

GLYNDŨR UNIVERSITY

ANNUAL REPORT AND FINANCIAL
STATEMENTS

YEAR ENDED 31 JULY 2016

Registered Charity number: 1142048

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Foreword

Wrexham Glyndŵr University is an entrepreneurial and community-based university dedicated to the social and economic development of North East Wales and to promoting the success and employability of its graduates. It seeks to contribute to the economic prosperity of the region while ensuring that the opportunities afforded by higher education are available to all who are able to benefit from it.

This year 2015/16 has seen a number of major changes in the University. The year started under the interim Vice-Chancellorship of Professor Graham Upton, who handed over to Professor Maria Hinfelaar as his permanent successor on 1 April 2016. In addition, Sir Jon Shortridge retired as Chancellor and as Chairman of the Board of Governors in December 2015, being replaced by Trefor Jones as Chancellor and by myself as Chair of the Board. Several longstanding Board members stepped down during the course of the year or shortly thereafter, having reached the end of their permitted terms of office. I am inordinately grateful to them for their service to the Board and to the University and am delighted to have recruited an equally able group of successors.

In addition to changes in personnel, the University has seen a number of other changes, not least in its financial position. As you will see from these financial statements, the University has returned to a surplus position and we are positive about our future financial outlook. We are also revamping our academic offer in order not only to be more attractive to potential students but also to ensure that our graduates are equipped with the skills that employers need.

The University's graduation ceremonies provide a regular reminder to me of the real purpose of the University. The hundreds of graduates who cross the stage each year have invested considerable time, effort and money into earning their awards. Seeing their expressions of pride and those of their families and friends is one of the highlights of my year.

Behind the success of the University lie the commitment and efforts of its staff, students and governors and I would like to pay tribute to them all for their hard work over the year.

Maxine Penlington
Chair of Governors

Welcome from the Vice-Chancellor

Since I took up my post at the University towards the ends of the academic year 2015-16, I have been struck by the affection felt towards the University across Wales and beyond. Everywhere I go I am greeted warmly by people anxious to develop further their relationship with the University. This is the case not only with our traditional partners in the HE and FE sectors in Wales and with the country's political and civic leaders, but also with current and future partners in industry and wider society across this part of the UK.

This feeling of partnership, almost of belonging to a large family, will play an important part in the University's future as we work closely with organisations from many different sectors. Our university is rooted firmly in the community and dedicated to meeting its needs. This means going out, talking to people and listening to what they want. We welcome students of diverse backgrounds, nationalities and age groups, supporting them to achieve their ambitions.

I would like to thank my two predecessors, Professor Michael Scott and Professor Graham Upton for all their work in preparing the ground for the University's further development.

Two events towards the end of the year demonstrated how successful that work has been. First, the University received a hugely positive report following its mid-cycle Institutional Review by the Quality Assurance Agency. The report highlighted a number of areas of good practice and has set the scene nicely for the next comprehensive review probably in 2019 to which the University can now look forward with confidence.

The second event was a significant increase in the overall satisfaction of the University's students as expressed through the annual National Student Survey (NSS) undertaken during the spring term, outperforming most of the UK university sector. The NSS results informed the University's strength in the employability of its graduates and provided invaluable information on further developments planned by the University.

These developments all put the University in a good position to face the future. It can do so confident in the knowledge that its new management team can build on these developments and ensure that the University is able to fulfil its mission of working in partnership to inspire and educate our students and enable social and economic success.

Professor Maria Hinfelaar
Vice-Chancellor and Chief Executive
Glyndwr University

University highlights in brief

These statements were prepared by an ambitious young university which, through making the right choices, has the capability to embark upon a bright future. The university has survived a difficult period and the academic year 2015/16 marked the beginning of a new phase of rebuilding. Tributes must be paid to the Interim Management Team, to outgoing members of the Board of Governors and the staff teams who proved to be committed and resilient.

Further work needs to be done to strengthen our academic profile both in taught and research programmes and to engage effectively with industry and the community in the region, while focussing on the goal to be the university of and for North East Wales as stated in the Strategic Framework to 2020. For marketing and communication purposes, a decision was taken in 2015/16 to augment the university name by adding a place identifier: Wrexham Glyndŵr University (WGU). That will make it significantly easier to position ourselves in a highly competitive UK university sector. The goal to double student numbers remains the key plank of our strategy, supported by deepened partnerships.

Starting with domestic partnerships, the academic year 2015-16 saw the University develop its relationships with a number of other universities and further education colleges. This included a five-year collaboration agreement with the University of Chester, supporting up to 30 PhD and MPhil students in Wrexham while the University continues to prepare for its own research degree-awarding powers. Links with Bangor University revolved around joint representation on various regional networks, and an exploration of academic collaborations in discipline areas such as Healthcare and Art and Design. WGU is also an active member of Universities Wales and Universities UK.

Collaboration agreements with FE were extended, particularly with Coleg Cambria and Grŵp Llandrillo Menai aimed at providing franchised qualifications and articulation routes from FE into HE, as well as finding new ways of meeting the needs of businesses across North Wales for instance through the HE/FE North Wales Business Academy.

Internationally, new agreements were signed with European partners such as the Universite de Reims Champagne-Ardenne and Limerick Institute of Technology which have paved the way for staff and student mobility and joint research. The University is determined not to let the outcome of the EU Referendum in June 2016 obstruct its links with like-minded institutions in other European countries. Beyond the EU, new initiatives were set up such as an agreement with Tonghua University in the Jilin Province of China which will allow Chinese art and design students to complete their studies in Wrexham. There are also growing collaborative links with Malaysian institutions in aerospace engineering, which is a recognised area of strength for WGU.

A number of events took place during the year, which further strengthened the University's academic reputation. The University once again hosted the Internet Technologies and Applications Conference as it celebrates its tenth anniversary. With over 100 delegates from 30 countries, the conference included sessions on Internet user profiling and latest developments in cloud computing.

Hundreds of people attended the University's four-day Creative Futures conference covering arts and education, PR, design, animation and radio. Among the guest speakers was the inventor of the mobile phone.

The Aerospace Wales forum met at WGU in June with representatives from many top aerospace companies including Airbus, Raytheon and DECA Sealand.

The University's Business School was re-launched under the name the North Wales Business School demonstrating a commitment to meet the demands of the whole region in partnership with employers. The School has a wide range of programmes including the Executive MBA; Sports Management; Consumer Marketing; Entrepreneurship; and Hospitality, Tourism and Event Management.

Meanwhile the Computing Department has launched an MSc Robotics programme exploring a range of human-robot interactions focusing on the computer side of Artificial Intelligence rather than the mechanical engineering aspects found at other universities. The programme will also examine the ethical, political, economic, environmental and legal aspects of robotics which will ensure that students on the programme will be at the cutting edge of future technologies.

Individuals being recognised during the year included the University's Welsh language translator who won the Feature Writer of the Year Award at the Wales Media Awards held in Cardiff. Elin Llwyd Morgan's monthly column in the Welsh language current affairs magazine Barn has enthralled readers for over ten years on subjects ranging from Scandinavian crime novels to the tribulations of bringing up an autistic child.

Dr Edna Astbury-Ward from the University's School of Social and Life Sciences was appointed to the advisory board of Public Health Wales where she will specialise in sexual and reproductive health.

It is these contributions from departments across the university, from individual staff members and our graduates that create the successes of this University.

The Student Experience

During 2015-16, a major review and refocus of the University's Strategic Framework committed to placing students at the heart of all that we do. We have continued to build upon the University's strength as a close and supportive community, working hard to support all students in achieving good learning outcomes and resulting in improved student satisfaction (NSS 2016) and good employability measures.

Improved levels of student satisfaction across the University, and as measured through the NSS, were apparent in 2016. Indeed, such were the levels of improvement that the University was amongst the top 10 universities in the UK with the most improved NSS overall satisfaction score, which increased from 80% (in 2015) to 85% in 2016. This overall improvement was a reflection of the improvement in the experience for students "in the classroom". For example, students at WGU placed us first in Wales for the following NSS questions:

- o "I have received detailed comments on my work"
- o "Feedback on my work has helped me clarify things I did not understand"
- o "The timetable works efficiently as far as my activities are concerned"
- o "As a result of the course, I feel confident in tackling unfamiliar problems"

This improvement in student satisfaction as a reflection of improvements in teaching and learning was mirrored by an improvement in academic achievement, where 63% of those awarded a degree in 2015/16 achieved a 1st or 2.1. This compares to 58% in 2014/15:

Award	WGU 2014/15	WGU 2015/16	WGU 2015/16 %	UK 2014/15 %
First Class	21%	246	23%	22%
Upper Second Class	37%	429	40%	50%
Lower Second Class	32%	276	26%	23%
Third Class	6%	83	8%	5%
Ordinary Degree	3%	24	2%	
Pass Degree	1%	14	1%	
Total		1072		

(To-note, in 2014/15 there were a total of 1036 awards)

For some students however we need to support their engagement with the learning opportunities on offer still further, as a significant proportion of our students leave during the year. During 2015/16 447 students left through either withdrawals or suspensions; this equates to 15.3% of University total number of students. The distribution of withdrawals varies across years of study, which helps highlight where further improvements can be made in enhancing our approaches to teaching, learning and student engagement. A focus upon student retention will continue to be a priority for the University during 2016/17.

A further driver for improvement in relation to the student experience has been the significant developments within the Student Guild. During 2015/16, the Guild became a fully independent

Students Union (SU), governed by a Board of Trustees and with a sharper focus upon student representation. The SU works closely with University Senior Management to ensure that the student voice is embedded in all that we do. We continue to build on this close partnership working to ensure that the student experience is as good as it possibly can be. In recognition of the excellent work undertaken by the SU, they were awarded best small university Students Union in Wales and runner up for the UK in the National Union of Students (NUS) annual awards.

Governors and Trustees of the University

The following people serve as Governors and Trustees of the Charity and each year they sign a declaration of interests which is made publicly available on the University's website.

Independent Governors

Sir Jon Shortridge (Governor and Chair until 12th December 2015)

Ms Maxine Penlington OBE (appointed 1st September 2015, Chair from 13th December 2015)

Mr Derek Griffin (Vice Chair)

Mr Neil Ashbridge

Mrs Colette Bleakley

Mr Mervyn Cousins (until 30th April 2016)

Ms Julia Grime

Mr Graham Hillier (until 18th October 2015)

Mrs Celia Jenkins

Mrs Gill Kreft (appointed 1st January 2016)

Ms Rebecca Maxwell

Mr Paul McGrady (appointed 1st May 2016)

Mrs Judy Owen (appointed 1st May 2016)

Mr Bruce Roberts

Mr Askar Sheibani (appointed 1st January 2016)

Professor Norman Sharp OBE

Co-opted member with experience of education

Mr John Kenworthy (until 23rd June 2016)

Professor Sandra Jowett (appointed 1st May 2016)

Vice-Chancellor

Professor Graham Upton (until 31st March 2016)

Professor Maria Hinfelaar (appointed 1st April 2016)

Academic Board nominee

Mr Phil Storrow

Elected academic staff governor

Dr Colin Stuhlfelder (appointed 14th March 2016)

Elected professional services staff governor

Mrs Joanne Corless

Student Governors

Mr Marc Caldecott (until 30th June 2016)

Mrs Emily Karim

Mr T ravis Davies (appointed 1st July 2016)

The Clerk to the Board of Governors

Mrs Vai Butterworth

Since 31st July 2016 the following changes to the Board of Governors have occurred:

Members who have completed their terms of office:

Mrs Colette Bleakley (5th October 2016)

Ms Julia Grime (22nd October 2016)

Mr Derek Griffin (31st July 2016)

Mr Bruce Roberts (31st August 2016)

New members who have been appointed:

Mr Paul Barlow (appointed 1st November 2016)

Mr Barrie Jones (appointed 1st November 2016)

Mr David Subacchi (appointed 1st September 2016)

Other changes

Professor Norman Sharp OBE (appointed as Vice Chair from 1st August 2016)

The University

The University's origins can be traced back to 1887 when the Wrexham School of Science and Art first began delivering education and it began offering degrees from the University of London in 1892.

There were several name changes before, in 2008, the North East Wales Institute of Higher Education became Glyndŵr University, making it one of the youngest universities in the UK.

Named after the Welsh historical figure Owain Glyndŵr, the University has since established itself as a distinctive and innovative regionally based university. During 2015-16, responding to stakeholder feedback the place identifier 'Wrexham' was added to the university name and it is increasingly referred to as 'WGU'.

The University delivers higher education to the people of north east Wales and the cross-border area, thus playing a crucial role in the social, economic and cultural life of the region. It also attracts significant student enrolments from other parts of the UK and internationally. It works closely with local employers to ensure that they have access to a suitably skilled and qualified workforce as well as providing research and development services in specialised areas.

Key partnerships with industry heavyweights including Carillion, UPM Shotton and Toyota reinforce a new operational and academic structure aimed at strengthening the student experience and commercial ties.

The University is widely recognised as one of the UK's leading universities for supporting students from lower socio-economic backgrounds.

Welsh domiciled students continue to form an important part of the University's student population. A significant number of these are Welsh speaking or wish to improve their Welsh language skills and the University reaffirms its commitment to facilitate this. WGU is working with Y Coleg Cymraeg Cenedlaethol to achieve this, which will involve the development of additional resources and supports, enhancing academic study programmes and work placements. The University is also committed to meeting its obligations under the Welsh language scheme and the proposed Welsh language Standards.

The vast majority of the University's students come to the University's main campus on Mold Road in Wrexham, although it also operates out of the Regent Street campus in Wrexham and sites in St Asaph, Northop and Broughton. The University also has a short-term lease on a site in Kingston-upon-Thames.

Charity information

Glyndŵr University is a registered charity under the terms of the Charities Act 2011 (charity registration number 1142048)

Registered Office

Mold Road
Wrexham LL11 2AW

Banker

National Westminster Bank pic.
33 Lord Street
Wrexham LL11 1LP

External Auditor

KPMG LLP
1 Sovereign Square
Leeds LS1 4DA

Internal Auditor

RSM LLP
Festival Way
Festival Park
Stoke-on-Trent ST1 5BB

Report of the Board of Governors

The academic year 2015-16 saw considerable changes in the senior management of the University. Professor Graham Upton concluded his period as Interim Vice-Chancellor as Professor Maria Hinfelaar took up post as the permanent Vice-Chancellor and Chief Executive. Her appointment was soon followed by the appointment of Dr Claire Taylor as the new Deputy Vice-Chancellor.

The year also saw a new Chancellor and Chair of Governors, Trefor Jones and Maxine Penlington respectively and the election of Emily Karim as the first President of the new Students' Union, replacing the old Students' Guild. This meant that of the five most senior posts in the University four were held by women and there is a 50/50 gender balance across the entire senior management team; a unique achievement within the UK's university sector.

Official installation ceremonies were held for both the Chancellor and the Vice-Chancellor.

Operationally and academically the University consolidated the progress made under the Vice-Chancellorship of Professor Upton, including the integration of the University's Strategic Framework within the University's operations across its four academic Schools and the professional services departments.

The University continues to value and develop its important links with industry, professional bodies and further and higher education partners.

The Strategic Framework

The Strategic Framework for the period 2015 - 2020 was developed with the Board of Governors, Staff and Students as a working document that sets out the ambition of the University and will guide development over the next few years.

The University Strategic Framework is underpinned by supporting implementation plans, which set out in greater detail the delivery of the commitments and actions outlined in the Framework.

The University's mission is to work in partnership to inspire and educate our students and enable social and economic success. The vision encompasses seven commitments that are carried into the main body of the Framework and supported by actions.

We will be the university of, and for, north east Wales, by:

- 1 Creating an academic community which welcomes learners from all backgrounds, places students at the heart of what we do and equips them for life, for work and for success;
- 2 Working in partnership with learners to understand their needs and drawing upon the creativity, knowledge and commitment of our staff to create excellent learning environments that support students to successful academic outcomes;
- 3 Playing a key role in the economic development of the region, driving growth in the Welsh economy and that of the UK more generally;
- 4 Building mutually beneficial relationships with partner universities and further education colleges to meet regional needs, support our development and meet shared goals;

- 5 Working together with business, industry and the wider communities we serve, to support greater innovation and growth and enhance student employability;
- 6 Engaging in academic scholarship & research to develop the subjects we teach and to drive innovation and best practice in partnership with business and industry, the public, voluntary and creative sectors;
- 7 Operating in a professional and accessible manner and embedding sustainability, resilience and best practices into our work.

We will engender the confidence, academic vitality and financial sustainability in Wrexham Glyndŵr University that underpins regional economic success and meets the needs of future generations of students.

Principal Risks and Uncertainties

Following a review of the University's risk management system a number of changes were introduced to improve the effectiveness and responsiveness of risk management at the University. These changes included the assumption of responsibility for risk management by the Vice-Chancellor's Board and a wholesale review of the corporate risk register.

The main risks facing the University were identified as follows:

- 1 *Financial Position*
Liquidity ratios, cash flow, recruitment and retention performance and the University's control of income and expenditure all pose risks to the University unless appropriately managed. During the year under review, the financial position of the university improved significantly and the University is now in much better standing with the Higher Education Funding Council Wales. However, student enrolment figures will need to increase further for this risk to be entirely mitigated.
- 2 *Resources and Investment*
The University recognises the risk of failing to invest appropriately across the University or to target resources to enhance the student experience. An important goal in the Strategic Framework is to develop an Estates Strategy and to identify viable funding sources for the delivery of this strategy. This will include a review of utilisation and maintenance backlogs, as well as future proofing the learning environment both in terms of quality and quantity of space.
- 3 *Data and Performance*
The University's reliance on accurate information and data to inform strategic decisions is at the heart of this risk. This includes information on the University's own performance and its understanding of the needs of its customers; benchmarking against peers and against sector norms, and the timely identification of deviation from projections. A strengthened Strategic Planning and Business Intelligence unit was put in place and this reports regularly to the Vice-Chancellor's Board and to the Board of Governors.
- 4 *External Relations*
Loss of reputation and support from major external stakeholders across the political spectrum, industry, education and the wider community is a risk that the University has

been acutely aware of, given the need to focus on addressing internal issues for a period of time. This risk has been managed through prioritisation of some key relationships under the Interim Management team, followed by significant re-engagement under the new management team during 2015-16. WGU once again has a presence on all relevant regional and national platforms and is investing time to ensure that the University is directly involved with regional development, supported by University Court and School Advisory Boards. Partnerships with education and industry partners have been reinvigorated.

5 *HR Issues*

Poor employee morale or poor relations between management and staff are a key risk area, given the nature of higher education which is driven by the quality of its staff. The University recognises this and ensures it provides up to date policies and procedures, carries out appraisals in a timely fashion and provides a supportive environment for personal and professional development. During 2015/16 a transparent new workload allocation model was piloted, staff awards were presented recognising excellence across a range of categories and a staff survey was developed for the following year.

6 *Student Support*

The support given to students is an important element for any university. Ensuring the University is able to monitor and respond to students' perceptions of programme, that they receive all the support they need during their studies and that the programmes are closely aligned to their needs and those of their future employers are all important mitigating factors of this risk. During 2015/16 WGU reinforced its commitment to the provision of individual academic tutors for every individual student.

7 *Marketing & Recruitment*

The University is always looking at ways of securing existing markets as well as entering new ones. Due to changes in the English HE system where the cap on student numbers was lifted, competition has intensified and this is clearly being felt by Welsh universities in close proximity to the border. A new approach to marketing was adopted during the year, ensuring better communication with prospective students and refreshed materials. Future changes affecting international student recruitment, not only due to the EU referendum vote but also due to UK Home Office policies affecting non-EU students, are being closely monitored.

8 *The Academic Offer*

Principal risks in this area are a diminished relevance of the curriculum or loss of recognition by relevant bodies. The University has robust QA policies in place such as cyclical reviews and an external examiner system, so that we retain and further build public confidence. Ensuring that the University's programmes are appropriate for the students, employers and professional organisations is a high priority for the University.

Charitable status & public benefit

The University is a registered charity under the terms of the Charities Act 2011.

The objects of the University are those set out in the Education Reform Act 1988, namely:

- to provide higher education
- to provide further education
- to carry out research and publish the results of research or any other material arising out of or connected with it in such a manner as the corporation thinks fit.

As with all charitable higher education institutions (HEIs) in Wales, the University is registered with the Charity Commission and is subject to the regulatory requirements of the Commission, including the submission of annual accounts and an annual return.

HEIs in Wales are autonomous bodies which are independent of government. They receive their income from a number of sources, including from student fees, through research projects and by generating business. However, HEIs in Wales also receive a portion of their income from public funds.

The Higher Education Funding Council for Wales (HEFCW) distributes these public funds from the Welsh Government and acts as an intermediary between the HE sector and the government.

The Welsh Government also provides the context for developing higher education in Wales through, for example, setting up the student fees and finance framework, and devising strategies for HE in Wales.

Public Benefit

The beneficiaries of the University are many and varied. They range from undergraduate and postgraduate students, from all sections of society, to industrial partners, the public sector and the community at large.

Students are the principal beneficiaries. They gain from participating in the teaching and research of the University, which prepares them for meaningful and rewarding careers. The University's focus on an applied and practical education linked to employers' needs has resulted in the University having one of the best employability rates in Wales for its graduates. The University has worked hard to ensure that the educational opportunities offered by higher education are available to everyone with the potential to benefit regardless of their background.

Benefits to students apply not only to those studying on campus but also to those working at distance from the University. Students at partner institutions, including further education colleges, also benefit from engagement with the University.

Staff at the University benefit through their engagement in the research and scholarly activities of the University. This helps to ensure their knowledge and skills are kept up to date and their academic and professional reputations within the UK and internationally are enhanced.

The staff also benefit from collaboration with academics in other universities within the UK and internationally. There are also benefits to staff at the partner institutions from engagement with University staff. The University's work with FE partner colleges is vital to realising its mission and vision. It allows students from all parts of mid and north Wales to have access to higher education often through the FE colleges.

Other beneficiaries of the University include industrial partners who benefit from the applied research being undertaken by the University, and the public sector, including the health service, which benefits from the highly skilled graduates who seek employment following the end of their courses at the University. During 2015/16, WGU commenced a review of its portfolio of academic programmes, seeking to align them more closely with the North Wales Employment and Skills Strategy. The University responds to the needs of employers, identifies gaps in provision and offers programmes for the benefit of the country.

The University organises an extensive range of community and outreach activities, including exhibitions, public and professional lectures, concerts, performances and other events. Community and professional organisations are able to use the University's expertise and facilities for their benefit and many sporting clubs have based themselves on the Wrexham campus in order to avail themselves of the facilities on offer at the University's Sports Centre.

Alumni, fellows and friends of the University also have the opportunity to engage with the University on a regular basis, and the University has a University Court providing a further forum for engagement with stakeholders.

Specific benefits to the UK and Welsh Governments as well as the wider community also come through the University's activities in supporting the transformation of the economy of north Wales, making it an attractive location for inward investment and providing and supporting a highly skilled workforce.

Widening Access and Admissions

Widening access is an integral part of the character of the University. Its Widening Access Strategy is founded on a commitment to providing socially inclusive, fair and supportive access to higher education, and to breaking down the barriers to accessing Higher Education for both young and older students from disadvantaged sectors of society.

WGU is ranked first in Wales and 7th in the UK for social mobility achieved by its learners; this measures the impact and outcomes of a university education in relation to the student's original socio-economic background.

Widening access and participation is embedded across all areas of the University so as to ensure that it remains integral and continues to be the routine work of the institution. This forms an essential element in the relationship between the University and its learners and potential learners both within the local community and further afield.

The University serves the needs and interests of wider communities and acts as an agent of social cohesion. This includes supporting activities aimed at making north east Wales an attractive prospect for international investment through the promotion of the valuable knowledge-based economic workforce, and the creation of an internationally focused community valuing cultural diversity and integration. The University believes it has an important role to play in the transnational exchange of knowledge and experience.

The University's admissions team, study support team and programme teams are working together to identify students in need of additional learning support, from the student's point of entry and throughout their time at the University.

Out and About campaigns have been revised to target students more effectively from Communities First areas and Low Participation Neighbourhoods as well as those with disabilities and other protected characteristics.

Student Support

Students are prepared and supported on entry to enable them to participate with confidence in their studies and be successfully retained in higher education.

Students from all backgrounds and of all ages have access to effective academic and pastoral support including study support, and other forms of career/financial support to ensure that they are encouraged to reach their full potential.

Emphasis is placed on the enhancement of the student experience and the retention of students, which is reported on regularly throughout the year at Board level. An effective and strengthened student voice enables feedback and ongoing enhancement of learning and teaching.

Tuition and financial policies in Wales aim to support access to and affordability of participating in Higher Education. During 2015/16, the University engaged with consultation processes as part of a major review of funding policies, which recognised that current models may not be sustainable in the long term either for the Welsh government, the universities or the students themselves. Currently, the university tuition fees are in line with the sector and are approved annually by the Board of Governors. A range of scholarships and bursaries are made available to students and outreach work is done throughout the region, as part of the Widening Access strategies described above and laid down in the annual Fees and Access Agreement with HEFCW.

Engagement with Schools and the Community

The University engages on a weekly basis with school and FE learners and the community through the delivery of a range of activities such as subject taster days, and with local industry offering for example STEM awareness sessions.

Increasing numbers of schoolteachers are engaging with the University, becoming actively involved and aware of the particular role that staff from the University can play. Introductory sessions to Higher Education are arranged in both English and Welsh and delivered to schools in both communities.

Community engagement takes a number of forms at the University. Certain events are arranged throughout the year to which the public is invited. These include the public lectures and exhibitions at the Sycharth Gallery.

The University engages with civic leaders at many levels. The Vice-Chancellor has regular meetings with community leaders.

Research

We need to develop further our research and scholarship across the University, embracing knowledge creation and application and focusing on achieving real impact in society. We currently work with Chester University as a validating partner, and we are aiming to gain our own Research Degree Awarding Powers by 2025. Our research is characterised by strong relationships with business and industry, practitioners, research users and fellow universities and we will build on these strengths through partnerships.

Our recognised areas of strength under the REF are Engineering and Materials Sciences, Media, Computer Science/Informatics and Psychology. However, there are other emerging fields that need to be supported and that will help to enhance teaching and learning through making the curriculum more research-informed, supported by staff development. All research and commercial development activity should have a positive impact on the taught student experience.

Conclusion

The University has a specific role in society. That role is clearly articulated not only in its vision and mission, but more particularly in all its actions. Its concentration on vocationally relevant programmes and applied research bring significant public benefit through its core activities, and its role in the community through public events and specific initiatives provide benefit to the wider community through its secondary activities.

The University's Board of Governors as trustees of the University have complied with the duty in section 17 of the Charities Act 2011 having had due regard to the Charity Commission's guidance on the reporting of public benefit and particularly to its supplementary public benefit guidance on the advancement of education.

Financial Review

A strong financial performance, in line with our strategy

The University has continued on its road to recovery with its financial performance in 2015/16. It has achieved an operating surplus of £0.9m and has ended the year with more than £3.2m of cash.

This is the first year reporting under the new SORP (FRS102), consequently prior year comparators have been restated. The most significant impact of this on the University reserves being caused by the requirement to accrue for unpaid annual leave (£526k) and the USS pension deficit (£132k).

The 2015/16 year represents the first year of the 2015/20 Financial Strategy underpinning the 2015/20 University's Strategic Framework. This requires, and has delivered in 2015/16, an increasing level of surplus to be attained. Whilst striving towards supporting those areas of business activity that meet all aspects of the University's mission and vision. The University continues to review all activity and will continue to review, monitor and, if required, divest higher risk or non-financially viable operations in the coming years.

Historical income & expenditure profile

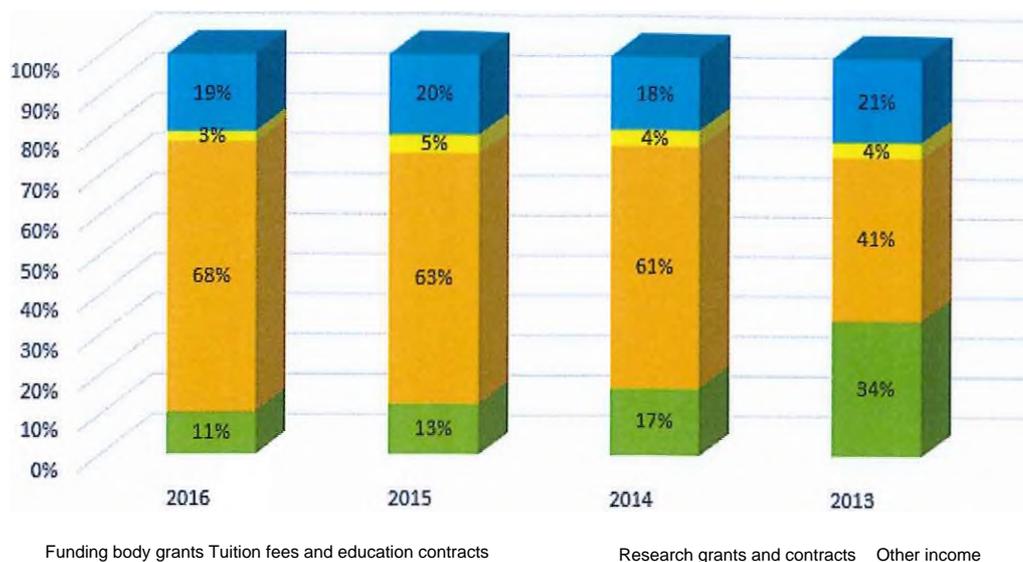
	2016	2015	2014	2013
	f000's	E000's	£000's	E000's
Total academic income	31,865	33,888	39,807	35,943
Total non-academic income	7,588	8,507	8,988	7,941
Total gross income (No FRS102 adjustments included)	39,453	42,395	48,795	43,884
FRS102 Holiday pay provision	39	55	(621)	-
Staff costs - USS Pension	72	(119)	(83)	-
Staff costs - LGPS Pension	-	(70)	-	-
Pay Costs pre FRS102	(23,555)	(24,749)	(27,235)	(26,992)
Total Pay costs	(23,444)	(24,883)	(27,939)	(26,992)
FRS102 Interest - USS Pension provision	(5)	(2)	-	-
Interest - LGPS Pension provision	-	(371)	-	-
Operating Lease				
Interest and other finance costs - HP Interest	(12)	(15)	-	-
Depreciation - Hire Purchase Asset	(55)	(55)	-	-
Other operating expenses - HP Lease Payments	66	66	-	-
Non Pay Costs pre FRS102	(15,136)	(17,420)	(21,755)	(20,729)
Total Non pay costs	(15,142)	(17,797)	(21,755)	(20,729)
Total expenditure including FRS 102 adjustments	(38,586)	(42,680)	(49,694)	(47,721)
Operating surplus/ (deficit) including FRS 102 adjustments	867	(285)	(899)	(3,837)
Exceptional costs (No FRS102 adjustments included)	-	(1,760)	(3,848)	(117)
Net surplus / (deficit) including FRS 102 adjustments	867	(2,045)	(4,747)	(3,954)

Financial key performance indicators

	2016	2015	2014	2013
Total Income	39,453	42,395	48,795	43,884
Net surplus / (deficit) as a % of total income	2%	(5%)	(10%)	(9%)
Cash balance (£000's)	3,238	703	486	671
Staff costs as a % of gross income	59.4%	58.7%	57.3%	61.5%

Income levels diversify

Analysis of Group Turnover



Total group income decreased by 7% to £39.4m in 2015/2016. This was driven by the divestment process, including the scaling back of the operations in London.

The University's main source of revenue continues to be derived from tuition fees and education contracts which grew from 63% to 68% of total group income in 2015/16.

Student numbers solid

Overall full-time student numbers were relatively stable, if somewhat reduced from 14/15, with 3,750 students. There was a continued decline in international enrolments at the London Campus down to 394; international students now comprise just 12% of the student body (this was 14% in 2014/15 and 29% in 2013/14).

First degree UK enrolments remained stable at 2,462 and non-UK enrolments were also comparable at 210, whilst new entrants enrolled onto Foundation Year courses rose to 307 (up from 210 the previous year) with a further 25 re-enrolling. If these students are able to stay with their course of study, they are at the University for four years, but the challenges of assuring retention amongst this cohort is recognised.

In terms of post-graduate (taught) enrolments over the year were 158 full-time postgraduate taught UK/EU enrolments in 2015/16. This represented a near doubling of the previous year's figure

Part-time enrolments reduced from 3,617 to 3,327 which was almost entirely due to reduced international and EU enrolments.

Operating expenditure contained

Operating expenditure decreased by £5.8m to £38.5m in 2015/16. Staff costs reduced by £1.5m to £23.4m showing the continued impact of the restructuring undertaken in 2013/14. Staff costs represented 59.3% of total group revenue (2014/15: 58.7%).

Non-staff costs have reduced by £2.3m in the year (excluding depreciation and interest costs); this decrease reflects the lower level of activity in the current year following the divestment process. The impact of the Highly Trusted Status (HTS) suspension continued to impact upon the recoverability of debt from overseas students (resulting in an uplift of £0.3m to the bad debt provision in the year).

Net Assets Movement

Under FRS102, deferred capital grants are now treated as a liability within the balance sheet. The University pension liability has also grown by £9.7m to £32.2m at 31 July 2016. The resulting impact being largely responsible for a net reduction of £8.2m to net assets of the group, which are now valued at £15.5m, as opposed to £23.7m last year. This significant diminution in the value of Net Assets does not reflect the operational performance of the University but is largely the product of market conditions prevalent at the time of the valuation of the LGPS fund.

Liquidity improves

Significant progress has been made in reducing the core level of trade debtors throughout the year and cost containment has meant that creditors have also reduced. This is evidenced by the improved net liquidity of the University and its better than expected cash position.

The closing cash position was £3.2m at 31 July 2016, which shows a marked improvement on last year's closing cash of 0.7m and has exceeded a budgeted target of £1.1m. This position reflects the University's continued focus on maximising and monitoring cash receipts through improved credit control procedures along with contained and focused minimised expenditure.

Financial outlook is positive

The University is an important economic driver of success for the Welsh Economy and supports regional and national skills development. It has in recent times experienced financial challenges but with the support of its key stakeholders, it has been able to re-establish itself with a return to operating surplus. The ongoing implementation of the strategic framework will see it return to sustained financial health and continue on its important mission.

The key financial objectives of the strategic framework are to:

- 1 Ensure the long term financial sustainability of the University.
- 2 Ensure funds are available to meet both existing and future operational requirements.
- 3 Undertake appropriate financial planning and risk management activities.
- 4 Ensure appropriate financial control and provide information that encourages financial autonomy and accountability.
- 5 Ensure compliance with the legal and statutory requirements detailed in the HEFCW financial memorandum.
- 6 Ensure appropriate procurement procedures and monitor value for money.

The University has returned to an operating surplus position in 2015/16 and the start of the new academic year's student recruitment and financial performance indicates a continued upward trajectory towards a sustainable future.

CORPORATE GOVERNANCE STATEMENT

Wrexham Glyndŵr University is committed to demonstrating best practice in all aspects of corporate governance.

The University has a duty to conduct affairs in a responsible and transparent way, and to take into account the requirements of funding bodies, the standards in public life enunciated by the Nolan Committee, the Combined Code, the UK Corporate Governance Code as it applies to Higher Education, and the Committee of University Chairs' Higher Education Code of Governance (2014).

The Higher Education Code of Governance (the Code) is voluntary and it is intended to reflect good practice in the Higher Education sector. Having carried out a review in 2014/15 the Board of Governors determined that the University's practices were consistent with the Code but nevertheless identified areas for further development of its governance processes.

During 2015/16, the Board of Governors has had regard to the Code and has taken forward a number of developments to enhance its practices including the approval of a scheme of delegation and a review of the Board's reporting KPIs aligned to the University's Strategic Framework.

This statement describes the manner in which the University has applied the principles of governance in the year and up to the date of the approval of the financial statements.

The University's Board of Governors is responsible for ensuring a sound system of internal control that supports the achievement of policies, aims and objectives, whilst safeguarding the public and other funds and assets for which the Board of Governors is responsible.

The system of internal control is designed to manage rather than eliminate the risk of failure to achieve policies, aims and objectives. It can therefore only provide reasonable and not absolute assurance of effectiveness against material misstatement or loss.

The Board of Governors has adopted a statement of primary responsibilities, which is published on the University's website. This statement sets out the Board's responsibilities in respect of the proper conduct of public business, strategic planning, monitoring effectiveness and performance, finance, audit, estate management, human resource management, equality and diversity, student welfare, health and safety and the appointment of the University Officers.

The Board of Governors meets at least four times per year and has a number of committees: Audit Committee; Strategy and Finance Committee; Human Resources Committee; and Nominations Committee. All of these committees are formally constituted with terms of reference and are made up of mainly independent members. Each committee is chaired by an independent member. All committees review and reflect on their work and provide an annual report to the Board of Governors.

The Strategy and Finance Committee has financial as well as a strategic remit. In terms of its financial remit, the Committee considers and recommends the University's annual budgets to

the Board of Governors and monitors performance against the budgets. In relation to its strategic remit the Committee monitors strategic matters and advises the Board of Governors on the University's strategic direction as well as giving initial consideration to and advising the Board on business of particular importance or complexity which is not within the remit of other committees of the Board.

The Nominations Committee makes recommendations to the Board of Governors in respect of the appointment of governors in accordance with the Instrument and Articles of Government and the University's standing orders. During 2015/16 on the advice of the Nominations Committee, the Board approved the appointment of seven new independent governors as well as a new co-opted member of the Audit Committee and a new co-opted member of the Human Resources Committee and also the appointment of new members, Chairs and Vice Chairs to the Board's Committees as vacancies arose. In July 2016 on the advice of the Nominations Committee, the Board approved revised terms of reference for the Committee to include a remit to oversee good governance practice.

The Human Resources Committee monitors health and safety, equality and diversity matters, and considers staff related data and policies and procedures. During 2015/16, the Human Resources Committee also met as the Remuneration Committee on three occasions. During these meetings, the Committee considered the roles that are to be designated as 'senior postholders' in line with Instrument and Articles and following the move from an interim to a permanent senior management team. They also discussed the remuneration of the designated 'senior postholders' approved by the Board, and reviewed the Board's remuneration policy and procedure. A report on the work of the Remuneration Committee was made to the full Board. On the advice of the Human Resources Committee in July 2016, the Board approved the establishment of a stand-alone Remuneration Committee with separate terms of reference and the inclusion of the Chair of the Strategy and Finance Committee within the Remuneration Committee's membership.

The Audit Committee meets four times a year, with internal and external auditors in attendance. The Committee includes three external co-opted members from the public and private sector who are not members of the Board of Governors who provide externality to the Committee's deliberations. The University's senior managers attend meetings of the Audit Committee as necessary but are not members of it. The Audit Committee considers detailed internal audit reports with recommendations for the improvement of the University's systems of internal control and monitors implementation of the recommendations. At the start of every meeting, the members meet privately with the University's internal and external auditors without officers present.

A Register of Interests is maintained and declarations of any conflicts of interest are made at the start of each Committee and Board meeting. The Audit Committee conducts an annual assessment of its own effectiveness. The Board conducts effectiveness reviews at least every four years.

A strategic corporate risk register has been in place all year up to 31 July 2016 designed to identify the principal risks to the achievement of policies, aims and objectives, to evaluate the nature and extent of those risks and to manage them efficiently, effectively and economically.

Risk management and control processes have been in place throughout the period and risk review is embedded within the management culture and applied to the risks on the register and to all new initiatives identified during the year. The Board reviewed the key risks to the University during the year and the format of reporting to both the Audit Committee and the Board. Risk management processes have been applied up to the date of approval of the financial statements and accords with HEFCW guidance.

Audit Committee provides oversight of the University's risk management process and considers regular reports from the University's independent internal audit provider RSM LLP, which includes the internal auditors' independent opinion on the adequacy and effectiveness of the University's system of internal control.

The Board of Governors' view of the effectiveness of the system of internal control is also informed by the work of the senior management within the University, who have responsibility for the development and maintenance of the internal control framework, and by comments made by the external auditors in their management letter.

Internal control

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

- Clear definitions of the responsibilities of, and the authority delegated to, senior managers and head of academic and operational areas.
- A medium and short-term planning process, supplemented by detailed annual income, expenditure, capital and cash flow budgets;
- Regular reviews of student recruitment and regular reviews of financial results involving variance reporting and updates of forecast outturns;
- Clearly defined and formalised requirements for approval and control of expenditure, with investment decisions involving capital or revenue expenditure being subject to formal detailed appraisal and review according to approved levels set by the Board of Governors;
- Comprehensive Financial Regulations, detailing financial controls and procedures, approved by the Board of Governors;
- A professional independent Internal Audit team whose annual programme is approved by the Audit Committee;
- Linking the identification and management of risk to the achievement of the University's strategic objectives through the planning process;
- Evaluating the likelihood and impact of risks becoming a reality as part of that same process and establishing mitigating controls;

- Embedding risk management and internal control processes in the ongoing operation of all units;
- Regular reporting to Audit Committee, and then to the Board of Governors, on internal control and risk; and
- Reporting to the Board of Governors the principal results of risk identification, evaluation and management review

The Audit Committee, on behalf of the Board of Governors, has reviewed the effectiveness of the system of internal control of the University.

There were no significant issues arising during 2015/16 in respect of Corporate Governance.

Going Concern

Following an analysis of planned operational activity and contingent liabilities and their consequent estimated cash flows, including all foreseeable income and expenditure streams; the Board of Governors has considered the detailed financial forecasts and cash demands of the University and group for the foreseeable future. Taking account of these, it is forecast that the University can manage cash resource requirements utilising its cash reserves and overdraft facility, which the University's bank has agreed and for which HEFCW have confirmed that the University can continue to use its assets as security for the facility. There are detailed monitoring activities undertaken of required resource levels against expenditure plans, which will be an ongoing activity during the financial year.

For this reason, the Board of Governors considers that the University has adequate resources to continue in operational existence for the foreseeable future and they continue to adopt the going concern basis in preparation of the financial statements.

Glyndwr University has committed to continue to support the ongoing activities of its subsidiaries for the foreseeable future and has issued letters of support to the subsidiary companies confirming this.

RESPONSIBILITIES OF THE UNIVERSITY'S BOARD OF GOVERNORS

In accordance with the Education Reform Act 1988 and the University's Memorandum of Assurance and Accountability the Board of Governors of Glyndwr University is responsible for the administration and management of the affairs of the University and Group and is required to present audited financial statements for each financial year.

The Board of Governors is responsible for ensuring that proper accounting records are kept, which disclose with reasonable accuracy at any time, the financial position of the University and Group and to enable it to ensure that the financial statements are prepared in accordance, with the Statement of Recommended Practice (SORP) on Accounting in Further and Higher Education Institutions and other relevant accounting standards. In addition, within the terms and conditions of a Memorandum of Assurance and Accountability agreed between the Higher Education Funding Council for Wales and the Board of Governors of the University, the Board of Governors, through its accountable office holder, is required to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the University and Group and of the surplus or deficit, total recognised gains or losses and cash flows for that year.

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

- suitable accounting policies are selected and applied consistently;
- judgements and estimates are made that are reasonable and prudent;
- applicable accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- financial statements are prepared on the going concern basis unless it is inappropriate to presume that the University and Group will continue in operation.

The Board of Governors has taken reasonable steps to:

- ensure that funds from the Higher Education Funding Council for Wales are used only for the purposes for which they have been given and in accordance with the Financial Memorandum and any other conditions, which the Funding Council may from time to time prescribe;
- ensure that there are appropriate financial and management controls in place to safeguard public funds and funds from other sources;
- safeguard the assets of the University and prevent and detect fraud;
- secure the economical, efficient and effective management of the University's resources and expenditure.

Professor Maria Hinfelaar
Vice-Chancellor and Chief Executive

INDEPENDENT AUDITOR'S REPORT TO THE BOARD OF GOVERNORS OF GLYNDWR UNIVERSITY.

We have audited the financial statements of Glyndwr University for the year ended 31 July 2016 set out on pages 30 to 63. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) including FRS 102 *The Financial Reporting Standard applicable in the UK and Republic of Ireland*.

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 it 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 Board of Governors for our audit work, for this report, or for the opinions we have formed.

Respective responsibilities of the Governing Board of Governors and auditor

As explained more fully in the Statement of Responsibilities of Board of Governors Statement set out on page 27 the Board of Governors is responsible for the preparation of financial statements which give a true and fair view.

Our responsibility is to audit, and express an opinion, on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors.

Scope of the audit of the financial statements

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of: whether the accounting policies are appropriate to the Group's and University's circumstances and have been consistently applied and adequately disclosed; the reasonableness of significant accounting estimates made by the Board of Governors; and the overall presentation of the financial statements.

In addition, we read all the financial and non-financial information in the Annual Report¹ to identify material inconsistencies with the audited financial statements and to identify any information that is apparently materially incorrect based on, or materially inconsistent with, the knowledge acquired by us in the course of performing the audit. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

Opinion on financial statements

In our opinion the financial statements:

- give a true and fair view of the state of the Group's and the University's affairs as at 31 July 16 and of the Group's and University's income and expenditure, gains and losses, changes in reserves and cash flows for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice and with the *2015 Statement of Recommended Practice - Accounting for Further and Higher Education*; and
- meet the requirements of HEFCW's *Accounts direction to higher education institutions for 2015-16 financial statements*.

Opinion on other matters prescribed in the HEFCW Audit Code of Practice (effective 1 August 2014) issued under the Further and Higher Education Act 1992

In our opinion, in all material respects:

- funds from whatever source administered by the Group and 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 University's *articles of government* ;
- funds provided by HEFCW have been applied in accordance with the Memorandum of Assurance and Accountability and any other terms and conditions attached to them; and
- the corporate governance and internal control requirements of HEFCW's *Accounts direction to higher education institutions for 2015-16 financial statements* have been met.



Clare Partridge (Senior Statutory Auditor)
 For and on behalf of KPMG LLP, Statutory Auditor
 Chartered Accountants
 1 Sovereign Square, Leeds, LS1 4DA

Financial accounts

Statement of principal accounting policies

Basis of preparation

The 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 Standard 102. The University is a public benefit entity and therefore has applied the relevant public benefit requirements of FRS102. Where relevant the financial statements adhere to the accounting directives of HEFCW.

Basis of accounting

The financial statements have been prepared under the historical cost convention, as modified by the revaluation of certain fixed assets.

The Board of Governors has considered the detailed financial forecasts and cash demands of the University and group for the foreseeable future. Taking account of these, it has agreed with HEFCW that it can continue to use its assets as security for an overdraft facility which the University's bank has agreed. This facility will allow the University to meet its forecast peak forecast funding requirements.

For this reason the Board of Governors considers that the University has adequate resources to continue in operational existence for the foreseeable future and they continue to adopt the going concern basis in preparation of the financial statements.

Basis of consolidation

The consolidated financial statements include the University and its subsidiary undertakings. Intra-group sales, profits and debts between undertakings are eliminated fully on consolidation.

Details of the University's subsidiary undertakings are provided in note 19 to the financial statements.

Recognition of income

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

Income from the sale of goods or services is credited to the income and expenditure account when the goods or services are supplied to external customers or the terms of the contract have been satisfied.

Fee income is stated gross and credited to the income and expenditure account 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.

Governmental Grant Funding

Recurrent income from grants, contracts and other services rendered is accounted for on an accruals basis and included to the extent the contract or service has been completed; any payments received in advance of such performance are recognised on the balance sheet as liabilities.

Governmental Capital Grants

Non-recurrent grants received in respect of the acquisition or construction of fixed assets are treated as deferred capital grants. Such grants are credited to deferred capital grants and an annual transfer made to the income and expenditure account over the useful economic life of the asset, at the same rate as the depreciation charge on the asset for which the grant was awarded.

Non-Governmental Grant Funding

Recurrent income from grants, contracts and other services rendered is accounted for on a performance basis and included to the extent the contract or service has been completed; any payments received in advance of such performance are recognised on the balance sheet as liabilities.

Donations and Endowments

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

Endowment and investment income is credited to the income and expenditure account on a receivable basis. Income from restricted endowments not expended in accordance with the restrictions of the endowment is transferred from the income and expenditure account to restricted endowments. Any realised gains or losses from dealing in the related assets are retained within the endowment in the balance sheet.

Increase or decreases in value arising on the revaluation or disposal of endowment assets, such as the appreciation or depreciation of endowment assets, is added to or subtracted from the funds concerned and accounted for through the balance sheet by debiting or crediting the endowment asset, crediting or debiting the endowment fund and is reported in the total statement of recognised gains and losses.

Endowment funds

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

- Unrestricted permanent endowments - the donor has specified that the fund is to be permanently invested to generate an income stream for the general benefit of the University;

- Restricted expendable endowments - the donor has specified a particular objective other than the purchase or construction of tangible fixed assets, and the University has the power to use the capital;
- Restricted permanent endowments - the donor has specified that the fund is to be permanently invested to generate an income stream to be applied to a particular objective.

Agency arrangements

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.

Leases and hire purchase contracts

Costs in respect of operating leases are charged on a straight-line basis over the lease term. Finance leases, which substantially transfer all the benefits and risk of ownership of an asset to the University, are treated as if the asset had been purchased outright. The assets are included in fixed assets and the capital elements of the leasing commitments are shown as obligations under finance leases.

The lease rentals are treated as consisting of capital and interest elements. The capital element is applied in order to reduce outstanding obligations, and the interest element is charged to the income and expenditure account in proportion to the reducing capital element outstanding.

Assets held under finance leases are depreciated over the shorter of the lease term or the useful economic lives of equivalent-owned assets.

Taxation

The University is an excepted charity within the meaning of Schedule 2 of the Charities Act 2011 and as such is a charity within the meaning the Section 506(1) of the Income & Corporation Taxes Act 1988. Accordingly, the University is potentially exempt from taxation in respect of income or capital gains received within categories covered by Section 505 of the Income & Corporation Taxes Act 1988 or Section 256 of the Taxation of Charitable Gains Act 1992 to the extent that such income or gains are applied to exclusively charitable purposes.

All UK subsidiary companies are liable to corporation tax in the same way as any commercial organisation.

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 tangible fixed assets is included in their cost.

All UK subsidiary companies are liable to VAT in the same way as any other commercial organisation except that any education or training provided by a university subsidiary is an exempt supply of education.

Tangible fixed assets

Freehold land and buildings are stated at deemed cost. Under the transition to FRS102 a full revaluation of the University's Land and Buildings was carried out on 31 July 14 by independent Chartered Surveyors Edward Symmons and first time adoption has been applied. The basis of valuation, is a combination of depreciated replacement cost and open market value for existing use. Cost includes the original purchase price of the asset and the costs attributable to bringing the asset to its working condition for its intended use.

Freehold land is not depreciated. Freehold buildings are depreciated over their expected useful economic life of 50 years. The hockey pitch is depreciated over its expected useful life of 10 years. Capital expenditure applied to existing buildings is depreciated over its estimated useful life of 10 years.

Where buildings are acquired with the aid of specific government grants they are capitalised and depreciated as above. The related grants are credited to a deferred capital grant account and are released to the income and expenditure account over the expected useful economic life of the related asset on a basis consistent with the depreciation policy.

Fixtures, fittings and equipment costing less than £10,000 per individual item or group of related items is written off to the income and expenditure account in the period of acquisition. All other fixtures, fittings and equipment is capitalised at cost. Motor vehicles are capitalised at cost.

All assets are depreciated over their estimated useful economic life as follows:

- Fixtures, fittings and equipment - five years
- Motor vehicles - three years

Where equipment is acquired with the aid of specific government grants it is capitalised and depreciated in accordance with the above policy, with the related grant being credited to a deferred capital grant account, released to the income and expenditure account over the expected useful life of the related equipment. It is University policy not to revalue this class of assets.

A review for impairment of a fixed asset is carried out if events or changes in circumstances indicate that the carrying amount of the fixed asset may not be recoverable.

Any impairments which are due to the clear consumption of economic benefits are recognised in the income and expenditure account in the period when they occur.

Any downward revaluations which are not due to the clear consumption of economic benefits are also recognised in the statement of comprehensive income and expenditure account in the period when they occur.

Expenditure to ensure that a tangible fixed asset maintains its previously recognised standard of performance is recognised in the income and expenditure account in the period it is incurred.

The University has a planned maintenance programme, which is reviewed on an annual basis.

Investments

Listed investments held as endowment assets are shown at market value. Investments in subsidiary undertakings and non-listed entities are shown at the lower of cost or net realisable value.

Current asset investments are included at the lower of cost and net realisable value.

Stock

Stock is stated at the lower of their cost and net realisable value.

Cash and cash equivalents

Cash flows comprise increases or decreases in cash. Cash includes cash in hand, cash at bank and deposits repayable on demand. Deposits are repayable on demand if they are in practice available within 24 hours without penalty. No other investments, however liquid, are included as cash.

Liquid resources comprise sums on short-term deposit with recognised banks. They exclude any such assets held as endowment assets.

Under FRS102, the exemption from the requirement to prepare a separate cash flow statement for the University has been applied.

Foreign currency translations

Assets and liabilities denominated in foreign currencies are translated to the group's presentational currency (Sterling) at the rates of exchange ruling at the end of the financial year, with all resulting exchange differences being taken to the income and expenditure account in the period in which they arise.

Financial instruments

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

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.

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.

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. The operating level of euros is reviewed on a regular basis to mitigate the risk of adverse exchange rate movements.

Accounting for charitable donations

Unrestricted donations

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

Accounting for retirement benefits

The three principle pension schemes for the University staff are:

1. Teachers' Pension Scheme (TPS)
2. Universities Superannuation Scheme (USS)
3. Local Government Pension Scheme (LGPS).

All schemes are defined benefit schemes which are externally managed and contracted out of the State Earnings Related Pension Scheme, however Glynd r University's financial element of the TPS and USS cannot be determined and as such these are treated as defined cost schemes under FRS102.

Contributions to the schemes are charged to the income and expenditure account so as to spread the cost of pensions over the employees' working lives with the University in such a way that the pension cost is a substantially level percentage of current and future pensionable

payroll. Variations from regular costs are spread over the expected average remaining working lifetime of members of the schemes after making allowances for further withdrawals.

The contributions are determined by qualified actuaries on the basis of triennial valuations using the projected unit method. Glyndwr University's financial element of the TPS and USS cannot be determined and as such these are treated as defined cost schemes under FRS 102.

The LGPS surplus or deficit is recognised as an asset or liability on the balance sheet. The current service cost and the past service costs are recorded within staff costs.

The interest element is calculated based on the year end deficit (net liability) multiplied by the discount rate. All changes in pension surplus or deficit due to changes in actuarial assumptions or differences between actuarial forecasts and the actual out-turn are reported in the statement of Comprehensive Income and Expenditure.

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

Provisions, contingent liabilities and contingent assets

Provisions are recognised in the financial statements when:

- a) the University has a present legal or constructive obligation as a result of a past event;
- b) it is probable that a transfer 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 discounted to present value where the time value of money is material.

A contingent liability arises from a past event that gives the University a possible obligation whose existence will only be confirmed by the occurrence of otherwise 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 of otherwise 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 by way of a note.

Transition to the 2015 SORP

The University is preparing its financial statements in accordance with FRS102 for the first time and consequently has applied the first time adoption requirements. An explanation of how the

transition to SORP has affected the reported financial position and financial performance of the results of the University is provided in note 21.

Accounting judgements and estimates

The following key judgements and estimates have been applied in these financial statements.

- USS Pension Scheme accounting judgements have been applied using the BUFDG standard USS modelling tool at a discount rate consistent with BUFDG guidance and in line with the University group's future salary roll increase expectations.
- Local Government Pension scheme accounting judgements have been supplied by our scheme actuaries Mercers.
- Holiday pay accrual was estimated using a direct sample methodology from the University Group's (academic and non-academic) departments taking actual leave levels as at 31st July 2016 and applied as a percentage basis.

The decision on accounting treatment relating to deferred governmental grants was made following considerable consideration and with scrutiny from the Universities relevant committees.

Consolidated and University Statement of Comprehensive Income and Expenditure

Year Ended 31 July 2016

	Notes	Year ended 31 July 2016		Year ended 31 July 2015	
		Consolidated £'000	University £ 000	Consolidated £'000	University £'000
Income					
Tuition fees and education contracts	1	26,640	26,598	26,537	22,857
Funding body grants	2	4,227	4,227	5,375	5,315
Research grants and contracts	3	997	645	1,976	1,719
Other income	4	7,577	5,840	8,503	6,886
Investment income	5	12	9	4	4
Total income		39,453	37,319	42,395	36,781
Expenditure					
Staff costs	6	23,444	22,436	24,883	22,105
Other operating expenses	8	12,820	11,543	15,148	13,382
Depreciation	10	1,585	1,585	1,957	1,853
Interest and other finance costs	7	737	737	692	691
Fundamental restructuring costs	8	-	-	1,760	-
Total expenditure		38,586	36,301	44,440	38,031
Gift aid from subsidiary	25/26	-	165	-	-
Surplus / (Deficit) before tax		867	1,183	(2,045)	(1,250)
Taxation	9	-	-	-	-
Surplus / (Deficit) for the year		867	1,183	(2,045)	(1,250)
Actuarial (loss) in respect of pension schemes		(9,052)	(9,052)	(2,661)	(2,661)
Total comprehensive income / (expenditure) for the year		(8,185)	(7,869)	(4,706)	(3,911)
Represented by:					
Endowment comprehensive income for the year		-	-	(18)	(18)
Unrestricted comprehensive expenditure for the year		(8,185)	(7,869)	(4,706)	(3,911)
Attributable to the University Group		(8,185)	(7,869)	(4,724)	(3,929)
Surplus for the year attributable to:					
Non controlling interest		-	-	-	-
University Group		867	1,183	(2,045)	(1,250)

All items of income and expenditure relate to continuing activities

Consolidated and University Statement of Changes in Reserves

Year ended 31 July 2016

Consolidated	Income and expenditure account			Revaluation reserve	Total
	<i>Endowment</i>	<i>Restricted</i>	<i>Unrestricted</i>		
	£'000	£'000	£'000	£'000	£'000
Balance at 1 August 2014	18	200	(2,133)	30,185	28,270
(Deficit) from the income and expenditure statement	(18)	-	(2,045)	-	(2,063)
Transfers between revaluation and income and expenditure reserve	-	-	837	(837)	-
Actuarial (loss) in respect of pension schemes	-	-	(2,661)	-	(2,661)
Release of deferred Capital Grant	-	-	131	-	131
Total comprehensive income for the year	(18)	-	(3,738)	(837)	(4,593)
Balance at 1 August 2015	-	200	(5,871)	29,348	23,677
Surplus from the income and expenditure statement	-	-	867	-	867
Transfers between revaluation and income and expenditure reserve	-	-	837	(837)	0
Other comprehensive income	-	-	(9,052)	-	(9,052)
Total comprehensive income for the year	-	-	(7,348)	(837)	(8,185)
Balance at 31 July 2016	-	200	(13,219)	28,511	15,492

University	Income and expenditure account			Revaluation reserve	Total
	<i>Endowment</i>	<i>Restricted</i>	<i>Unrestricted</i>		
	£'000	£'000	£'000	£'000	£'000
Balance at 1 August 2014	18	200	(1,727)	29,942	28,433
(Deficit) from the income and expenditure statement	(18)	-	(1,250)	-	(1,268)
Transfers between revaluation and income and expenditure reserve	-	-	829	(829)	0
Actuarial (loss) in respect of pension schemes	-	-	(2,661)	-	(2,661)
Release of deferred Capital Grant	-	-	131	-	131
Total comprehensive income for the year	(18)	7	(2,951)	(829)	(3,798)
Balance at 1 August 2015	-	200	(4,678)	29,113	24,635
Surplus from the income and expenditure statement	-	-	1,182	-	1,182
Transfers between revaluation and income and expenditure reserve	-	-	829	(829)	0
Other comprehensive income	-	-	(9,052)	-	(9,052)
Total comprehensive income for the year	-	-	(7,041)	(829)	(7,870)
Balance at 31 July 2016	-	200	(11,719)	28,284	16,765

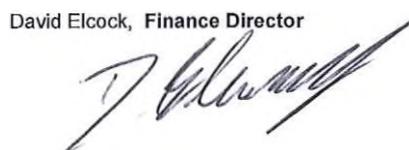
Consolidated and University Balance Sheet

	Notes	Consolidated £'000	University £'000	Consolidated £'000	University £'000
Non-current assets					
Fixed assets	10	56,131	56,131	57,716	57,304
Current assets					
Stock	11	52	50	57	52
Trade and other receivables	12	3,428	3,230	4,893	4,693
Investments	13	65	65	102	102
Cash and cash equivalents	17	3,238	3,124	703	246
		6,783	6,469	5,755	5,093
Less: Creditors: amounts falling due within one year	14	(6,809)	(5,254)	(9,051)	(7,212)
Net current (liabilities)/assets		(26)	1,214	(3,296)	(2,119)
Total assets less current liabilities		56,105	57,346	54,420	55,185
Creditors: amounts falling due after more than one year	15	(6,838)	(6,838)	(7,355)	(7,228)
Provisions					
Pension provisions	16	(32,226)	(32,226)	(22,559)	(22,559)
Other provisions	16	(1,549)	(1,517)	(829)	(763)
Total net assets		15,492	16,765	23,677	24,635
Restricted Reserves					
Income and expenditure reserve - restricted reserve		200	200	200	200
Unrestricted Reserves					
Income and expenditure reserve - unrestricted		(13,219)	(11,719)	(5,871)	(4,678)
Revaluation reserve		28,511	28,284	29,348	29,113
		15,492	16,765	23,677	24,635
Non-controlling interest		-	-	-	-
Total Reserves		15,492	16,765	23,677	24,635

The financial statements were approved by the Governing Body on 9th December 2016 and were signed on its behalf on that date by


Maria Hinfelaar, Vice-Chancellor


Maxine Penlington, Chair of Governors

David Elcock, Finance Director


Consolidated Cash Flow

Year ended 31 July 2016

	Notes	Year ended 31 July 2016	Year ended 31 July 2015
		£'000	£'000
Cash flow from operating activities			
Surplus / (loss) for the year		867	(2,044.71)
Adjustment for non-cash items			
Depreciation	10	1,585	1,957
Decrease in stock	11	4	0
Decrease in debtors	12	1,465	3,766
(Decrease) in creditors < 1 Yr	14	(2,245)	(4,149)
(Decrease) in creditors > 1 Yr - Deferred Capital Grants	15	(460)	(567)
IncreaseZ(decrease) in pension provision	16	616	405
IncreaseZ(decrease) in other provisions	16	721	(468)
Adjustment for investing or financing activities			
Investment income	5	(12)	(4)
Interest payable	7	0	304
Interest element of finance lease	7	12	15
Loss on the sale of fixed assets		0	24
Net cash inflow from operating activities		2,553	(762)
Cash flows from investing activities			
Proceeds from sales of fixed assets		-	1080
Withdrawal of deposits		37	13
Investment income		12	4
Payments made to acquire fixed assets		-	(30)
		49	1,067
Cash flows from financing activities			
Interest element of finance lease		(12)	(15)
Capital element of finance lease		(55)	(51)
		(67)	(66)
Increase in cash and cash equivalents in the year			
		2,535	239
Cash and cash equivalents at beginning of the year			
	17	703	464
Cash and cash equivalents at end of the year			
	17	3,238	703

Notes to the Accounts
for the year ended 31 July 2016

	Year Ended 31 July 2016		Year Ended 31 July 2015	
	Consolidated	University	Consolidated	University
1 Tuition fees and education contracts	£'000	£'000	£'000	£'000
Full-time home and EU students	20,809	20,809	18,842	18,490
Full-time international students	2,178	2,136	4,507	1,178
Part-time students	1,854	1,854	1,717	1,717
Academic Contracts	1,799	1,799	1,472	1,472
	<u>26,640</u>	<u>26,598</u>	<u>26,538</u>	<u>22,857</u>

2 Funding body grants

Recurrent grant				
Higher Education Funding Council	2,876	2,876	3,884	3,882
Specific grants				
Higher Education Academic Subject Centres	108	108	290	290
Higher Education Innovation Fund	630	630	759	758
National College for Teaching and Leadership	226	226	0	0
Capital grant				
Buildings	387	387	404	347
Equipment	-	-	38	38
	<u>4,227</u>	<u>4,227</u>	<u>5,375</u>	<u>5,315</u>

3 Research grants and contracts

Research councils	182	182	352	352
Research charities	133	133	8	8
Government (UK and overseas)	30	30	26	26
Industry and commerce	652	300	1,590	1,333
	<u>997</u>	<u>645</u>	<u>1,976</u>	<u>1,719</u>

4 Other income

Residences, catering and conferences	2,274	2,235	3,065	2,876
Other revenue grants	5,246	3,548	5,314	4,010
Other capital grants	57	57	124	0
	<u>7,577</u>	<u>5,840</u>	<u>8,503</u>	<u>6,886</u>

5 Investment income

Other investment income	12	9	4	4
	<u>12</u>	<u>9</u>	<u>4</u>	<u>4</u>

Notes to the Accounts
for the year ended 31 July 2016

	Year Ended		Year Ended	
	Year Ended 31 July 2016		Year Ended 31 July 2015	
	Consolidated	University	Consolidated	University
	£'000	£'000	£'000	£'000
6 Staff costs				
Staff Costs :				
Salaries	18,314	17,501	20,185	17,780
Social security costs	1,524	1,457	1,537	1,342
Other pension costs	3,248	3,126	2,988	2,848
Restructuring costs	358	352	173	135
Total	23,444	22,436	24,883	22,105

	2016	2015
	£	£
Emoluments of the Vice-Chancellor:		
Salary	61,667	292,922
Benefits	-	8,626
Relocation costs	1,414	-
Pension contributions to TPS	10,163	-
	73,244	301,548

2016

The emoluments paid to the Vice-Chancellor, Professor Maria Hinfelaar, who has been remunerated in line with her contractual terms. Professor Hinfelaar commenced employment on 1 April 2016. Prior to that date, the University continued with the engagement of an interim Vice-Chancellor, Professor Graham Upton, who has been remunerated via payments to an agency disclosed as other operating costs to the net sum of £270,581 covering the period 1 August 2015 to 31 March 2016.

2015

The emoluments were paid to the former Vice-Chancellor, Professor Michael Scott, who has been remunerated in line with his contractual terms.

The University also engaged an interim Vice - Chancellor, Professor Graham Upton, who has been remunerated via payments to the recruitment agency disclosed as other operating costs to the net sum of £189,435 covering the period February 2015 to 31 July 2015.

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.

Key management are the Universities Executive team who consist of Vice-Chancellor, Deputy Vice-Chancellor, Pro Vice-Chancellor, Director of Finance, Director of HR and Director of Operations.

Compensation consists of salary and benefits including any employer's pension contribution.

	2016	2015
	£	£
Key management personnel compensation	306,000	620,000

The University also engaged an interim Vice - Chancellor, Deputy Vice-Chancellor and Director of Finance, who were remunerated via payments to the recruitment agency disclosed as other operating costs to the net sum of £594k to 31st July 2016 (2015 : £397k).

Notes to the Accounts

for the year ended 31 July 2016

6 Staff costs (continued)

2015

Remuneration of other higher paid staff, excluding employer's pension contributions (subject to relevant accounts direction) [all shown before any salary sacrifice]:

	2016	2015
	No.	No.
£100,000 to £109,999	-	1
		<i>-i</i>
Average staff numbers by major category :		
	2016	2015
	No.	No.
Teaching Departments & Academic Support	220	222
Admin & Central	245	277
Premises	<u>25</u>	
	490	524

Compensation for loss of office payable to a senior post-holder:

	2016	2015
	£	£
Compensation payable recorded within staff costs	<u>-156,000</u>	

Notes to the Accounts
for the year ended 31 July 2016

	Year Ended 31 July 2016		Year Ended 31 July 2015	
	Consolidated	University	Consolidated	University
	£'000	£'000	£'000	£'000
7 Interest and other finance costs				
Finance lease interest	12	12	15	15
Net charge on pension scheme	725	725	677	676
	<u>737</u>	<u>737</u>	<u>692</u>	<u>691</u>

8 Analysis of operating expenditure by activity

Academic & Related Expenditure	2,817	2,523	3,286	2,653
Administration & Central Services	3,230	2,915	2,953	3,098
Premises	2,720	2,721	2,806	2,075
Residences, Catering & Conferences	597	597	1,535	1,536
Research Grants & Contracts	297	229	785	926
Other Expenses	3,159	2,558	5,543	3,094
	<u>12,820</u>	<u>11,543</u>	<u>16,908</u>	<u>13,382</u>
Other operating expenses include:				
External auditors remuneration in respect of audit services	71	52	84	51
Operating lease rentals				
Land and buildings	176	-	176	-
Other	44	44	-	-
Fundamental restructuring costs	-	-	1,760	-

9 Taxation

Recognised in the statement of comprehensive income
Current tax
Current tax expense
Adjustment in respect of previous years
Current tax expense
Deferred tax
Origination and reversal of timing differences
Reduction in tax rate
Recognition of previously unrecognised tax losses
Deferred tax expense

Total tax expense

In the opinion of the Board of Governors, the criteria of the s505 ICTA 1998 and s256 TCGA 1992 are fulfilled and there is no Corporation Tax liability arising on the University's activities for the period ended 31 July 2016.

Notes to the Accounts for the year ended 31 July 2016

10 Fixed Assets

Consolidated

	Freehold Land and Buildings	Fixtures, Fittings and Equipment	Total
	£'000	£'000	£'000
Deemed Cost			
At 1 August 2015	58,145	6,495	64,640
At 31 July 2016	58,145	6,495	64,640
Depreciation			
At 1 August 2015	1,430	5,494	6,924
Charge for the year	1,119	466	1,585
Written back on revaluation			0
Disposals			0
At 31 July 2016	2,549	5,960	8,509
Net book value			
At 31 July 2016	55,596	535	56,131
At 31 July 2015	56,715	1,001	57,716

University

Deemed Cost			
At 1 August 2015	57,370	6,355	63,725
Additions	775	123	898
At 31 July 2016	58,145	6,478	64,623
Depreciation			
At 1 August 2015	1,042	5,379	6,421
Charge for the year	1,119	466	1,585
Additions	387	99	486
At 31 July 2016	2,548	5,944	8,492
Net book value			
At 31 July 2016	55,597	534	56,131
At 31 July 2015	56,328	976	57,304

At 31 July 2016, freehold land and buildings included £4.9m (2015 - £4.9m) in respect of freehold land and is not depreciated.

Leased assets included
above:

Net Book Value:		
At 31 July 2016	162	162
At 31 July 2015	217	217

Consolidated fixtures, fittings and equipment include assets held under finance leases as follows:

	Year Ended 31 July 2016
	£'000
Cost	272
Accumulated depreciation	(55)
Charge for year	(55)
Net book value	162

A full valuation of academic, office, ancillary and support buildings was carried out on 31st July 2014 by Edward Symmons

Notes to the Accounts

for the year ended 31 July 2016

11 Stock

	Year ended 31 July 2016		Year ended 31 July 2015	
	Consolidated	University	Consolidated	University
	£'000	£'000	£'000	£'000
General consumables	52	50	57	52
	<u>52</u>	<u>50</u>	<u>57</u>	<u>52</u>

12 Trade and other receivables

	Year ended 31 July 2016		Year ended 31 July 2015	
	Consolidated	University	Consolidated	University
	£'000	£'000	£'000	£'000
Amounts falling due within one year:				
Other trade receivables	2,909	2,389	4,412	3,709
Prepayments and accrued income	519	665	481	453
Amounts due from subsidiary companies	-	176	-	531
	<u>3,428</u>	<u>3,230</u>	<u>4,893</u>	<u>4,693</u>

13 Current Investments

	Year ended 31 July 2016		Year ended 31 July 2015	
	Consolidated	University	Consolidated	University
	£'000	£'000	£'000	£'000
Short term deposits	65	65	102	102
	65	65	102	102

These deposits are held with Kaupthing Singer Friedlander bank (Iceland) and are subject to repayment as part of the creditors agreement.

14 Creditors : amounts falling due within one year

	Year ended 31 July 2016		Year ended 31 July 2015	
	Consolidated	University	Consolidated	University
	£'000	£'000	£'000	£'000
Unsecured loans	270	-	271	-
Obligations under finance leases	57	58	54	54
Trade payables	1,674	1,276	2,117	1,264
Social security and other taxation payable	486	465	435	389
Other Creditors	232	81	153	34
Accruals and deferred income	3,123	2,368	4,977	3,913
Holiday Pay	526	503	565	502
Amounts due to subsidiary companies	-	62	-	609
Deferred Capital Grants	441	441	479	447
	<u>6,809</u>	<u>5,254</u>	<u>9,051</u>	<u>7,212</u>

Notes to the Accounts for the year ended 31 July 2016

15 Creditors : amounts falling due after more than one year

	Year ended 31 July 2016		Year ended 31 July 2015	
	Consolidated £'000	University £'000	Consolidated £'000	University £'000
Deferred Capital Grants	6,675	6,675	7,116	6,989
Obligations under finance lease	110	110	167	167
Energy efficiency loan scheme (SALIX)	53	53	72	72
	6,838	6,838	7,355	7,228

16 Provisions for liabilities

Consolidated	Obligation to fund deficit on USS Pension	Pension enhancements on termination	Defined Benefit Obligations (Note 35)	Total Pensions Provisions	Redundancy	Part-time Credit clawback provision	Legal Costs	Total Other
	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000
At 1 August 2015	204	2,512	19,843	22,559	251	578	-	829
Utilised in year	-	-	-	-	(251)	-	-	(251)
Additions in 2016	-	12	9,722	9,734	32	842	97	971
Unused amounts reversed in 2016	(67)	-	-	(67)	-	-	-	-
At 31 July 2016	<u>137</u>	<u>2,524</u>	<u>29,555</u>	<u>32,226</u>	<u>32</u>	<u>1,420</u>	<u>97</u>	<u>1,549</u>

University	Obligation to fund deficit on USS Pension	Pension enhancements on termination	Pension scheme provision under FRS102 (note 35)	Total Pensions Provisions	Redundancy	Part-time Credit clawback provision	Legal Costs	Total Other
	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000
At 1 August 2015	204	2,512	19,843	22,559	185	578	-	763
Utilised in year	-	-	-	0	(185)	-	-	(185)
Additions in 2016	-	12	9,722	9,734	-	842	97	939
Unused amounts reversed in 2016	(67)	-	-	(67)	-	-	-	-
At 31 July 2016	<u>137</u>	<u>2,524</u>	<u>29,565</u>	<u>32,226</u>	<u>-</u>	<u>1,420</u>	<u>97</u>	<u>1,517</u>

Deferred pension obligations are covered in more detail in note 20.

The provision for redundancy has been released in the year with an additional amount provided for expected early retirement costs. There are no further redundancies planned for 2016/17.

Part time credit claw back provision is established to allow for the repayment to HEFCW of unused allocated funding for the 2014/15 and 2015/16 years.

Legal costs have been provided for in relation to both specific and general future claims arising from previous activity.

The timing of payments in relation to the above is uncertain but indications are that cash outflows could arise during 2016/17.

Pension enhancement

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

	Consolidated
Discount rate	5.10
Inflation	3.10

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 total payments relating to 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.

Notes to the Accounts for the year ended 31 July 2016

17 Cash and cash equivalents

	Notes	At 1st August 2015 £'000	Cash Flows £'000	At 31st July 2016 £'000
Consolidated		703	2,535	3,238
Cash and cash equivalents				
Bank overdraft	22	<u>703</u>	<u>2,535</u>	<u>3,238</u>

18 Lease obligations

Total rentals payable under operating leases:

	Land and Buildings £'000	Plant and Machinery £'000	Other leases £'000	31 July 2016 Total £'000	31 July 2015 Total £'000
Payable during the year	176	17	27	220	176
Future minimum lease payments due:					
Not later than 1 year	176	7	14	197	176
Later than 1 year and not later than 5 years	205	30	-	235	381
Later than 5 years	-	7	-	7	-
Total lease payments due	<u>381</u>	<u>44</u>	<u>14</u>	<u>439</u>	<u>557</u>

Total rentals payable under financing leases:

	31 July 2015 IT Lease £'000
Payable during the year	66
Future minimum lease payments due:	
Not later than 1 year	66
Later than 1 year and not later than 5 years	116
Later than 5 years	-
Total lease payments due	<u>182</u>

Notes to the Accounts

for the year ended 31 July 2016

19 Subsidiary undertakings

The subsidiary companies (all of which are registered in England & Wales), wholly-owned or effectively controlled by the University, are as follows:

Company	Principal Activity	Status
Glyndwr Innovations Ltd	Consultancy, commercial technical contracts, incubation and sports	100% owned
Glyndwr Business School Ltd	Not traded in the year	100% owned
Optic Glyndwr Limited	Development of opto-electronics	100% owned
North Wales Science	Science discovery centre	
Glyndwr London Holdings	Holding Company	100% owned
Glyndwr London Limited	Higher Education	100% owned

All of the above subsidiaries operate to the same financial year end as the University.

Notes to the Accounts

for the year ended 31 July 2016

20 Pension Schemes

Retirement benefits for employees of the University are provided by defined benefit schemes which are funded by contributions from the University and employees. Payments are made to the Teachers' Pension Scheme (TPS) for academic and related staff, the Local Government Pension Scheme (LGPS) for non-academic staff and the Universities Superannuation Scheme for pre-existing members. These are all independently administered schemes.

The total pension cost for the period was £3,283,000 (2015- £2,799,000). The expected costs for 2015/16 for the LGPS are £716,000 finance charge and £1,851,000 contributions.

(i) Teachers Pension Scheme

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 (in excess of price increases and currently set at 3.0%), 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

Not less than every four years the Government Actuary ("GA"), using normal actuarial principles, conducts a formal actuarial review of the TPS. The aim of the review is to specify the level of future contributions.

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

The last valuation of the TPS related to the period 1 April 2004 - 31 March 2012. The GA's report of June 2014 revealed that the total liabilities of the Scheme (pensions currently in payment and the estimated cost of future benefits) amounted to £191.5 billion. The value of the assets (estimated future contributions together with the proceeds from the notional investments held at the valuation date) was £176.6 billion. The assumed rate of return is 3.0% in excess of prices. The rate of real earnings growth is assumed to be 2.75%. The assumed gross rate of return is 5.06%.

As from 1 April 2015, and as part of the cost-sharing agreement between employers' and teachers' representatives, the SCR was assessed at 20.4%, and the supplementary contribution rate was assessed to be 5.6% (to balance assets and liabilities as required by the regulations within 15 years). This resulted in a total contribution rate of 26.0%, which translated into an average employee contribution rate of 9.6% and employer contribution rate of 16.4% payable. The cost-sharing agreement also introduced a 10.9% cap on employer contributions payable. It has been agreed that these revised contributions will be implemented from 1 September 2015.

Scheme Changes

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

From 1 April 2015, the TPS reformed, with a different benefit structure for a number of members. These changes have been allowed for in the contribution rate set out above.

Notes to the Accounts

for the year ended 31 July 2016

20 Pension Schemes

(ii) The Universities Superannuation Scheme

The Universities' Superannuation Scheme (USS) is the scheme covering a minority of academic and academic-related staff, which provides benefits based on final pensionable salary. The assets of the scheme are held in a separate fund administered by the trustee, Universities Superannuation Limited.

The institution participates in the Universities Superannuation Scheme (USS), a defined benefit scheme which is contracted out of the State Second Pension (S2P).

Because of the mutual nature of the scheme, the scheme's assets are not hypothecated to individual Universities and a scheme-wide contribution 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 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 a defined contribution scheme.

As a result, the amount charged to the income and expenditure account represents the contributions payable to the scheme in respect of the period.

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 Scheme Limited.

The appointment of directors to the board of the trustee is determined by the Company's Articles of Association. Four of the directors are appointed by Universities UK; three are appointed by the University and College Union, of whom at least one must be a USS pensioner member; and a minimum of three and a maximum of five are independent directors appointed by the board. Under the scheme trust deed and rules, the employer contribution rate is determined by the trustee, acting on actuarial advice.

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

Since the company cannot identify its share of scheme assets and liabilities, the following disclosures reflect those relevant for the scheme as a whole.

The 2014 valuation was the third valuation for USS under the scheme-specific funding regime introduced by the Pensions 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 £41.6bn and the value of the scheme's technical provisions was £46.9bn indicating a shortfall of £5.3bn. The assets therefore were sufficient to cover 89% of the benefits which had accrued to members after allowing for expected future increases in earnings.

	2016 £'000	2015 £'000
Total pension costs included in staff costs	(72)	119
Unwind of the discount included in finance costs	5	2
Total pension costs charged to the CSCI	<u>(67)</u>	<u>121</u>

The table below sets out the movement in the provision since 31 July

	2016 £'000	2015 £'000
As at 1 Aug 2015 (restated)	204	83
Charged to the CSCI	-	119
Credited to the CSCI	(72)	-
Unwinding of discount	6	2
As at 31 July 2016	<u>138</u>	<u>204</u>

Notes to the Accounts

for the year ended 31 July 2016

20 Pension Schemes

(ii) The Universities Superannuation Scheme cont'd

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

	2016	2015
Discount rate	3.60%	3.30%
Pensionable salary growth	n/a	3.5% in the first year and 4% thereafter
Pension increases (CPI)	2.2%	2.2%

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

Male member's mortality	98% of S1 NA ["light"] YoB tables - no age rating
Female member's mortality	98% of S1 NA ["light"] YoB tables - rated down 1 year

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

	2016	2015
Males currently aged 65 (years)	24.3	24.2
Females currently aged 65 (years)	26.5	26.4
Males currently aged 45 (years)	26.4	26.3
Females currently aged 45 (years)	28.8	28.7

	2016	2015
Scheme assets	£49.8bn	£49.1 bn
Total scheme liabilities	£58.3bn	£60.2bn
FRS 102 total scheme deficit	£8.5bn	£11.1bn
FRS 102 total funding level	85%	82%

Notes to the Accounts

for the year ended 31 July 2016

20 Pension Schemes (continued)

(iii) LGPS

(Retirement Benefits) Disclosure for the accounting period ending 31 July 2016

The following information is based upon the last formal triennial actuarial valuation of the scheme was performed as at 31 March 2013 and updated at 31 July 2016 by an independent qualified actuary.

Assumptions

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

	At 31 July 2016 %pa	At 31 July 2015 %pa
Price Inflation (CPI)	1.70%	2.20%
Rate of increase in salaries	3.20%	3.70%
Rate of increase of pensions in payment for LGPS members	1.80%	2.20%
Discount rate	2.50%	3.80%

* Excluding ex-gratia pensions for non-academics, which are subject to fixed 3% pa increases.

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 2016		At 31 July 2015	
	Pensioner	Non-pensioner (currently aged 45)	Pensioner	Non-pensioner (currently aged 45)
	23.5 (26) years	26.4 (29.4) years	23.4 (25.9) years	26.3 (29.3) years

Notes to the Accounts

for the year ended 31 July 2016

20 Pension Schemes (continued)

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 assets in the scheme were:

	Fair value as at		
	31/07/2016	31/07/2015	31/07/2014
	£'000	£'000	£'000
Equities	5,887	6,298	7,025
Corporate bonds	13,622	12,119	4,209
Property	2,848	2,451	2,392
Cash	1,116	1,021	1,332
Other	15,007	12,153	15,322
Total	38,480	34,042	30,280

	31/07/2016	31/07/2015	31/07/2014
	% pa	% pa	% pa
The weighted average expected long-term rates of return were:	10.17	9.65	4.6

Analysis of the amount shown in the balance sheet for LGPS :

	Year Ended 31/07/2016	Year Ended 31/07/2015
	£'000	£'000
Scheme assets	38,480	34,042
Scheme liabilities	(68,045)	(53,885)
Deficit in the scheme - net pension liability recorded within pension provisions (Note 24)	(29,565)	(19,843)
Current service cost	1,654	1,505
Administration expenses	37	38
Effect of curtailments	<u>52</u>	<u>106</u>
Total operating charge:	1,743	1,649

Analysis of the amount charged to interest payable/credited to other finance income for LGPS

Interest cost	2,027	2,398
Expected return on assets	(1,308)	(1,723)
Interest on net deficit	-	-
Net charge to other finance income	<u>719</u>	675

Total profit and loss charge before deduction for tax

Analysis of other comprehensive income for LGPS :

Total other comprehensive income before deduction for tax

Notes to the Accounts

for the year ended 31 July 2016

20 Pension Schemes (continued)

History of experience gains and losses - LGPS

	31-Jul 2016	Year to			31-Jul 2012
		31-Jul 2015	31-Jul 2014	31-Jul 2013	
Difference between actual and expected return on scheme assets:					
Amount (£'000)	(296)	4	(26)	3	17
% of assets at end of year	(0.77%)	0.01%	(0.09%)	0.01%	0.07%
Experience (gains)/losses on scheme liabilities:					
Amount (£'000)	11,252	4,302	242	798	1,876
% of liabilities at end of year	17%	8%	1%	2%	5%

At 31-Jul 2016 £'000	At 31-Jul 2015 £'000
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Cumulative actuarial loss recognised as other comprehensive income for LGPS

Cumulative actuarial losses recognised at the start of the year	(2,661)	(2,134)
Cumulative actuarial losses recognised at the end of the year	(9,052)	(2,661)
Analysis of movement in surplus/(deficit) for LGPS		
Deficit at beginning of year	(19,843)	(16,595)
Contributions or benefits paid by the University	1,792	1,737
Current service cost	(1,654)	(1,505)
Administration expenses	(37)	(38)
Curtailments	(52)	(106)
Other finance charge	(719)	(675)
Gain recognised in other comprehensive income	(9,052)	(2,661)
Deficit at end of year	(29,565)	(19,843)
Analysis of movement in the present value of LGPS		
Present value of LGPS at the start of the year	53,885	46,875
Current service cost (net of member contributions)	1,654	1,505
Interest on member liabilities	2,031	1,995
Curtailments	52	106
Actual member contributions (including notional contributions)	503	536
Actuarial loss	11,252	4,302
Actual benefit payments	(1,332)	(1,434)
Present value of LGPS at the end of the year	68,045	53,885

Notes to the Accounts

for the year ended 31 July 2016

20 Pension Schemes (continued)

	Year to 31 July 2016 £'000	Year to 31 July 2015 £'000
Analysis of movement in the fair value of scheme assets		
Fair value of assets at the start of the year	34,042	30,280
Expected return on assets	1,312	1,320
Administration expenses	(37)	(38)
Actuarial gain on assets	2,200	1,641
Actual contributions paid by University	1,792	1,737
Actual member contributions (including notional contributions)	503	536
Actual benefit payments	(1,332)	(1,434)
Fair value of scheme assets at the end of the year	38,480	34,042

LGPS assets do not include any of the University's own financial instruments, or any property occupied by the University.

	Year to 31-Jul-16 £'000	Year to 31-Jul-15 £'000
Actual return on Scheme assets		
Expected return on Scheme assets	1,312	1,320
Asset gain	2,200	1,641
	3,512	2,961

Notes to the Accounts for the year ended 31 July 2016

21 Transition to FRS102 and the 2015 SORP

As explained in the accounting policies, these are the University's first financial statements prepared in accordance with FRS 102 and the SORP. The accounting policies set out in Note 1 have been applied in preparing the financial statements for the year ended 2016, the comparative information presented in these financial statements for the year ended 2015 and in the preparation of an opening FRS 102 Statement of Financial Position at 1 August 2014. In preparing its FRS 102, SORP based Statement of Financial Position, the University has adjusted amounts reported previously in financial statements prepared in accordance with its old basis of accounting (2007 SORP). An explanation of how the transition to FRS 102 and the SORP has affected the University's financial position, financial performance and cash flows is set out in the following tables:

Financial position	31 July 2015		31 July 2014	
	Consolidated £'000	University £'000	Consolidated £'000	University £'000
Total reserves under 2007 SORP	32,045	32,779	37,267	37,160
USS pension provision	(205)	(204)	(83)	(83)
Grant income	(3)	(3)	-	-
Employee leave accrual	(565)	(502)	(621)	(541)
Deferred Capital Grants	(7,595)	(7,435)	(8,293)	(8,103)
Total effect of transition to FRS 102	(8,368)	(8,144)	(8,997)	(8,727)
Total reserves under 2015 SORP	<u>23,677</u>	<u>24,635</u>	<u>28,270</u>	<u>28,433</u>

Financial performance	Year ended 31 July 2015	
	Consolidated £'000	University £'000
Surplus for the year under 2007 SORP	(1,535.0)	(726)
USS pension provision	(121)	(121)
LGPS Pension	(441)	(441)
Deferred Capital Income released	131	131
Employee leave accrual	55	41
Hire Purchase Leases	(3)	(3)
Endowments	(18)	(18)
Movement under FRS17 Actuarial (loss) in respect of LGPS pension scheme	(3,102)	(3,102)
Movement under FRS102 Actuarial gain in respect of LGPS pension scheme	441	441
Total effect of transition to FRS 102	(3,058)	(3,072)
Total comprehensive income for the year under 2015 SORP	<u>(4,593)</u>	<u>(3,798)</u>

Cash Flows

The only impact of the transition to FRS 102 on the cash flows of the University or the Group is the reclassification of some short term investments to cash and cash equivalents as shown above.

Notes to the Accounts for the year ended 31 July 2016

21 Transition to FRS102 and the 2015 SORP

As explained in the accounting policies, these are the University's first financial statements prepared in accordance with FRS 102 and the SORP. The accounting policies set out in Note 1 have been applied in preparing the financial statements for the year ended 2016, the comparative information presented in these financial statements for the year ended 2015 and in the preparation of an opening FRS 102 Statement of Financial Position at 1 August 2014. In preparing its FRS 102, SORP based Statement of Financial Position, the University has adjusted amounts reported previously in financial statements prepared in accordance with its old basis of accounting (2007 SORP). An explanation of how the transition to FRS 102 and the SORP has affected the University's financial position, financial performance and cash flows is set out in the following tables:

	1 August 2015			31 July 2014		
	2007 SORP £'000	Effect of transition to 2015 SORP £'000	2015 SORP £'000	2007 SORP £'000	Effect of transition to 2015 SORP £'000	2015 SORP £'000
Non-current assets						
Fixed Assets	57,497	219	57,716	59,483		59,483
	57,497	219	57,716	59,483	-	59,483
Endowment assets	»	-		18	—	18
Current assets						
Stock	57		57	58		58
Trade and other receivables	4,893		4,893	9,650		9,650
Investments	102		102	115		115
Cash and cash equivalents	703		703	486		486
	5,755		5,755	10,309		10,309
Less: Creditors: amounts falling due within one year	(7,951)	(1,100)	(9,051)	(12,104)	(1,188)	(13,292)
Service concession liabilities due within one year	-	-	-	-	-	-
Share of net liabilities in associate	-	-	-	-	-	-
Net current (liabilities)/assets	<u>(2,196)</u>	<u>(1,100)</u>	<u>(3,296)</u>	<u>(1,795)</u>	<u>(1,188)</u>	<u>(2,983)</u>
Total assets less current liabilities recorded within other Comprehensive Income.	55,301	(880)	54,421	57,706	(1,188)	56,518
Creditors: amounts falling due after more than one year	(72)	(7,283)	(7,355)	(91)	(7,726)	(7,817)
Provisions						
Provisions for liabilities	(3,341)	-	(3,341)	(3,753)	-	(3,753)
Other pension liability	(19,843)	(204)	(20,047)	(16,595)	(83)	(16,678)
Other provision	-	-	-	-	-	-
Total net assets	<u>32,045</u>	<u>(8,368)</u>	<u>23,677</u>	<u>37,267</u>	<u>(8,997)</u>	<u>28,270</u>
Deferred capital grants	7,726	(7,726)	-	8,293	(8,293)	
Restricted Reserves						
Income and expenditure reserve - endowment reserve				18		
Income and expenditure reserve - restricted reserve	-	-				
Unrestricted Reserves						
Income and expenditure reserve - unrestricted	(5,029)	(642)	(5,671)	(1,229)	(704)	(1,933)
Revaluation reserve	29,348	-	29,348	30,185		30,185
	24,319	(642)	23,677	28,974	(704)	28,270
Non-controlling interest	-	-	-	-	-	-
Total Reserves	<u>32,045</u>	<u>(8,368)</u>	<u>23,677</u>	<u>37,267</u>	<u>(8,997)</u>	<u>28,270</u>

Notes to the Accounts

for the year ended 31 July 2016

21. Transition to FRS102 and the 2015 SORP

	2007 SORP £'000	STRGL Items* £'000	Effect of transition to 2015 SORP £'000	Prior Year Adjustment £'000	2015 SORP £'000
Income					
Tuition fees and education contracts	26,537		-	-	26,537
Funding body grants	5,375		-	-	5,375
Research grants and contracts	1,976		-	-	1,976
Other income (adjusted to exclude income from joint ventures)	8,503		-	-	8,503
Investment income	4		-	-	4
Total income before donations and endowments	42,395	-	-	-	42,395
Donations and endowments	-		-	-	-
Total income	42,395	-	-	-	42,395
Expenditure					
Staff costs	24,750		133		24,883
Fundamental restructuring costs	1,760		-		1,760
Other operating expenses	15,214		(66)		15,148
Depreciation	1,902		55		1,957
Interest and other finance costs	304		388		692
Total expenditure	43,930	-	510	-	44,440
(Loss) before tax	(1,535)	-	(510)	-	(2,045)
Taxation	-		-		-
(Loss) after tax	(1,535)	-	(510)	-	(2,045)
Non controlling interest	-		-		-
(Loss) for the year	(1,535)	-	(510)	-	(2,045)
Actuarial (loss)Zgain in respect of pension schemes	-	(2,661)	-	-	(2,661)
Donations and endowments	-	(18)	-	-	(18)
Deferred Capital Income released	-	-	-	131	131
Total comprehensive income / (expenditure) for the year	(1,535)	(2,679)	(510)	131	(4,593)

* This column represents items that were previously recorded within the Statement of Total Recognised Gains and Losses (STRGL) and are now recorded within the statement of Comprehensive Income (SoCI). This column should not include recognition of valuation changes arising from the adoption of the 2015 SORP. These are included within the effect of transition to 2015 SORP column.

Notes to the Accounts for the year ended 31 July 2016

21 Transition to FRS102 and the 2015 SORP

As explained in the accounting policies, these are the University's first financial statements prepared in accordance with FRS 102 and the SORP. The accounting policies set out in Note 1 have been applied in preparing the financial statements for the year ended 2016, the comparative information presented in these financial statements for the year ended 2015 and in the preparation of an opening FRS 102 Statement of Financial Position at 1 August 2014. In preparing its FRS 102, SORP based Statement of Financial Position, the University has adjusted amounts reported previously in financial statements prepared in accordance with its old basis of accounting (2007 SORP). An explanation of how the transition to FRS 102 and the SORP has affected the University's financial position, financial performance and cash flows is set out in the following tables:

	01-Aug-15			31-Jul-14		
	2007 SORP £'000	Effect of transition to 2015 SORP £'000	2015 SORP £'000	2007 SORP £'000	Effect of transition to 2015 SORP £'000	2015 SORP £'000
Non-current assets						
Fixed Assets	57,086	218	57,304	58,967	-	58,967
	<u>57,086</u>	<u>218</u>	<u>57,304</u>	<u>58,967</u>	<u>-</u>	<u>58,967</u>
Endowment assets		-		18		18
Current assets						
Stock	52		52	52		52
Trade and other receivables	4,693		4,693	6,047		6,047
Assets held for resale	-		-	990		990
Investments	102		102	115		115
Cash and cash equivalents	246		246	381		381
	<u>5,093</u>		<u>5,093</u>	<u>7,585</u>		<u>7,585</u>
Less: Creditors: amounts falling due within one year	(6,210)	(1,002)	(7,212)	(9,395)	(1,077)	(10,472)
Service concession liabilities due within one year	-	-	-	-	-	-
Share of net liabilities in associate	-	-	-	-	-	-
Net current (liabilities)/assets	<u>(1,117)</u>	<u>(1,002)</u>	<u>(2,119)</u>	<u>(1,810)</u>	<u>(1,977)</u>	<u>(2,887)</u>
Total assets less current liabilities recorded within other Comprehensive Income.	55,969	(784)	55,185	57,175	(1,077)	56,098
Creditors: amounts falling due after more than one year	(72)	(7,156)	(7,228)	(91)	(7,567)	(7,658)
Provisions						
Provisions for liabilities	(3,275)	-	(3,275)	(3,329)	-	(3,329)
Other pension liability	(19,843)	(205)	(20,048)	(16,595)	(83)	(16,678)
Other provision	-	-	-	-	-	-
Total net assets	<u>32,779</u>	<u>(8,144)</u>	<u>24,635</u>	<u>37,160</u>	<u>(8,727)</u>	<u>28,433</u>
Deferred capital grants	7,567	(7,567)	-	8,103	(8,103)	
Restricted Reserves						
Income and expenditure reserve - endowment reserve	-	-	-	18		
Income and expenditure reserve - restricted reserve	-	-	-			
Unrestricted Reserves						
Income and expenditure reserve - unrestricted	(3,901)	(577)	(4,478)	(1,103)	(624)	(1,727)
Revaluation reserve	29,113	-	29,113	30,142		30,142
	<u>25,212</u>	<u>(577)</u>	<u>24,635</u>	<u>29,057</u>	<u>(624)</u>	<u>28,433</u>
Non-controlling interest	-	-	-	-	-	-
Total Reserves	<u>32,779</u>	<u>(8,144)</u>	<u>24,635</u>	<u>37,160</u>	<u>(8,727)</u>	<u>28,433</u>

Notes to the Accounts

for the year ended 31 July 2016

21. Transition to FRS102 and the 2015 SORP

	2007 SORP £'000	STRGL Items* £'000	Effect of transition to 2015 SORP £'000	Prior Year Adjustment £'000	2015 SORP £'000
Income					
Tuition fees and education contracts	22,857				22,857
Funding body grants	5,315				5,315
Research grants and contracts	1,719				1,719
Other income (adjusted to exclude income from joint ventures)	6,886				6,886
Investment income	4				4
Total income	36,781	-	-	-	36,781
Expenditure					
Staff costs	21,958	-	146	-	22,104
Fundamental restructuring costs	-	-	-	-	-
Other operating expenses	13,448	-	(66)	-	13,382
Depreciation	1,798	-	55	-	1,853
Interest and other finance costs	303	-	389	-	692
Total expenditure	37,507	-	524	-	38,031
Gain/(loss) on disposal of fixed assets	-	-	-	-	-
Gain/(loss) on investments	-	-	-	-	-
Share of operating surplus/(deficit) in joint venture	-	-	-	-	-
Share of operating surplus/(deficit) in associate	-	-	-	-	-
Surplus before tax	(726)	-	(524)	-	(1,250)
Taxation	-	-	-	-	-
Surplus after tax	(726)	-	(524)	-	(1,250)
Non controlling interest	-	-	-	-	-
Surplus for the year	(726)	-	(524)	-	(1,250)
Actuarial (loss)/gain in respect of pension schemes	-	(2,661)	-	-	(2,661)
Donations and endowments	-	(18)	-	-	(18)
Deferred Capital Income released	-	-	-	131	131
Total comprehensive income for the year	(726)	(2,679)	(524)	131	(3,798)

* This column represents items that were previously recorded within the Statement of Total Recognised Gains and Losses (STRGL) and are now recorded within the statement of Comprehensive Income (SoCI). This column should not include recognition of valuation changes arising from the adoption of the 2015 SORP. These are included within the effect of transition to 2015 SORP column.

Notes to the Accounts

for the year ended 31 July 2016

22 Events after the reporting period

The Land and Buildings include a Stadium asset as at 31 July 2016. A 99 year full repairing lease was signed at 1 August 2016 with a third party.

23 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, transactions may take place with organisations in which a member of the Board of Governors may have an interest. All transactions involving organisations in which a member of the Board of Governors may have an interest are conducted at arm's length and in accordance with the University's financial regulations and normal procurement procedures. All members of the Board of Governors and senior post holders are required annually to declare any interests and disclose all related party transactions, where appropriate. A trivial amount of transactions have taken place in year.