefit plans, the University's obligation is to provide the agreed benefits to current and former employees, and actuarial risk (that benefits will cost more or less than expected) and investment risk (that returns on assets set aside to fund the benefits will differ from expectations) are borne, in substance, by the University. The Group should recognise a liability for its obligations under defined benefit plans net of plan assets.

This net defined benefit liability is measured as the estimated amount of benefit that employees have earned in return for their service in the current and prior periods, discounted to determine its present value, less the fair value (at bid price) of plan assets. The calculation is performed by a qualified actuary using the projected unit credit method. Where the calculation results in a net asset, recognition of

the asset is limited to the extent to which the University is able to recover the surplus either through reduced contributions in the future or through refunds from the plan

5. Employment benefits

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

6. Finance leases

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

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

7. Service Concession Arrangements

Fixed assets held under service concession arrangements are recognised on the Balance Sheet at the present value of the minimum lease payments when the assets are bought 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 nil over the life of the arrangement.

8. Operating leases

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

9. Foreign currency

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

10. Joint Venture Entities and Associates

The institution's share of assets and liabilities in associate entities and joint ventures is recognised in the institution's balance sheet in accordance with FRS102 to the extent of the University's investment in that entity. The gross equity method is used when consolidating joint venture entities and associate entities are consolidated using the equity method entities in accordance with FRS102.

11. Fixed assets

Fixed assets are stated at deemed cost less accumulated depreciation and accumulated impairment losses. Certain items of fixed assets that had been revalued to fair value on or prior to the date of transition to the 2015 FE HE SORP, are measured on the basis of deemed cost, being the revalued amount at the date of that revaluation.

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

Land and buildings

Land and Buildings are measured using a previous UK GAAP valuation taken on 31 May 2013 as deemed cost.

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

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

Buildings	50 years
Refurbishments	10 – 20 years

Leasehold land is depreciated over the life of the lease up to a maximum of 50 years.

No depreciation is charged on assets in the course of construction.

Equipment

Equipment, including computers and software, costing less than £15,000 per individual item is recognised as expenditure. All other equipment is capitalised.

Capitalised equipment is stated at cost and depreciated over its expected useful life as follows:

Computer Equipment	4 years
Equipment acquired for specific research projects	4 years or life of project if appropriate
Other Equipment	4 years
Motor Vehicles	4 years
Telescope	20 years

Depreciation methods, useful lives and residual values are reviewed at the date of preparation of each Balance Sheet.

The University changed its accounting policy with regard to equipment with effect from 1st August 2016. The value at which equipment is capitalised was changed from £5,000 to £15,000.

Borrowing costs

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

12. Heritage assets

The University owns a number of works of art which have been donated or loaned during the last 10 years. These items are not included in the University's balance sheet as they are not material in value. More information can be found in note 12.

13. Investments

Noncurrent asset investments are held on the Balance Sheet at amortised cost less impairment.

Investments in jointly controlled entities, associates and subsidiaries are carried at cost less impairment in the University's accounts.

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

14. Stock

Stock is held at the lower of cost and net realisable value, and is measured using an average cost formula.

15. Cash and cash equivalents

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

Cash equivalents are short term, highly liquid investments that are readily convertible to known amounts of cash with insignificant risk of change in value. The University considers cash investments with less than 90 days left to maturity as being cash equivalent.

16. 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.

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

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

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

17. Accounting for Joint Operations, Jointly Controlled Assets and Jointly Controlled Operations

The University accounts for its share of joint ventures using the equity method.

The University accounts for its share of transactions from joint operations and jointly controlled assets in the Consolidated Statement of Income and Expenditure.

18. Taxation

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 inputs is included in the costs of such inputs. Any irrecoverable VAT allocated to fixed assets is included in their cost.

The University's subsidiaries are liable to Corporation Tax 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.

19. Financial Instruments

The University has chosen to apply the provisions of sections 11 and 12 of FRS 102 in full. Financial assets and financial liabilities are recognised in the University's balance sheet when the University becomes a party to the contractual provisions of the instrument. A financial asset and a financial liability are offset only when there is a legally enforceable right to set off the recognised amounts and an intention either to settle on a net basis, or to realise the asset and settle the liability simultaneously.

The University's financial assets and liabilities all meet the criteria for basic financial instruments prescribed within FRS102 Section 11.8. All financial assets and liabilities are initially recognised at the transaction price plus any additional directly attributable transaction costs. They are subsequently measured as follows:
Statement of Accounting Policies
for the year ended 31 July 2017

Investments

Investments within the scope of Section 11 of FRS 102 (therefore excluding investments in subsidiaries, associates and joint ventures) are recognised initially at fair value which is normally the transaction price (but excludes any transaction costs, where the investment is subsequently measured at fair value through the statement of comprehensive income). Subsequently, they are measured at fair value if the investment is publicly traded or their fair value can otherwise be measured reliably with the changes in fair value recognised in the statement of comprehensive income. All other investments are measured at cost less impairment.

Short term debtors and creditors

Debtors and creditors with no stated interest rate and receivable or payable within one year are recorded at transaction price. Any losses arising from impairment are recognised in the statement of comprehensive income in other operating expenses.

20. Significant estimates and judgements

In the process of applying these accounting policies, the University is required to make certain estimates, judgements and assumptions that management believe are reasonable based on the information available. These are reviewed on a regular basis by the University's senior management team. Significant estimates and material judgements used in the preparation of the financial statements are as follows:

Recoverability of debtors

The provision for doubtful debts is based on our estimate of the expected recoverability of those debts. Assumptions are made based on the level of debtors which have defaulted historically, coupled with current economic knowledge. The provision is based on the current

situation of the customer, the age profile of the debt and the nature of the amount due.

Impairments

Management make judgements as to whether any indicators of impairment are present for any of the University's assets.

Provisions

Management apply judgement to arrive at the best estimate for any obligation required. The amount recognised as a provision is management's best estimate of the present value of the amount required to settle the obligation. To arrive at this amount management assess the likelihood and extent of any future settlement and make judgements based on these.

Retirement benefit obligations

The University operates within three pension schemes. Two of these schemes are accounted for as defined benefit schemes. These are the Merseyside Pension Fund (MPF) and the Teacher's Pension Scheme (TPS). Pension costs under FRS 102 are based upon the latest actuarial valuation, which is based on assumptions agreed by management following actuarial advice. These assumptions are documented within note 31. The University also operates the Universities Superannuation Scheme (USS). This are accounted for as defined contribution schemes as insufficient information is available to identify the Universities share of the underlying assets and liabilities. As the University is contractually bound to make deficit recovery payments to USS, this is recognised as a liability on the balance sheet. The USS deficit recovery plan defines the deficit payment required as a percentage of future salaries until 2031. These contributions will be reassessed within each triennial valuation of the scheme. The provision is based on management's estimate of expected future salary inflations, changes in staff numbers and the prevailing discount rate.

21. Reserves

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

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

22. Change in accounting policy

The University changed its accounting policy with regard to equipment with effect from 1st August 2016. The value at which equipment is capitalised was changed from £5,000 to £15,000.

John Foster Building



Liverpool John Moores University
Consolidated Statement of Comprehensive Income and Expenditure
Year Ended 31 July 2017

	Note	Consolidated 2017 £000	University 2017 £000	Consolidated 2016 £000	University 2016 £000
Income					
Tuition Fees and Education Contracts	1	171,889	171,844	163,515	163,243
Funding Body Grants	2	21,791	21,791	26,458	26,458
Research Grants and Contracts	3	9,194	9,066	9,895	9,406
Other Income	4	4,868	4,622	4,119	4,232
Investment Income	5	611	629	674	685
Donations and Endowments	6	257	257	207	207
Total Income		<u>208,610</u>	<u>208,209</u>	<u>204,868</u>	<u>204,231</u>
Expenditure					
Staff Costs	7	119,248	118,813	109,572	109,182
Other operating expenses		76,193	76,029	55,574	55,130
Depreciation	11	9,697	9,697	8,552	8,552
(Release)/Impairment of option agreement	11 8	(5,048)	(7,568)	5,048	-
Interest and other finance costs		6,414	6,586	6,574	6,746
Total Expenditure	9	<u>206,504</u>	<u>203,557</u>	<u>185,320</u>	<u>179,610</u>
Surplus/(deficit) before other gains losses and share of operating surplus/(deficit) of joint ventures and associates		2,106	4,652	19,548	24,621
(Loss)/gain on disposal of fixed assets	11	(27)	(27)	(163)	(163)
(Loss)/gain on transfer of fixed assets	11	-	(1,326)	-	-
Share of operating surplus/(deficit) in joint venture	15	5,530	-	(72)	-
Surplus/(deficit) before tax		<u>7,609</u>	<u>3,299</u>	<u>19,313</u>	<u>24,458</u>
Taxation	10	(51)	(51)	(61)	(61)
Surplus/(deficit) for the year		<u>7,558</u>	<u>3,248</u>	<u>19,252</u>	<u>24,397</u>
Actuarial gain/(loss) in respect of pension schemes	31	11,870	11,870	(37,606)	(37,606)
Total comprehensive income for the year		<u>19,428</u>	<u>15,118</u>	<u>(18,354)</u>	<u>(13,209)</u>
Represented by:					
Restricted comprehensive income for the year		635	635	235	235
Unrestricted comprehensive income for the year		18,793	14,483	(18,589)	(13,444)
		<u>19,428</u>	<u>15,118</u>	<u>(18,354)</u>	<u>(13,209)</u>
Surplus for the year attributable to:					
University		<u>7,558</u>	<u>3,248</u>	<u>19,252</u>	<u>24,397</u>
Total Comprehensive income for the year attributable to:					
University		<u>19,428</u>	<u>15,118</u>	<u>(18,354)</u>	<u>(13,209)</u>

All items of income and expenditure relate to continuing activities

Liverpool John Moores University
Consolidated and University Statement of Changes in Reserves
Year Ended 31 July 2017

Consolidated	Income and expenditure account		Revaluation reserve	Total
	Restricted £000	Unrestricted £000		
Balance at 1 August 2016	1,994	28,612	30,412	61,018
Surplus/(deficit) from the income and expenditure statement	635	6,923	-	7,558
Other comprehensive income	-	11,870	-	11,870
Transfers between revaluation and income and expenditure reserve	-	393	(393)	-
Impairment of option in LRC	-	(5,048)	-	(5,048)
Total comprehensive income for the year	<u>635</u>	<u>14,138</u>	<u>(393)</u>	<u>14,380</u>
Balance at 31 July 2017	<u>2,629</u>	<u>42,750</u>	<u>30,019</u>	<u>75,398</u>

University	Income and expenditure account		Revaluation reserve	Total
	Restricted £000	Unrestricted £000		
Balance at 1 August 2016	1,994	28,900	30,412	61,306
Surplus/(deficit) from the income and expenditure statement	635	2,613	-	3,248
Other comprehensive income	-	11,870	-	11,870
Transfers between revaluation and income and expenditure reserve	-	393	(393)	-
Total comprehensive income for the year	<u>635</u>	<u>14,876</u>	<u>(393)</u>	<u>15,118</u>
Balance at 31 July 2017	<u>2,629</u>	<u>43,776</u>	<u>30,019</u>	<u>76,424</u>

**Liverpool John Moores University
Balance Sheets**

	Note	Year ended 31 July 2017		Year ended 31 July 2016	
		Consolidated £000	University £000	Consolidated £000	University £000
Non-Current Assets					
Fixed Assets	11	189,476	188,150	199,949	199,949
Investments	14	39	16,029	39	16,029
Investment in Joint Venture	15	5,434	-	(94)	-
		<u>194,949</u>	<u>204,179</u>	<u>199,894</u>	<u>215,978</u>
Current Assets					
Stock	17	40	40	70	70
Trade and other receivables	18	10,994	11,299	7,730	8,082
Investments	19	72,000	72,000	47,000	47,000
Cash and cash equivalents	24	28,406	28,188	44,691	44,589
		<u>111,440</u>	<u>111,527</u>	<u>99,491</u>	<u>99,741</u>
Less: Creditors amounts falling due within one year	20	(38,443)	(38,334)	(36,909)	(36,797)
Net current assets/(liabilities)		<u>72,997</u>	<u>73,193</u>	<u>62,582</u>	<u>62,944</u>
Total assets less current liabilities		<u>267,946</u>	<u>277,372</u>	<u>262,476</u>	<u>278,922</u>
Creditors: amounts falling due after more than one year	21	(41,340)	(49,930)	(42,550)	(58,708)
Provisions					
Pension provisions	22	(148,207)	148,207)	(155,007)	(155,007)
Other provisions	22	(3,001)	(2,811)	(3,901)	(3,901)
Net Assets		<u>75,398</u>	<u>76,424</u>	<u>61,018</u>	<u>61,306</u>
Restricted Reserves					
Income and expenditure reserve	23	2,629	2,629	1,994	1,994
Unrestricted Reserves					
Income and expenditure reserve		42,750	43,776	28,612	28,900
Revaluation reserve		30,019	30,019	30,412	30,412
Total Reserves		<u>75,398</u>	<u>76,424</u>	<u>61,018</u>	<u>61,306</u>

The financial statements were approved by the Board of Governors on 27th November 2017 and were signed on its behalf on that date by:



Mr Rod Hill BA, FCMA, IPFA
Chair of the Board of Governors



Professor Nigel Weatherill DL,
DSc, FEng, FRSA
Vice-Chancellor and Chief
Executive



**Liverpool John Moores University
Consolidated and University Cash Flow
Year ended 31 July 2017**

	Note	Year ended 31 July 2017	Year ended 31 July 2016
		£000	£000
Cash flow from operating activities			
Surplus for the year		7,558	19,252
Adjustment for non-cash items			
Depreciation	11	9,697	8,552
Impairment	11	(5,048)	5,048
Reclassification of Equipment	11	-	441
Write off of WIP		9,242	-
Decrease/(increase) in stock	17	30	7
(Increase)/decrease in debtors	18	(3,264)	(1,718)
Increase/(decrease) in creditors	20	1,543	(920)
Increase/(decrease) in pension provision	22	1,617	65
(Decrease)/increase in other provisions	22	(900)	688
Share of operating (surplus)/deficit in joint venture	15	(5,530)	72
Adjustment for investing or financing activities			
Investment income	5	(611)	(670)
Interest payable	8	6,398	6,558
Loss on the sale of fixed assets		27	163
Net cash inflow from operating activities		20,759	37,538
Cash flows from investing activities			
New deposits		(71,000)	(47,000)
Withdrawn deposits		46,000	55,000
		(25,000)	8,000
Investment income	5	611	670
Payments made to acquire fixed assets	11	(8,693)	(21,885)
		(33,082)	(13,215)
Cash flows from financing activities			
Interest paid	8	(2,820)	(2,890)
Repayments of amounts borrowed	20	(1,142)	(1,118)
		(3,962)	(4,008)
(Decrease)/increase in cash and cash equivalents in the year		(16,285)	20,315
Cash and cash equivalents at beginning of the year	24	44,691	24,376
Cash and cash equivalents at end of the year	24	28,406	44,691

Liverpool John Moores University
Notes to the accounts

1. Tuition Fees and Education Contracts	Note	Year ended 31 July 2017		Year ended 31 July 2016	
		Consolidated £000	University £000	Consolidated £000	University £000
Full-time home and EU students		138,994	138,996	134,587	134,587
Full-time international students		11,225	11,225	9,866	9,866
Part-time students		4,575	4,575	3,591	3,591
Other fees and NHS contracts		17,095	17,048	15,471	15,199
		<u>171,889</u>	<u>171,844</u>	<u>163,515</u>	<u>163,243</u>
2. Funding Body Grants		Consolidated £000	University £000	Consolidated £000	University £000
Recurrent grant					
Higher Education Funding Council		19,391	19,391	19,073	19,073
National College for Teaching and Leadership		-	-	-	-
Specific grants					
Higher Education Funding Council		312	312	300	300
National College for Teaching and Leadership		98	98	1,109	1,109
Capital Grants		1,990	1,990	5,976	5,976
		<u>21,791</u>	<u>21,791</u>	<u>26,458</u>	<u>26,458</u>
3. Research grants and Contracts		Consolidated £000	University £000	Consolidated £000	University £000
Research Councils		2,201	2,201	2,384	2,384
UK based Charities		815	771	708	708
Health and Hospitals		1,405	1,405	2,550	2,550
Central and Local Government		1,151	1,151	836	823
Other grants and contracts		3,622	3,538	3,417	2,941
		<u>9,194</u>	<u>9,066</u>	<u>9,895</u>	<u>9,406</u>

**Liverpool John Moores University
Notes to the accounts**

	Note	Year ended 31 July 2017		Year ended 31 July 2016	
		Consolidated £000	University £000	Consolidated £000	University £000
4. Other income					
Residences, catering and conferences		1,378	1,330	1,242	1,174
Other services rendered		3,156	2,958	2,413	2,594
Other income		334	334	464	464
		<u>4,868</u>	<u>4,622</u>	<u>4,119</u>	<u>4,232</u>
5. Investment income					
		Consolidated £000	University £000	Consolidated £000	University £000
Investment income on restricted reserves	23	6	6	7	7
Other investment income		605	623	667	678
		<u>611</u>	<u>629</u>	<u>674</u>	<u>685</u>
6. Donations and Endowments					
		Consolidated £000	University £000	Consolidated £000	University £000
Donations with restrictions		253	253	192	192
Unrestricted donations	23	4	4	15	15
		<u>257</u>	<u>257</u>	<u>207</u>	<u>207</u>
7. Staff costs					
		Consolidated £000	University £000	Consolidated £000	University £000
Salaries		91,520	91,085	86,381	85,991
Social security costs		9,498	9,498	7,733	7,733
Apprenticeship Levy		149	149	-	-
Movement on USS provision		-	-	14	14
Other pension costs		18,081	18,081	15,444	15,444
Total		<u>119,248</u>	<u>118,813</u>	<u>109,572</u>	<u>109,182</u>
				Year ended 31 July 2017	Year ended 31 July 2016
Emoluments of the Vice Chancellor:				£	£
Salary				285,446	282,696
Benefits				353	836
Pension contributions to USS				1,998	1,979
				<u>287,797</u>	<u>285,511</u>

Liverpool John Moores University Notes to the accounts

7. Staff costs (continued)

Remuneration of other higher paid staff, excluding employer's pension contributions all shown before any salary sacrifice:

	Year ended 31 July 2017 No.	Year ended 31 July 2016 No.
£100,000 to £109,999	2	2
£110,000 to £119,999	1	1
£120,000 to £129,999	1	3
£130,000 to £139,999	4	1
£140,000 to £149,999	5	5
	<u>13</u>	<u>12</u>

Average staff number by major category:

	No.	No.
Academic	1,157	1,087
Non Academic	1,156	1,127
	<u>2,313</u>	<u>2,214</u>

Key management personnel

Key management personnel are those persons having authority and responsibility for planning, directing and controlling the activities of the University. Staff costs includes compensation paid to key management personnel. The University has identified these people as the Vice Chancellor, Pro Vice Chancellors, Deans of Faculties and Heads of Divisions.

[Note that compensation consists of salary, employers national insurance contributions and benefits including employers pension]

	Year ended 31 July 2017 £	Year ended 31 July 2016 £
Key management personnel compensation	<u>2,339</u>	<u>2,183</u>

Governors (Also known as trustees)

The University governors are the trustees for charitable law purposes.

No Governor has received any remuneration/waived payments from the group during the year (2016 £nil).

The total expenses paid to or on behalf of 22 governors, also known as Trustees was £0.8k (2016 £0.8k to 25 Governors). This represents travel and subsistence expenses incurred in attending Council and Committee meetings and Charity events in their official capacity.

**Liverpool John Moores University
Notes to the accounts**

	Note	Year ended 31 July 2017		Year ended 31 July 2016	
		Consolidated	University	Consolidated	University
		£000	£000	£000	£000
8. Interest and other finance costs					
Loan interest		2,820	2,820	2,890	2,890
Other interest		-	172	-	172
Net charge on pension scheme	31	3,594	3,594	3,684	3,684
		<u>6,414</u>	<u>6,586</u>	<u>6,574</u>	<u>6,746</u>

	Year ended 31 July 2017		Year ended 31 July 2016	
	Consolidated	University	Consolidated	University
	£000	£000	£000	£000
9. Analysis of total expenditure by activity				
Academic and related expenditure	96,714	96,159	87,395	86,875
Academic services	26,183	26,184	23,762	23,760
Administration and central services	11,426	11,411	9,472	9,434
Premises	39,825	39,825	26,361	26,361
Residences, catering and conferences	1,741	1,846	1,853	1,853
Research grants and contracts	6,528	6,573	6,865	6,763
General Education	10,877	10,877	10,076	10,076
Staff and student facilities	8,718	8,718	7,284	7,284
Other expenses	4,492	1,964	12,252	7,204
	<u>206,504</u>	<u>203,557</u>	<u>185,320</u>	<u>179,610</u>

Other operating expenses include:

Fees payable to the company's auditor for the audit of the company's annual accounts	53	53	47	47
Audit of the accounts of subsidiaries	5	5	6	-
Taxation compliance services	66	57	18	10
Taxation advisory services	8	8	102	102
Audit-related assurance services	-	-	20	20
Internal audit services	79	79	84	84
Corporate finance services	-	-	94	94
Operating lease rentals	17	17	1	12
Land and buildings	1,074	1,074	930	900

Liverpool John Moores University
Notes to the accounts

10. Taxation

	Year ended 31 July 2017		Year ended 31 July 2016	
	Consolidated £000	University £000	Consolidated £000	University £000
Recognised in the statement of comprehensive income:				
Current Tax				
Current tax expense	-	-	-	-
Adjustment in respect of previous years	51	51	61	61
Current Tax expense	<u>51</u>	<u>51</u>	<u>61</u>	<u>61</u>

11. Fixed Assets

Group	Freehold land and Buildings	Leasehold land and Buildings	Telescope	Equipment	WIP	Total
Cost or valuation						
At 1 August 2016	181,765	704	5,140	24,201	15,502	227,312
Additions	-	-	-	2,618	6,075	8,693
Transfers	1,220	-	-	383	(1,603)	-
Transfers between group companies	(1,194)	-	-	-	-	(1,194)
Write off	-	-	-	-	(9,242)	(9,242)
Disposals	-	-	-	(419)	-	(419)
At 31 July 2017	<u>181,791</u>	<u>704</u>	<u>5,140</u>	<u>26,783</u>	<u>10,732</u>	<u>225,150</u>
Consisting of valuation as at :						
31 May 2013	169,701	665	-	-	-	170,366
Cost	12,090	39	-	-	-	12,129
	<u>181,791</u>	<u>704</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>182,495</u>
Depreciation						
At 1 August 2016	11,365	-	3,211	12,787	-	27,363
Additions	4,924	-	276	4,497	-	9,697
Transfers between group companies	(1,194)	-	-	-	-	(1,194)
Disposals	-	-	-	(192)	-	(192)
At 31 July 2017	<u>15,095</u>	<u>-</u>	<u>3,487</u>	<u>17,092</u>	<u>-</u>	<u>35,674</u>

**Liverpool John Moores University
Notes to the accounts**

11. Fixed Assets (continued)

Net book value

	Freehold land and Buildings	Leasehold land and Buildings	WIP	Telescope	Equipment	Total
At 31 July 2017	<u>166,696</u>	<u>704</u>	<u>1,653</u>	<u>9,691</u>	<u>10,732</u>	<u>189,476</u>
At 31 July 2016	<u>170,400</u>	<u>704</u>	<u>1,929</u>	<u>11,414</u>	<u>15,502</u>	<u>199,949</u>

Leased assets included in above:

At 31 July 2017	<u>1,326</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>1,326</u>
At 31 July 2016	<u>1,724</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>1,724</u>

University	Freehold land and Buildings	Leasehold land and Buildings	Telescope	Equipment	WIP	Total
Cost or valuation						
At 1 August 2016	181,765	704	5,140	24,201	15,502	227,312
Additions	-	-	-	2,618	6,075	8,693
Transfers	1,220	-	-	383	(1,603)	-
Transfers between group companies	(2,520)	-	-	-	-	(2,520)
Write off	-	-	-	-	(9,242)	(9,242)
Disposals	-	-	-	(419)	-	(419)
At 31 July 2017	<u>180,465</u>	<u>704</u>	<u>5,140</u>	<u>26,783</u>	<u>10,732</u>	<u>223,824</u>

Consisting of valuation as at :

31 May 2013	172,221	665	-	-	-	172,886
Cost	8,244	39	-	-	-	8,283
	<u>180,465</u>	<u>704</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>181,169</u>

Depreciation

At 1 August 2016	11,365	-	3,211	12,787	-	27,363
Additions	4,924	-	276	4,497	-	9,697
Transfers between group companies	(1,194)	-	-	-	-	(1,194)
Disposals	-	-	-	(192)	-	(192)
At 31 July 2017	<u>15,095</u>	<u>-</u>	<u>3,487</u>	<u>17,092</u>	<u>-</u>	<u>35,674</u>

Liverpool John Moores University
Notes to the accounts

11. Fixed Assets (continued)

Net book value	Freehold land and Buildings	Leasehold land and Buildings	WIP	Telescope	Equipment	Total
At 31 July 2017	<u>165,370</u>	<u>704</u>	<u>1,653</u>	<u>9,691</u>	<u>10,732</u>	<u>188,150</u>
At 31 July 2016	<u>170,400</u>	<u>704</u>	<u>1,929</u>	<u>11,414</u>	<u>15,502</u>	<u>199,949</u>
Leased assets included in above:						
At 31 July 2017	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
At 31 July 2016	<u>1,724</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>1,724</u>

At 31 July 2017, land and buildings included £16.050m (2016 - £16.050m) in respect of land that is not depreciated.

The leased asset related to a long lease hold agreement which the University has with a subsidiary company, JMU Learning Resource Centre Development Limited, to lease the building Avril Roberts Learning Resource Centre.

Under an option Agreement dated 24 November 1995, JMU Learning Resource Centre Development Limited had the right, inter alia, to require the University, at any time during a 21 year option period, at one month's notice, to purchase the long leasehold interest for cash at a price equal to the company's costs of development. This option has now expired. The directors no longer considered it appropriate to recognise the substance of the arrangement and as a result the building has been transferred back to JMU Learning Resource Centre Development Limited. This has resulted in a loss on transfer of asset of £1.326m which has been charged to the Consolidated Statement of Comprehensive Income and Expenditure in the year. In addition the creditor in respect of the option agreement was impaired in line with the valuation of Avril Roberts Learning Resource Centre. This resulted in a credit to the consolidated Statement of Changes in Reserves of £5.048million.

During the year the planned development of the Copperas Hill site was cancelled due to increasing costs. The university is investigating other avenues of development on a smaller scale. At 31st July 2017 the existing building had been demolished and the site cleared and decontaminated in preparation for development. At this date the university had incurred costs of £21.6 million of capital costs in respect of the site and its subsequent demolition and clearance. Of these costs, £4.409 million was in respect of land purchases and the cost of the original site, and £7.905 million could be identified as invested costs that had added to the value of the remaining site. As a result of the cancellation of the project, £9.2 million capital costs have been identified as sunk costs and have been written off in the year. This write off is included within other operating expenditure.

Liverpool John Moores University Notes to the accounts

12. Heritage Assets

The University holds heritage assets, donated to the University with an insurance value of £0.061m and loaned to the University with an insurance value of £0.107m. Heritage assets include paintings, vases and ceremonial maces. These assets are not recognised on the balance sheet as they are not material in value.

13. Service Concession Arrangements

The University has no minimum guaranteed payment and therefore no asset and liability to recognise on the Balance Sheet.

14. Non-Current Investments

	Subsidiary Companies	Other fixed asset investments	Total
	£000	£000	£000
Consolidated			
At 1 August 2016 and 31 July 2017	-	39	39
University			
At 31 August 2016 and 31 July 2017	15,990	39	16,029

Other investments are in respect of shares in CVCP Properties PLC (1.0%) and Amaze Ltd (250,000 preference shares, redemption value £nil).

15. Investment in joint venture

Sensor City Liverpool Limited is a company limited by guarantee. The company was incorporated on 23 October 2014. Liverpool John Moores University and University of Liverpool each have a 50% interest in the company. The arrangement is treated as a joint venture and is accounted for using the gross equity method. The net assets of the company have been restated using the University's accounting policy for valuing assets as this differs from the accounting policy of the company. For the year ended 31 July 2017 the net assets of the company were £10.868m (31 July 2016 £0.188m net liabilities), the group share of these being £5.434m (2016 £0.094m). The company's financial year end is 31 July 2017.

15. Investment in joint venture (continued)

	Year ended 31 July 2017		Year ended 31 July 2016	
	£000	£000	£000	£000
Income and expenditure account				
Income		16		-
Deficit before tax		<u>5,530</u>		<u>(72)</u>
Balance Sheet				
Fixed Assets	5,255		1,461	
Current Assets	<u>1,672</u>		<u>1,219</u>	
		6,927		2,680
Creditors: amounts due within 1 year	(1,493)		(1,230)	
Creditors: amounts due after more than 1 year	-		(1,544)	
		<u>(1,493)</u>		<u>(2,774)</u>
Share of net assets/(liabilities)		<u>5,434</u>		<u>(94)</u>

The university participates in a number of joint research contracts with other universities. Income from significant arrangements during 2017 amounted to £0.514m (2016 £0.148m). Within this are the following projects of note:

ERDF Low Carbon Eco-Innovatory - a project focused on developing innovative low carbon goods, processes and services through collaborative partnerships.

ERDF Liverpool City Region 4.0 – a project focused on developing innovating low carbon goods, processes and services through collaborative partnerships.

16. Investment in associates

The University has a 24.5% holding in Liverpool Science Park Limited, a company which is limited by guarantee and has no share capital. The company aims to promote, deliver, sponsor, co-ordinate and, where appropriate, fund the establishment and continued operation, development and management of Liverpool Science Park incorporating, without limit, knowledge based SMEs developed from, or in connection with, local higher education institutions or from elsewhere in the Knowledge Economy and to encourage and support the development of new and growing businesses in the fields of science and knowledge based technologies.

During the year to 31st March 2017 the company made a profit of £15,401 (2016 £213,962). The University share of this is £3,773 (2016 £52,421). This has not been included in the consolidated figures as the University does not consider this to be material.

Liverpool John Moores University
Notes to the accounts

17. Stock	Year ended 31 July 2017		Year ended 31 July 2016	
	Consolidated £000	University £000	Consolidated £000	University £000
General consumables	40	40	70	70
18. Trade and other receivables	Consolidated £000	University £000	Consolidated £000	University £000
Amounts falling due within one year:				
Research grants receivables	1,281	1,281	722	722
Other trade receivables	450	310	1,364	1,155
Other receivables	223	211	311	311
Prepayments and accrued income	6,174	6,174	3,361	3,358
Amounts due from subsidiary companies	-	457	-	564
Amounts due from associate companies	166	166	165	165
Amounts due from joint venture	2,700	2,700	1,807	1,807
	<u>10,994</u>	<u>11,299</u>	<u>7,730</u>	<u>8,082</u>
19. Current Investments	Consolidated £000	University £000	Consolidated £000	University £000
Short term deposits	<u>72,000</u>	<u>72,000</u>	<u>47,000</u>	<u>47,000</u>

Deposits are held with banks and building societies operating in the London market and licensed by the Financial Services Authority with less than three months maturity at the balance sheet date. The interest rates for these deposits are fixed for the duration of the deposit at time of placement.

At 31 July 2017 the weighted average interest rate of these fixed rate deposits was 0.75% (2016 1.02%) per annum and the remaining weighted average period for which the interest rate is fixed on these deposits was 264 days (2016 175 days). The fair value of these deposits was not materially different from the book value.

Liverpool John Moores University
Notes to the accounts

20. Creditors: amounts falling due within one year	Year ended 31 July 2017		Year ended 31 July 2016	
	Consolidated £000	University £000	Consolidated £000	University £000
Secured loans	1,210	1,120	1,142	1,142
Trade payables	5,474	5,497	4,975	4,970
Social security and other taxation payable	4,492	4,492	4,182	4,182
Amounts due to subsidiary companies	-	334	-	754
Accruals and deferred income	26,839	26,403	25,309	25,299
Other Creditors	428	428	1,301	450
	<u>38,443</u>	<u>38,334</u>	<u>36,909</u>	<u>36,797</u>

Deferred income

Included with accruals and deferred income are the following items of income which have been deferred until specific performance related conditions have been met.

	Consolidated £000	University £000	Consolidated £000	University £000
Research grants received on account	4,637	4,637	6,066	6,066
Grant income	383	383	473	473
Other income	1,633	1,633	1,783	1,783
	<u>6,653</u>	<u>6,653</u>	<u>8,322</u>	<u>8,322</u>

21. Creditors: amounts falling after more than one year

	Consolidated £000	University £000	Consolidated £000	University £000
Secured loans	41,340	41,340	42,550	42,550
Intercompany lease	-	8,590	-	16,158
	<u>41,340</u>	<u>49,930</u>	<u>42,550</u>	<u>58,708</u>

An option agreement to demand payment of an intercompany lease in respect of Avril Roberts Learning Resource Centre expired on 24th November 2016. The balance due on this lease of £7.568 million has been written off in the year.

The remaining intercompany loan is between the university and JMU Property Development Company Limited and is in respect of a loan agreement dated 25th April 1996.

Liverpool John Moores University
Notes to the accounts

21. Creditors: amounts falling after more than one year (continued)

Analysis of secured loans:	Consolidated £000	University £000	Consolidated £000	University £000
Due within one year or on demand (note 20)	1,210	1,210	1,142	1,142
Due between one and two years	1,253	1,253	1,210	1,210
Due between two and five years	4,026	4,026	3,886	3,886
Due in five years or more	36,061	44,651	37,454	53,612
Due after more than one year	41,340	49,930	42,550	58,708
Total secured and unsecured loans	42,550	51,140	43,692	59,850

Included in the loans are the following:

Lender	Amount £000	Term years	Interest rate %	Borrower
Barclays Plc	7,450	25	7.99	University
Barclays Plc	3,000	25	1.08	University
Barclays Plc	3,000	25	1.08	University
Barclays Plc	20,000	25 from 2013	6.07	University
Barclays Plc	10,000	18 from 2015	6.36	University
Barclays Plc	10,000	12 from 2011	6.68	University
	<u>53,450</u>			

The group has £20m undrawn borrowing facility available at 31st July 2017.

22. Provisions for liabilities

University	Obligation to fund deficit on USS Pension	Enhanced Pension Scheme	Defined Benefit Obligations (note 31)	Total Pension Provisions	Other	Total Other
At 1 August 2016	947	12,428	141,632	155,007	3,901	3,901
Utilised in year	-	(836)	-	(836)	(895)	(895)
Transfer from I&E	-	167	(6,131)	(5,964)	(195)	(195)
At 31 July 2017	<u>947</u>	<u>11,759</u>	<u>135,501</u>	<u>148,207</u>	<u>2,811</u>	<u>2,811</u>

Liverpool John Moores University
Notes to the accounts

22. Provisions for liabilities (continued)

Group	Obligation to fund deficit on USS Pension	Enhanced Pension Scheme	Defined Benefit Obligations (note 31)	Total Pension Provisions	Other	Total Other
At 1 August 2016	947	12,428	141,632	155,007	3,901	3,901
Utilised in year	-	(669)	-	(669)	(895)	(895)
Transfer from I&E	-	167	(6,131)	(5,964)	(5)	(5)
At 31 July 2017	947	11,759	135,501	148,207	3,001	3,001

Included within other provisions are provisions for restructuring costs of £nil (2016 £0.0002m), dilapidation costs of £0.695m (2016 £0.656m) and provisions for bursaries and scholarship of £0.811m (2016 £1.693m). Restructuring costs charged to the Income and Expenditure account in the current year totalled £0.183m (2016 £0.026m). Dilapidations charged to the Income and Expenditure account in the current year totalled 0.039m (2015 £0.098m). Other provisions include contractual obligations in relation to student activity.

Pension enhancement

The enhanced pension provision is in respect of pension enhancements payable to staff that have taken early retirement. The provision has been re-valued at 31 July 2017.

The assumptions for calculating the provision for pension enhancements on termination under FRS 102, are as follows:

	Consolidated
Discount rate	3.5%
Inflation	1.7%

USS deficit

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

**Liverpool John Moores University
Notes to the accounts**

23. Restricted Reserves

	Unspent capital grants £000	Donations £000	Total £000
At 1 August 2016	1,258	736	1,994
New capital grants	1,944	-	1,944
New donations	-	253	253
Investment income	-	6	6
Capital grants utilised	(1,443)	-	(1,443)
Expenditure	-	(125)	(125)
At 31 July 2017	<u>1,759</u>	<u>870</u>	<u>2,629</u>

Analysis of other restricted funds/donations by type of purpose:

	2017 Total £000	2016 Total £000
Scholarships and bursaries	253	251
Student support	236	109
Research support	17	17
Prize funds	181	187
General	183	172
	<u>870</u>	<u>736</u>

24. Cash and Cash equivalents

	At 1 August 2016 £000	Cash Flows £000	At 31 July 2017 £000
Consolidated			
Cash and cash equivalents	<u>44,691</u>	<u>(16,285)</u>	<u>28,406</u>
University			
Cash and cash equivalents	<u>44,589</u>	<u>(16,401)</u>	<u>28,188</u>

25. Capital and other commitments

Provision has not been made for the following capital commitments at 31 July 2017:

	31 July 2017		31 July 2016	
	Consolidated £000	University £000	Consolidated £000	University £000
Commitments contracted for	<u>-</u>	<u>-</u>	<u>5,188</u>	<u>5,188</u>

Liverpool John Moores University
Notes to the accounts

26. Contingent liabilities

The University has considered the existence of any Contingent Liabilities for the group as at 31st July 2017 and concludes that there are none.

27. Lease obligations

	31 July 2017		Total £000	31 July 2016 £000
	Land and Buildings £000	Plant and Machinery £000		
Payable during the year	1,074	17	1,091	942
Future minimum lease payments due:				
Not later than 1 year	1,209	17	1,226	938
Later than 1 year and not later than 5 years	3,804	5	3,809	2,300
Later than 5 years	3,838	-	3,838	163
Total lease payments due	<u>8,851</u>	<u>22</u>	<u>8,873</u>	<u>3,401</u>

Finance Leases:

The University has an intercompany lease with JMU Learning Resource Centre Development Limited. The lease runs for 25 years from 24 November 1995 and is in respect of the Avril Roberts Learning Resource Centre. Previously the asset was held on the Universities balance sheet and treated as a finance lease, however following the expiry of an option agreement in respect of the lease the lease has been reclassified as an operating lease and the asset transferred back to JMU Learning Resource Centre Development Limited. No payments have been made in respect of the lease since 1 April 2005.

Liverpool John Moores University Notes to the accounts

28. Subsidiary Undertakings

The subsidiary companies, with the exception of Liverpool John Moores (Malaysia) SDN.BHD are registered in England and Wales. Liverpool John Moores (Malaysia) SDN.BHD is registered in Malaysia and ownership is in the UK. All the subsidiary companies, wholly owned or effectively controlled by the University, are as follows:

Company	Status	Principal Activity
JMU Property Development Company Ltd	100% owned	Property Development Company
JMU Services Ltd	100% owned	Academic enterprise
JMU Learning Resource Centre Development Ltd	100% owned	Leasing of the Avril Roberts Learning Resource Centre
JMU Building Services and Maintenance Ltd	100% owned	Promotion of the advancement of education by provision of funds to the University
Liverpool Business School Ltd	100% owned	Dormant
Liverpool John Moores (Malaysia) SDN.BHD	100% owned	Promote and support collaborations within Malaysia
Standard Trace Metal Quantification Ltd	100% owned	Producing a standard referencing material for provision to the pharmaceutical industry

The University exercises a significant influence over the operations of JMU Building Services and Maintenance Limited, a company limited by guarantee. The University is the guarantor and the directors of the company must be appointed from officers or governors of the University, or members of the Company.

29. Events after the reporting period

There were no significant events which occurred after the 31st July 2017 but before the date these accounts were signed which require disclosure.

30. Related party transactions

Due to the nature of the University's operations and the composition of the Board of Governors (being drawn from local public and private sector organisations) it is inevitable that transactions will take place with organisations in which a member of the Board of Governors may have an interest. In accordance with FRS102 these are disclosed where members of the University's board of Governors disclose an interest in a body with whom the University undertakes transactions which are considered material to the University's financial statements and/or to the other party. All such transactions involving organisations in which members of the Board of Governors may have an interest are declared and undertaken at 'arms' length in accordance with the University's normal procurement procedures.

Liverpool John Moores University
Notes to the accounts

30. Related party transactions (continued)

An updated register of interests of the Board of Governors and Key Management Personnel is maintained.

The University has taken advantage of the exemption allowed under FRS102 not to disclose transactions between wholly owned group companies.

Included within the financial statements are the following transactions with related parties:

	Income	Expenditure	Balances at 31 July 2017 due (from)/to the University
	£000	£000	£000
Sensor City Liverpool Limited	447	700	2,700
Liverpool Student Union	18	1,821	-
Liverpool Science Park Limited	9	348	166
Hasilwood Management Services Limited	-	191	-
Liverpool Cathedral Enterprises Limited	-	73	-
Royal Liverpool Philharmonic	-	61	-
Local Enterprise Partnership	-	25	-
Clatterbridge Cancer Centre	14	20	-
Royal Court Liverpool Trust	-	15	-
Blue Coat School	-	4	-
Ove Arup and Partners Ltd	-	4	-
Local Solutions (Liverpool)	-	1	-
Liverpool & Sefton Chamber of Commerce	-	1	-

Sensor City Liverpool Limited is a company that is jointly owned by the University whose objective is to manage and operate a sensor technology innovation centre to be based at the gateway of Liverpool's Knowledge Quarter.

Liverpool Student Union is an independent organisation largely funded by the University.

Liverpool Science Park Limited is an associate company of the University who promote, deliver, sponsor, co-ordinate and fund the establishment and continued operation, development and management of Liverpool Science Park.

Liverpool Cathedral Enterprises Ltd is responsible for the advancement and promotion of the mission, ministry and worship of the Anglican Cathedral.

Hasilwood Management Services Limited is a general insurance intermediary and mutual management services provides, a wholly owned subsidiary of U.M. Association Limited.

Liverpool John Moores University Notes to the accounts

30. Related party transactions (continued)

Royal Liverpool Philharmonic is an organisation that encompasses the Royal Liverpool Philharmonic Orchestra and the Liverpool Philharmonic Hall.

Liverpool City Region Local Enterprise Partnership (LEP) was created in 2012 to bring together businesses and civic leaders to drive private-sector led growth and job creation. It covers the local authority areas of Liverpool, Halton, Knowsley, St Helens, Wirral and Sefton.

Clatterbridge Cancer Centre is one of the largest cancer centres in the country and is the leading provider of non-surgical oncology treatment.

The Royal Court Liverpool Trust is a registered charity established in May 2008 with two aims, to act as custodians of the building and to develop education and participation programmes for the communities of Liverpool.

The Liverpool Blue Coat School is a selective grammar school with academy status located in Wavertree, Liverpool.

Ove Arup is a professional services firm which provides engineering, design, planning, project management and consulting services for all aspects of the built environment.

Local Solutions is a charity delivering services to people primarily across the North West of England and North Wales. Established in 1974, we have a proven track record of improving the quality of life for vulnerable and excluded people.

Liverpool & Sefton Chamber of Commerce is a Community Interest Company with a dedicated mission statement to provide development, growth and sustained economic viability to chamber members and to the business community within Liverpool and throughout Liverpool City Region.

31. Financial Instruments

Risk Management

The University's treasury management function monitors and manages the financial risks faced by the University. These risks are managed within the parameters of the University's Treasury Management Policy as approved by the Board of Governors.

Compliance with policies and exposure limits is reviewed by the Finance Committee on a continuous basis. The University does not enter into or trade financial instruments, including derivative financial instruments.

The University's principal financial instruments are cash, investments and loans. The core objective of these financial instruments is to meet the financing needs of the University's operations. Additionally, the University has other financial assets and liabilities arising directly from its operations i.e. trade debtors and creditors.

Liverpool John Moores University Notes to the accounts

31. Financial Instruments (continued)

Credit risk

Credit risk refers to the risk that a counterparty will default on its contractual obligations resulting in a financial loss to the University.

The University's credit risk arises from bank balances, investments, student debtors and commercial organisations as customers. Management of credit risk is a prime objective of the Treasury Management Policy. At 31 July 2017, the maximum exposure is represented by the carrying value of each financial asset in the balance sheet.

The credit risk of liquid funds and financial instruments is limited because the counterparties are banks with investment grade credit ratings assigned by international credit-rating agencies. The University's exposure and the credit ratings of its counterparties are monitored regularly. The credit exposure is limited by counterparty limits and minimum counter party credit ratings set within the treasury management policy.

Student and commercial debtors are reviewed on an-ongoing basis and a bad debt provision is made if recovery becomes uncertain. If a debtor is deemed irrecoverable it is written off. The concentration of risk is limited due to a large number of diverse customers across both students and commercial customer populations.

Liquidity Risk

Liquidity risk refers to the risk that the University will not be able to meet its financial obligations as they fall due. Regular monitoring of liquidity risk is an essential feature of treasury management activities.

Cash flow forecasts form part of the University 5 year planning process and are revised during the financial year when 2 re-forecasts are made. The University policy is to maintain a minimum of £10m in on-call cash balances. Excess funds are invested to maximise the return whilst observing the Treasury Management Policy limits.

Foreign currency risk

Foreign currency risk refers to the risk that unfavourable movement in exchange rates may cause financial loss to the University. The University's principal foreign currency exposure is to the euro. On an annual basis after satisfying euro denominated liabilities the University is left with a nil balance of euros.

Interest rate risk

Interest rate risk refers to the likelihood that changes in interest rates will result in fluctuations of the value of balance sheet items (i.e. price risk) or changes in interest income or expenses (i.e. re-investments risk).

The University's main financing relates to its 6 secured loans (see note 21). The interest rates attached to these range from 1.08 to 7.99%, with two being floating and the remaining being fixed over the term of the loans.

Liverpool John Moores University Notes to the accounts

32. Pension Schemes

The University's staff belong to three post-employment benefit plans:

- Universities' Superannuation Scheme (USS)
- Local Government Pension Scheme (LGPS)
- Teachers Pension Scheme (TPS)

The three schemes, being USS, LGPS and TPS, are all defined-benefit schemes contracted out of the State Second Pension (S2P) the assets of which are held in separate trustee administered funds.

Total pension cost for the year	Year ended	Year ended
	31 July 2017	31 July 2016
	£000	£000
USS (contributions paid)	540	462
USS (FRS 102 adjustments)	-	(30)
LGPS (contributions paid)	4,984	4,573
LGPS (FRS 102 adjustments)	-	(127)
TPS (contributions paid)	7,448	6,832
	<u>12,972</u>	<u>11,710</u>

The pension costs are assessed in accordance with the advice of independent qualified actuaries. The latest formal actuarial valuation of the TPS was 31 March 2012 and of the LGPS 31 March 2013.

The Universities' Superannuation Scheme

The Universities' Superannuation Scheme (USS) provides benefits based on final pensionable salary. The University participates in the Universities' Superannuation Scheme (USS), a defined benefit scheme which is contracted out of the State Second Pension (S2P). The assets of the scheme are held in a separate fund administered by the trustee, Universities' Superannuation Limited.

Because of the mutual nature of the scheme, the scheme's assets are not hypothecated to individual Universities and a scheme-wide contribution rate is set. The University is therefore exposed to actuarial risks associated with other University's employees and is unable to identify its share of the underlying assets and liabilities of the scheme on a consistent and reasonable basis and therefore, as required by FRS 102(28), 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 period. The total cost charged to the profit and loss account is £0.540m (2016 £0.462m). There was neither a prepayment nor an accrual at the end of the financial year in respect of these contributions.

Liverpool John Moores University Notes to the accounts

32. Pension Schemes (continued)

The latest available actuarial valuation of the scheme was at 31 March 2014 ("the valuation date"), which was carried out using the projected unit method. The valuation as at 31 March 2017 is underway.

Since the University cannot identify its share of the scheme assets and liabilities the following disclosures reflect those relevant for the whole scheme.

The 2014 valuation was the third valuation for USS under the scheme-specific funding regime introduced by the Pension Act 2004, which requires schemes to adopt a statutory funding objective, which is to have sufficient and appropriate assets to cover their technical provisions. At the valuation date, the value of the assets of the scheme was £41.6 billion and the value of the scheme's technical provisions was £46.9 billion indicating a shortfall of £5.3 billion. The assets therefore were sufficient to cover 89% of the benefits which had accrued to members after allowing for expected future increases in earnings.

Defined benefit liability numbers for the scheme have been produced using the following assumptions:

	31 July 2017	31 July 2016
Discount Rate	2.57%	3.60%
Pensionable salary growth	n/a	n/a
Pension increases (CPI)	2.41%	2.20%

The main demographic assumption used relates to the mortality assumptions. Mortality in retirement is assumed to be in line with the Continuous Mortality Investigation's (CMI) S1NA tables as follows:

Male members' mortality 98% S1NA ("light") YoB tables - no age rating

Female members' mortality 99% S1NA ("light") YoB tables - rates down one year

Use of these mortality tables reasonably reflects the actual USS experience. To allow for further improvements in mortality rates the CMI 2014 projections with a 1.5% pa long term rate were also adopted. The current life expectancies on retirement at age 65 are:

	At 31 July 2017	At 31 July 2016
Male (females) currently aged 65	24.4 (26.6) years	24.3 (26.5) years
Males (females) currently aged 45	26.5 (29) years	26.4 (28.8) years

Liverpool John Moores University
Notes to the accounts

32. Pension Schemes (continued)

Existing Benefits	At 31 July 2017	At 31 July 2016
Scheme assets	£60bn	£49.8bn
Total scheme liabilities	£77.5bn	£58.3bn
FRS102 total scheme deficit	£17.5bn	£8.5bn
FRS102 total funding level	77%	85%

The scheme-wide contribution rate required for future service benefits alone at the date of the valuation was 16% of pensionable salaries.

With effect from 1 October 2015, new joiners to the scheme join the new revalued benefits section rather than the existing final salary section.

USS is a “last man standing” scheme so that in the event of the insolvency of any of the participating employers in USS, the amount of any pension funding shortfall (which cannot otherwise be recovered) in respect of that employer will be spread across the remaining participant employers and reflected in the next actuarial valuation of the scheme.

At 31 March 2015, USS had over 162,000 active members and at 31 July 2017 the University had 52 active members participating in the scheme.

Local Government Pension Scheme (LGPS) - Merseyside Pension Fund

The LGPS is funded defined benefit scheme, with the assets held in separate trustee administered funds.

The total contributions made by the University for the year ended 31 July 2017 was £4,984,353 (2016 £4,573,396). The agreed contribution rates for future years are 14 % for employers and range from 5.5% to 12.5% cent for employees, depending on salary.

Principal Actuarial Assumptions

The following information is based upon a full actuarial valuation of the fund at 31 March 2013 updated to 31 July 2017 by a qualified independent actuary.

The financial assumptions used to calculate scheme liabilities under FRS102 are:

	At 31 July 2017 %pa	At 31 July 2016 %pa
Price Inflation (CPI)	2.2	1.7
Rate of increase in salaries	3.7	3.2
Rate of increase of pensions	2.2	1.8
Discount rate	2.6	2.6

Liverpool John Moores University Notes to the accounts

32. Pension Schemes (continued)

The most significant non-financial assumption is the assumed level of longevity. The table below shows the life expectancy assumptions used in the accounting assessments based on the life expectancy of male and female members at age 65.

	At 31 July 2017	At 31 July 2016
<i>Retiring today</i>		
Males	21.9	22.5
Females	24.7	25.4
<i>Retiring in 20 years</i>		
Males	24.9	24.9
Females	27.7	28.2

Scheme assets and expected rate of return for LGPS

The expected return on assets has been derived as the weighted average of the expected returns from each of the main asset classes (i.e. equities and bonds). The expected return for each asset class reflects a combination of historical performance analysis, the forward looking views of the financial markets (as suggested by the yields available) and the views of investment organisations.

The University's share of the assets in the scheme and the expected rates of return were:

	Long term rate of return expected at 31 July 2017	Value at 31 July 2017	Long term rate of return expected at 31 July 2016	Value at 31 July 2016
Equities	52.4%	129,261	52.5%	113,749
Government bonds	3.4%	8,387	4.6%	9,967
Corporate bonds	12.1%	29,849	11.8%	25,567
Property	8.0%	19,735	8.2%	17,767
Cash	4.8%	11,841	3.7%	8,017
Other	19.3%	47,610	19.2%	41,600
Total		<u>246,683</u>		<u>216,667</u>

32. Pension Schemes (continued)

The amount included in the balance sheet in respect of the defined benefit pension plan is as follows:

	Year ended 31 July 2017 £000	Year ended 31 July 2016 £000
Fair value of plan assets	246,683	216,667
Present value of plan liabilities	(382,184)	(358,299)
Net pensions (liability)/asset (Note 19)	<u>(135,501)</u>	<u>(141,632)</u>

Amounts recognised in the Statement of Comprehensive Income in respect of the plan are as follows:

	Year ended 31 July 2017 £000	Year ended 31 July 2016 £000
Amounts included in staff costs		
Current service cost	(9,976)	(7,463)
Effects of curtailments	-	-
Total operating charge	<u>(9,976)</u>	<u>(7,463)</u>
Amounts included in investment income		
Interest cost	(9,261)	(10,938)
Expected return on assets	5,683	7,270
Net charge to other finance income	<u>(3,578)</u>	<u>(3,668)</u>
Amounts recognised in Other Comprehensive Income		
Gain on assets	20,683	16,366
Experience (gain)/loss on liabilities	17,817	-
Assumption in 2016-17 financial year	(26,630)	(53,972)
Amount recognised in Other Comprehensive Income	<u>11,870</u>	<u>(37,606)</u>

32. Pension Schemes (continued)**History of experience gains and losses**

	Year ended 31 July 2017 £000	Year ended 31 July 2016 £000
Difference between actual and expected return on scheme assets:		
Amount	20,683	16,366
% of liabilities at end of year	8.4%	7.6%
Experience (gains)/losses on scheme liabilities:		
Amount	17,817	-
% of liabilities at end of year	4.7%	0.0%
Assumptions (gains)/losses on scheme liabilities:		
Amount	(26,630)	(53,972)
% of liabilities at end of year	7.0%	15.1%
Total amount recognised as Comprehensive Income		
Amount	(11,870)	37,606
% of liabilities at end of year	3.1%	10.5%
	Year ended 31 July 2017 £000	Year ended 31 July 2016 £000
Cumulative actuarial loss recognised as other comprehensive income for LGPS pensions		
Cumulative actuarial losses recognised at the start of the year	(37,606)	(14,235)
Cumulative actuarial losses recognised at the end of the year	11,870	(37,606)
Analysis of movement in surplus/(deficit) for LGPS pensions		
Deficit at beginning of year	(141,632)	(100,310)
Contributions or benefits paid by the University	7,996	7,590
Current service cost	(9,976)	(7,463)
Other finance charge	(181)	(175)
Gain recognised in other comprehensive income	(3,578)	(3,668)
Deficit at end of year	11,870	(37,606)
	<u>(135,501)</u>	<u>(141,632)</u>

Liverpool John Moores University
Notes to the accounts

32. Pension Schemes (continued)

Asset and Liability Reconciliation

	Year ended 31 July 2017 £000	Year ended 31 July 2016 £000
Analysis of movement in the present value of LGPS liabilities		
Present value of LGPS liabilities at the start of the year	358,299	289,747
Current service cost (net of member contributions)	9,976	7,463
Curtailments	-	-
Interest Cost	9,261	10,938
Actual member contributions (including notional contributions)	2,589	2,478
Actuarial loss/(gain)	26,630	53,972
Experience (gain)/loss	(17,817)	-
Actual benefit payments	(6,754)	(6,299)
Present value of LGPS liabilities at the end of the year	<u>382,184</u>	<u>358,299</u>
	Year ended 31 July 2017 £000	Year ended 31 July 2016 £000
Analysis of movement in the fair value of scheme assets		
Fair value of assets at the start of the year	216,667	189,437
Expected return on assets	5,683	7,270
Actuarial gain on assets	20,683	16,366
Actual contributions paid by University	7,996	7,590
Administrative expenses	(181)	(175)
Actual member contributions (including notional contributions)	2,589	2,478
Actual benefit payments	(6,754)	(6,299)
Fair value of scheme assets at the end of the year	<u>246,683</u>	<u>216,667</u>
	Year ended 31 July 2017 £000	Year ended 31 July 2016 £000
Actual return on Scheme assets		
Expected return on Scheme assets	20,683	16,366
Asset gain/(loss)	(26,630)	(53,972)
Experience (gain)/loss	17,817	-
	<u>11,870</u>	<u>(37,606)</u>

Liverpool John Moores University Notes to the accounts

32. Pension Schemes (continued)

Teachers' Pension scheme

The Teachers' Pension Scheme (TPS) is a statutory, contributory, defined benefit scheme, governed by the Teachers' Pensions Regulations 2010, and, from 1 April 2014, by the Teachers' Pension Scheme Regulations 2014. These regulations apply to teachers in schools and other educational establishments, including academies, in England and Wales that are maintained by local authorities. In addition, teachers in many independent and voluntary-aided schools and teachers and lecturers in some establishments of further and higher education may be eligible for membership. Membership is automatic for full-time teachers and lecturers and, from 1 January 2007, automatic too 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.

The Teachers' Pension Budgeting and Valuation Account

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. Under the unfunded TPS, teachers' contributions on a 'pay-as-you-go' basis, and employers' contributions, are credited to the Exchequer under arrangements governed by the above Act.

The Teachers' Pensions Regulations require an annual account, the Teachers' Pension Budgeting and Valuation 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 which is equivalent to assuming that the balance in the Account is invested in notional investments that produce that real rate of return.

Valuation of the Teachers' Pension Scheme

The latest actuarial review of the TPS was carried out as at 31 March 2012 and in accordance with The Public Service Pensions (Valuations and Employer Cost Cap) Directions 2014. The valuation report was published by the Department for Education (the Department) on 9 June 2014. The key results of the valuation are:

- employer contribution rates were set at 16.48% of pensionable pay;
- total scheme liabilities for service to the effective date of £191.5 billion, and notional assets of £176.6 billion, giving a notional past service deficit of £14.9 billion;
- an employer cost cap of 10.9% of pensionable pay.

The new employer contribution rate for the TPS will be implemented in September 2015.

A full copy of the valuation report and supporting documentation can be found on the Teachers' Pension Scheme website at the following location:

<https://www.teacherspensions.co.uk/news/employers/2014/06/publication-of-the-valuation-report.aspx>

32. Pension Schemes (continued)

Scheme Changes

Following the Hutton report in March 2011 and the subsequent consultations with trade unions and other representative bodies on reform of the TPS, the Department published a Proposed Final Agreement, setting out the design for a reformed TPS to be implemented from 1 April 2015.

The key provisions of the reformed scheme include: a pension based on career average earnings; an accrual rate of 1/57th; and a Normal Pension Age equal to State Pension Age, but with options to enable members to retire earlier or later than their Normal Pension Age. Importantly, pension benefits built up before 1 April 2015 will be fully protected.

In addition, the Proposed Final Agreement includes a Government commitment that those within 10 years of Normal Pension Age on 1 April 2012 will see no change to the age at which they can retire, and no decrease in the amount of pension they receive when they retire. There will also be further transitional protection, tapered over a three and a half year period, for people who would fall up to three and a half years outside of the 10 year protection.

Regulations giving effect to a reformed Teachers' Pension Scheme came into force on 1 April 2014 and the reformed scheme commenced on 1 April 2015.

From 1 September 2015, the employer contribution rate was increased to 16.4%.

The pension costs paid to TPS in the year amounted to £7,448,014 (2016 – £6,832,429).

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

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