

Financial Statements

for the year ending **31 July 2018**



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.



LIVERPOOL JOHN MOORES UNIVERSITY

Liverpool John Moores University

Contents

	Page
Operating and Financial Review	5
Public Benefit Statement	17
Board of Governors	29
Officers and Advisors of the University	30
Responsibilities of the Board of Governors	30
Corporate Governance	31
Report of the Auditors	41
Statement of Principal Accounting Policies	42
Statement of Consolidated Income and Expenditure	47
Consolidated and University Statement of Changes in Reserves	48
Consolidated and University Balance Sheets	49
Consolidated Cash Flow Statement	51
Notes to the Financial Statements	52

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 2018.

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.

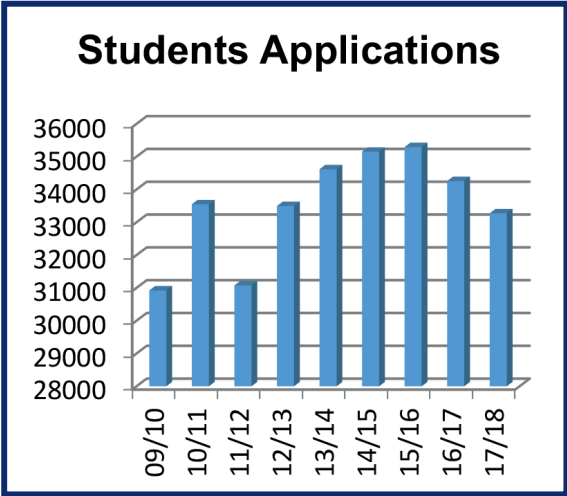
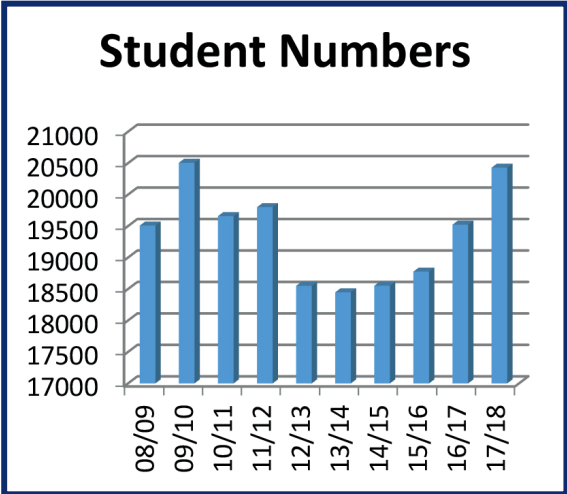
Our Mission

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 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 23,300 students in Liverpool plus a further 1,830 students enrolled on accredited University courses overseas. Actual full time equivalent numbers for 2017/18 were 20,428. This represents an increase of 4.6% compared with 2016/17.

The 2017/18 recruitment was in line with the planning for 2017/18. This was achieved whilst maintaining intake quality.

As shown on page 5, 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 approved by OFFA. The University is a partner in the Merseyside Collaborative Outreach Programme.

In total, 100 new programmes were approved for development in 2017/18 of which 35 were Postgraduate taught and 65 undergraduate.

The university continued to ensure that, wherever possible, programmes have Professional Statutory Regulatory Body accreditation. Of the 216 Key Information Set (KIS) course records 119 accreditations are recorded, including multiple accreditations on some programmes. There are 73 distinct KIS programmes with one or more accreditations representing 34% 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 made the decision to implement a new VLE (Canvas). The new system became operational in the 2017/18 academic year. The project has provided a significant enhancement of the digital offering to students.

The University continues to invest in the delivery of skills support. In 2017/18 all areas of skills support have been consolidated within the Library Service under the brand of skills@ljmu.

In 2017 LJMU recorded an increase in Graduate Prospects (74.65% of UK, Full-time, first degree students – an increase of 2.23%), a further decrease in unemployment (4.4.% for UK, full time, first degree students – decrease of 0.23%) and further study and training was reported at 19.5% for UK, full-time, first degree graduates. In the recent NSS survey (optional questions) on Employability and Skills, students reported an 82.24% satisfaction rate with the LJMU support, 3.28% above the sector average.

The Careers Zones located in areas of high student footfall contributed to a record 32,060 student interactions with the Careers Team and almost 24,000 student interactions with our expanded digital services.

Over the last five years the team has been at the forefront of collecting individual Career Readiness data, on students annually, to understand and map the individual career journeys of our students. The university has also been part of a HEFCE (now OfS) Learning Gain project

for this work. The analysis of this data is fundamental to future developments and the ability of the team to develop more bespoke packages of support in conjunction with academic teams.

In 2017/18 LJMU has continued with the development and implementation of the innovative series of 'CareerSmart' employability e-learning resources. **CareerSmart: Explore** which is embedded in the Level 4 curricula. 5,542 students completed the e-learning assessment in 2017/18, with a satisfaction rating of 96%.

New for September 2018 are two new modules; **CareerSmart: Experience**, which promotes the value of gaining work experience whilst studying and the final theme, **CareerSmart: Engage** which provides essential resources to ensure final year students are equipped with the tools they need to succeed in the graduate recruitment process.

New tools have been added to the website and Careers 24/7 support. At log in (now via single sign-on) students are directed to an academic school theme accessing bespoke content relating to their subject of study, rather than generic, one-size-fits-all content. In the current academic year, students have already engaged in over 10,000 activities on the new platform. The Careers website has been redesigned so that as well as current students having access, it is now also outward-facing so that alumni, employers and prospective students can again access to the site and engage with the team.

During the year the team has also engaged students with 1,282 Silver and 412 Gold stages of the World of Work Skills Certificate which is currently being phased out. The work continues to be designed, developed and delivered collaboratively with many employer partners and Student Advisory Group and is being continuously modified and improved following feedback i.e. two new Careers Smart elements, Engage and Experience.

With additional investment, the university organised another successful year with 219 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 development of LJMU degree apprenticeships has continued at pace. As a result, LJMU initial target in 2017/18 for 230 apprenticeships was in fact exceeded and 300 apprenticeships were achieved within programmes across the faculties.

The Careers Team has been accredited the Matrix quality standard for Careers information, advice and guidance services. A number of staff have also been accredited with HEA fellowships. The Employer Engagement Team intern was awarded the Intern of the year at the Professional Services Conference.

Research & Scholarship

The transition into a new strategic plan delivery phase has amplified the contribution of research and scholarship to the development and impact of the University. This academic year also marked the three-year milestone to the University's submission to the Research Excellence Framework (REF) whereupon preparations tightened and research performance evaluation increasingly informed aspirations in relation to predicted REF2021 outcomes. These changes ran in parallel to structural adjustments in the national policy landscape, whereby Research England assumed responsibility from the Higher Education Funding Council for England for overseeing UK Research and Innovation's (UKRI's) functions in relation to university research and knowledge exchange nationally.



The University continues to make longer-term investments aimed at enhancing its research performance. The vast majority of mainstream quality-related (QR) funding received by the University (based on REF2014 performance/outcomes) was allocated to faculties to support research facilities, researcher development initiatives and funding postgraduate researcher (PGR) studentships. Likewise, centrally-held resources in Research & Innovation Services (RIS) and the Doctoral Academy (DA), have been competitively awarded to reward researchers delivering impact beyond academia (the LJMU Impact Awards and 'Impact Uplift' scheme), to support research collaborations with academics at esteemed universities worldwide (the LJMU Collaborative Research Fellowship Scheme) and to enhance the PGR experience (PGR conference travel fund).

New for 2017-18 was a QR allocation to support UKRI's Global Challenges Research Fund (GCRF). The University received £193k and allocated this funding to researchers and groups across the institution; 17 projects promoting the economic development and welfare of developing countries, were subsequently delivered. LJMU's annual call for applications to its funded PhD Scholarship scheme remained ever popular this academic year, with 170 applications received and 19 studentships awarded (equating to a financial investment of just under £400k). A further 7 PhDs were supported through the University's match-funded PhD scheme where studentships are co-funded by an external partner.

The University's researcher development provision delivered by Research & Innovation Services (the ACTivator programme) and the skills and personal development training offered by the Doctoral Academy continue to evolve and diversify. External validation of LJMU's innovative and comprehensive approach to researcher development is embodied by our involvement (RIS and DA) in the Erasmus Plus funded TRANSPEER international researcher development project (from 2017). The project exposes academic participants to the importance of personal and career development and planning, but specifically in an international context. LJMU's involvement as a partner in this 3-year project will help to ensure that the University's forward strategy for researcher development is framed within a global perspective.

The University continues to act in accordance with the principles and commitments of the Universities UK Concordat to support research integrity. The Concordat remains incorporated within our institutional Code of Practice for Research and underpins the University's standards around research integrity. In-line with previous years there were no formal investigations of research misconduct during 2017-18. LJMU's ethical framework in particular, is responsive to the increasingly diverse and innovative research practices of LJMU staff and students, and the expectations of those organisations that fund our research.

Overall, LJMU's research environment is increasingly active and supported, as the 2017-18 highlights below demonstrate.

Highlights

- Academic staff continue to submit substantive research grants bids to external organisations. 346 bids were submitted in 2017-18 with a combined value of £107m; this is a 28% increase in the value of submissions from the previous year. 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 2017-2018 was 104; a 5% increase on the number reported in 2016-2017. This total includes 99 PhDs which has risen from 87 in the previous year. Research Grant Income totalled £8.8m in 2017-2018
- At the end of July 2018 LJMU was managing a Research and Knowledge Exchange portfolio of £50m
- £10.8m in new research grant funding was awarded to LJMU in 2017-2018
- Grants are awarded from a wide range of sponsors. UK Research Council income (the most competitive source of research funding) accounts for 34% of the new awards secured in year, which is a 13% increase on the previous year. Awards received in year reflected the breadth of research excellence across the University and included over £400k from STFC for a cross faculty Astro Ecology project between Astrophysics and Natural Sciences, and a £200k award from AHRC to establish a multi-disciplinary research network of UK & Chinese academics to pursue research activities through engagement with cultural and commercial stakeholders, and other constituent groups.
- Funding from European Union awards, including Horizon 2020, the EU Research and Innovation funding programme and European Regional Development Fund (ERDF), is the single greatest source of research funding in 2017-18 and at £2.69m accounts for 24% of total research income. Awards in year include GOLF a €1m Research and Innovation Staff Exchange, which brings together researchers from a number of disciplines across Europe to address a Global challenge in achieving sustainable agri-food supply chains. The University was also awarded two projects under the INTERREG Atlantic Area funding programme; ARCWIND, a €400K project that contributes to the transition from fixed to floating wind platform systems and @BluePortS which aims to mobilise the maritime community to jointly design attractive port based reception/ treatment services for polluted water.



- UK Government funds awarded in year total £2.8m and included £750k from Innovate UK for the Clean Growth Knowledge Pool which will directly support delivery of the Industrial Strategy, share best practice and develop novel mechanisms to support rapid growth and effective innovation across low carbon, environmental goods and services sectors. £92k was awarded to the Public Health Institute from the National Institute of Health Research for the PALS Project, which looked at Loneliness and Social Networks.
- £1.5m of awards were secured in year from UK Charities including £600k from the Wellcome Trust for the project "Growing Old in the Soviet Union, 1945-1991". This award is the largest ever received from Wellcome Trust by LJMU and will be the first project to comprehensively examine ageing in the Soviet Union in that period

and will provide scholars with an important blueprint for the study of ageing societies in history. A Great Ormond Street Hospital Sparks Award of £148k was awarded to translate laboratory and mathematical analysis to develop an intelligent ultrasound imaging-based diagnostic tool that can identify the correct treatment for children with Cerebral Palsy. The proposed tool will better inform selection of appropriate treatment, thereby improving patient outcomes.

- Both the Arts and Humanities Research Council (AHRC) and the British Academy are funding “War Widows Stories” projects. The work includes a series of public engagement events that will raise awareness of the lived experience of war widows in Britain.

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. The central support team, RIS, provides an integrated approach to these activities which continues to support both external clients and stakeholders along with our own staff.

RIS has focused on developing new routes for connection; both internally and externally to support our academics to find the right balance in their busy work environment by producing an evolving portfolio of institutional priorities and activity areas to foster joint work and partnership, effective advice and the most appropriate connections. Externally, partners are seeking a clearer offer from universities and an easier route to finding the appropriate and cost effective solutions to challenges that they face.

To address these internal and external drivers we have focused on, and will continue to develop two new initiatives to drive KE connectivity – with a principal aim to establish and enrich opportunities.

T.E.N – The Engagement Network and Living Wall

T.E.N internally is a network designed to foster and nurture cross discipline activity; encourage sharing of best practice; contacts and promote expertise.

T.E.N externally is a network designed to showcase the expertise, knowledge and skills of LJMU; encourage and cultivate new partnerships based on shared goals.

The **T.E.N** will also act as a vehicle to allow access to LJMU’s research base and enable industry and stakeholders to communicate their business needs and opportunities. T.E.N will also allow external partners the route to influence our research focus within targeted areas where impact is needed.

Living Wall is an initiative that will capture and display on-going or potential connections, relationships and interactions across themes, schools, faculties and external partners. Once phases one and two are realised, a primary aim will be to inform where existing activity displays critical mass, but equally where potential relationships/connections could be made to create critical mass.

Initially, this will be developed for internal use, helping LJMU to audit connections, shape new areas for focus and appraise potential opportunities. The Living Wall will look to maximise the assets of the University and deepen linkages and connectivity.

Once developed and implemented, LJMU will seek to appraise the success of the resource and consider sharing the resource across the sector and gain maximum impact of the development.

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 include, in 2017-18: Startup School (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

- Analysis of the Higher Education Business and Community Interaction survey (HE-BCI) for 2016-17 showed the total annual value of LJMU’s interaction with business and the community was £15.5m. Overall LJMU is ranked 70th from 163 HEIs for the value of their interaction.
- LJMU is ranked 3rd in the UK for income from Capital Projects.
- A top twenty ranking was achieved for all measures in the HE-BCI survey relating to Graduate Start Ups. LJMU is ranked 11th in the UK for the number of start-ups still active after 3 years and 12th for the total number of active firms.
- LJMU is ranked 43rd in the UK for the number of disclosures filed and 44th for the number of new patents granted.
- Attendees to free public events totalled just under 33,000 in 2016-17. LJMU is ranked 34th in the UK for attendees to free public lectures.
- LJMU is ranked 58th in the UK for income from Collaborative Research and 65th for income from Contract Research.
- The Smart meter project has attracted interest across a variety of sectors. In addition to the grant submission in preparation, LJMU have been in talks with both the Electricity and Water sectors regarding the direct utilisation of the technology with the new generation of Smart meters. It is proposed that the technology is incorporated into the new electricity Smart meters; this project is awaiting final sign-off from the manufacturing company prior to commencing as soon as possible.
- Other commercialisation projects include a variety of sensor development projects in conjunction with Alder Hey Children’s Hospital, the development of a prototype incubator mattress for pre-term babies in order to reduce autism rates by increasing levels of touch (Liverpool Women’s Foundation Trust), as well as an App to support the Children of Prisoners and their families and the creation of a potential social enterprise around an Intergenerational Café concept in order to prevent skills loss across the generational divide.
- 3 projects have been accepted onto the Innovate/Department for Digital, Culture, Media and Sport (DCMS) funded Cyber Security Academic start-up programme. The pilot cohort have successfully demonstrated their technology at a showcase in London. This has attracted a large amount of attention. For Cyberdesign (risk identification and mitigation system, we are currently in conversation with one of the large defence consultancy firms as well as one of the UKs leading accountancy groups regarding trials and case studies. CYPHER, the cybersecurity teaching module, is currently under review for further development and trialling at Middle East Universities. TRNG, (True Random Number generator) is currently in the third phase of the programme, and a prototype is currently in preparation with a focus upon medical devices which require secure data transmission such as pacemakers.

- The academic community continues to deliver Commercial enterprise and commercialisation practices, with all faculties delivering to these agendas. Engagement and collaboration with external partners covers all sectors and multiple industries.
- Key highlights saw our Sports Scientists deliver a number of consultancy and contract research projects to Premiership football clubs, National and International Governing Bodies and Industrial partners. The school of Pharmacy and Bimolecular Sciences delivered research projects with International Industry Partners and continued to expand their CPD portfolio for Pharmacists.
- Bespoke training programmes to support a broad range of industries were delivered by schools across the University including CPD exploring Cybercrime and the use of Digital and Social Media for Police forces, Marine and Coastguard Agency (MCA) accredited programmes for Maritime professionals and the development and enhancing of specialist skills around Bowel Cancer Screening, Clinical Endoscopy and Neo Natal care for Health practitioners.
- Consultancy projects were equally as diverse including specialist testing, providing 3D Facial Analysis for government agencies and cultural bodies to delivering expert evaluations to the Education and Charity sector.
- LJMU was awarded 2 new KTP projects in 2017-18 and have another 5 in development.
- The Head of the LJMU Centre for Entrepreneurship gave the keynote address at the 2nd International Conference of Entrepreneurship Education Eco-systems in Hebei Province, China.
- 2017-18 Mindful Meals represented LJMU in the Duke of York New Entrepreneur of the Year awards.
- LJMU and the Centre won the Outstanding University Award for Entrepreneurship at the Times Higher Education Awards.

RESOURCES

Estates Plan to 2020

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 Estate Strategy 2020 – 2030 will continue to assist in delivering the University's long term strategic objectives, as interpreted in a number of important themes. The University's current Property and Capital Development Strategy addresses these themes specifically by identifying and responding to the following issues:

- **The Student Experience:** in both learning, indoor and outdoor social, and environmental 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 enhance teaching, learning and research and the spaces in which these take place.
- **Operational Delivery:** There will be a need to implement effective and efficient service delivery 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 Office for Students 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 over £150 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 University's entire property portfolio is fit for purpose, efficient and flexible.

Over the past twelve months the University has taken its major capital schemes (Copperas Hill, Library Refurbishments and Titebarn Street) to a stage where main contractors are appointed and works are due to start on site in early 2019. The university has also made a substantial investment in its property portfolio over the last year and has made excellent progress in delivering enhanced learning, teaching and research spaces. The following progress has been made over the past twelve months;

- Refurbishment of three of our main lecture theatres across the Byrom Street campus in collaboration with the Learning Environment Panel. The theatres are now more collaborative in layout and design facilitating modern methods of delivery.

- Reorganised and refurbished staff and post graduate accommodation.
- Refurbished science laboratories within the James Parsons Building on Byrom Street.
- Created a new administration office for the Faculty of Science in Byrom Street.
- A new greenhouse for Science at Byrom Street.
- Increased Post graduate accommodation within the Tom Reilly Building.
- Created a new haptic suite for the school of Art in the John Lennon Art and Design Building.
- Formed a new IT suite and refurbished general teaching facilities in the John Foster Building.
- Refurbished 4-6 Rodney Street to form a new Business Management Centre for the Liverpool Business School.
- Relocated Public Health Institute into new accommodation in Exchange Station.
- Created a new waste compound on Byrom Street.
- Refurbishment of the entrance to Great Crosshall Street to create a new student zone for sports Science students.
- Refurbishment of IT suites in John Foster Building
- Creation of a new management suite for the Faculty; Liverpool Business School in Redmonds Building.
- Reroofing of the Avril Robarts Library
- Electrical and fire alarm upgrade works within the John Foster Building.
- Fire compartmentation upgrade works
- Lift car replacements in Avril Robarts Library and J H Makin Buildings.

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 £5.4m.

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
- 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

- 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 pioneering 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 current
- Develop and maintain a University Environmental Legal Register identifying environmental legislation applicable to institutional activities and arrangements for ensuring compliance
- Provide reassurance that the University complies with applicable statutory environmental obligations and strives to observe and embrace environmental best practice in all its activities
- 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 University changed grid-supplied electricity from a conventional fuel mix to a Carbon Trust certified 100% naturally renewable product. Smartest Energy Ltd. provide LJMU's grid supplied electricity. The product uses UK registered origin certificates to evidence that all electricity supplied to LJMU originates from 100% renewable generation sources. The Carbon Trust provides independent certification of the Smartest products' quality criteria re compliance with Greenhouse Gas Protocol Scope 2 Guidance. The origin of the grid supplied electricity in 2017/18 was 50% wind, 40% solar and 10% hydro.

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.

LJMU scope 1&2 carbon emissions for all reporting metrics returned during the period demonstrate that both the 2020 institutional Carbon Management Plan target and HEFCE 2020 scope 1&2 emissions reduction target have been realised some two years ahead of schedule.

Carbon managed is reviewed by the Environment and Sustainability Panel to ensure that institutional progress is maintained in so far as is practicable. This considers the implications of the Capital Development Programme 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 will continue to identify and realise further operational abatement opportunities through reactive and planned maintenance activities.

2017/18 Carbon abatement opportunities

LJMU's Carbon Management Plan identified several carbon abatement opportunities. Given the scope and extent of refurbishment projects undertaken during 2017/18, a decision was made to focus resources on delivering the following abatement opportunities.

- LED replacement main lighting and emergency lighting incorporated within refurbishment projects
- LED external lighting for the James Parsons Building

Carbon Reduction Performance Assessment

The University's carbon reduction performance is 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. LJMU is ranked in the top 10 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 qualified for both Phase 1&2 of the scheme and accordingly have had a statutory obligation to participate. The University have maintained full compliance with the requirements of the scheme to-date. The scheme however closes on 31st March 2019.

The reporting period for this metric runs annually from 1st April to 31st March and utilises factors published by the Department for Business, Energy and Industrial Strategy (BEIS) in the June of each qualification period to calculate emissions arising from qualifying consumption of grid supplied electricity and natural gas. LJMU continues to demonstrate reductions in reportable emissions. During the period covered by this update, LJMU consumed 14,564,400kWh of qualifying electricity units and 16,065,292kWh of qualifying gas units generating 5,555tCO₂ and 2,952tCO₂ respectively (8,507tCO₂ in total).

I.T. Developments

Customer Support

- We are now realising the benefits of implementing a modern Helpdesk solution. Its improved reporting of response and resolution times has enabled us to increase our speed of resolution of technical support requests. To support this, we have recently implemented a new KPI – the percentage of incidents (faults) closed within a 3 working day period - with a target of 75%. To improve access to the service, we have provided a bright, modern portal that allows LJMU colleagues and students to log and track their own incidents and requests. This portal has also allowed us to remove the dependence on bespoke web forms and email for submission of service requests, with users now entering their requests directly into the system, and being able to see them instantly rather than having to wait for a confirmation email. As we further explore its potential, we are continually improving the system by exploiting more of its features. Additionally, we are working with other teams in LJMU e.g. Estates, to investigate using the same Helpdesk solution for their service fulfilment requirements.
- We have expanded our recently created Service Catalogue to give our customers a clear understanding of the service and response they can expect.
- We have replaced over 500 student-access PCs across the university.
- The AV IT group with representation of colleagues from across the University, have recently implemented a series of AV improvements in over 20 rooms that had been prioritised by the group.
- We instigated a rolling programme to ensure our front of class PCs are never more than 2 years old.
- We responded to over 19,000 logged support requests maintaining over 98.5% satisfaction with the service provided. In addition, over 10,000 requests were dealt with immediately over the telephone.
- We reported a set of overwhelmingly positive KPIs (some of which relate to services used on a 24*365 basis) that met or surpassed targets for the entire academic year, highlighting exceptional levels of availability and service.

Network & Infrastructure

- The biggest event in the last academic year for these teams was the relocation of our primary data centre ("The POD"), which was moved from the JMU Tower to a purpose built facility on the Byrom Street Campus. This project was 18 months in preparation. The move itself was executed over a weekend, to such a level of rigour that all core services remained available throughout this period. This project demonstrates excellent partnership, working with colleagues in Estates.
- We took the opportunity to introduce modern efficient technologies during the POD relocation. The new data centre air conditioning system utilises "Free Cooling" which reduces the compressor running time to a minimum and reduces the total energy consumption by up to 60%.
- The rollout of new telephone handsets associated with the Telephony project is progressing with 1600 (of circa 2500) installed. The current plan for the installation of the remaining handsets will run until the end of December 2018. The new Switchboard solution and the new Contact Centre function for Estates, IT Helpdesk, Recruitment and Libraries have now

been in use since May and have been well received. In the new academic year, the deployment will conclude and we will focus on the additional benefits the new system offers, such as presence, diary integration, tele-conferencing, messaging and online collaboration tools.

- For Clearing this year, the new telephony system was used for the first time and provided a level of flexibility, business continuity and management information never previously possible. In the new academic year, this will be leveraged further to introduce “soft phones” (greatly speeding up the set-up time of the clearing contact centre and providing increased flexibility) into the Clearing process, as well as developing more sophisticated call routing.
- We expanded the Wi-Fi coverage by installing an additional 150 access points (20% increase) and upgrading a further 200 to provide greater capacity and throughput, utilising the latest wireless technologies.
- We upgraded the 3,000 network ports to provide faster connections and to support the ever increasing demand for non-computing based IT (“Internet of Things”)
- Following a competitive procurement process, we have started the implementation of a set of technologies (new firewall, network access control and “SIEM” – a proactive monitoring tool constantly checking for signs of intrusion) that will transform our security architecture and help us face the ever-increasing threat of digital attack.
- Two failover tests were conducted within the academic year, as part of our on-going commitment to LJMU’s business continuity readiness.
- A new Email filtering product was implemented to protect LJMU from unwanted emails (that can on occasion contain viruses). To give an indication of the scale, in a typical academic year, we expect this product to block 70 to 80 million emails - i.e. over 90% of the email directed at LJMU will be proactively blocked.





Project Delivery and Business Systems Support

- Timetabling – developed the ‘Vision’ tool for publishing personalised student timetables ready for the start of the new academic year. This hugely complex project involved extensive work with LJMU’s Timetabling team, to ensure that the many data fields are presented in a manner that facilitates the output of a coherent, personalised timetable for those students whose program of study requires one.
- LJMU Website - Phase 1 – development is underway against four prioritised areas of change:
 - i. Academic Unit Pages: where content creation will be devolved to colleagues in academic areas, to highlight key events, news and updates.
 - ii. Course Search Enhancements: to allow students to search using A-Z functionality plus Subject area selection when searching for a course.
 - iii. Migration and re-development of Staff and Student Intranet off the old LJMU website onto the new one.
 - iv. Technical Enhancements: improving the website technical performance e.g. page load speed.
- Grants and Projects System – The new system will provide a replacement for a manual processes, via the adoption of an integrated software solution. Application configuration work with the nominated supplier is almost complete. The outstanding work involves testing the configured solution and rolling it out to academic colleagues applying for research and project funding.
- MyLJMU – The student portal is undergoing constant development. Recent updates have included it becoming the access point for ‘Personal Timetables’, ‘See My Tutor’ (which allows academic colleagues and students to mutually agree appointment dates/times), and a raft of student support services under the ‘My Services’ banner.
- Allied Health Placement Solution - supported the go-live of the interfaces that have been developed into a 3rd party solution, to facilitate EHC’s adoption of a new placement management solution for Allied Health.
- Establishment BI - This project will deliver system changes to generate business intelligence associated with the establishment profile at LJMU. Preparatory work on structuring the underlying data has been done, and in the new academic year, a pilot phase in one faculty will commence.
- Learner Digital Engagement (LDE) – IT Services have developed a reports-based solution to replace a 3rd party product that was piloted unsuccessfully. The new version is currently accessible to Personal Tutors, Programme Leaders and Student Engagement Officers and will be made available to Directors of School / Heads of Department in October. If this year’s pilot goes well, the longer-term plan for LDE is to deploy a version to students next year.
- CATAC (WAM) – supported year 2 of the pilot for the 2018-19 workload allocation data collection exercise, including delivering various aspects of integration with our core systems.
- CRM Upgrade - the LJMU CRM product (MS Dynamics) will be upgraded to the latest ‘on premise’ version, and is on track to conclude this calendar year.
- Continued to develop and support the electronic release of results to students.

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 works 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. LJMU has published its Anti-Slavery and Human Trafficking policy and has begun to embed this into standard process and contractual controls. The University has provided basic and advanced training on Modern Slavery to staff working at various levels of the procurement process.

The University Statement is published annually on the University website. 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 2018.

Results for the Year

Financial Headlines and summary

The 2017/18 year is the third year of reporting under the Financial Reporting Standards 102 (FRS102).

- Group Surplus for the year £1.3m
- Capital expenditure £9.7m
- Consolidated Income £214.7m
- Total Expenditure £212.2m

Income and Expenditure Account

As a result of the continuing strategic approach to the finances of the University 2017/18 has given rise to a surplus of £1.3m (2016/17 £7.6m) for the year. A significant element of the difference is due to a £5.5m gain from a joint venture in 2016/17.

Total Income increased by 2.9% to £214.7m. The main change is a result of increase tuition fee related income arising from increased student numbers.

Expenditure increased by 2.7% following an increase of 11.4% in 2016/17 with significant improvements in particular for improving the students experience including estate related works whilst also incurring pay increases. A significant element of the very large increase in expenditure in 2016/17 was as a result of the recognition of the expenditure related to capital development.

Balance Sheet

The Balance Sheet has maintained its strength with income and expenditure reserves up from £43m to £82m. This increase is primarily as a result of actuarial gains on the Local Government Pension Scheme (£35m).

Fixed Assets has a net decrease of £0.5m. This movement, after depreciation of £9.3m, includes £9.7m additions to Freehold and buildings and equipment and disposals of £1.4m. Of the disposals, £1m relates to the demolition of the Haigh Building. Ongoing work at the Haigh building site is forecast to be completed during the 2018/19 year.

Investments, Cash and Cash Equivalents have increased by £11.1m during the year, as part of the continuing preparations for the 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 2018 are summarised as follows:

	2017/18 £m	2016/17 £m
Income	214.7	208.6
Expenditure	212.2	206.5
Surplus after depreciation of assets at valuation and before tax	2.5	2.1
(Loss)/Gain on disposal of fixed assets	(1.0)	-
Share of operating (deficit)/gain in joint venture	(0.2)	5.5
Surplus/(Deficit) before tax	1.3	7.6
Taxation	-	(0.1)
Surplus/(deficit) for the year	1.3	7.5
Actuarial (loss)/gain in respect of pension schemes	36.0	11.9
Total comprehensive income for the year	37.3	19.4



Future

The principal risks and uncertainties being faced by LJMU relate to the changing political and economic climate; including the ramifications of the potential changes as a result of Brexit, increased pensions contributions, the outcome of the government's review of tuition fees as well as 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; meeting its targeted student numbers for 2018/19 whilst maintaining its 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 2018/19 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

2017/18 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 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 Mike Parker CBE
Chair of the Board of Governors

Public Benefit Statement 2017/18

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 the requirements of the Office for Students, the Principal Regulator 'Regulatory Advice 5: Exempt Charities'. The Board of Governors has received the Office for Students, Regulatory Framework (OfS 2018.1) and the 'Essential Guide for Trustees' (Charity Commission 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 90%); 19% from lower participation neighbourhoods (UK average 11.4%) and the percentage of mature students with no previous higher education experience and from lower participation neighbourhoods is 22.8% (UK average 11.7%). 6.9% of LJMU's UK full-time first degree students are in receipt of the Disabled Students' Allowance and 12% 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 2018-19. 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 £1,550 in 2017/18 for full-time home and EU students taking the Foundation Year of a four year 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
- **Student Support Fund** – the University will allocate in excess of £1,000,000 in 2018-19 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.
- **Widening Participation Childcare Fund** – the University will allocate £50,000 to support students from Widening participation backgrounds with Child Care costs
- **Scholarships** – in 2017 /18 the University spent £668,000 on a range of Scholarships to support students

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 Careers Team 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 2017/18 Careers Zones in locations across the University enjoyed continued high student footfall providing career support services where and when students require it. The Careers Team again conducted approximately 32,000 student interactions and almost 24,000 student interactions with digital services.

2.2.2 Over the last five years the team has been at the forefront of collecting individual Career Readiness data, on students annually, to understand and map the individual career journeys of our students. The university has also been part of a HEFCE (now Office for Students) Learning Gain project for this work. The analysis of this data is fundamental to future developments and the ability of the team to develop more bespoke packages of support in conjunction with academic teams.

2.2.3 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 2017





secure the highest percentage of graduates for nine years securing managerial and professional employment, the highest percentage securing postgraduate study and a further year of decreasing unemployment. In the recent NSS survey (optional questions) on Employability and Skills, students reported an 82.24% satisfaction rate with the LJMU support, 3.28% above the sector average.

2.2.4 The team has continued with the development and implementation of the innovative series of 'CareerSmart' employability e-learning resources. CareerSmart:Explore which is embedded in the Level 4 curricula and aims to inspire first year students to proactively engage in career planning early in their university experience. 5,542 students completed the e-learning assessment in 2017/18, with a satisfaction rating of 96%. New for September 2018 are two new modules, CareerSmart: Experience, which promotes the value of gaining work experience whilst studying and the final theme, CareerSmart: Engage provides essential resources to ensure final year students are equipped with the tools they need to succeed in the graduate recruitment process.

2.2.5 New tools have been added to the website and Careers 24/7 support. At log in (now via single sign-on) students are directed to an academic school theme accessing bespoke content relating to their subject of study, rather than generic, one-size-fits-all content. In the current academic year, students have already engaged in over 10,000 activities on the new platform. The Careers website has been redesigned and moved across to Sitecore and is crucially now outward-facing so now alumni, employers and prospective students can again access the site and engage with the team, as well as current students.

2.2.6 In addition to administering 218 LJMU funded internships for students and graduates, the Centre arranged for 642 representatives from 451 organisations to interact with the students by being a visiting speaker, attending a Careers Zone, providing live projects or meeting with staff. The Centre was once again shortlisted for the Times Higher Award for Outstanding Employer Engagement in 2017.

2.2.7 The Centre has also provided training and consultancy services for universities in Algeria and the USA. During the last 12 months the team have continued to provide public benefit as members of the Liverpool Manufacturing Futures Group; the North West Business Leadership Team; acting as an adviser to the Liverpool City Council Also the Select Committee on Employment, Skills and Enterprise; and in actively facilitating partnerships with the Chambers of Commerce; the Institute of Directors; the Federation of Small Businesses; the local Civil Service; and the CBI. Additionally proactive membership of the Liverpool City Region LEP Careers Hub.

2.2.8 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 planning, co-curricular workshops on a range of start-up topics and a summer accelerator programme for technology enabled ideas. In addition, current students can access 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 supported by the Bathgate Start-Up Fund. In November 2017, LJMU was awarded the Times Higher Education Award for Outstanding Entrepreneurship ion recognition of the scope and scale of the Centre's work. Strategically, the Centre seeks to champion entrepreneurship as a career option, add value to the local economy and supports the implementation of enterprising pedagogies in the classroom.

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 11,000 UK and Irish teachers and students by making our Liverpool Telescope available to stimulate the scientific aspirations of school children. 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.

2.3.3 In the last Research Excellence Framework (REF2014), 96% of our research was judged to be at least recognised internationally in terms of originality, significance and rigour, with 67% world-leading or internationally excellent. Teaching is informed by our high-quality research activities, ensuring that 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 with two-thirds of the University's published research reflecting the outcomes of international collaborations. LJMU's academics are working with some of the best minds, organisations and facilities across the globe, especially throughout Europe, North America and the Asia Pacific region. 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 Eight areas of the University are conferred with Research Institute status and a further eleven as Research Centres. Such designation is an institutional acknowledgement of the quality of research programmes and activities within a discipline, and/or reflects strengths in a multi-disciplinary context. Paragraphs 2.3.6 to 2.3.10 highlight some of LJMU's exemplar Research Institutes and Centres.

2.3.6 The University's Research Institute for Sport and Exercise Sciences (RISES) is at the forefront of development and innovation across its related disciplines: biomechanics, cardiovascular health, exercise metabolism, brain and behaviour, physical activity, and sport psychology. It is recognised as a world-leading Institute with global research influence evidenced by RISES' sustained top-ten position in the ShanghaiRankings Global ranking of Sports Science Schools and Departments (Academic Ranking of World Universities ARWU; first compiled in 2016). Its activities align with the continual development of state-of-the-art, research-led and applied curricula within the overarching School of Sport and Exercise Sciences where students and staff challenge the status quo and subsequently seek to make a difference to professional practice, performance and the wider society. For further information see <https://www.ljmu.ac.uk/research/>

centres-and-institutes/research-institute-for-sport-and-exercise-sciences

2.3.7 As a Research Centre in the Liverpool School of Art and Design, ART LABS <https://www.ljmu.ac.uk/research/centres-and-institutes/art-labs> features LJMU's high profile Face Lab. It 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 post-mortem identification or to identify 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, as such it has a very active public engagement profile and contributes to international policy, cultural enrichment and heritage conservation.

2.3.8 With its foundations (since 1998) within the English subject area of the School of Humanities and Social Science, the Research Centre for Literature and Cultural History represents the creative intersection of literary studies and cultural history. It challenges disciplinary boundaries in order to engage with a wide range of textual and cultural practices. The collective intellectual ambition of staff working within the Centre, allow it to continually investigate new and unexpected fields of enquiry (e.g. housing, gender/sexuality, postcolonial and world literature). The Centre's research vitality naturally translates into the School's academic programmes and its increasingly high profile public engagement activities which currently include the Shakespeare North project to build a replica Jacobean theatre at Prescott (connected with substantial media attention and investment from local and central government), and cultural history projects on war widows and shyness. For additional information, see <https://www.ljmu.ac.uk/research/centres-and-institutes/research-centre-for-literature-and-cultural-history>

2.3.9 The University's Astrophysics Research Institute (ARI) is one of the largest centres of astrophysics in the country <https://www.ljmu.ac.uk/research/centres-and-institutes/faculty-of-engineering-and-technology-research-institute/astrophysics-research-institute>. Its research consists mostly of the exploitation of data from satellites and ground-based astronomical facilities, including the Liverpool Telescope (La Palma, Canary Islands), covering almost the entire electromagnetic spectrum. Staff also study the cosmological evolution of structure using specialist national and international supercomputing facilities. As such ARI has highly productive and strong international partnerships and this year over 90% of its publications were co-authored with overseas partners. ARI's track-record in attracting high calibre astronomers on prestigious long-term externally funded research fellowships (e.g. Royal Society) continues to flourish, and it has had unprecedented success in achieving European Research Council Consolidator grants (currently two, each worth circa £1.5m).

2.3.10 The Institute for Health Research at LJMU is founded on collaboration and knowledge exchange. As a hub for all activities related to health, it draws on expertise and high quality research across all five of the University's faculties. Its activities are thematically-aligned and operationalised through interest groups: <https://www.ljmu.ac.uk/research/centres-and-institutes/institute-of-health-research>. Over the last year, the IHR's Cardiovascular Health and Care Interest Group has taken a proactive role in the development of the Liverpool Centre for Cardiovascular Science alongside external collaborators Liverpool Health Partners and the Liverpool Heart and Chest Hospital. This typifies the IHR's desire to address health challenges through collaborative research and innovation. Its appreciation of the outcomes that can arise from multidisciplinary approaches is exemplified by the IHR's Green Spaces Interest Group which develops sustainable and impactful interventions across a range of outdoor settings. LJMU's broad range of expertise in health research is a major strength in tackling real-world health issues and

the IHR provides the structure to facilitate and coordinate related actions and impact.

2.4 Economic Engagement and Collaborative Partnerships



2.4.1 The University is a key partner in a number of European Regional Development Fund (ERDF) projects. Supporting Small and Medium Enterprises (SME) and new business start-ups with knowledge transfer and access to the research and innovation expertise available across the University.

- Activity is aligned to growth sectors identified by the Liverpool City Region Local Enterprise Partnership (LEP).
- Led by LJMU, in partnership with the Universities of Liverpool and Lancaster, the Local Carbon Eco-Innovatory project is supporting the development of Eco-innovative products, processes and services through SME led collaborative research and innovation projects.
- The Health Enterprise Hub Innovation Exchange is working to develop opportunities for economic growth in the health, social care and innovation sector. Led by Liverpool Clinical Commissioning Group, the consortia offers a world-class array of resources including expertise from LJMU's Centre for Collaborative Innovation in Dementia.
- LJMU is a key partner in LCR4.0, which is transforming manufacturing in the Liverpool City Region by helping local firms develop smarter products, smarter processes and smarter supply chains. The project sees us working alongside experts from the University of Liverpool, Sensor City, the Science and Technology Facilities, Hartree Centre and Liverpool LEP's Growth Hub.
- European Social Fund (ESF) funding is supporting the Maritime Superskills project; a consortia led by LJMU, helping to shape the maritime skills agenda and leading the way in developing new apprenticeship standards.

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, Leverhulme 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. This led to the School engaging with a further international project 'Improving Paralympic Coaching'.

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.

2.5 Outreach and Community Engagement

2.5.1 LJMU has a long-established and successful history of outreach activity designed to raise aspirations and attainment and encourage students from underrepresented groups to apply to higher education. All outreach activity is carefully planned and targeted based on a range of internal and external information sources and analyses. This includes UCAS data and research, HEFCE performance indicators, GCSE and A level attainment data, the higher education participation rates of learners from schools and colleges and LJMU's own institutional monitoring and research.

2.5.2 Equality and diversity is embedded within all aspects of the University's outreach work. Target groups include lower quintile groups, low participation neighbourhoods, first generation into HE and mature students (age 21 plus) with level 2 and level 3 qualifications. The University also seeks to widen participation for disabled students, Looked after Children (LAC) and specific BME groups that are under-represented in HE, for example local black males. In addition, LJMU is committed to raising aspirations amongst young white males from lower socio-economic groups, and endeavours to widen access to this group, offering appropriate support throughout the student lifecycle to help improve success. 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.

2.5.3 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 activity delivered in schools and on LJMU premises reaching over 60,000 prospective students each year.
- Encourage access to HE via non-traditional routes. LJMU offers a range of pathways to support access to higher education. This includes the expansion of degrees with a foundation year across a broader range of subject areas as well as providing articulated progression from partner colleges. The University has also been at the forefront of degree apprenticeship development across a growing number of disciplines providing a more flexible, work-based route for students, including those that may have family or other commitments. Of the 139 new degree apprenticeship students since September 2017, 34% are aged 24+ and 76% are male. LJMU's outreach programme actively promotes such vocational routes with the aim of increasing participation and supporting social mobility.
- Support access to higher education for mature learners, LJMU works with local FE colleges and students undertaking Access programmes as well outreach work with community groups. This includes drop-in days 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. Promoting different and more flexible pathways to higher education is particularly important for mature students.
- Use current students to inspire interest in Higher Education. LJMU employs over 100 student advocates to support outreach activities and act as good role models for learners. Student advocates devise and deliver their own subject taster sessions, provide shadowing opportunities, mentor learners and assist with campus tours and taster days. The sustained use of student advocates is a critical element of LJMU's widening participation work and building the evidence to demonstrate the role they play in supporting attainment of pupils is currently being evaluated.
- Continue a sustained programme of outreach. Dream, Plan, Achieve is LJMU's longer-term, targeted and sustained outreach programme that works with potential applicants over a number of years to support progression through key stages 3 to 5 with the aim of improving access and participation in higher education. LJMU has invested substantial resource in this programme to deliver over 200 interactions each year directed at 7,500 pupils. The University delivers this programme with local schools identified as those with a high proportion of students on free school meals and learners from low participation neighbourhoods. Working with pupils from Year 7, the schools are active partners in the programme and identify cohorts of pupils to take part based on additional widening participation criteria stipulated by LJMU. Work with the younger years is focused on attitudinal change including confidence building and learning about and believing that higher education is accessible to them as individuals. From year 9 the programme works with individuals to support improvement at key stage 4. Learners who are borderline in relation to achieving the baseline GCSE grade are targeted to help close the gap in attainment between the identified disadvantaged cohort and the general school population. Participants in this programme are prioritised for other LJMU outreach activities such as subject taster days and bespoke projects such as the Law Factor delivered in partnership with law firm DWF and LJMU's recently launched Saturday Clubs through the Sorrell Foundation. To further support the students in achieving their ambitions, LJMU is looking to develop the Dream, Plan, Achieve programme by introducing a preferential admissions offer for those who have been involved and who submit an application to LJMU.
- Improve attainment at Key Stage 4. Recognising that underperformance at key stage 4 impacts significantly on access to higher education, LJMU delivers a mentoring programme specifically aimed at improving academic attainment and to support and encourage an individual who needs it the most at a pivotal interchange in their life. For example, Mentor Me, is an LJMU programme for young people in care with objectives to improve self-confidence, raise aspirations and improve attainment through monitoring of GCSE performance. Mentees are identified through partnership with schools and local authorities and are

paired with LJMU student advocates who provide one to one support with a pastoral and academic emphasis over a period of 10 weeks to support admission to university. This programme is further sustained by keeping the individuals engaged through the Brightside on-line mentoring platform beyond the initial 10 week period. The institutional mentoring delivered is complemented by an LJMU led collaborative Shaping Futures funded project specifically focussing on raising attainment of GCSE Maths for those in areas of low participation.

- Provide opportunities for young people to engage in residential events at LJMU. Research by the Sutton Trust demonstrates the impact that university summer schools can have on higher education progression and social mobility more broadly. In terms of progression, disadvantaged summer school participants are, on average, over twice as likely to be accepted to higher education as similarly disadvantaged people who do not participate in such activity. LJMU's summer residential programme provides the opportunity for over 200 students from underrepresented groups to attend a summer school to help raise aspirations and to gain experience of higher education and student life. Recruitment is carried out via LJMU's large network of school and college contacts, with schools in areas with particularly low participation specifically targeted. LJMU also offers a pioneering Summer University specifically for Year 10 care experienced pupils. LJMU is committed to tracking the success of these programme both in terms of monitoring applications to higher education and gaining access to a participant's university of choice.

2.5.4 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:

- The National Collaborative Outreach programme, Shaping Futures – the local consortium was established to raise learner higher education aspirations and progression rates within 25 targeted electoral wards in Liverpool City Region, where progression to higher education is lower than expected given historic GCSE attainment patterns. Shaping Futures provides impartial higher education related activities and progression advice to target learners in 43 priority secondary schools and across partner Further Education and Sixth Form colleges. Aligned to the region's economic priorities the activities are designed to complement and add value to the existing widening participation work of the 12 partner institutions. For example, two Shaping Futures projects which are adding value locally are: Through the Eyes of Boys, an intensive outreach project working to raise higher education aspirations amongst young males from lower socio-economic groups; and a pilot programme of attendance at local community events to deliver higher education aspiration messages. As well as actively supporting centrally co-ordinated events LJMU has developed its own Shaping Futures projects. These projects complement existing institutional outreach programmes and focus on raising the aspirations and attainment of learners in the identified target wards. LJMU is leading on a mentoring programme using student advocates and subject staff to improve Maths GCSE outcomes and subsequent progression to higher education as well as delivering aspiration raising events focused on the creative arts. The Shaping Futures Absolute Chemistry programme follows the successful Chemistry for All model delivered by LJMU for a number of years with the Royal Society of Chemistry and engages pupils using science to raise aspiration to higher education.
- School partnerships – LJMU continues to embrace effective partnership with key schools and colleges. As a provider of Initial Teacher Training programmes (including School Direct consortia) and ongoing development for teachers (including both professional and accredited programmes), LJMU contributes to improving school attainment. This is further enhanced

through educational partnerships with local authorities, schools and professional subject associations that combined with ongoing research and consultancy contributes to raising school attainment. Staff and student volunteers support local schools and colleges through governorship, assisting with reading and numeracy and acting as mentors to improve attainment. The University currently supports over a 1,000 pupils through sustained volunteering work. LJMU also offers access to its facilities and provides teaching resources to support schools. The Geography programme team, for example, has provided teaching resources to support the A level curriculum and complemented this with visits to the University. LJMU's National Schools' Observatory (NSO) provides free access for UK schools to the world's largest robotic telescope that is owned and operated by LJMU. 10% of+ the professional telescope time is dedicated to use by schools and engages around 4,000 teachers and students annually. The NSO also leads in local astronomy outreach to generate wider interest in STEM subjects, engaging with approximately 5,000 students and the general public annually, and providing regular teacher professional development courses.

- Employer partnerships - LJMU is committed to developing quality degree apprenticeship delivery in areas that meet employer needs and industry skills gaps. LJMU was one of the first UK universities to respond to the new standards for Higher Level apprenticeships. The Degree Apprenticeship model presents diversity of choice for students who want to study as part of an employment contract. The salary and the funding model which supports the costs of the programme, makes the degree apprenticeship study route an attractive option for many individuals who may not otherwise have access to higher education. In addition, outreach programmes such as LJMU's Law Factor in conjunction with law firm DWF provide school pupils with the opportunity to engage with employers and the professions.
- 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 consists of four Higher Education institutions from the Liverpool City Region 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 and supporting 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 also 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 nearly 10,000 active users of the telescope in UK and Irish schools. Since the NSO was launched, over 150,000 observations have been requested by users. The NSO project is funded by LJMU and is offered free to registered users. Expansion of the scope and reach of the NSO is being undertaken within the University's Widening Participation agenda with a new website launched recently that opened the project to international users and to use by individual learners outside the classroom, leading to an additional 1200 users to date.

2.5.7 Outside of the NSO, Astrophysics also deliver an extensive programme of public engagement: in the 2017 calendar year, ARI researchers delivered about 100 talks, workshops and other school and public activities in a wide variety of venues in Merseyside and around the country, to a total audience of over 5,000 people. Many of these focused on audiences under-represented in science and technology careers, including partnerships with schools in lower socio-economic areas. In addition, special exhibitions and events this year at national venues, including: Tate Liverpool: Foundation for Art and Creative Technology (FACT); the Science Museum; and the London Design Biennale at Somerset House, have all showcased ARI/LJMU research to a total estimated audience in excess of 50,000. The Astrophysics Research 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 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.

2.5.9 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.

2.5.10 In conjunction with The School of Sports Studies Leisure and Nutrition the University hosted the International Council of Coaching Excellence Global Coach Conference 2017.

2.5.11 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.

2.5.12 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.

2.5.13 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.

2.5.14 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.

2.5.15 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.

2.5.16 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.

2.5.17 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.

2.5.18 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.

2.5.19 To further complement the provision of CPD modules, CPD Events and existing full academic programmes, across LCAPS and other Schools within LJMU, a number of 'Masterclasses' have been held in the last academic year. These have included the following Guest Speakers presenting on the topics as shown:

- "The Legal Profession and the Judiciary – Popular Misconceptions and the Fascination of the 'Who Dunit' Murder"
- "The Role of the Police in Child Protection; Focusing on the Increased Involvement of Officers in Family Court Proceedings"
- "The Considerations and Decision Making Process for a crown Prosecutor When Dealing with a Complex Case of Murder"
- "Managing Competing Risks Affecting Displaced Persons in a Conflict Environment - A Case Study from United Nations Policing in South Sudan"

2.5.20 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.

2.5.21 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.

2.5.22 The Public Health Institute is a World Health Organization (WHO) Collaborating Centre for Violence Prevention. That works with WHO to support the prevention of violence on an international basis; cooperating with other countries to reduce both the levels of violence they experience and the impacts such violence has on people's health.

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. The School of Nursing and Allied Health won the Nursing Times Award 2018 for Higher Education Provider of the Year 2018. Pre- registration Nursing Programmes.

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 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.

2.5.29 Volunteering is an integral component of the University's community Engagement in 2017/18 students and staff completed over one million hours of voluntary support to the community across the Liverpool City Region and the North West.

Volunteering activities included

- working as volunteers or fundraising for charitable organisations
- working as volunteers in sports clubs and coaching
- serving as trustees or other representatives in voluntary organisations
- providing care in a voluntary capacity (all ages)
- delivering other voluntary activities providing advice, listening and befriending or counselling services
- volunteering as school governors

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 2017/18.



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, two nominees 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 2017 up to the date of this report membership of the Board of Governors has been as follows:

Ex-officio Members

Professor Nigel Weatherill	Vice-Chancellor & Chief Executive (resigned 14th September 2018)
Mr Mark Power	Interim Vice-Chancellor & Chief Executive (appointed 15th September 2018)

External Independent Members

Ms Nicky Benson	Deputy Chair of the Board / Chair of Remuneration Committee
Ms K Byrne	Chair of Finance Committee
Mr Rod Hill	Chair and Pro Chancellor, Board of Governors (resigned 1st October 2018)
	Chair of Nominations Committee (resigned 1st October 2018)
Mr Mike Parker	Chair and Pro Chancellor, Board of Governors (appointed 1st October 2018)
	Chair of Nominations Committee (appointed 1st October 2018)
Mr Andrew Holroyd	Chair of Employment Committee (resigned 22nd October 2018)
Sir Bert Massie	Deputy Chair of Audit Committee (deceased October 2017)
Mr Brian McCann	Chair of Audit Committee
Ms Karen McCormick	(resigned 30th September 2018)
Mr James Rowan	
Mr Eliot Ward	
Ms Wendy Williams	Deputy Chair of Employment Committee (appointed 2nd July 2018)
Mr Anthony Akaraonye	
Mr Garry Banks	
Mr Lee Gilmore	Deputy Chair of Finance Committee (appointed 2nd July 2018)
Mr Carl Williams	
Mr Gareth McIntegart	(appointed 16th April 2018)

External Co-opted Members

Mr Charles Oddy	Co-opted member of Audit Committee
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Nominee Members

Dr Michelle Laing	Staff Governor (Academic Board Nominee)
Mr Ian Wroot	Staff Governor (Academic Board Nominee)
Miss Yasmin Ibrahim	Student Governor (Student President) (resigned 2nd July 2018)
Miss Angelina Cliff	Student Governor (Student President) (appointed 2nd July 2018)
Miss Howisha Penny	Student Governor (Student Vice President)

Staff Members

Ms. Sarah Maclennan	Staff Governor (Teaching Staff)
Mr John 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
(resigned 14th September 2018)

Interim Vice-Chancellor and Chief Executive

Mark Power
(appointed 15th September 2018)

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

The Board of Governors are responsible for preparing the financial statements in accordance with the requirements of the Office for Students' Terms and conditions of funding for higher education institutions and Research England's Terms and conditions of Research England grant and applicable law and regulations.

They are required to prepare group and parent University financial statements in accordance with UK accounting standards and applicable law (UK Generally Accepted Accounting Practice), including FRS 102 *The Financial Reporting Standard applicable in the UK and Republic of Ireland*. The terms and conditions of funding further require the financial statements to be prepared in accordance with the 2015 Statement of Recommended Practice – Accounting for Further and Higher Education, in accordance with the requirements of the Accounts Direction issued by the Office for Students. The Board of Governors are required to prepare financial statements which give a true and fair view of the state of affairs of the group and parent University and of their income and expenditure, gains and losses and changes in reserves for that period.

In preparing each of the group and parent University financial statements, the Board of Governors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and estimates that are reasonable and prudent;
- state whether applicable UK accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- assess the group and parent University's ability to continue as a going concern, disclosing, as applicable, matters related to going concern; and
- use the going concern basis of accounting unless they either intend to liquidate the group or the parent University or to cease operations, or have no realistic alternative but to do so.

The Board of Governors is responsible for keeping proper accounts and proper records in relation to the accounts. 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 for ensuring that:

- 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;
- funds provided by the Office for Students and Research England have been applied in accordance with the terms and conditions attached to them;
- 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;
- 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 Mike Parker CBE / Chair of the Board of Governors

1. Corporate Governance Statement 2017/18

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 2018 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 29. 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 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 2018. 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 2017/18 a total of £43,000 was paid to or on behalf of governors. This covered: travel expenses to formal and informal meetings and other University events; fees for training and developmental events; travel, accommodation, and a one off fee of £31,000 which was incurred for the executive search and selection of the new Chair to the Board of Governors 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 (the Chair) 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 new Chair has now been appointed and will take up office on 1st October 2018. 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 2nd October 2017, 27th November 2017, 11th December 2017 (workshop), 24th and 25th January 2017 (overnight strategic workshop), 16th April 2018, and 2nd July 2018. Up to the present date in the new financial year, the Board has met on 1st October 2018, 26th November 2018.

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 4th October 2017, 15th November 2017, 7th February 2018, 28th March 2018 and 27th June 2018. Up to the present date in the new financial year, the Academic Board has met on 3rd October 2018 and 28th November 2018.

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 9th October 2017, 8th November 2017, 5th March 2018 and 11th June 2018. Up to the present date in the new financial year, the Audit Committee has met on 8th October 2018 and 12th November 2018.

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. In the last financial year the Employment Committee met on 16th October 2017, 26th February 2018, and 8th June 2017. Up to the present date in the new financial year, the Employment Committee has met on 15th October 2018.

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 30th October 2017, 29th March 2018 and 21st June 2018. Up to the present date in the new financial year, the Finance Committee has met on 31st October 2018.

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 23rd October 2017, 12th March 2018 and 25th June 2018. Up to the present date in the new financial year, the Nominations Committee has met on 22nd October 2018.

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 23rd October 2017, 12th March 2018 and 25th June 2018. Up to the present date in the new financial year, the Remuneration Committee has met on 22nd October 2018.

4. Governance Monitoring and Review

4.1 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 was 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

5.1 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.

5.2 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

5.3 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.

5.4 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.

5.5 *"Regulatory Notice 2: Regulation up to 31 July 2019 of providers that were previously funded by HEFCE"* provides Institutions with guidance during the transition period from HEFCE to the Office for Students (OfS). The transition period cited in this document is 1 April 2018 to 31 July 2019. Paragraph 75 of this Regulatory Notice confirms that an Institution's application for registration with the OfS requires a number of initial conditions relating to quality and standards are satisfied. Moreover, it is stated that *"the outcome of the OfS's assessment of these conditions during the registration process will also constitute the quality and standards outcome for the Annual Provider Review (APR) process for that provider for 2017-18"*.

5.6 LJMU has successfully registered with the OfS without conditions. Therefore, the Institution is deemed to have satisfied the quality and standards outcome for APR 2017/18. Furthermore, the positive APR outcome confirms LJMU's eligibility for the Teaching Excellence and Student Outcomes Framework [TEF].

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 2018 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 2018.

6.4 The University has an agreed Risk Management Policy and a Risk Appetite Statement. 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 2018. 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 new Strategy (2017-2022).

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.

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- 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 2017/18 were positive. The University remains 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 2017/18, approved at the Audit Committee held on 12 June 2017, 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. 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's 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 2017/18, the Internal Auditors discussed at the Summer Audit Committee potential auditable areas for coverage for 2018/19; which were a result of initial discussions with the Director of Legal & Governance Services and SMT.

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 2017/18 work was phased to ensure a more even flow of reports to each Audit Committee, with timings of reviews agreed to add most value. This requires further work during 18/19.

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, 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 and have submitted 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 2017/18, focussing on both control matters and sectorial matters, as well as having 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 there are any issues that need to be flagged as significant control issues. None of the audits undertaken resulted in high priority recommendations. In forming their overall 'positive' opinion, the Internal Auditors also confirmed that the outcomes of their assurance reviews and risk management procedures assessments, conducted during the course of the year indicated strong governance and risk managements processes.

6.14 Assessment grading for audits in 2017/18 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 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 re-gradings, 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. Following the development of a work-flowed e-PAF (Post Approval Form) to provide greater levels of efficiency and effectiveness in terms of processing a new Establishment system is under development to provide greater transparency on the staff numbers and SSRs.

6.17 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.

6.18 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.

6.19 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.*



6.20 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.

6.21 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.

6.22 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.

6.23 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.

6.24 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.
- The development of a Grants and Projects software module to be utilised across the university from early 2019.
- 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

7. Particular Indicators of the Effectiveness of the Internal Control Systems during 2017/18.

These include:

7.2 HEFCE recommended 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)

7.3 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.

7.4 The Office for Students (OfS) approved the University's Access and Participation Plan 2019-2020 in September 2018, which had been recommended by the SMT and endorsed by the Board of Governors. LJMU's Access and Participation Plan has been produced in accordance with the guidance issues by OfS led by the Director of Student Recruitment & Admissions, the University has an established Access and Participation Plan 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.

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 2016-17 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 2017/18 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 three yearly basis. 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 11th June 2018 and were assured that there had been no instances of bribery or corruption during 2017/18.

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.

The University was subject to a full audit by UKVI in January 2018. The audit UKVI concluded that the University is fully compliant in all five areas. 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 General Data Protection Regulation in May 2018 and the University was compliant in time for the new Regulation.

7.11 The University managed its occupational safety and health risks effectively during 2017/18. Total workplace accidents for staff, students and others increased from 61 to 66. Accidents reported to the Health and Safety Executive reduced from five to three. The corresponding incidence rate for reportable accidents per 1,000 staff reduced from 2.03 to 1.03. This compares with 0.99 for the sector and the UK-wide figure of 2.63 using the most recent data available from UCEA (2016/2017).



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 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 continues to be reviewed. The Business Continuity Management Group (BCMG), chaired by the Registrar and Deputy Chief Executive, has been in operation meeting regularly to assess risks and review progress. 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 2017. The OIA has closed 8 LJMU complaints during 2017. Of those 8, no complaints were deemed to be 'Justified', one was 'Justified in Part', and 4 were deemed to be 'Not Justified'. Three complaints were 'Settled' (settlements included a fee waiver, reconsideration of the complaint and a further assessment opportunity).

7.15 As part of the Digital/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 5th March 2018 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 2017/18 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. The annual report provided to the Audit Committee highlighted some of the areas where the procurement team had been able to, following the review develop and assist the University to implement the recommendations leading to some additional 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 2016/17 was £14.14 million (27.4%) compared to £12.48million (28%) in 2015/16. 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 £1.31 million towards the 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. The 2017 report again demonstrated University compliance.

7.24 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 2018 as part of the academic workload planning audit the Internal Auditors undertook an audit of the controls that support the preparation and submission of the TRAC data return. The Internal Auditors concluded that there was substantial assurance that the controls upon which the university relies to manage this area are suitably designed and are being consistently applied.

8. 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 2018 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 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 31 July 2018 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 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 2018, 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 the Accounts Direction dated 19 June 2018 issued by the Office for Students.

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 30 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 Office for Students and Research England Audit Codes of Practice issued under the Further and Higher Education Act 1992.

In our opinion, in all material respects

- funds from whatever source administered by the 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;
- funds provided by the Office for Students and Research England have been applied in accordance with these conditions and the terms and conditions attached to them; 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
February 2019

STATEMENT OF ACCOUNTING POLICIES for the year ended 31 July 2018

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 2018. 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 of the 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 of University 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 post 31 May 2013 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.

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:

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.

20. Significant estimates and judgements (continued)

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 32. 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.



Liverpool John Moores University
Consolidated Statement of Comprehensive Income and Expenditure
Year Ended 31 July 2018

	Note	Consolidated 2018 £000	University 2018 £000	Consolidated 2017 £000	University 2017 £000
Income					
Tuition Fees and Education Contracts	1	179,607	179,583	171,889	171,844
Funding Body Grants	2	20,477	20,477	21,791	21,791
Research Grants and Contracts	3	8,843	8,776	9,194	9,066
Other Income	4	4,864	5,295	4,868	4,622
Investment Income	5	674	692	611	629
Donations and Endowments	6	231	231	257	257
Total Income		<u>214,696</u>	<u>215,054</u>	<u>208,610</u>	<u>208,209</u>
Expenditure					
Staff Costs	7	128,296	128,074	119,248	118,813
Other operating expenses	9	68,455	68,835	76,193	76,029
Depreciation	11	9,327	9,300	9,697	9,697
(Release)/Impairment of option agreement	11	-	-	(5,048)	(7,568)
Interest and other finance costs	8	6,140	6,312	6,414	6,586
Total Expenditure		<u>212,218</u>	<u>212,521</u>	<u>206,504</u>	<u>203,557</u>
Surplus/(deficit) before other gains losses and share of operating surplus/(deficit) of joint ventures and associates		2,478	2,533	2,106	4,652
(Loss)/gain on disposal of fixed assets	11	(960)	(960)	(27)	(27)
(Loss)/gain on transfer of fixed assets	11	-	-	-	(1,326)
Share of operating (deficit)/surplus in joint venture	15	(191)	-	5,530	-
Surplus/(deficit) before tax		<u>1,327</u>	<u>1,573</u>	<u>7,609</u>	<u>3,299</u>
Taxation	10	-	-	(51)	(51)
Surplus/(deficit) for the year		<u>1,327</u>	<u>1,573</u>	<u>7,558</u>	<u>3,248</u>
Actuarial gain/(loss) in respect of pension schemes	32	35,961	35,961	11,870	11,870
Total comprehensive income for the year		<u>37,288</u>	<u>37,534</u>	<u>19,428</u>	<u>15,118</u>
Represented by:					
Restricted comprehensive (expenditure)/income for the year		(580)	(580)	635	635
Unrestricted comprehensive income for the year		37,868	38,114	18,793	14,483
		<u>37,288</u>	<u>37,534</u>	<u>19,428</u>	<u>15,118</u>
Surplus for the year attributable to:					
University		<u>1,327</u>	<u>1,573</u>	<u>7,558</u>	<u>3,248</u>
Total Comprehensive income for the year attributable to:		<u>1,327</u>	<u>1,573</u>	<u>7,558</u>	<u>3,248</u>
University		<u>37,288</u>	<u>37,534</u>	<u>19,428</u>	<u>15,118</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 2018**

Consolidated	Income and expenditure account		Revaluation reserve	Total
	Restricted £000	Unrestricted £000	£000	£000
Balance at 1 August 2017	2,629	42,750	30,019	75,398
Surplus/(deficit) from the income and expenditure statement	(580)	1,907	-	1,327
Other comprehensive income	-	35,961	-	35,961
Transfers between revaluation and income and expenditure reserve	-	554	(554)	-
Total comprehensive income for the year	(580)	38,422	(554)	37,288
Balance at 31 July 2018	2,049	81,172	29,465	112,686

University	Income and expenditure account		Revaluation reserve	Total
	Restricted £000	Unrestricted £000	£000	£000
Balance at 1 August 2017	2,629	43,776	30,019	76,424
Surplus/(deficit) from the income and expenditure statement	(580)	2,153	-	1,573
Other comprehensive income	-	35,961	-	35,961
Transfers between revaluation and income and expenditure reserve	-	554	(554)	-
Total comprehensive income for the year	(580)	38,668	(554)	37,534
Balance at 31 July 2018	2,049	82,444	29,465	113,958

Liverpool John Moores University Balance Sheets

	Note	Year ended 31 July 2018		Year ended 31 July 2017	
		Consolidated £000	University £000	Consolidated £000	University £000
Non-Current Assets					
Fixed Assets	11	188,921	187,229	189,476	188,150
Investments	14	15,039	31,029	39	16,029
Investment in Joint Venture	15	5,242	-	5,434	-
		<u>209,202</u>	<u>218,258</u>	<u>194,949</u>	<u>204,179</u>
Current Assets					
Stock	17	37	37	40	40
Trade and other receivables	18	12,052	12,285	10,994	11,299
Investments	19	35,500	35,500	72,000	72,000
Cash and cash equivalents	24	61,027	60,918	28,406	28,188
		<u>108,616</u>	<u>108,740</u>	<u>111,440</u>	<u>111,527</u>
Less: Creditors amounts falling due within one year	20	(40,725)	(40,043)	(38,443)	(38,334)
Net current assets/(liabilities)		<u>67,891</u>	<u>68,697</u>	<u>72,997</u>	<u>73,193</u>
Total assets less current liabilities		<u>277,093</u>	<u>286,955</u>	<u>267,946</u>	<u>277,372</u>
Creditors: amounts falling due after more than one year	21	(40,256)	(48,846)	(41,340)	(49,930)
Provisions					
Pension provisions	22	(118,526)	(118,526)	(148,207)	(148,207)
Other provisions	22	(5,625)	(5,625)	(3,001)	(2,811)
Net Assets		<u>112,686</u>	<u>113,958</u>	<u>75,398</u>	<u>76,424</u>
Restricted Reserves					
Income and expenditure reserve	23	2,049	2,049	2,629	2,629
Unrestricted Reserves					
Income and expenditure reserve		81,172	82,444	42,750	43,776
Revaluation reserve		29,465	29,465	30,019	30,019
Total Reserves		<u>112,686</u>	<u>113,958</u>	<u>75,398</u>	<u>76,424</u>

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



Mr Mike Parker CBE
Chair of the Board of Governors



Mr Mark Power
Interim Vice Chancellor and Chief Executive



**Liverpool John Moores University
Consolidated and University Cash Flow
Year ended 31 July 2018**

	Note	Year ended 31 July 2018 £000	Year ended 31 July 2017 £000
Cash flow from operating activities			
Surplus for the year		1,327	7,558
Adjustment for non-cash items			
Depreciation	11	9,327	9,697
Impairment	11	-	(5,048)
Write off of WIP		-	9,242
Decrease/(increase) in stock	17	3	30
(Increase)/decrease in debtors	18	(1,058)	(3,264)
Increase/(decrease) in creditors	20	2,282	1,543
Increase/(decrease) in pension provision	22	3,000	1,617
Increase/(decrease) in other provisions	22	2,624	(900)
Share of operating deficit/(surplus) in joint venture	15	191	(5,530)
Adjustment for investing or financing activities			
Investment income	5	(674)	(611)
Interest payable	8	6,140	6,398
Loss on the sale of fixed assets		960	27
Net cash inflow from operating activities		24,122	20,759
Cash flows from investing activities			
New deposits		(50,500)	(71,000)
Withdrawn deposits		72,000	46,000
		21,500	(25,000)
Investment income	5	674	611
Payments made to acquire fixed assets	11	(9,732)	(8,693)
		12,442	(33,082)
Cash flows from financing activities			
Interest paid	8	(2,733)	(2,820)
Repayments of amounts borrowed	20	(1,210)	(1,142)
		(3,943)	(3,962)
Increase/(decrease) in cash and cash equivalents in the year		32,621	(16,285)
Cash and cash equivalents at beginning of the year	24	28,406	44,691
Cash and cash equivalents at end of the year	24	61,027	28,406

Liverpool John Moores University
Notes to the accounts

1. Tuition Fees and Education Contracts	Year ended 31 July 2018		Year ended 31 July 2017	
	Consolidated £000	University £000	Consolidated £000	University £000
Full-time home and EU students	147,685	147,685	138,994	138,996
Full-time international students	13,369	13,369	11,225	11,225
Part-time students	5,465	5,465	4,575	4,575
Other fees and NHS contracts	13,088	13,064	17,095	17,048
	<u>179,607</u>	<u>179,583</u>	<u>171,889</u>	<u>171,844</u>
2. Funding Body Grants	Consolidated £000	University £000	Consolidated £000	University £000
Recurrent grant				
Higher Education Funding Council	13,141	13,141	19,391	19,391
Office for Students	5,283	5,283	-	-
Specific grants				
Higher Education Funding Council				
National College for Teaching and Leadership	511	511	312	312
Capital Grants	25	25	98	98
	<u>1,517</u>	<u>1,517</u>	<u>1,990</u>	<u>1,990</u>
	<u>20,477</u>	<u>20,477</u>	<u>21,791</u>	<u>21,791</u>
3. Research grants and Contracts	Consolidated £000	University £000	Consolidated £000	University £000
Research Councils	2,422	2,422	2,201	2,201
UK based Charities	901	868	815	771
Health and Hospitals	926	899	1,405	1,405
Central and Local Government	605	605	1,151	1,151
Other grants and contracts	3,989	3,982	3,622	3,538
	<u>8,843</u>	<u>8,776</u>	<u>9,194</u>	<u>9,066</u>
4. Other income	Year ended 31 July 2018		Year ended 31 July 2017	
	Consolidated £000	University £000	Consolidated £000	University £000
Residences, catering and conferences	1,593	1,579	1,378	1,330
Other services rendered	3,032	3,477	3,156	2,958
Other income	239	239	334	334
	<u>4,864</u>	<u>5,295</u>	<u>4,868</u>	<u>4,622</u>

Liverpool John Moores University
Notes to the accounts

	Note	Year ended 31 July 2018		Year ended 31 July 2017	
		Consolidated £000	University £000	Consolidated £000	University £000
5. Investment income					
Investment income on restricted reserves	23	7	7	6	6
Other investment income		667	685	605	623
		<u>674</u>	<u>692</u>	<u>611</u>	<u>629</u>
6. Donations and Endowments					
		Consolidated £000	University £000	Consolidated £000	University £000
Donations with restrictions		231	231	253	253
Unrestricted donations	23	-	-	4	4
		<u>231</u>	<u>231</u>	<u>257</u>	<u>257</u>
7. Staff costs					
		Consolidated £000	University £000	Consolidated £000	University £000
Salaries		96,868	96,646	91,520	91,085
Social security costs		10,077	10,077	9,498	9,498
Apprenticeship Levy		467	467	149	149
Movement on USS provision		122	122	-	-
Other pension costs		20,762	20,762	18,081	18,081
Total		<u>128,296</u>	<u>128,074</u>	<u>119,248</u>	<u>118,813</u>
Compensation for loss of Office					
		Consolidated £000	University £000	Consolidated £000	University £000
Notice pay		43	43	23	23
Redundancy pay		141	141	47	47
Compromise agreement		10	10	-	-
Ex-gratia payments		183	183	27	27
Pension payments		163	163	-	-
		<u>540</u>	<u>540</u>	<u>97</u>	<u>97</u>

Payments and amounts accrued in the year ended 31st July 2018 are in respect of 22 people (2017 25 people).

Liverpool John Moores University Notes to the accounts

7. Staff costs (continued)

	Year ended 31 July 2018	Year ended 31 July 2017
Emoluments of the Vice Chancellor:	£	£
Basic salary	260,316	252,734
Emoluments	39,072	32,712
Benefits	288	353
Pension contributions to USS	6,287	1,998
	<u>305,963</u>	<u>287,797</u>

Vice Chancellor's remuneration

Institutional Context

2017 was the 25th anniversary of LJMU which was marked with the publication of the current strategic plan. The University is one of the largest in the UK with 23,300 students in Liverpool plus a further 1,830 students enrolled on accredited University courses overseas. The University continues to build upon its exceptional outcome in the Higher Education Review by the Quality Assurance Agency, receiving two commended judgements in 2016, the same year it won University of the Year at the Educate North Awards. The University was shortlisted for the Times Higher Education University of the Year in 2017. The Teaching Excellence Framework ranked the University "Silver" in 2017.

LJMU's research environment is increasingly active and was one of the highest climbers nationally in the 2014 Research Excellence Framework (REF). The University has increased by 28% the value of research grants over the past year and a 5% increase in the number of research degrees awarded by the University during 2017/18. The University is hoping to further improve its position in the REF 2021.

The University is a large and complex institution and the ongoing strong performance against strategic objectives requires strong organisational leadership from the Vice-Chancellor and an able and effective Executive team.

The University is an exempt charity and, as such, the Board of Governors has a responsibility to ensure remuneration policy is developed and applied, having due regard to the requirement to safeguard public funds, as well as the need to recognise the efforts of staff in securing the University's continued success.

The Remuneration Committee

The purpose of the Remuneration Committee, as set out in the Terms of Reference approved by the Board, is to determine all matters relating to the salary and terms and conditions of employment of designated Senior Post-holders. The Remuneration Committee maintains oversight of the University's policy framework for the remuneration and reward of other senior staff on the Directorate level management contracts and the Professoriate. Membership comprises of the Chair (also Deputy Chair of the Board), the Chair of the Board, and the Chairs of Audit, Employment and Finance Committees. The Vice-Chancellor is **not** a member of the

Liverpool John Moores University Notes to the accounts

7. Staff costs (continued)

committee but attends along with the Deputy Chief Executive, Organisational Enhancement, and Interim Finance Director. The committee is serviced by the University's Secretariat. Staff, including the Vice-Chancellor, are not permitted to be present when matters concerning their own performance and salaries are reviewed and discussed.

The Committee has met three times during 2017/18 and maintained an excellent level of attendance.

Name	Position	23 Oct	12 Mar	25 Jun
N Benson	Committee Chair and Deputy Chair of the Board	✓	✓	✓
R Hill	Chair of the Board	✓	✓	✓
K Byrne	Chair of Finance Committee	✓	✓	✓
A Holroyd	Chair of Employment Committee	X	✓	✓
B McCann	Chair of Audit Committee	✓	X	✓
N Weatherill	Vice-Chancellor	✓	✓	✓

The University's practice in relation to Remuneration

The University continues to operate within a highly competitive market. It is important that the University's policies and practice in relation to remuneration support its ability to recruit and retain the best staff.

The University offers an excellent working environment and scores very highly in staff surveys for staff engagement, suggesting that remuneration is only one of a number of factors that impact individual employee decisions to work here.

1. The key principles of Remuneration

- a) The University has adopted the CUC Remuneration Code and with it a commitment to ensuring, a fair, appropriate and justifiable level of remuneration within a framework of transparency and accountability.
- b) There is an ongoing commitment to annual Performance Review across the University and the opportunity for staff to develop.
- c) Equal Pay for work of Equal Value. The most recent pay audit was conducted in 2015. The audit will continue on an annual basis in line with Gender Pay Gap reporting.

2. Staff employed on the National Pay spine

The University appoints staff to specific roles. Roles are evaluated using the Higher Education Role Analysis (HERA) scheme with each role assigned to an identified grade boundary (which specifies the minimum and maximum salary for each grade and the incremental progression points) on the nationally agreed 51 point pay spine.

Liverpool John Moores University Notes to the accounts

7. Staff costs (continued)

Staff employed on grades 2-10 receive annual incremental progression within the specified grade as well as a pay award agreed through national bargaining.

3. Senior staff employed on Manager and Professorial Grades

Senior management and Professorial staff are appointed on the Hay and Professorial pay scales. The point on the scale is determined having regard to benchmarking, experience, expertise and market forces. The annual pay award for staff on these pay scales is determined by the Remuneration Committee operating within an overall sum agreed for staffing as set out through the University's budget process – this sum being guided by the annual national pay award agreed for the main body of staff. There is no incremental progression for these staff. In 2017/18 a Directorate Reward Scheme was introduced to mirror the Professorial Pay Review Scheme that has been in operation for a number of years. This was informed by detailed performance reviews against agreed objectives. A review is now being undertaken to assess the impact and success to determine whether to continue with the scheme.

4. Designated Senior Post-holders

In determining the individual salaries and any discretionary payments for which the Remunerations Committee has direct responsibility, account is taken of:

- Likely national pay award levels
- Comparative benchmarking data for similar roles (from UCEA and CUC surveys)
- The outcomes of performance review against agreed objectives
- Institutional performance in relation to the Strategic Plan (Institutional KPI report)

Institutional Performance (Key indicators for Remunerations Committee decisions)

The full time equivalent numbers of students for 2017/18 (20,428) represent an increase of 4.6% compared with 2016/17. 100 new programmes were approved for development in 2017/18 in both undergraduate and postgraduate areas and the University continued to ensure that, wherever possible, programmes have Professional Statutory Regulatory Body accreditation.

In 2017 LJMU recorded an increase in Graduate Prospects of 2.23% and a decrease to 4.4% in unemployment. In the recent NSS survey (optional questions) on Employability and Skills, student reported an 82.24% satisfaction rate with the LJMU support, 3.28% above the sector average. The development of LJMU degree apprenticeships has continued apace. As a result, LJMU initial target for 230 apprenticeships in 2017/18 was exceeded with 300 apprenticeships achieved within programmes across the faculties.

Remuneration of Senior staff (Excluding the Vice-Chancellor)

Based on the performance of the University, and the national pay award for all staff, the Executive team were awarded a 2.5% pay increase with effect from 1st September 2018. Exceptional payments were made to the Deputy Director of Finance to recognise the additional level of responsibility associated with the ongoing absence of the Finance Director, University Secretary and Deputy Chief Executive.

Liverpool John Moores University Notes to the accounts

7. Staff costs (continued)

Remuneration of the Vice-Chancellor

In agreeing the base salary for the Vice-Chancellor the Remuneration Committee takes into consideration the depth, breadth and complexity of the role. The Remuneration Committee undertakes benchmarking across the Higher Education sector, including comparative information relating to the relevant contribution and income groups. The University subscribes to the UCEA Senior Staff Remuneration Survey and this data is analysed and a report provided utilising the benchmarking data as it represents the most comprehensive and reliable source of data within the sector, enabling cross intuitional comparisons to be made. The University also participates in the Committee of University Chairs' Vice-Chancellors Salary Survey and this data is reviewed.

Any other elements of the total remuneration package for the Vice-Chancellor are reviewed by the Remuneration Committee alongside the annual individual performance review. The annual objectives are set by the Chair of the Board and following a formal review the Chair provides an assessment of progress against the objectives to Remuneration Committee.

The review also took into account the overall performance of the University and the University's financial position.

At the meeting in June 2018, the Vice-Chancellors remuneration package was not considered by the Remuneration Committee. The Vice-Chancellor resigned from the University on the 14th September 2018.

The details of the salary and benefits paid to the Vice-Chancellor are disclosed in note 7 of the financial accounts.

Liverpool John Moores University Notes to the accounts

7. Staff costs (continued)

Pay Ratio

Basic Pay Ratio

The Vice Chancellor's basic salary is 8.24 times the median pay of staff, where the median pay is calculated on a full-time equivalent basis for the salaries paid by Liverpool John Moores University to its staff. The median basic pay is calculated as £31,604 which includes all full and part time staff, fixed term and temporary staff but does not include agency staff. Agency staff are not included in the basic pay ratio calculation as we cannot reasonably calculate the average agency staff cost. This is because we processed approximately 5,000 invoices from agencies in 2017/18 from 28 different agencies. Without reviewing every single invoice it is impossible to ascertain how many staff are being charged for, what grade these staff were and for what length of time they worked for the University. The total value of agency staff in 2017/18 was £1.453m. Given total pay costs of £128m it is not believed the inclusion of the costs of agency staff would make a material difference to the pay median reported above.

Total remuneration pay ratio

The Vice Chancellor's total remuneration is 8.38 times the median total remuneration of staff, where the median total remuneration is calculated on a full-time equivalent basis for the total remuneration by the provider of its staff.

The median total remuneration is calculated as £36,463 which includes all full and part time staff, fixed term and temporary staff but does not include agency staff. Agency staff are not included in the total remuneration pay ratio calculation as we cannot reasonably calculate the average agency staff cost. This is because we processed approximately 5,000 invoices from agencies in 2017/18 from 28 different agencies. Without reviewing every single invoice it is impossible to ascertain how many staff are being charged for, what grade these staff were and for what length of time they worked for the University. The total value of agency staff in 2017/18 was £1.453m. Given total pay costs of £128m it is not believed the inclusion of the costs of agency staff would make a material difference to the pay median reported above.

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 2018	Year ended 31 July 2017
	No.	No.
£100,000 to £104,999	4	2
£105,000 to £109,999	1	-
£110,000 to £114,999	-	-
£115,000 to £119,999	-	1
£120,000 to £124,999	3	1
£125,000 to £129,999	-	-
£130,000 to £134,999	3	4
£135,000 to £139,999	2	-
£140,000 to £144,999	-	3
£145,000 to £149,999	3	2
£150,000 to £154,999	1	-
	<u>17</u>	<u>13</u>

Average staff number by major category:

	No.	No.
Academic	1,278	1,157
Non Academic	1,138	1,156
	<u>2,416</u>	<u>2,313</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 2018 £000	Year ended 31 July 2017 £000
Key management personnel compensation	<u>2,404</u>	<u>2,339</u>

Liverpool John Moores University Notes to the accounts

7. Staff costs (continued)

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 (2017 £nil).

The total expenses paid to or on behalf of 24 governors, also known as Trustees was £0.043m (2017 £0.013m to 22 Governors). This represents travel and subsistence expenses incurred in attending Board meetings and events in their official capacity, including conferences and away days. During the year ended 31st July 2018 £0.031m was incurred in fees for an executive search and selection of a new Chair to the Board of Governors. This is included in the £0.043m reported.

8. Interest and other finance costs	Note	Year ended 31 July 2018		Year ended 31 July 2017	
		Consolidated £000	University £000	Consolidated £000	University £000
Loan interest		2,733	2,733	2,820	2,820
Other interest		-	172	-	172
Net charge on pension scheme	32	3,407	3,407	3,594	3,594
		<u>6,140</u>	<u>6,312</u>	<u>6,414</u>	<u>6,586</u>

9. Analysis of other operating expenses	Year ended 31 July 2018		Year ended 31 July 2017	
	Consolidated £000	University £000	Consolidated £000	University £000
Academic departments and services	27,871	28,520	28,815	29,122
Administration and central services	14,911	15,100	12,321	12,115
Premises	18,138	18,138	25,625	25,625
Residences, catering and conferences	1,262	1,262	1,277	1,277
Research grants and contracts	6,273	5,815	8,155	7,890
	<u>68,455</u>	<u>68,835</u>	<u>76,193</u>	<u>76,029</u>

Liverpool John Moores University
Notes to the accounts

9. Analysis of other operating expenses (continued)

Other operating expenses include:	Year ended 31 July 2018	Year ended 31 July 2017
Fees payable to the company's auditor for the audit of the company's annual accounts	52	53
Audit of the accounts of subsidiaries	8	7
External auditors remuneration in respect of non-audit services	78	72
Grant audits	7	8
Internal audit services	83	75
Operating lease rentals	27	17
Land and buildings	1,213	1,074

10. Taxation

Year ended 31 July 2018		Year ended 31 July 2017	
Consolidated	University	Consolidated	University
£000	£000	£000	£000

Recognised in the statement of comprehensive income:

Current Tax

Current tax expense	-	-	-	-
Adjustment in respect of previous years	-	-	51	51
Current Tax expense	-	-	51	51

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

11. Fixed Assets

Group	Freehold land and Buildings	Leasehold land and Buildings	Telescope	Equipment	WIP	Total
Cost or valuation						
31 August 2017	181,791	704	5,140	26,783	10,732	225,150
Acquisitions	926	-	-	3,391	5,415	9,732
Transfers	11,187	-	-	684	(11,871)	-
Reclassification	-	-	43	(43)	-	-
Disposals	(1,036)	-	-	(391)	-	(1,427)
31 July 2018	<u>192,868</u>	<u>704</u>	<u>5,183</u>	<u>30,424</u>	<u>4,276</u>	<u>233,455</u>
Cost consisting of valuation as at:						
31 May 2013	170,996	665	-	-	-	171,661
Cost	21,872	39	-	-	-	21,911
	<u>192,868</u>	<u>704</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>193,572</u>
Accumulated depreciation						
31 August 2017	15,095	-	3,487	17,092	-	35,674
Acquisitions	4,578	-	284	4,465	-	9,327
Reclassification	-	-	30	(30)	-	-
Disposals	(81)	-	-	(386)	-	(467)
31 July 2018	<u>19,592</u>	<u>-</u>	<u>3,801</u>	<u>21,141</u>	<u>-</u>	<u>44,534</u>
Net book value						
	Freehold land and Buildings	Leasehold land and Buildings	WIP	Telescope	Equipment	Total
31 July 2018	<u>173,276</u>	<u>704</u>	<u>1,382</u>	<u>9,283</u>	<u>4,276</u>	<u>188,921</u>
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>

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

11. Fixed Assets (continued)

University	Freehold land and Buildings	Leasehold land and Buildings	Telescope	Equipment	WIP	Total
Cost or valuation						
At 1 August 2017	180,465	704	5,140	26,783	10,732	223,824
Additions	926	-	-	3,391	5,022	9,339
Transfers	11,187	-	-	684	(11,871)	-
Reclassification	-	-	43	(43)	-	-
Disposals	(1,036)	-	-	(391)	-	(1,427)
At 31 July 2018	<u>191,542</u>	<u>704</u>	<u>5,183</u>	<u>30,424</u>	<u>3,883</u>	<u>231,736</u>
Consisting of valuation as at :						
31 May 2013	168,476	665	-	-	-	169,141
Cost	<u>23,066</u>	<u>39</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>23,105</u>
	<u>191,542</u>	<u>704</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>192,246</u>
Depreciation						
At 1 August 2017	15,095	-	3,487	17,092	-	35,674
Additions	4,551	-	284	4,465	-	9,300
Reclassification	-	-	30	(30)	-	-
Disposals	(81)	-	-	(386)	-	(467)
At 31 July 2018	<u>19,565</u>	<u>-</u>	<u>3,801</u>	<u>21,141</u>	<u>-</u>	<u>44,507</u>
Net book value						
	Freehold land and Buildings	Leasehold land and Buildings	Telescope	Equipment	WIP	Total
At 31 July 2018	<u>171,977</u>	<u>704</u>	<u>1,382</u>	<u>9,283</u>	<u>3,883</u>	<u>187,229</u>
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 2018, land and buildings included £27.777m (2017 - £16.050m) in respect of land that is not depreciated. During the year £10.364m was transferred from work in progress to freehold land in respect of the Copperas Hill site. This value consists of purchases of land and invested costs, which include demolition, which have added value to the site.

During the year ended 31st July 2018 it became apparent that pursuant to the terms of an agreement dated 28th January 1993 between the University and Liverpool City Council relating to the transfer of a large number of properties to Liverpool Polytechnic, one property transfer was not completed. This property, 16 Tullimore Road, has previously been treated as an asset by the University and capitalised in accordance with accounting policy. In light of the current information it was felt prudent to write the capital amount off the University balance sheet. This resulted in a charge to the income and expenditure account of £0.166m. It is thought the transfer will be completed in due course and the University will seek to sell the property as residential if another purpose cannot be found.

Liverpool John Moores University Notes to the accounts

11. Fixed Assets (continued)

During the year ended 31st July 2018 the University disposed of a building, known as the Haigh, resulting in a charge to the income and expenditure account of £0.789m. This building has been demolished.

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

	Cash and cash equivalents £000	Subsidiary Companies £000	Other fixed asset investments £000	Total £000
Consolidated				
At 1 August 2017	-	-	39	39
Cash movement	15,000	-	-	15,000
At 31 July 2018	<u>15,000</u>	<u>-</u>	<u>39</u>	<u>15,039</u>
University				
	£000	£000	£000	£000
At 1 August 2017	-	15,990	39	16,029
Cash movement	15,000	-	-	15,000
At 31 July 2018	<u>15,000</u>	<u>15,990</u>	<u>39</u>	<u>31,029</u>

The University owns 100% of the share capital of JMU Services Limited, JMU Property Development Company Limited, JMU Learning Resource Centre Development Limited, JMU Building Services and Maintenance Limited, Liverpool Business School Limited, Standard Trace Metal Quantification Limited and Liverpool John Moores (Malaysia) SDN.BHD. The University subsidiary companies are all registered in the United Kingdom with the exception of Liverpool John Moores (Malaysia) SDN.BHD, which is registered in Malaysia. All of the trading subsidiaries have been consolidated.

Liverpool John Moores University Notes to the accounts

14. Non-Current Investments (continued)

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

The University hold a 50% interest in Sensor City Liverpool Limited.

The University holds a 24.5% interest in Liverpool Science Park Limited, which is not considered to be material and therefore not consolidated in these accounts.

Deposits are held with banks and building societies operating in the London market and licensed by the Financial Services Authority with more than twelve 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. The fair value of these deposits was not materially different from the book value.

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 2018 the net assets of the company were £10.484m (31 July 2017 £10.868m net assets), the group share of these being £5.242m (2017 £5.434m). The company's financial year end is 31 July 2018.

The Sensor City reported figures have been adjusted to reflect the University accounting policy with respect to land and buildings.

	Year ended 31 July 2018		Year ended 31 July 2017	
	£000	£000	£000	£000
Income and expenditure account				
Income		105		16
Deficit before tax		<u>(191)</u>		<u>5,530</u>
Balance Sheet				
Fixed Assets	5,066		5,255	
Current Assets	<u>357</u>		<u>1,672</u>	
		5,423		6,927
Creditors: amounts due within 1 year		(181)		(1,493)
Share of net assets/(liabilities)		<u>5,242</u>		<u>5,434</u>

The university participates in a number of joint research contracts with other universities. Income from significant arrangements during 2018 amounted to £0.923m (2017 £0.514m). Within this are the following projects of note:

Liverpool John Moores University
Notes to the accounts

15. Investment in joint venture (continued)

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.

ERDF LCR Activate – a project focused on helping companies in the Digital and Creative sector take big leaps forward in the fields of cognitive computing, high performance computing, cloud computing and merging data

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 2018 the company made a profit of £274,615 (2017 £15,401). The University share of this is £67,281 (2017 £3,773). This has not been included in the consolidated figures as the University does not consider this to be material.

17. Stock

	Year ended 31 July 2018		Year ended 31 July 2017	
	Consolidated £000	University £000	Consolidated £000	University £000
General consumables	37	37	40	40

18. Trade and other receivables

	Consolidated £000	University £000	Consolidated £000	University £000
Amounts falling due within one year:				
Research grants receivables	1,671	1,671	1,281	1,281
Other trade receivables	2,779	2,493	450	310
Other receivables	254	206	223	211
Prepayments and accrued income	7,049	7,049	6,174	6,174
Amounts due from subsidiary companies	-	567	-	457
Amounts due from associate companies	168	168	166	166
Amounts due from joint venture	131	131	2,700	2,700
	<u>12,052</u>	<u>12,285</u>	<u>10,994</u>	<u>11,299</u>

Liverpool John Moores University Notes to the accounts

19. Current Investments

	Consolidated £000	University £000	Consolidated £000	University £000
Short term deposits	<u>35,500</u>	<u>35,500</u>	<u>72,000</u>	<u>72,000</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 2018 the weighted average interest rate of these fixed rate deposits was 0.72% (2017 0.75%) per annum and the remaining weighted average period for which the interest rate is fixed on these deposits was 159 days (2017 264 days). The fair value of these deposits was not materially different from the book value.

20. Creditors: amounts falling due within one year

	Year ended 31 July 2018		Year ended 31 July 2017	
	Consolidated £000	University £000	Consolidated £000	University £000
Secured loans	1,063	1,063	1,210	1,210
Trade payables	5,420	5,043	5,474	5,467
Social security and other taxation payable	4,832	4,832	4,492	4,492
Amounts due to subsidiary companies	-	45	-	334
Accruals and deferred income	29,342	28,993	26,839	26,403
Other Creditors	68	67	428	428
	<u>40,725</u>	<u>40,043</u>	<u>38,443</u>	<u>38,334</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	4,930	4,930	4,637	4,637
Grant income	165	165	383	383
Other income	2,554	2,554	1,633	1,633
	<u>7,649</u>	<u>7,649</u>	<u>6,653</u>	<u>6,653</u>

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

**21. Creditors: amounts falling
after more than one year**

	Consolidated £000	University £000	Consolidated £000	University £000
Secured loans	40,256	40,256	41,340	41,340
Intercompany lease	-	8,590	-	8,590
	<u>40,256</u>	<u>48,846</u>	<u>41,340</u>	<u>49,930</u>

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

Analysis of secured loans:	Consolidated £000	University £000	Consolidated £000	University £000
Due within one year or on demand (note 20)	1,063	1,063	1,210	1,210
Due between one and two years	1,292	1,292	1,253	1,253
Due between two and five years	3,913	3,913	4,026	4,026
Due in five years or more	35,051	43,641	36,061	44,651
Due after more than one year	<u>40,256</u>	<u>48,846</u>	<u>41,340</u>	<u>49,930</u>
Total secured and unsecured loans	<u>41,319</u>	<u>49,909</u>	<u>42,550</u>	<u>51,140</u>

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	1.54	University
Barclays Plc	3,000	25	1.54	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 2018.

Liverpool John Moores University Notes to the accounts

22. Provisions for liabilities

University and consolidated	Obligation to fund deficit on USS Pension	Enhanced Pension Scheme	Defined Benefit Obligations (note 32)	Total Pension Provisions	Other	Total Other
at 1 August 2017	947	11,759	135,501	148,207	2,811	2,811
utilised in ear transfer from I&E	-	(835)	-	(835)	-	-
at 31 July 2018	1,069	11,377	106,080	118,526	5,625	5,625

Included within other provisions are provisions for dilapidation costs of £2.688m (2017 £0.695m) and provisions for bursaries and scholarship of £0.916m (2017 £0.811m). Dilapidations charged to the Income and Expenditure account in the current year totalled £1.994m (2017 £0.039m). 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 2018.

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

	Consolidated
Discount rate	2.3%
Inflation	1.3%

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 2017	1,759	870	2,629
New capital grants	2,276	-	2,276
New donations	-	231	231
Investment income	-	7	7
Capital grants utilised	(2,990)	-	(2,990)
Expenditure	-	(104)	(104)
At 31 July 2018	<u>1,045</u>	<u>1,004</u>	<u>2,049</u>

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

	2018 Total £000	2017 Total £000
Scholarships and bursaries	189	253
Student support	441	236
Research support	17	17
Prize funds	174	181
General	183	183
	<u>1,004</u>	<u>870</u>

24. Cash and Cash equivalents

	At 1 August 2017 £000	Cash Flows £000	At 31 July 2018 £000
Consolidated			
Cash and cash equivalents	<u>28,406</u>	<u>32,621</u>	<u>61,027</u>
University			
Cash and cash equivalents	<u>28,188</u>	<u>32,730</u>	<u>60,918</u>

25. Capital and other commitments

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

	31 July 2018		31 July 2017	
	Consolidated £000	University £000	Consolidated £000	University £000
Commitments contracted for	<u>3,311</u>	<u>3,311</u>	<u>-</u>	<u>-</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 2018 and concludes that there are none.

27. Lease obligations

	31 July 2018		Total £000	31 July 2017 £000
	Land and Buildings £000	Plant and Machinery £000		
Payable during the year	1,213	27	1,240	1,091
Future minimum lease payments due:				
Not later than 1 year	1,080	25	1,105	1,226
Later than 1 year and not later than 5 years	3,621	30	3,651	3,809
Later than 5 years	3,059	-	3,059	3,838
Total lease payments due	<u>7,760</u>	<u>55</u>	<u>7,815</u>	<u>8,873</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. No payments have been made in respect of the lease since 1 April 2005

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:

Liverpool John Moores University Notes to the accounts

28. Subsidiary Undertakings (continued)

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

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

Non adjusting Post Balance Sheet Events

On 26 October, the High Court handed down a judgment involving the Lloyds Banking Group's defined benefit pension schemes. The judgment concluded the schemes should be amended to equalise pension benefits for men and women in relation to guaranteed minimum pension benefits. The issues determined by the judgment arise in relation to many other defined benefit pension schemes. We are working with the trustees of our Local Government Pension Scheme - Merseyside Pension Fund to understand the extent to which the judgment crystallises additional liabilities for our pension scheme. The extent to which the judgment will increase the liabilities in the Merseyside Pension Fund is not possible to identify at this point. For the University's other defined benefit scheme, the USS, the provision included within the financial statements at note 22 will only be impacted to the extent the change in benefits increases cash financing.

Liverpool John Moores University Notes to the accounts

28. Subsidiary Undertakings (continued)

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 Robarts 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

Non adjusting Post Balance Sheet Events

On 26 October, the High Court handed down a judgment involving the Lloyds Banking Group's defined benefit pension schemes. The judgment concluded the schemes should be amended to equalise pension benefits for men and women in relation to guaranteed minimum pension benefits. The issues determined by the judgment arise in relation to many other defined benefit pension schemes. We are working with the trustees of our Local Government Pension Scheme - Merseyside Pension Fund to understand the extent to which the judgment crystallises additional liabilities for our pension scheme. The extent to which the judgment will increase the liabilities in the Merseyside Pension Fund is not possible to identify at this point. For the University's other defined benefit scheme, the USS, the provision included within the financial statements at note 22 will only be impacted to the extent the change in benefits increases cash financing.

Liverpool John Moores University Notes to the accounts

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.

An updated register of interests of the Board of Governors and members of the Strategic Management team (SMT) and Strategic Delivery Forum (SDF) is maintained.

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

Liverpool John Moores University
Notes to the accounts

30. Related party transactions (continued)

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

	Income	Expenditure	Balances at 31 July 2018 due (from)/to the University
	£	£	£
Sensor City Liverpool Limited	212,384	5,124	149,206
Liverpool Student Union	12,102	1,180,304	(25,699)
Liverpool Science Park Limited	1,185	419,856	162,793
Hasilwood Management Services Limited	-	192,144	1,010
Liverpool Cathedral Enterprises Limited	654	171,683	-
Royal Liverpool Philharmonic	-	61,492	-
Liverpool Enterprise Partnership (LEP)	-	91,944	(5,670)
Clatterbridge Cancer Centre	10,630	26,977	(1,518)
Royal Court Liverpool Trust	-	54,000	-
Association of Graduate Careers Advisory Services (AGCAS)	122	5,506	-
Ove Arup and Partners Limited	3,283	-	-
FACT	-	9,853	-
Gateacre Secondary School	-	4,500	-
Gilmour Junior School	338	4,400	-
Grant Thornton UK LLP	2,975	-	-
John Moores Liverpool Exhibition Trust	-	20,000	-
Knowledge Quarter Development Zone Board	-	81,800	-
Liverpool Health Partners Limited	-	98,400	-
Mersey Maritime	1,699	75,344	1,699
Northern Consortium	-	47,593	-
NWUPC	-	5,162	-
Phytochemical Society of Europe	-	1,070	-
ADHD Foundation	-	200	-
Merseyside Dance Initiative	100	500	-
Northern Universities Consortium	-	450	-
Professional Liverpool	-	330	-
Visit Hope Street CIC	-	500	-
Alder Hey Hospital	36,865	-	7,325

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. The income relates to the recharge of seconded staff costs. The expenditure relates to revenue funding in accordance with the joint venture agreement. A member of the Board of Governors and two members of SMT are directors of the company.

Liverpool John Moores University Notes to the accounts

30. Related party transactions (continued)

Liverpool Student Union is an independent organisation largely funded by the University. The expenditure relates to the grant funding provided to support the ongoing operations. The two student members of the Board of Governors are President and Vice-President of the Union.

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. The income relates to loan interest. The expenditure relates to accommodation cost at the Science Park. A member of the Board of Governors and a member of SMT are directors of the company.

Hasilwood Management Services Limited is a general insurance intermediary and mutual management services provides, a wholly owned subsidiary of U.M. Association Limited. Expenditure relates to insurance premiums. A member of SMT was a director of the company in the year.

Liverpool Cathedral Enterprises Limited is responsible for the advancement and promotion of the mission, ministry and worship of the Anglican Cathedral. The expenditure relates to corporate guardian agreement and venue hire for graduations. A member of the Board of Governors is a member of the Cathedral Chapter.

Royal Liverpool Philharmonic is an organisation that encompasses the Royal Liverpool Philharmonic Orchestra and the Liverpool Philharmonic Hall. The expenditure relates to the principle partner contributions made as part of LJMU's cultural partnerships. A member of the Board of Governors and SMT is a Director of the organisation.

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. The expenditure relates to the annual membership fees. A member of the Board of Governors and SMT is the Vice-chair of the Board.

Clatterbridge Cancer Centre is one of the largest cancer centres in the country and is the leading provider of non-surgical oncology treatment. The income relates to tuition fees received. The expenditure relates to the supply of staff. A member of the Board of Governors is an employee of the organisation.

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 expenditure relates to the partner contributions made as part of the LJMU's cultural partnerships. A member of the Board of Governors and SMT is a Trustee of the organisation.

Association of Graduate Careers Advisory Services (AGCAS) is the expert membership organisation for higher education student career development and graduate employment professionals. The expenditure relates to annual membership fees and event attendances fees. A member of SDF is a Director of the organisation.

Liverpool John Moores University Notes to the accounts

30. Related party transactions (continued)

Ove Arup Limited is a professional services firm which provides engineering, design, planning, project management and consulting services for all aspects of the built environment. The income relates to tuition fees. A member of the Board of Governors is an employee of the company.

FACT is a Liverpool-based cinema, art gallery and the UK's leading organisation for the support & exhibition of film, art and new media. The expenditure relates to facilitating educational workshops and the hire facilities. A member of SMT is a Board member of the organisation.

Gateacre Secondary School is a coeducational secondary school and sixth form located in Belle Vale, Liverpool. Expenditure relates to costs incurred in the normal course the provision of education. A member of SDF is a Governor of the school.

Gilmour Junior School is a junior school located in Garston, Liverpool. The income is from school sports day. Expenditure relates to cost incurred in the normal course the provision of education. A member of SDF is a Governor of the school.

Grant Thornton UK LLP is an international accounting and consulting firm. The income relates to tuition fees. A member of the Board of Governors is a partner at the firm.

John Moores Liverpool Exhibition Trust is a charity which promotes an exhibition of contemporary painting or other visual art, currently every two years. The expenditure relates to the corporate sponsorship of the Trust. A member of the Board of Governors and SMT is a Trustee of the organisation.

Knowledge Quarter Development Zone Board are responsible for updating the area's science and technology facilities and delivering new workspace and lab developments as Liverpool consolidates its position as a world class innovation district. The expenditure relates to the funding of the board's revenue costs. A member of the Board of Governors and SMT is the Vice-chair of the Board.

Liverpool Health Partners Limited is a strategic partnership of 9 primary and secondary care NHS organisations working together to deliver excellence in research, education and service delivery across the Liverpool City Region. The expenditure relates to the funding of the ongoing operation of Liverpool Health Partners. A member of SMT is a director of the company.

Mersey Maritime the representative body for the Maritime Sector in the Liverpool City Region. The expenditure relates to annual Membership fees and event attendance fees. A member of SDF is a director of the company.

Northern Consortium UK provides university preparation and pathway qualifications for international students as preparation for study outside of their home country. The expenditure relates to commission for student recruitment and the recharge of travel expenses. Two members of SMT are Directors of the company.

Liverpool John Moores University Notes to the accounts

30. Related party transactions (continued)

North West Universities Purchasing Consortium (NWUPC) is a regional purchasing consortia which includes higher education institutions mainly from the North West region of England. The expenditure relates to annual Membership fees and event attendances fees. A member of SDF was a Director of the organisation.

Phytochemical Society of Europe exists to serve all those with an interest in the chemistry and biochemistry of plants and in the applications of such knowledge in industry and agriculture. The expenditure relates to conference attendance fees. A member of SDF is an Honorary Vice-President of the charity.

ADHD Foundation is a partnership of individuals, families, doctors, teachers and other agencies who specialise in ADHD and raise awareness. The expenditure relates to visiting speakers fees. A member of SDF is a Trustee of the foundation.

Merseyside Dance Initiative is one of the UK's leading strategic dance agencies, whose mission is "inspiring people through dance". The income relates to facilities hire. The expenditure relates to support for the Festival of Dance. A member of SDF is a Trustee of the organisation.

Northern Universities Consortium is a forum for HE practitioners interested in credit based curriculums. The expenditure relates to annual membership fees. A spouse of a member of SMT is a Director and Trustee of the organisation.

Professional Liverpool is an organisation which promotes professional talent in Liverpool and the City Region and to enhance its reputation as a financial and professional centre of excellence. The expenditure relates to the annual membership fees. A member of the Board of Governors is a Director of the organisation.

Visit Hope Street CIC is a community interest company whose mission is to promote Hope Street as a great visitor destination in Liverpool. The expenditure relates to annual subscription fees. A member of SDF is a director of the company.

Alder Hey Hospital is one of Europe's biggest children's hospitals. The income relates to tuition fees received. A member of the Board of Governors is a Non-executive Director of the trust.

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.

Liverpool John Moores University Notes to the accounts

31. Financial Instruments (continued)

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.

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 2018, 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).

Liverpool John Moores University Notes to the accounts

31. Financial Instruments (continued)

The University's main financing relates to its 6 secured loans (see note 21). The interest rates attached to these range from 1.54 to 7.99%, with two being floating and the remaining being fixed over the term of the loans.

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 2018	31 July 2017
	£000	£000
USS	586	540
LGPS	5,736	4,984
TPS	7,885	7,448
	<u>14,207</u>	<u>12,972</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.

Liverpool John Moores University Notes to the accounts

32. Pension Schemes (continued)

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 £0.586m (2017 £0.540m). There was neither a prepayment nor an accrual at the end of the financial year in respect of these contributions.

The latest available complete actuarial valuation of the Retirement Income Builder Section of the scheme is 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 but not yet completed.

Since the University cannot identify its share of the retirement income builder section of the scheme assets and liabilities the following disclosures reflect those relevant for the section as a whole.

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. These figures will be revised once the 2017 scheme valuation is complete.

Defined benefit liability numbers for the scheme for accounting purposes have been produced using the following assumptions as at 31st March 2017 and 2018:

	31 July 2018	31 July 2017
Discount Rate	2.64%	2.57%
Pensionable salary growth	n/a	n/a
Pension increases (CPI)	2.02%	2.41%

Liverpool John Moores University
Notes to the accounts

32. Pension Schemes (continued)

The main demographic assumption used relates to the mortality assumptions. These assumptions have been updated for the 31st March 2018 accounting position, based on updated analysis of the scheme's experience carried out as part of the 2017 actuarial valuation. The mortality assumptions used in these figures are as follows:

Mortality base table	At 31 July 2018	At 31 July 2017
Pre-retirement	71% of AMC00 (duration 0) for males and 112% of AFC00 (duration 0) for females	98% of SAPS S1NA "light" YOB unadjusted for males
Post retirement	96.5% of SAPS S1NMA "light" for males and 101.3% of RFV00 for females	99% of SAPS S1NA "light" YOB with a -1 year adjustment for females
Future Improvements to mortality	CMI_2016 with a smoothing parameter of 8.5 and a long term improvement rate of 1.8% pa for males and 1.6% pa for females	CMI_2014 with a long term rate of 1.5% p.a.

Liverpool John Moores University Notes to the accounts

32. Pension Schemes (continued)

The current life expectancies on retirement at age 65 are:

	At 31 July 2018	At 31 July 2017
Male (females) currently aged 65	24.5 (26) years	24.4 (26.6) years
Males (females) currently aged 45	26.5 (27.8) years	26.5 (29) years
Existing Benefits	At 31 July 2018	At 31 July 2017
Scheme assets	£63.6bn	£60bn
Total scheme liabilities	£72bn	£77.5bn
FRS102 total scheme deficit	£8.4bn	£17.5bn
FRS102 total funding level	88%	77%

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 2018 the University had 56 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 2018 was £5,735,546 (2017 £4,984,353). 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 2018 by a qualified independent actuary.

Liverpool John Moores University
Notes to the accounts

32. Pension Schemes (continued)

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

	At 31 July 2018 %pa	At 31 July 2017 %pa
Price Inflation (CPI)	2.1	2.2
Rate of increase in salaries	3.6	3.7
Rate of increase of pensions	2.2	2.2
Discount rate	2.9	2.6

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 2018	At 31 July 2017
<i>Retiring today</i>		
Males	22	21.9
Females	24.8	24.7
<i>Retiring in 20 years</i>		
Males	25	24.9
Females	27.8	27.7

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 2018	Value at 31 July 2018	Long term rate of return expected at 31 July 2017	Value at 31 July 2017
Equities	41.4%	111,720	52.4%	129,261
Government bonds	6.5%	17,540	3.4%	8,387
Corporate bonds	22.6%	60,987	12.1%	29,849
Property	7.2%	19,429	8.0%	19,735
Cash	5.9%	15,921	4.8%	11,841
Other	16.4%	44,256	19.3%	47,610
Total		<u>269,853</u>		<u>246,683</u>

Liverpool John Moores University
Notes to the accounts

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 2018 £000	Year ended 31 July 2017 £000
Fair value of plan assets	269,853	246,683
Present value of plan liabilities	(375,933)	(382,184)
Net pensions (liability)/asset (Note 19)	<u>(106,080)</u>	<u>(135,501)</u>

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

	Year ended 31 July 2018 £000	Year ended 31 July 2017 £000
Amounts included in staff costs		
Current service cost	(11,813)	(9,976)
Effects of curtailments	-	-
Total operating charge	<u>(11,813)</u>	<u>(9,976)</u>
Amounts included in investment income		
Interest cost	(9,906)	(9,261)
Expected return on assets	6,499	5,683
Net charge to other finance income	<u>(3,407)</u>	<u>(3,578)</u>
Amounts recognised in Other Comprehensive Income		
Gain on assets	10,303	20,683
Experience (gain)/loss on liabilities	-	17,817
Assumption in 2017-18 financial year	25,658	(26,630)
Amount recognised in Other Comprehensive Income	<u>35,961</u>	<u>11,870</u>

Liverpool John Moores University
Notes to the accounts

32. Pension Schemes (continued)

History of experience gains and losses

	Year ended 31 July 2018 £000	Year ended 31 July 2017 £000
Difference between actual and expected return on scheme assets:		
Amount	10,303	20,683
% of liabilities at end of year	3.8%	8.4%
Experience (gains)/losses on scheme liabilities:		
Amount	-	(17,817)
% of liabilities at end of year	0.0%	4.7%
Assumptions (gains)/losses on scheme liabilities:		
Amount	25,658	(26,630)
% of liabilities at end of year	6.8%	7.0%
Total amount recognised as Comprehensive Income		
Amount	(35,961)	(11,870)
% of liabilities at end of year	9.6%	3.1%
	Year ended 31 July 2018 £000	Year ended 31 July 2017 £000
Cumulative actuarial loss recognised as other comprehensive income for LGPS pensions		
Cumulative actuarial losses recognised at the start of the year	11,870	(37,606)
Cumulative actuarial losses recognised at the end of the year	35,961	11,870
Analysis of movement in surplus/(deficit) for LGPS pensions		
Deficit at beginning of year	(135,501)	(141,632)
Contributions or benefits paid by the University	8,873	7,996
Current service cost	(11,813)	(9,976)
Other finance charge	(193)	(181)
Gain recognised in other comprehensive income	(3,407)	(3,578)
Deficit at end of year	35,961	11,870
	<u>(106,080)</u>	<u>(135,501)</u>

Liverpool John Moores University
Notes to the accounts

32. Pension Schemes (continued)

Asset and Liability Reconciliation

	Year ended 31 July 2018 £000	Year ended 31 July 2017 £000
Analysis of movement in the present value of LGPS liabilities		
Present value of LGPS liabilities at the start of the year	382,184	358,299
Current service cost (net of member contributions)	11,813	9,976
Curtailments	-	-
Interest Cost	9,906	9,261
Actual member contributions (including notional contributions)	2,749	2,589
Actuarial (gain)/loss	(25,658)	26,630
Experience (gain)/loss	-	(17,817)
Actual benefit payments	(5,061)	(6,754)
Present value of LGPS liabilities at the end of the year	<u>375,933</u>	<u>382,184</u>
	Year ended 31 July 2018 £000	Year ended 31 July 2017 £000
Analysis of movement in the fair value of scheme assets		
Fair value of assets at the start of the year	246,683	216,667
Expected return on assets	6,499	5,683
Actuarial gain on assets	10,303	20,683
Actual contributions paid by University	8,873	7,996
Administrative expenses	(193)	(181)
Actual member contributions (including notional contributions)	2,749	2,589
Actual benefit payments	(5,061)	(6,754)
Fair value of scheme assets at the end of the year	<u>269,853</u>	<u>246,683</u>
	Year ended 31 July 2018 £000	Year ended 31 July 2017 £000
Actual return on Scheme assets		
Expected return on Scheme assets	10,303	20,683
Asset gain/(loss)	25,658	(26,630)
Experience (gain)/loss	-	17,817
	<u>35,961</u>	<u>11,870</u>

Liverpool John Moores University Notes to the accounts

32. Pension Schemes (continued)

On 26 October, the High Court handed down a judgment involving the Lloyds Banking Group's defined benefit pension schemes. The judgment concluded the schemes should be amended to equalise pension benefits for men and women in relation to guaranteed minimum pension benefits, "GMP". The Government will need to consider this outcome in conjunction with the Government's recent consultation on GMP indexation in public sector schemes before concluding on any changes required to LGPS schemes.

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.

Liverpool John Moores University Notes to the accounts

32. Pension Schemes (continued)

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>

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 £7,885,313 (2017 – £7,448,014).

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.