



THE
CONNECTED
UNIVERSITY



ANNUAL REVIEW AND FINANCIAL STATEMENTS

2018-19

ANNUAL REPORT



*37th out of 121 UK institutions in the Guardian League Tables 2020

CONTENTS

04	CHAIR'S FOREWORD
06	INCOMING CHAIR OF THE BOARD OF GOVERNORS
08	VICE-CHANCELLOR'S REPORT
10-15	KEY HIGHLIGHTS
16	CONNECTED STRATEGY
18-35	OUR VALUES
36	RISK MANAGEMENT FRAMEWORK
38-41	FINANCIAL REVIEW
42-44	CORPORATE GOVERNANCE
45	RESPONSIBILITY OF THE BOARD OF GOVERNORS
46	LIST OF GOVERNORS, EXECUTIVE AND ADVISORS
47	AUDITOR'S REPORT AND OPINION
48-72	FINANCIAL STATEMENTS

2018-19
ANNUAL REPORT

CHAIR'S FOREWORD

THE YEAR IN REVIEW



David Gage MBE, DL

Chair of the Board of Governors and
Pro Chancellor 2015-2019

The year has seen the University achieve all of our primary key performance indicators two years' ahead of target date as we are now in the top 50% of the major UK university league tables for the first time, including 37th place in the Guardian University League Table 2020; our highest position ever. We have also been awarded a gold rating in the Teaching Excellence Framework and have achieved our target of becoming financially sustainable in accordance with our Strategic Financial Plan. Alongside this, we are ranked in the Times Higher Education World University rankings for teaching and research for the first time.

As always, the Board is indebted to our committed colleagues across our academic Schools and professional services whose commitment to and acceptance of change, has been key to these enviable results. I offer my thanks to all staff and to the Students' Union for their support to students and their very positive approach to collaboration with the University.

Work has begun in earnest to develop our 2030 Strategy, building on our successes to date. It is essential that we plan for a future where massive and affordable processing power may well replace human intervention in many instances and so the challenge for us (and our students) is to prepare them as best we can for Industry 4.0. Our courses are already being enhanced with this in mind.

"We have much to celebrate as we review the academic year to 31 July 2019. Staffordshire University is now acknowledged as a leading digital university, a centre of student experience excellence and a force for civic good and whilst the challenges faced by the higher education sector continue unabated, the strong foundations we have put in place over recent times provide an essential platform from which to achieve growth, influence and provide an exciting and outstanding student experience."

Partnerships across the public, private and third sectors are at the heart of many of our achievements and this year has seen us grow those partnerships.

In February we were one of only a handful of universities to sign the Civic University Agreement reaffirming our commitment to impact positively on people's lives by building inter-generational aspiration and achievement. This, alongside our acknowledged excellence in teaching and research, will see Staffordshire University have a fundamental impact regionally, nationally and internationally by, not least, creating opportunities and encouraging social mobility.

We have signed a multi-million pound contract with four regional police forces to deliver apprenticeship training. The forces taking part in the programme are West Midlands, Staffordshire, West Mercia and Warwickshire. This new programme will prepare students for 21st century policing and the challenges of cyber-crime, online evidence and digital fraud.

In September 2019, we launched the Staffordshire University Digital Institute London, our new location in East London, delivering digital courses with plans to grow student numbers markedly in subsequent years. The

creation of the Digital Institute London not only enhances our competitiveness but also opens new markets for us and new experiences for our students.

It was a great pleasure to join students and their families at our Graduation Week at Trentham Gardens in July and our new Autumn Ceremonies in the King's Hall, Stoke in November. These are wonderful occasions celebrating students' achievements with their families and friends as well as welcoming our new honorary doctors.

I stand down as Chair of Governors this year having served four years as Chair and ten years on the Board, including four as Deputy Chair. It has been a privilege to work with everyone involved with our university. It has been a rewarding journey and I thank in particular my Board colleagues past and present, our Vice Chancellor, Professor Liz Barnes CBE and the Executive and Senior Leadership Teams. We have achieved much together, and I look forward to seeing Staffordshire University go on to even greater success in the coming years.

TOP 40
UK UNIVERSITY*

TEF Gold

*37th out of 121 UK institutions in the Guardian League Tables 2020

INCOMING CHAIR OF THE BOARD OF GOVERNORS



Colin Hughes

Chair of the Board of Governors

Looking to the future

I am delighted to join the Board of Governors at Staffordshire University at such an exciting and energising time, and I am grateful to my predecessor, David Gage, for his commitment and dedication to the University during his time as Chair. I know he will continue to advocate for the University and to take a keen interest in the continued progress of our students, staff, alumni, partners, and the organisation as a whole. As David's foreword highlights, the University's progress and achievements over recent years have been transformational, and the University now holds an enviable position as one of the country's leading digital universities, with its highest-ever league table rankings.

The landscape for Higher Education continues to develop, however, and to provide us with new opportunities and challenges. Staffordshire University must be at the forefront of transformation and change, pioneering an inclusive, digitally led student experience that equips our graduates for whatever the future holds for them. I am greatly looking forward to helping develop the University's 2030 strategy in order to meet these opportunities and challenges, and to working with our exceptional staff and students to advance the excellent progress already made.



VICE-CHANCELLOR'S REPORT



Professor Liz Barnes CBE

Vice Chancellor and Chief Executive

Our progress over the last year puts us fully on course to achieve this vision, coming from a low base prior to 2016. We have achieved our league table KPI two years ahead of schedule and have been awarded Gold in the Teaching Excellence Framework (TEF). We have broken into the THE World University rankings, continued to deliver high student satisfaction and have taken a leading role in the improvement of student mental health. Our new staff and student initiatives support a positive, values-based culture and new partnerships are improving social mobility and our contribution to quality of life locally, regionally and nationally.

Our focus on student experience and ensuring everyone can achieve their full potential, continues, and this year has seen us enter the top 10 for student experience in the Good University Guide. Our core themes of Innovative and Applied Learning, Connecting Communities, and Talented People underpin our work with staff, students and our communities to inspire aspiration and improve quality of life. I am particularly pleased that we have just been nominated in The Times and Sunday Times Good University Guide for 'University of The Year'.

Our creation of the Digital Institute London – teaching: gaming, esports, games community management, and from next year cyber security – is a measure of our ambition. The Institute puts us in the heart of the European capital of technology and will see our students have direct access to industry experts. It will bring students to Staffordshire University who would not have considered moving out of London and give opportunities to our Stoke-on-Trent based students. I am proud that the University has taken this bold step.

"Staffordshire University aims to be the UK's foremost digital higher education institution. By 2030 we will lead the sector in hyper-personalised learning that will prepare our students for the jobs that don't yet exist."

Plans for our Catalyst Building have continued to develop despite the unexpected delay caused by the presence of bats in the Brindley building. Groundworks will recommence in Autumn 2019 with construction expected to start in early 2020. This year has also seen Adult Nursing courses delivered at our Stoke campus and our success in, and reputation for, esports continues to grow. Our flexible approach, and skills in predicting and understanding the needs of the future jobs market, enable us to offer our students and employers the right courses in a fast-moving digital world.

Supporting our graduates to find employment is a priority. We continue to increase the number of employers we work with and the opportunities for students to experience real-world learning through initiatives such as placements, live briefs and employer-informed courses. Our GradEx competition, where students exhibit their work and are judged by industry experts, covered all six Schools for the first time this year and gave students valuable opportunities to build their career networks.

We also continue to increase opportunities for our students to spend time overseas either in the workplace or visiting other Universities and Schools. For example, a group of sports students visited Nippon Sports Science University in Japan and education students visited Italy. Currently a member of staff and a student from biomedical sciences are working in a laboratory in Brazil. Our placements with Airbus for our computing students in Germany continue to thrive.

The quality of our student experience is fundamental and so I was particularly pleased that we maintained our position in the top 10 for teaching quality in the Sunday Times Good University Guide.

TOP 10 FOR TEACHING QUALITY

Our student satisfaction in the National Student Survey is at 85%, ahead of the sector average, and I hope to see that increase in the coming academic year.

85% STUDENT SATISFACTION

Creating Connections to deliver equality

Our connections are at the heart of our success. In the last year we have strengthened and created partnerships, renewed relationships and worked collaboratively to the benefit of our wider communities. In March we welcomed Student Minds to our campus to host their first mental health charter workshop and we will be a partner in the Charter when it is launched. We have also been present at Stoke and Birmingham Pride festivals and saw our Centre for Health and Development focus on health inequality during its annual conference.

Applied Connectivity

Research, and its application, is of growing importance to Staffordshire University as part of our commitment to making a difference. The work of our academics has been seen, read and regarded as internationally important:

- Dr Caroline Sturdy Colls received international attention for her work on WWII archaeology in Alderney.
- Professor Karen Rodham's study into the psychology of Christmas received global attention.
- Professor Claire Gwinnett who won a Churchill Fellowship last year has spent her summer on the Hudson River researching microplastics and their impact.

Our focus on research will continue over the next 12 months, ensuring that we have a global focus for our work and maintaining our links across Europe and beyond.

Finally, I would like to give my personal thanks to our Chair of Governors, David Gage, for his tireless commitment and support to the University during his tenure. He has made a lasting impact on the institution and region to the great benefit of many who live, work and study here.

KEY HIGHLIGHTS

TOP 40 UK UNIVERSITY*

*37th out of 121 UK institutions in the Guardian League Tables 2020

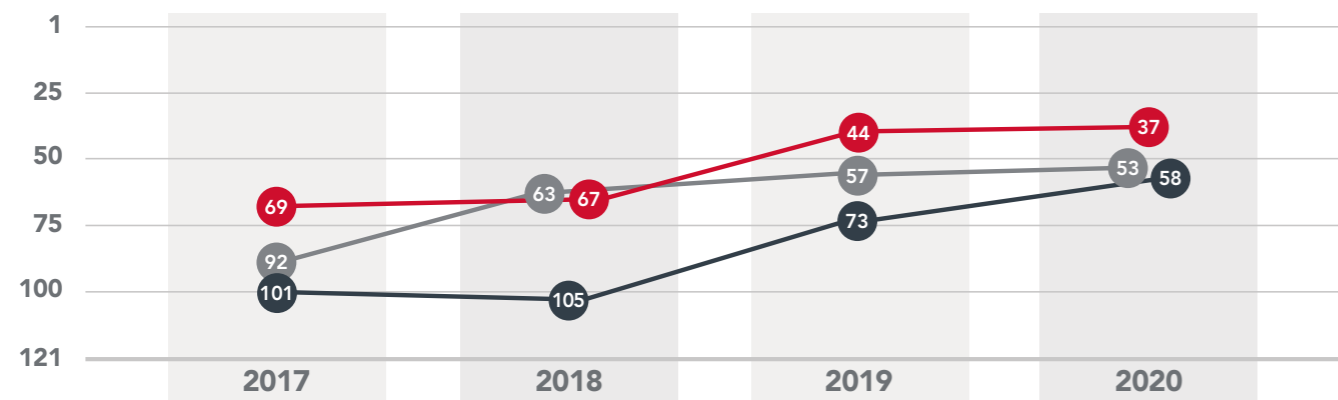
TOP 10 FOR TEACHING QUALITY**

**Sunday Times Good University Guide 2018 and 2019

HIGHEST UK CLIMBER***

***The Complete University Guide 2019

LEAGUE TABLES



- The Guardian University League Tables - **37th in 2020***
- The Complete University Guide - **58th in 2020***
- Times and Sunday Times Good University Guide - **53rd in 2020***

*Position is out of 121 UK institutions



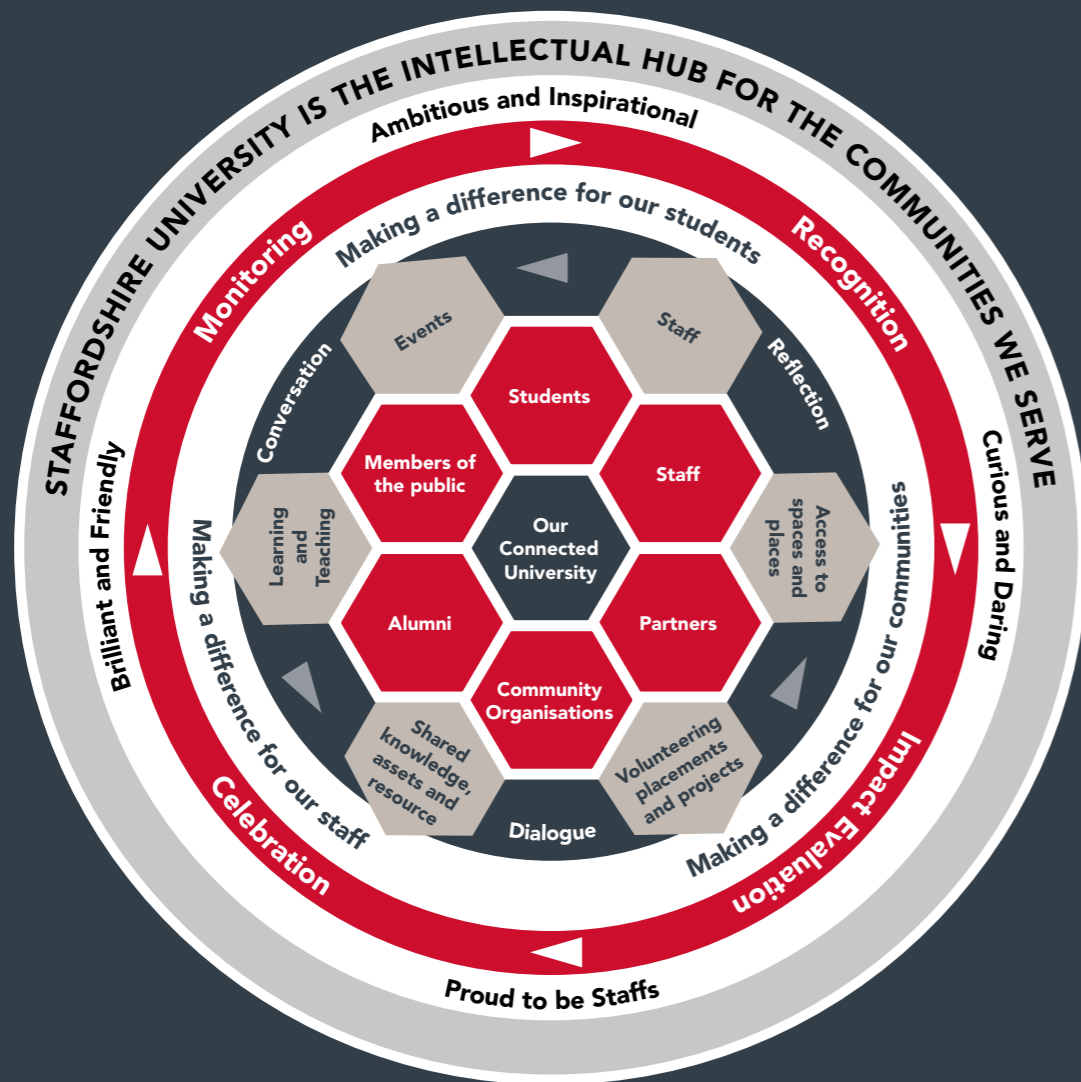
A GLOBAL UNIVERSITY

- In 2018/19, Staffordshire University worked with 42 collaborative academic partnerships in countries including China, Hong Kong, Malaysia, Oman, Sri-Lanka, USA, and Vietnam, and we delivered 347 courses with our partners to 13,670 students.
- Researchers from the School of Health and Social Care have joined forces with experts from across Europe on the 'Eldicare Project' to help plug the growing skills gap in the elderly care sector across the continent.
- The 17th Staffordshire Conference on Clinical Biomechanics showcased new research on feet and footwear attracting delegates and keynote speakers from all over the world.
- Business students received a masterclass from Staffs graduates who have climbed the ranks of two of the world's biggest brands - John Tarry, CEO for Tesco UK and ROI, and Mark McKenzie, Group Sales Director for Nestle UK and Ireland.
- We have worked with the University of Alabama to deliver the Smart Cities MSc.
- We celebrated a breakthrough to the 2019 Times Higher Education World University Rankings for the first time, recognising our reputation for research and innovative and applied learning.
- In Spring 2019, we hosted the Global Business Direction Annual Conference.
- This year's Noisefloor Festival saw our students perform alongside established musicians from the UK, Italy, Germany, Mexico, USA, Brazil and Canada.

KEY HIGHLIGHTS

THE CIVIC UNIVERSITY

Staffordshire University is an intellectual hub for the communities we serve. We share globally significant research, professional facilities and expert knowledge among our staff, students, and the local and far-reaching community. We strive to make a difference in society and support the change-makers of tomorrow.



The Civic University Framework is connected by six broad themes that are at the heart of our civic mission. This will continue to grow as we build a culture at Staffordshire University that values the contributions of all our stakeholders through open conversations, reflection and dialogue.

In 2019, the Staffordshire University community built the reputation of the Civic University in line with the themes of the Connected Communities Strategy:

TEACHING AND LEARNING

We have hosted several industry guest lecturers from different communities that have influenced teaching and learning throughout the academic year, such as successful fashion illustrator Jessica Bird. She visited Staffordshire University fresh from London Fashion Week to share her industry experience and cultural fashion knowledge with students during a set of masterclasses.

VOLUNTEERING, PROJECTS AND PLACEMENTS

We worked with a total of 43 community researchers on the Get Talking Hardship project. The team was made up of a diverse group of people from Stoke-on-Trent and North Staffordshire, and aimed to discover what people think about hardship and poverty in Stoke-on-Trent, and what could be done to make life fairer and easier for people in the community.

ACCESS TO SPACES AND PLACES

Members of the public have been invited to the popular 'Profs in the Pav' series which has seen top academics offer research and expertise on hot topics at the Beacon Building's Pavilion Fusion Café. We have shared insights into such avenues as Real Life Crime, Marketing, The Exercising Female, and more.

RESEARCH, INNOVATION AND IMPACT

Our Centre for Health and Development (CHAD) undertakes applied, translational research to improve health and help to reduce health and social inequalities in our local communities. In partnership with Stoke-on-Trent City Council and Staffordshire County Council, we have developed an extensive network of individuals and organisations to tackle local issues.

EVENTS

Staffordshire University's Big Biology Day returned for the third year. The mini science festival offered visitors from the city and beyond the chance to meet experts from the University and get hands-on with a host of activities, and meet representatives from partners including Staffordshire Wildlife Trust, Butterfly Conservation and Trentham Monkey Forest.

SHARED KNOWLEDGE, ASSETS AND RESOURCES

The Donna Louise Hospice for Children & Young People launched a campaign to sell 5,000 ceramic butterflies to raise money for the hospice, which has recently expanded its service to provide care for young adults. They approached and used Staffordshire University students for the design and the butterflies were then made by Wade Ceramics, in Stoke-on-Trent.



CHANGING LIVES

- In partnership with Staffordshire County Council, we launched The Staffordshire Deal to explore and deliver digital innovation in Staffordshire to improve people's lives and boost business productivity.
- As of January 2019, our University Charity is the Douglas Macmillan Hospice, who offer palliative care for patients over the age of 16 in North Staffordshire.
- Forensic Science student Mia Abbott won the Chartered Society of Forensic Sciences' Undergraduate Most Meritorious Student Award 2018 for her work to identify new strains of the synthetic drug 'Spice' in prisons.
- We sponsored the Staffordshire University Academy Trust (SUAT) to engage with students from disadvantaged backgrounds, and showcase the opportunities available to them through higher education.
- Staffordshire University Legal Advice Clinic (SULAC), operated by our Law degree students, started to provide free legal support to vulnerable people in the community.
- For the third year running, one of our Transport Design students has been named winner of the Superyacht UK Young Designer Competition 2019.
- We were among 30 universities to sign the new 'Civic University Agreement' pledging to play a leading role in improving the regional economy and enhancing quality of life in the local communities.
- We are a lead in the Higher Horizons Consortium, working across the region to reach young people with low educational aspirations.
- We now offer flexible degree apprenticeships in management and leadership that meet the needs of mature learners.

ADVANCING KNOWLEDGE

- Firearms expert Dr Rachel Bolton-King, Associate Professor in Forensic Science, was awarded a Winston Churchill Travelling Fellowship to help tackle growing gun crime in the UK.
- We have joined forces with police across the West Midlands in a major new partnership to deliver innovative, contemporary and high-quality police education. All new police recruits across four Forces will gain a Staffordshire University award as part of their police constable training.
- Claire Gwinnet, Associate Professor in Forensic and Crime Science, embarked on an expedition along New York's Hudson River to map microplastic pollution using Staffordshire University patented technologies.
- We began the design and the development of the new Catalyst Building, which will host new teaching facilities, a food court, an employer hub, and dedicated facilities for our student apprentices.
- We welcomed internationally renowned artist Neil Brownsword as Professor of Ceramics. Neil has been involved in many large scale projects, including his ground-breaking installation at the British Ceramics Biennial, and will lead the development of research and exciting overseas collaborations in our ceramics department.
- A research project led by Caroline Sturdy Colls, Professor of Conflict Archaeology and Genocide Investigation, revealed remnants of concentration and labour camps on Channel Island Alderney and was featured in TV documentary 'Adolf Island'.
- Jon Fairburn, Professor of Sustainable Development, contributed to a new World Health Organisation report highlighting that disadvantaged groups are among those most affected by environmental hazards contributing to health inequalities and deaths across Europe.

KEY HIGHLIGHTS



CONNECTED STRATEGY

We have achieved all of our key performance indicators 2 years early:

IN THE TOP 50% IN THE UK LEAGUE TABLES

GOLD STANDARD IN THE TEACHING EXCELLENCE FRAMEWORK

FINANCIALLY SUSTAINABLE IN ACCORDANCE WITH OUR STRATEGIC FINANCIAL PLAN

In 2016 the new Strategic Plan to 2020 was approved 'The Connected University'

The plan is supported by three core strategies:

- INNOVATIVE AND APPLIED LEARNING
- CONNECTING COMMUNITIES
- TALENTED PEOPLE

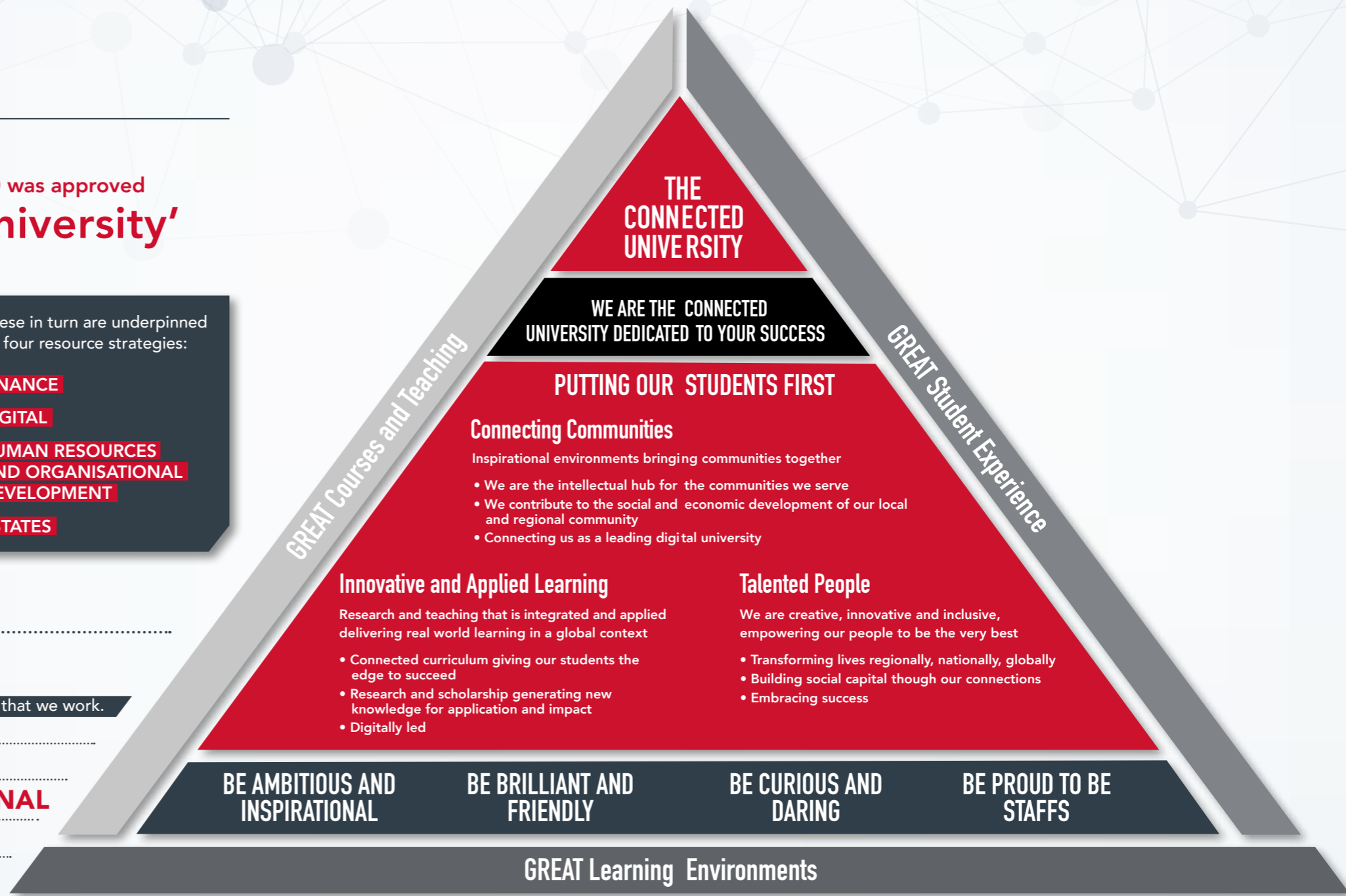
These in turn are underpinned by four resource strategies:

- FINANCE
- DIGITAL
- HUMAN RESOURCES AND ORGANISATIONAL DEVELOPMENT
- ESTATES

The values of the University are central to the way that we work.

PROUD TO BE STAFFS
AMBITIOUS AND INSPIRATIONAL
CURIOUS AND DARING
BRILLIANT AND FRIENDLY

These help define how we work, ensuring that our culture develops and facilitates the delivery of the strategic plan.



OUR VALUES

Staffordshire University is bringing its core values together to create a unique learning experience.

In 2018/19, we have not only lived and breathed the values of Staffordshire University as a community of students and staff members, we have evolved them into what has become the structured Value-Added Proposition of the business.

- **Curious and Daring – INNOVATIVE**
- **Proud to be Staffs - PROFESSIONAL**
- **Ambitious and Inspirational – GLOBAL VISION**
- **Brilliant and Friendly – CHANGE-MAKERS**



WHAT IS THE UNIQUE LEARNING EXPERIENCE?

The unique learning experience is the combination of our key pillars of being innovative, professional, change-makers and our global vision. It's the unique learning experience that makes us different from other universities, and transforms potential into successful Staffordshire University graduates that can change the world.

CURIOUS AND DARING

INNOVATIVE

Innovation is what we do. We drive new ideas and initiatives and are constantly adapting to new and evolving industry models.

We provide staff, students and our connected communities with new and unique ways to learn digital skills and this year alone we have developed projects such as:

SkillSite

We are one of just three universities in the UK to collaborate with Microsoft in order to create an all-inclusive hub of digital learning for both staff and students. The portal platform website will host a variety of learning opportunities aimed to upskill users with relevant and transferrable digital skills.

Smart Zone

The Smart Zone is the gateway to next-generation technologies. With over £1m invested in new facilities, both digital and manual, launched in September 2019, it is a space that is designed for collaboration, networking and designer-making all in one.

Catalyst Building

Our new £40m Catalyst Building will bring together employers and students to share ideas and will provide the perfect environment for innovation and entrepreneurship. Construction of the Catalyst Building is due to begin in 2020.

Pathways

Starting September 2019, we are revolutionising the way selected courses run at the University. Beginning with BSc (Hons) Biological Science and with plans to implement through many other courses, the structure gives students the freedom to tailor their modules to their industry and career interests part way through their course, resulting in a specialist degree.



WHY WE ARE CURIOUS AND DARING

It has been another curious and daring year for the University, with new and exciting products being tried and tested successfully. This coming academic year marked the launch of Digital Institute London, Staffordshire University's brand-new location in Queen Elizabeth Park, East London. We are pioneering new courses to address the needs of employers in emerging industries, and this is the latest proof of our commitment to breaking boundaries in education.

Digital Institute London

Launched in September, we are offering specialist courses at our new facilities in London, the European capital of technology.

The Digital Institute London, based at Here East, Queen Elizabeth Olympic Park in East London, will combine expert teaching with access to London's thriving mix of companies which are leading the way in cutting-edge technologies.

And students seeking their dream job in the computer games industry are studying on Staffordshire University's pioneering degrees in esports or computer games design.

Vice-Chancellor Professor Liz Barnes CBE said: "Digital Institute London

is not only the culmination of our efforts to create a truly Digital University, but also a statement of intent from Staffordshire University. It represents a core part of our ongoing commitment to empower students and prepare them for the careers of tomorrow.

"We are investing in a model of future learning that will give young people a distinct edge when it comes to carving out careers in these rapidly growing sectors. With the support of our industry partners, we believe that Digital Institute London will become a shining example of our shared goal to connect the most employable graduates with the most exciting emerging industries."

Dr Jo Twist OBE, CEO of Ukie, who delivered the keynote speech at the state-of-the-art facility's official launch, said: "Staffordshire University recognised esports early on as a growth sector. It was an early adopter in shaping its world-leading esports degree, and producing the business leaders and creators of tomorrow.

"Staffordshire University also recognises the importance of building really close links with the industries within which its graduates will end up working, so having Digital Institute London opening in Here East – at the heart of London's most vibrant tech and creative sectors – really provides the UK with an absolutely golden opportunity to be globally leading."



"Staffordshire University was the first university to launch a dedicated esports degree last year and we know from our work with employers that the industry is crying out for innovative graduates with the skills to take on new and emerging roles, many of which are London-based."

From left to right: Director Rachel Gowers, Vice Chancellor Professor Liz Barnes CBE, Dr. Jo Twist OBE



From left to right: Nadine Jones, Staffordshire Police Head of Forensics John Beckwith, Deputy Chief Constable Nick Baker, Vice-Chancellor Professor Liz Barnes CBE, Craig Ratcliffe, Kayleigh Shephard

Digital Forensics and Staffordshire Police

Detecting biological evidence by specialist torches and retrieving data from Amazon Alexa were among the 'curious and daring' investigations carried out by Staffordshire University students on placement.

Students and recent graduates presented the results of their six-week placements with Staffordshire Police to Staffordshire University academics, the Force's forensics team and Deputy Chief Constable Nick Baker.

More than 40 students have worked with the Staffordshire Forensic Partnership since its creation in 2016 by Staffordshire University, Staffordshire Police and the Staffordshire Commissioner.

Since the programme was set up, graduates have gone on to work in roles including forensic investigator, forensic presentation officer, university lecturer, and digital forensic analyst and examiner. They are now working

with Staffordshire Police, West Midlands Police, Greater Manchester Police, Liverpool John Moores University and private sector digital forensics, among other organisations.

The programme was set up to exchange ideas between academia and policing and to deliver leading technology and services in forensics. Students participate in six-week or three-month placements and come from traditional and digital forensics backgrounds.

Students have attended crime scenes and conducted research and testing of new equipment. They have also introduced new ideas, such as 360-degree filming which captures evidence and allows investigators to return to a virtual crime scene. Others have tested equipment which searches for 'invisible' evidence, such as firearms residue and fake blood spots at crime scenes and evidence gathering from devices such as fitness apps.

The partnership recently won the award for 'Best Collaboration between a University and Employer' at the National Undergraduate Employability Awards.

Staffordshire Police Deputy Chief Constable Nick Baker said: "We're delighted to be celebrating three years of creative thinking, sharing ideas and developing best practice with our partners at Staffordshire University.

"The students have brought a fresh approach and some great ideas about how we can gather digital evidence from Apps and digital devices to help us build criminal cases."

Head of Criminal Justice and Forensic Science Professor Graham Williams, of Staffordshire University, added: "This partnership has been of enormous benefit to our students, embedding real-world practical experience and our academic staff have also enjoyed working in collaboration with frontline practitioners. We're excited about new opportunities the partnership will bring."

Staffordshire Commissioner, Matthew Ellis, said: "The pace of advances in forensic science over recent years has made it even more crucial that the right training is in place so the next generation is ready to help the police achieve the best evidence possible."

PROUD TO BE STAFFS

PROFESSIONAL

Professional is who we are. As a community, we strive to be professional in everything we do, from small showcasing events to industry-wide competitions.

One of our main goals as an institution is to enable students to graduate in possession of a complete professional profile based on our values, competences and attitudes, and we continue to provide opportunities to showcase and develop these attitudes within our connected communities.

GradEX19

Students are given the opportunity to meet with industry professionals and exhibit their talents as designers and visionaries in this year's GradEX competition. GradEX19 was sponsored by a range of employers and professional organisations and many expert volunteers support the event by acting as judges.

Art and Design Degree Show

Again, this year we are proud to celebrate the work of our students in the Art and Design degree show. This was a chance for students from many different disciplines to exhibit their work to friends, family and businesses across the country – providing invaluable experience and potential networking opportunities along the way.

Guaranteed Work Experience

Our work experience opportunities are essential to the professionalisation of past, present and future students. This year, we have continued to offer the opportunity of a work placement to every student by using our connections to contacts in businesses around the world.

Be Inspired Project

We have secured £1m through Be Inspired, a project that provides business support and development for graduates, from the European Regional Development Fund. The funding is set to create 100 graduate start-ups and 100 jobs in Staffordshire over the next three years.



WHY WE ARE PROUD TO BE STAFFS

Staffordshire University continues on its upward trajectory, improving year-on-year in the achievement of its key metrics.

We have finally achieved TEF Gold status in the Teaching Excellence Framework 2020, we are the highest climbers in the Good University Guide 2020, and we've maintained our status as a top ten university for Teaching Quality in the Sunday Times Good University Guide 2019.

Our staff and students continue to make us proud as a University, and in turn, we are proud to be a part of an institution that is going from strength-to-strength.

A tribute to Dr Ruth Thompson

This year we formally launched our social learning space celebrating the legacy of former Governor Dr Ruth Thompson.

Ruth had a 30-year career in the Civil Service where she rose to Director-General for Higher Education. She also served as a Governor at Staffordshire University from 2010 until she passed away in July 2016. During her career, Ruth advised Ministers on the future direction and strategy for Higher Education and she was passionate about education and the student experience.

Ruth brought her immense experience to Staffordshire University's Board of Governors. She wanted to make a difference, and through her legacy gift we're delighted that she continues to support students at our Connected University.

Last year we completed work on the Student Hub which is home to our Information, Support and Wellbeing Services. This social learning space is an important part of the hub. It is a place where students can connect, relax and engage and it is dedicated to Ruth. Our talented surface pattern students took part in a competition – and the winning design now adorns the walls. Ruth's widower Sir David Bean presented certificates to our winner Nikki Fahy and runner up Jillian Gornall whose work is also displayed in the University.

The furniture was designed specially to ensure all students have a place to study and collaborate. And as part of that, two special panels - which act as dividers - were created in Ruth's memory and carved with images of her great loves – swimming and the great outdoors.

As a University, we have a lot to thank Ruth for and we were delighted to bestow upon her the posthumous award of Honorary Doctor of the University in 2017.



From left to right: David Gage MBE DL, Sir David Michael Bean, Vice-Chancellor Professor Liz Barnes CBE, The Lord Stafford DL FRAGS

James Shakespeare – winner of the Superyacht UK Young Designer Competition 2019

James Shakespeare beat nine other contenders in the competition which had a James Bond theme this year. His design was praised for its visual style and eco-friendly features.

On winning the competition, the only one of its kind in the UK, James said: "The environmental element of the brief was a good challenge and I learnt a lot from the talks at The Superyacht Design Forum."

This is the third year running that a Staffordshire University student has won first prize in the competition. James has flown the flag for the University this year and proved that,

as an institution, we are invested in the next generation of energy use as well as aesthetic design.

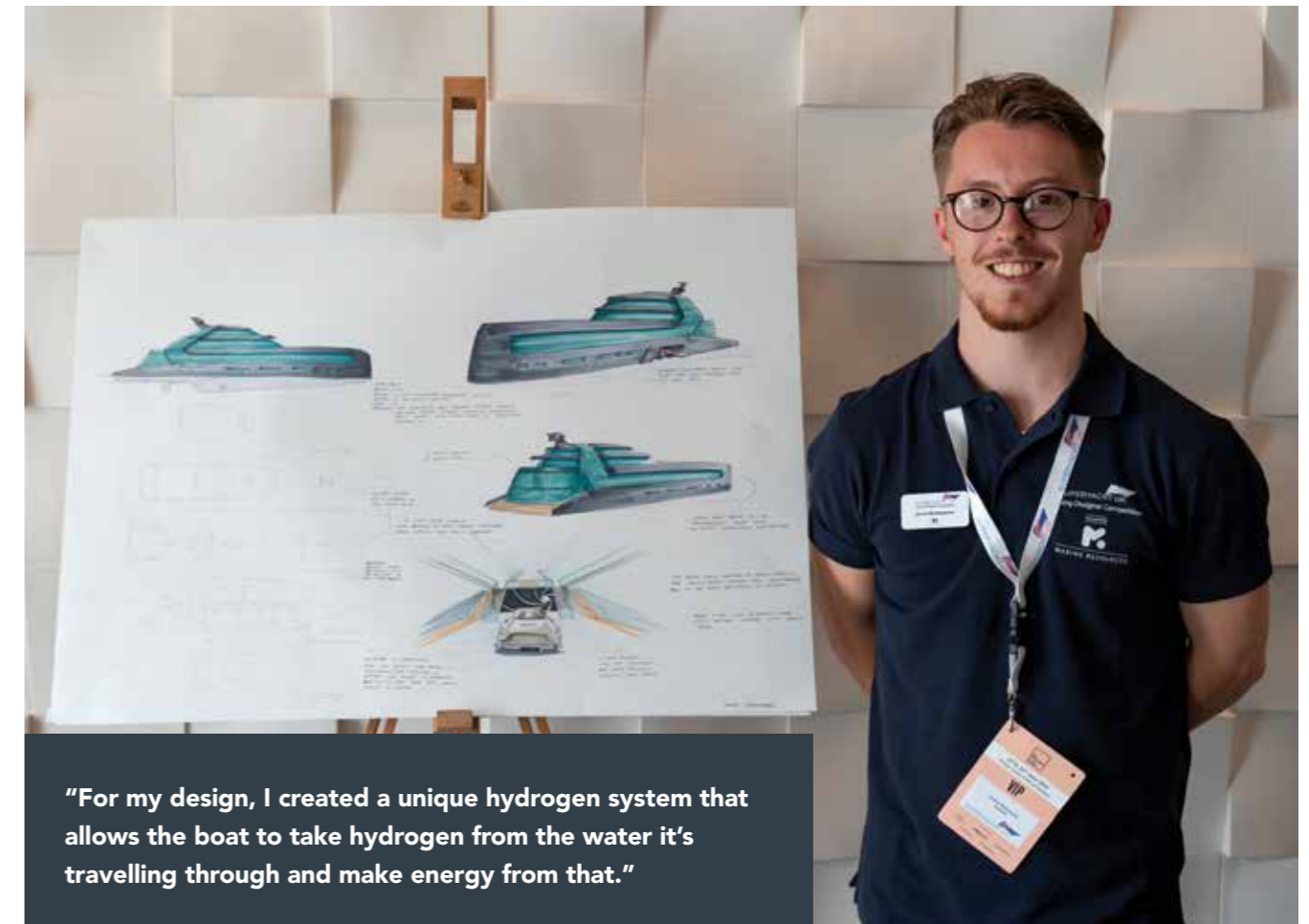
"For my design, I created a unique hydrogen system that allows the boat to take hydrogen from the water it's travelling through and make energy from that," he added.

James now has the opportunity to spend two weeks at the custom superyacht builder and refit specialist, Pendennis Shipyard, followed by an additional two weeks at yacht and superyacht design house, Olesinski Ltd.

Jeff Houlgrave, chairman of Superyacht UK, said it had been an excellent couple of days mentoring Britain's next generation of design talent. He said "This year it was particularly difficult to decide between the top four contestants, but we are thrilled to crown James 2019's Superyacht UK Young Designer.

"James was chosen as the winner because he provided the best all-round package. He created a feasible and sound concept with quality design.

"We are proud to have given James the platform to launch his future in transport design."



"For my design, I created a unique hydrogen system that allows the boat to take hydrogen from the water it's travelling through and make energy from that."

BRILLIANT AND FRIENDLY

CHANGE-MAKERS

The Staffordshire University community prides itself on being brilliant and friendly. It's our attitude as a community that makes us stand out from the crowd, and gives us the opportunity to make a difference in the world.

Our purpose is to make an impact with our research to transform society and work for a better and fairer future within the connected communities by implementing our social projects.

Scholarships that make a difference

We continue to make a positive change in industry. In the past year, ceramic artists from Staffordshire University have been awarded international scholarships to nurture their talent. Eight scholarships were awarded across the BA (Hons) 3D Designer Maker and MA Ceramic Design programmes at Staffordshire University, in the hope of creating new expertise that has an lasting impact in ceramics.

Research with impact

We are not just inspiring our students to make a change in the world, we are leading by example. We are continuing to make waves in microplastic research and much more, as well as running our research centres in archaeology, psychological research, biomechanics and rehabilitation technologies, and health and development.

Successful Alumni

Our Alumni are all over the world in ground-breaking industries, making positive and influential changes in business. Not only does this prove the success of our unique learning experience – it gives us a huge international and high-level network of brilliant and friendly connections for our current students and staff to communicate with.

Students' Union

Our brilliant and friendly community wouldn't be complete without our Students' Union, who provide support and social activities throughout the academic year. They also continue to represent our students in officer positions that lead and shape the direction of the Union, with Connor Bayliss taking over from Tash Crump this year as President.



WHY WE ARE BRILLIANT AND FRIENDLY

Staff, students and services are expected to be brilliant and friendly ambassadors for the University at all times, and we are proud to say that they are just that. The Staffordshire University community has been the beacon of positivity at events such as Open Days, UCAS Fairs, the Art and Design Degree Show, GradEx, and much more.

We don't have to wait for events to showcase our values though, as all staff and students are consistently fulfilling the brilliant and friendly values, whether working, playing or studying.

Brilliant and Friendly Award

Mohamed Heidari is a local mature student who graduated with a LLB Law degree this summer and was nominated for the Vice-Chancellor's graduating student award for embodying the University's value of being 'brilliant and friendly'.

Through engagement with studies, extra-curricular activities and volunteering work with the Citizens Advice Bureau (CAB), Mohamed inspired other students on how to impact the local community and thrive as a Staffordshire University student.

Dedicated to his studies, in both his first and second years, he attended all classes whilst suffering with a very painful condition and took his exams with the same condition without complaint, despite his disability. Moreover, he supported other students to achieve their best.



From right to left: Mohamed Heidari, Jessica Latham, Tawney Leigh Bennett, Matthew Bennett

Mohamed volunteered to participate in the International Criminal Court (ICC) moot competition aware that he would be competing against Masters' students from other Universities. He played a central role in leading the ICC Moot team to become the 2nd best English team in the national rounds of the competition and eventually qualifying for the international rounds of the competition at The Hague. Alongside his volunteering for CAB,

he has worked part-time as a tutor and mentor at Stoke-on-Trent Sixth Form College where he is inspiring our future prospective students. He is an inspiration to many of the students who are embarking on a 'second chance' to progress through education and equally to those who have not yet reached their potential through traditional routes. He is testament to what can be achieved with the right support.

The launch of SULAC advice clinic

A new legal advice clinic, operated by Law degree students at Staffordshire University was launched this year, giving much needed support to vulnerable people.

Staffordshire University Legal Advice Clinic (SULAC) is now up and running in community locations in the City Centre and Stafford and is also taking constituency referrals from Stoke-on-Trent Central MP Gareth Snell. Students are now providing formal written legal advice on a range of issues covering housing, family, consumer, and employment following a face-to-face interview with the client. The students are supervised throughout the process which will help to build skills and provide real world experience, as well as providing a service to the local community as part of our Connected Communities Framework.

Senior lecturer and solicitor, Tracey Horton, said: "The new Clinic is a direct response to the difficulties faced by the most vulnerable in our society and we are extending the service to staff working in HM Prison Stafford and Royal Shrewsbury Hospital. The clinic will also be offering a priority service to cancer patients via Macmillan Cancer Support.

"Increasingly people are struggling to get legal advice because of legal aid cuts, court closures and expensive court fees. To add to this, many advice agencies are also having their budgets slashed which makes the situation much worse. The people needing this advice are ordinary people dealing with every day issues such as divorce, access to children, loss of jobs and personal injury."



From right to left: Constantinos Pavlakosand, Larisa Astley

Gareth Snell MP has welcomed the new initiative which is actively reaching out to those most in need. He said: "Access to justice is a basic human right and I'm delighted that Staffordshire University is taking the initiative where there is clear demand and pressures on advice agencies is high. SULAC will be offering a much needed service in the community and through referrals."



Staffordshire University Legal Clinic (SULAC) and Staffordshire University Law Department

AMBITIOUS AND INSPIRATIONAL

GLOBAL VISION

Our staff and students think outside the boundaries of education, the country, and the continent. We constantly contextualise our work and portfolio with the outside world and align it to create the best opportunities and connections for studying students.

We have students from all over the world making up our connected communities, and our physical and digital reach is extending every day.

NSSU Exchange Programme

For the second year running, our sports and exercise students travelled to Nippon Sport Science University (NSSU) in Japan in May for a three-week trip. NSSU boasts a number of Olympic gold medallists among its graduates and have signed a Memorandum of Understanding with Staffordshire University to develop a sport and cultural exchange programme.

Global policing

In October 2018, we brought the world to Staffordshire University when we hosted students from Shanghai Policing College for two weeks for an activity designed to give them an insight into police practices in the UK. This included on-campus lectures and workshops on many aspects of policing including cyber-crime, anti-terrorism and crisis and hostage negotiation as well as community and traffic policing.

International research

The Forensic Fibres Microplastic Research Group at Staffordshire University is leading research into artificial environments. The team, that includes final year student Becky Snow, are travelling to the Netherlands to build research partnerships and use specialist equipment at the Institute of Ecology Research, which recreate natural water environments on a much smaller scale.

Distance Learning

Our distance learning portfolio is continuing to grow and give students from anywhere in the world a chance to study and graduate. In August 2018, Richard Bretherick, 49, from West Yorkshire, received an award from our Vice-Chancellor for his completion of the MA International Policy and Diplomacy degree by distance learning while working as South Sudan Country Director for the Mentor Initiative, a non-governmental organisation which works to fight tropical diseases like malaria.



WHY WE ARE AMBITIOUS AND INSPIRATIONAL

It is the ambition of our staff and students that drives and inspires our next generation of business owners, sports stars, artists and scientists to follow their dreams. Staffordshire University has continued to evolve digitally as well, bringing new technologies to all our students.

Fulfilling a lifetime ambition

This year has marked the recognition of one of our most inspirational students, Molly Hudson. Molly, final year BA (Hons) Sports Journalism student, was nominated in the British Sports Journalism Awards 2018 alongside established football journalists from national newspapers.

Not only was Molly, 20, the only student to make the shortlist but she was also the only female to feature in the category.

Encouraged to work freelance during her university studies, Molly spent last summer working on the World Cup for The Independent. She now writes regularly for The Times and the BBC Sport website and covered the Women's World Cup in France earlier this year.

Molly said: "I am absolutely overwhelmed to be shortlisted for



such a prestigious award, alongside many of the sports journalists that I continue to learn from and admire. The Times have supported me and believed in me to put me forward for the award, which was an honour in itself, and I could not have built such a close relationship with The Times without the help from Stafford University, particularly Mitch Pryce and Ian Whittell and

the depth of contacts they have from years of experience in the industry.

"It can be hard to juggle working as a freelancer in such a pressured, and high-paced field, but the lecturers at Staffs have gone out of their way to ensure I can commit time to my university work as well as my career and maybe even have a bit of free time too!"

Breathing life into the Digital University with Beacon Bot

This year, the University teamed up with leading Cloud Services Provider ANS Group to become the first university in the UK to deploy an AI coach which uses intelligent Chatbot technology to provide round-the-clock help to its students.

Beacon, the Digital Coach App for mobile phones, provides personalised and responsive information on student timetables, enables contact with personal tutors and provides answers to 400 frequently asked

questions covering campus facilities and support services as well as other day-to-day services.

Pro Vice-Chancellor (Student Experience) Sue Reece said: "Beacon is just one of the innovative ways in which we are responding to the needs of our diverse student community. Developed to support the retention and progression of students, Beacon will nudge them towards actions and activities that will help their attainment.

The new App will help us to build positive relationships with our students and even flag up those who may need additional support, so that we can better cater for their needs. Ultimately, we want Beacon to help us to provide students with the best possible experience."

Released in January 2019, Beacon provided over 25,000 instant answers 24/7 and completed over 5,000 self-service tasks in the first four months alone.

"The new App will help us to build positive relationships with our students and even flag up those who may need additional support, so that we can better cater for their needs."

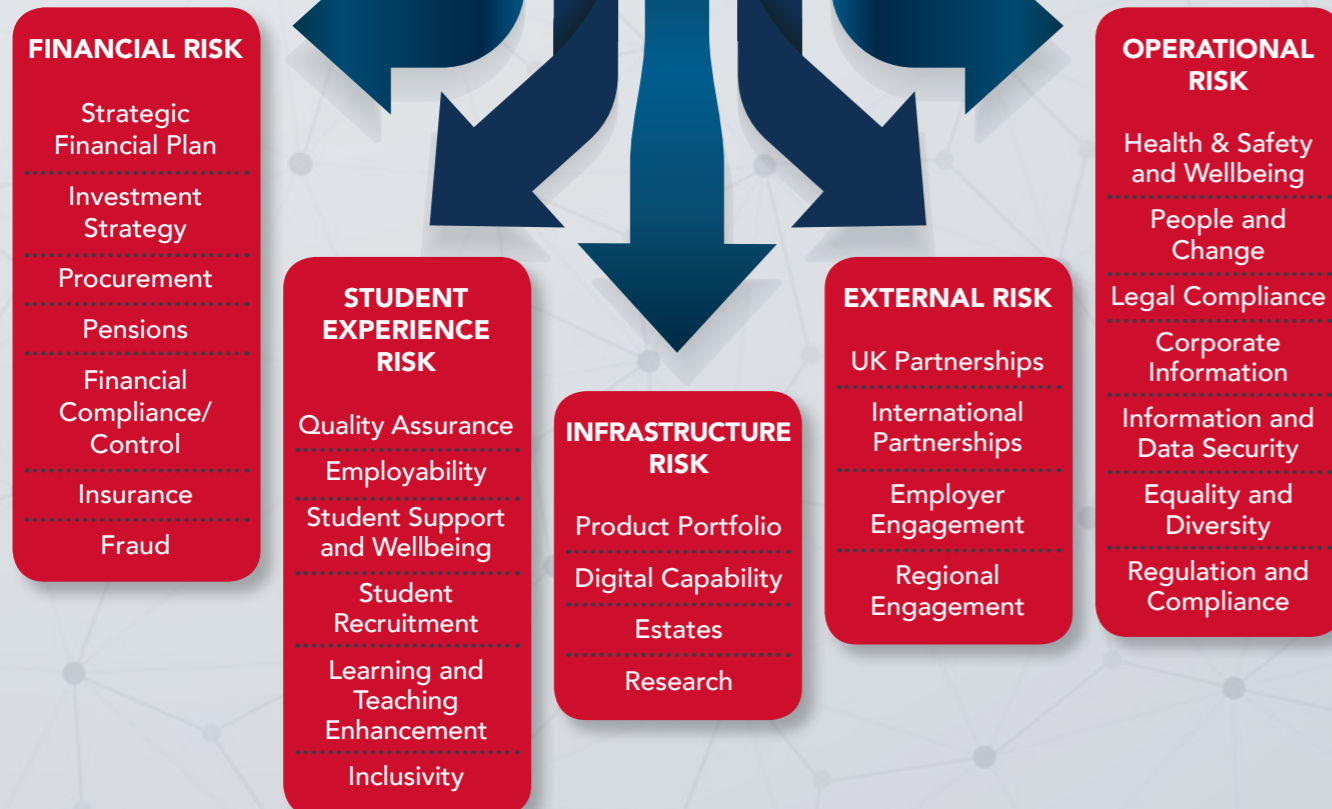


RISK MANAGEMENT FRAMEWORK

RISK APPETITE

The University has an overall risk appetite of Moderate with a tolerance level of Open.

RISK CATEGORIES AND REPUTATIONAL RISK



UNIVERSITY STRATEGIC HIGH LEVEL RISK RESPONSE

The University recognises and is developing new strategies and is constantly evolving to tackle high-level strategic risks.

- Risk Response 1** → **GOVERNMENT POLICY**
Taking measures to ensure all changes in government policy are foreseen and responded to effectively.
- Risk Response 2** → **STUDENT ATTRACTION**
Improving the unique learning experience to sustain the attraction of students.
- Risk Response 3** → **FINANCIAL SUSTAINABILITY**
Achieving our Strategic Financial Plan to ensure long term financial sustainability.
- Risk Response 4** → **RESEARCH**
Developing research potential to ensure successful REF performance.
- Risk Response 5** → **APPRENTICESHIPS**
Embracing the business development potential of apprenticeships and delivering a quality apprenticeship provision.
- Risk Response 6** → **EXTERNAL REGULATION**
Foreseeing and responding to the evolving demands of the Office for Students and other regulators.
- Risk Response 7** → **STUDENT RETENTION**
Providing an enhanced experience to successfully retain students.
- Risk Response 8** → **ESTATE MASTERPLAN**
Managing compliance with legislation and maintaining an innovative estate to support Student and Staff experience.
- Risk Response 9** → **UNIVERSITY REPUTATION**
Maintaining the University's reputation and protecting our reputation.
- Risk Response 10** → **BREXIT**
Responding and adapting to changes as a result of Brexit implementation.
- Risk Response 11** → **CYBER SECURITY**
Isolating vulnerabilities in IT infrastructure to protect critical IT assets against malicious cyber-attacks.
- Risk Response 12** → **STUDENT SATISFACTION**
Managing and evaluating student satisfaction throughout the academic year.

FINANCIAL REVIEW

SCOPE OF THE FINANCIAL STATEMENTS

The Financial Statements comprise the consolidated results for the University and its wholly owned subsidiary undertakings, Staffordshire University Services Limited and Staffordshire University Unitemps Limited, and are prepared in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS102) and the Statement of Recommended Practice: Accounting for Further and Higher Education 2015 (FE HE SORP 2015). The taxable profits of Staffordshire University Services Limited and Staffordshire University Unitemps Limited are gifted back to the University under a covenant arrangement.

RESULTS FOR THE YEAR

The adoption of FRS102 continues to present some challenges in terms of understanding the University's underlying operating performance owing to the inclusion of pension adjustments arising from the annual re-statement of pension liabilities and any further exceptional items. The impact of these items is that the University accounts can be much more volatile in terms of the headline results, and year on year comparisons can be less meaningful.

The University's Statement of Comprehensive Income for the year to 31 July 2019, as presented in the formal accounting statements, should be considered with reference to the following summary statement that identifies the key elements of our overall performance:

	2018/19			2017/18			
	Operating Activities £'000	Pensions Adjustment £'000	Total £'000	Operating Activities £'000	Brindley Write-down £'000	Pensions Adjustment £'000	Total £'000
Total Income	119,106	0	119,106	114,851	0	0	114,851
Total Expenditure	111,202	(2,248)	108,954	112,048	8,417	3,003	123,468
Surplus before other gains losses and share of operating surplus/deficit	7,904	(2,248)	10,152	2,803	(8,417)	(3,003)	(8,617)
Gain on disposal of fixed/ heritage assets	0	0	0	45	0	0	45
Surplus/(deficit) for the year	7,904	(2,248)	10,152	2,848	(8,417)	(3,003)	(8,572)
Actuarial gain/(loss) in respect of pension schemes	0	(27,694)	(27,694)	0	0	19,997	19,997
Total comprehensive income and expenditure for the year	7,904	(25,446)	(17,542)	2,848	(8,417)	16,994	11,425
Comprehensive surplus after transfer as a percentage of total income	6.6%			2.5%			

The results for 2018/19 include only one material adjustment outside of normal operating activities which arises from accounting for Retirement Benefits in accordance with FRS102. Based on the last triennial review (31 March 2016), the scheme actuaries have prepared an annual interim revaluation of the scheme's liabilities as required by FRS102. The impact this year has been to increase the liabilities and hence decrease the total comprehensive income by £25.4m. In 2017/18 the interim revaluation increased the surplus by £17.0m. The 2017/18 results also contained the write down of the remaining value of the Brindley Building (£8.4m) following the decision to demolish the building, which is over 40 years old and no longer fit for purpose, to be replaced by the new Catalyst Building, which will be part funded by the Office for Students (OfS).

Excluding the adjustment for pension costs, the operating performance for the year shows a surplus of £7.9m, representing 6.6% of total income (with the comparable figures for 2017/18 being £2.9m and 2.5%).

FINANCIAL REVIEW

INCOME

Against the backdrop of an increasingly competitive environment, the University has seen higher recruitment and retention of full-time students, building on investments in the student experience made in prior years. Income from tuition fees & education contracts has increased year on year by 4.6% to £94.2m, representing 79.1% of total income. Growth in traditional markets as well as diversification were the key themes for 2018/19. Taking into consideration the change in the funding method for nursing students who, from 1 August 2017, have been able to access funding through the Student Loan Company as a replacement for the NHS bursary scheme, where the University was funded direct on a contract basis, full time income saw an increase of £4.0m. The University's medium-term financial strategy assumes an increase in the number of full-time overseas students being taught in the UK, and this is reflected in an increase in income from those students of £1.1m, a 40.1% increase from 2017/18. The University's apprenticeship offering continues to grow, with an increase of £1.3m in income from apprenticeships – a 231.7% increase compared to the prior year. Partnerships remained relatively steady at £12.4m with an increasing focus on strategic alignment of the partnership offering.

The University remains committed to developing the research portfolio and research income from grants and contracts, these have decreased by £0.1m compared to the 2017/18, to £1.4m. There has been a small increase of £0.1m in Funding Council Grants to £12.1m.

The University received income of £11.4m from other sources, at a similar level to 2017/18, which represents 9.6% of total income. These sources are primarily the provision of services for student accommodation, sport, nursery and catering.

EXPENDITURE

Excluding pension adjustments and the managed severance scheme, staff costs have reduced by £2.5m year on year, reflecting the restructures in schools and service departments which were started in the previous year and an increased control on replacement posts. Pension costs reduced as the University experienced the first year of benefit following the introduction of the Staffordshire University Pension Scheme, with costs decreasing by £1.2m (11.6%). There were fewer managed severance arrangements in the year (35, compared to 84 in 2017/18) and therefore costs of those arrangements have decreased by £0.9m.

The staff costs that arise from the pension adjustment in accordance with FRS102 for LGPS, relating to current service charges, employer contributions and past service costs, have decreased by £4.8m in the year.

Academic and Technician staff numbers (expressed as full Time Equivalents or FTEs) decreased from 570 in 2017/18 to 516 in 2018/19. Administration, Professional & Clerical staff numbers decreased to 629 in 2018/19 from 672 in 2017/18. Overall FTE's decreased from 1,314 to 1,214 (7.6%) over the same period.

Non-staff costs have increased year on year by 4.1% (£2.1m) to £51.8m. This includes investment in the on-going maintenance of the estate and one-off costs for the creation of the Staffordshire University Digital Institute London which will assist with the income diversification strategy, increasing overall student numbers and international students in particular.

This increase in other operating expenditure has been partially offset by a decrease of £0.5m due to lower interest payable costs included in the LGPS pension valuation. LGPS interest payable results from the difference between the interest income on scheme assets and the interest cost of the defined benefit obligation.

CASH FLOW

The University continues to generate the levels of cash inflows from operating activities which are required to service existing debts and to continue to invest in the student experience and virtual and physical infrastructure – the so-called 'bricks and clicks'. The Consolidated Cash Flow Statement shows cash inflows from operating activities of £17.4m (2017/18 £15.0m), which was 14.6% of income (2017/18 13.1%).

LIQUIDITY AND LONG-TERM FINANCING

The University had net liquidity of £30.0m at 31 July 2019 (2017/18 £20.0m). Cash and cash equivalents (Cash at bank/hand and cash deposits), was £70.1m (2017/18 £61.8m).

Historically, in 17 September 2007, the University refinanced its pre-existing loans of £14.8m, replacing them with a new term loan of £16m, repayable over 27 years. The interest payable on that new loan is fixed at 5.38% for its duration. The loan is part of a larger Convertible Revolving Credit Facility (CRCF) of £50m. This facility is provided by Lloyds TSB, and its purpose was to provide funding for the University's intended future capital programme at that time. The remaining £34m was drawn down on 2 September 2013 as a 25-year term loan, at a fixed interest rate of 3.19%. The University remains within its banking covenants for the purposes of these borrowings.

TREASURY AND FINANCING

Cash deposits are invested in accordance with the University's Treasury Management Policy. Funds are invested with a variety of different money market and banking institutions in order to spread the risk to the University. Interest receivable from these investments increased to £0.5m (£0.2m in 2017/18) due to higher interest rates and surplus funds available for investment.

Interest payable at £3.1m includes an FRS102 adjustment of £1.5m (being the net difference between the interest income on the University share of the scheme assets, and the interest cost of the defined benefit obligations) and loan interest payments of £1.6m (2017/18 – interest payable £3.6m includes FRS 102 interest of £2.0m and loan interest payments of £1.6m).

CAPITAL INVESTMENT

The University has continued to consolidate its physical and digital infrastructure across its three historical sites, plus new provision at HereEast in London, developing teaching infrastructure facilities and investing in the student experience, as well as improving University systems. Developments are still ongoing, and the University has recognised expenditure on assets under construction of £3.8m at the end of the year, which primarily relates to the Catalyst building and the Smart Technology Hub. Having successfully secured an amount of external funding for the construction of the new Catalyst Building, over the next financial year the University will be undertaking the demolition of Brindley Building and the construction of the new build, whilst continuing to prioritise investment in high quality student learning and social spaces and leading edge technology.

PENSION LIABILITY

Under UK Financial Reporting Standards, the financial results of the University must include a disclosure of liabilities relating to the pension funds to which past and present employees belong. The assets and liabilities of the Staffordshire Pension Scheme (LGPS) can be attributed to individual employers and therefore are shown in full detail in the Notes to the Financial Statements (Note 25).

A full actuarial review of the Staffordshire Pension Scheme was undertaken in 2016 as part of the triennial cycle, which resulted in significant movements in the University's Financial Statements last year. An updated calculation of the assets and liabilities within the scheme (as required by FRS102) was performed by the scheme's actuaries at 31 July 2019. The net result of this updated calculation has been to increase the University's calculated share of the overall scheme liability from £56.3m at 31 July 2018 to £81.8m at 31 July 2019.

The Teachers' Pension Scheme (TPS) is deemed a multi-employer scheme, and the University's share of its assets and liabilities cannot be separately identified. As such the University has taken advantage of the exemption in FRS102 and has accounted for its contributions to the scheme as if it were a defined contribution scheme.

The Staffordshire University Pension Scheme (SUPS) is a defined contribution scheme which is open to all Staffordshire Services Limited (SUS Ltd) members of staff.

CORPORATE GOVERNANCE

Charitable Status

The University is a 'Higher Education Corporation', as defined under the Education Reform Act 1988.

The powers of Higher Education Corporations are defined in Section 124 of the Act. They include the power to provide higher and further education and to carry out research and publish the results of that research as the University thinks fit.

The University was incorporated in November 1988. On 1 April 1989, all properties, rights and liabilities which had been used or held by Staffordshire County Council for the purposes of the University were transferred to the Higher Education Corporation.

The University also enjoys exempt charitable status under the Act. On 16 June 1992, the Privy Council confirmed its formal approval of a change of name from Staffordshire Polytechnic to Staffordshire University under the terms of the Further and Higher Education Act 1992.

Governance Structure

Staffordshire University is committed to best practice in all aspects of corporate governance, as outlined by the Higher Education Code of Governance published by the Committee of University Chairs (CUC) (December 2014).

Statement of Primary Responsibilities of the Board of Governors

Section 3(i) of the University's Instrument of Government states that the Board of Governors shall be responsible for:

- The determination of the educational character and mission of the University and for oversight of its activities.
- The effective and efficient use of resources, the solvency of the institution and the Corporation and for safeguarding their assets.
- Approving annual estimates of income and expenditure.
- The appointment, grading, assignment, appraisal, suspension, dismissal and determination of the pay and conditions of service of holders of senior posts.
- Setting a framework for the pay and conditions of service of all other staff.

In particular, the Board will:

- Approve the mission and strategic vision of the institution, long term business plans, KPIs and annual budgets, and ensure that these meet the interests of stakeholders.
- Appoint the head of the institution as Chief Executive and put in place suitable arrangements for monitoring their performance.

- Ensure the establishment and monitoring systems of control and accountability, including financial and operational controls and risk assessment, clear procedures for handling internal grievances and for managing conflicts of interest.
- Monitor institutional performance against plans and approved KPIs, which, where possible and appropriate, will be benchmarked against other institutions.

This statement is also available on the University's website.

Summary of the Corporate Governance Structure

The University's Board of Governors comprises independent staff and student members, appointed under the University's Instrument of Government.

The roles of the Chair and the Deputy Chair of the Board of Governors are separated from the role of the University's Chief Executive – the Vice-Chancellor. All matters specially reserved for the Board of Governors to decide on are set out in the Articles of Government.

Under the regulatory framework for the Office for Students (OfS), the Board of Governors is responsible for the ongoing strategic direction of the University, the approval of major developments and the receipt of regular reports from executive officers on the day-to-day operations of its business and its subsidiary companies.

The Board of Governors meets four times a year and has five committees:

1. Sustainability and Resources
2. Nominations and Governance
3. Audit and Risk
4. Remuneration
5. Strategy and Performance

These committees are formally constituted with annually reviewed terms of reference. In addition, the University convenes two strategic events per annum with the Board of Governors and the University's Senior Leadership Team, one of which includes the University's Academic Board.

The role and responsibilities of each committee is outlined here:

Sustainability and Resources Committee

This committee recommends the University's annual revenue and capital budgets to the Board of Governors and monitors performance in relation to those budgets once they are approved. It also reviews the University's annual financial statements and its accounting policies. The committee is responsible for advising the Board of Governors on its estates strategy and monitoring estates and infrastructure-related projects, information technology/digital developments and organisational development and human resource matters.

Nominations and Governance Committee

The Nominations and Governance Committee considers nominations and expressions of interest for vacancies on the Board of Governors, reappoints members under the Instrument of Government, and advises the Board on general governance. It also leads the governance effectiveness review and oversees the implementation of any subsequent recommendations.

Audit and Risk Committee

The Audit and Risk Committee meets with the external auditors and internal auditors of the University to review their work. The committee approves the annual internal audit plan and considers detailed internal audit reports arising from the plan, as well as overseeing the implementation of any subsequent recommendations. It is responsible for overseeing the implementation of recommendations arising from the external auditors' management report, following their audit of the financial statements. The committee is also responsible for reviewing the University's risk management infrastructure and is responsible for overseeing the response to any public interest disclosures received by the University, and the implementation of recommendations arising from the investigation.

Remuneration Committee

The Remuneration Committee is chaired by the Deputy Chair of the Board. The Vice Chancellor is in attendance at Remuneration Committee in relation to Executive remuneration only, but is not present for items relating to her own remuneration. The Chief Operating Officer/Clerk to the Board is in attendance at the Remuneration Committee but is also absent for discussions relating to their own pay. No member of staff is present for the discussion of their own remuneration.

The Committee meets twice each year. The Remuneration Committee sets the performance objectives for the Vice-Chancellor and approves the performance objectives for all other members of Executive. At the end of each academic year the Remuneration Committee evaluates the performance of the Vice-Chancellor against her objectives and will have oversight of the Vice-Chancellor's evaluation of Executive performance against objectives. At the end of the year, the Committee reviews the base salaries of senior postholders, taking account of market intelligence and affordability. Following the publication of the CUC Senior Staff Remuneration Code in June 2018, the committee reviewed its operating protocols and at its first meeting of the 2018-19 academic year, approved new Terms of Reference and the Remuneration of Senior Postholders Policy. The Remuneration Committee approve the Annual Statement of Senior Postholder Remuneration, which is received by the Board and is available on the University website.

Strategy and Performance Committee

The Strategy and Performance Committee reviews the direction and implementation of the University's Strategic Plan, and supporting strategies. The Committee monitors performance through the review of key performance indicators.

CORPORATE GOVERNANCE

Governance Review

During 2016/2017, the Board of Governors undertook a governance effectiveness review, in conjunction with the University's internal auditors who were at that time, PwC.

This mapped current governance practice at the University against the Higher Education Code of Governance.

Subsequently, several minor modifications were proposed and approved by the Board. These have been enacted in 2017/2018. In addition, it was determined to review the 'size and shape' of the composition of the Board of Governors, which was approved and was implemented for the 2017/2018 academic year. The next governance effectiveness review, during autumn 2019, will be undertaken on the same principles as summer 2019, and will be reviewed by the University's current internal auditors, RSM.

The University maintains a Register of Interests of members of the Board of Governors, which is available to view on the University's public website. The Chief Operating Officer has been designated Clerk to the Board and in that capacity, provides independent advice on matters of governance to all Board members.

Statement of Internal Control

The Board of Governors is responsible for maintaining a robust system of internal control that supports the achievement of our objectives. The internal control system also needs to safeguard the public and other funds and assets for which the University is responsible, in accordance with the responsibilities assigned in the University's Instrument and Articles of Government and the Office for Students regulatory framework.

The system of internal control is designed to manage, rather than eliminate, the risk of failure to achieve our objectives. Its effectiveness can therefore only be reasonably, not absolutely, assured.

Our internal control system is based on an ongoing process to identify risks, evaluate the nature and extent of those risks, and manage them efficiently and effectively. This process was in place for the year ended 31 July 2018 and up to the date of approval of the Financial Statements.

As part of its responsibilities for reviewing the effectiveness of our internal controls, the Board has established the following processes:

- It meets four times a year to consider the plans and strategic direction of the University
- It receives regular reports from the Audit and Risk Committee concerning internal control, and it requires regular reports from managers on the steps they are taking to manage risks in their areas of responsibility, including progress reports on key projects
- Risk management is a regular item on the agendas of both the full Board and the Audit and Risk Committee
- The Audit and Risk Committee provides oversight of the risk management process within the University as a key aspect of its terms of reference
- The Audit and Risk Committee receives regular reports from the University's appointed internal auditors. The reports include their independent opinion on the adequacy and effectiveness of the University's system of internal control, together with recommendations for improvement.

In addition, the University employs a Business Risk Manager to embed risk management within the University.

The University has an internal audit service who submit regular reports that include their independent assessment on the adequacy and effectiveness of our system of internal control, together with any recommendations for improvement.

.....
Chair of the Board of Governors

RESPONSIBILITY OF THE BOARD OF GOVERNORS

In accordance with the Education Reform Act 1988, the Board of Governors of Staffordshire University is responsible for the administration and management of University affairs. An important part of this duty is presenting audited financial statements for each financial year.

The Board of Governors is required to keep proper accounting records which disclose with reasonable accuracy at any time, the financial position of the University. These statements are all prepared in accordance with the Education Reform Act 1988, the Statement of Recommended Practice (SORP), Accounting for Further and Higher Education Institutions, and other relevant accounting standards.

The Office for Students regulatory framework obliges us to ensure these statements give a true and fair view of the state of affairs of the University and of the surplus or deficit and cash flows for that year.

In preparing the statements, we are required to:

- Select suitable accounting policies and then apply them consistently.
- Make judgements and estimates that are reasonable and prudent.
- State whether applicable UK accounting standards are followed, subject to any material departures disclosed and explained in the financial statements.
- Assess the group and the parent University's ability to continue as a going concern, disclosing, as applicable, matters related to going concern; and

- use the going concern basis of accounting, unless they either intend to liquidate the group or the parent University, or to cease operations, or have no realistic alternative but to do so.

All our financial statements are prepared on a 'going concern basis'. This means they always assume we know there are adequate resources to keep operating for the foreseeable future. This will always be the case, unless there is a valid reason to think otherwise.

The Board of Governors takes its responsibility for the University's financial affairs very seriously. It has therefore taken all reasonable steps to:

- Ensure that funds from OfS and other funding bodies are used only for the purposes for which they have been given. All funds will be used in accordance with the Memorandum of Assurance and Accountability and any other conditions that the OfS might prescribe.
- Ensure there are appropriate financial and managerial controls in place to safeguard public and other funds.
- Safeguard the assets of the University, and to prevent and detect fraud.
- Secure the economical, efficient and effective management of resources and expenditure.

How we maintain internal financial control

There are several key elements to the University's system of internal financial control. Each is designed to discharge the steps and responsibilities outlined above.

These include:

- A comprehensive medium and short-term planning process, supplemented by detailed annual income, expenditure, capital and cash flow budgets.
- Regular reviews of academic performance and monthly reviews of financial results, with variance reporting and updates of forecast outturns.
- Clearly defined and formalised requirements for approval and control of expenditure.
- Investment decisions involving capital and revenue expenditure are subject to formal detailed appraisal review, according to approval levels set by the Board.
- Comprehensive financial regulations, detailing financial controls and procedures. These are approved by the Sustainability and Resources Committee and the Board of Governors.
- Clear definitions of the responsibilities and authority of the Executive, Deans of Schools and Directors of Services.
- A professional internal audit team whose annual programme is approved by the Audit and Risk Committee.

Any system of internal financial control can only provide reasonable, but not absolute, assurance against material misstatement or loss. That's why throughout the year, the Audit and Risk Committee has reviewed the effectiveness of the University's system of internal financial control to make sure all risk is appropriately managed.

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Chair of the Board of Governors

GOVERNORS, EXECUTIVES AND ADVISORS

BOARD OF GOVERNORS

David Gage (Chair) MBE DL (to 31.07.19)

Professor Liz Barnes CBE

Connor Bayliss (from 01.08.19)

Richard Cotterell (to 11.06.19)

Tash Crump (to 31.07.19)

Glenn Earlam

Tony Evans (from 01.08.19)

Kevin Gould

Mike Herbert

John Henderson CB

Dr Cathryn Hickey

Doug Rouxel

Sarah Tudor (to 30.09.19)

Jonathan Vardon

Sara Williams

Scott William-Smith

Colin Hughes (Chair) (from 01.08.19)

CHANCELLOR

The Lord Stafford

Executive Team

Professor Liz Barnes CBE Vice-Chancellor

Professor Martin Jones Deputy Vice-Chancellor

Sally McGill Chief Financial Officer
(from 01.07.19)

Rob Fekete Deputy Chief Executive and
Chief Financial Officer
(to 28.02.19)

Sue Reece Pro Vice Chancellor
(Student Experience)

Professor Ieuan Ellis Pro Vice Chancellor
(Place and Engagement)

Ian Blachford Chief Operating Officer

Andrew Proctor Pro Vice Chancellor - (Digital)
(from 01.07.19)

Professional Advisors

External Auditors KPMG LLP
One Snowhill
Snowhill Queensway
Birmingham B4 6GH

Internal Auditors RSM Risk Assurance Services LLP
Festival Park
Stoke-on-Trent ST1 5BB

Bank Lloyds Bank Plc
5 Market Square
Stafford ST16 2JL

Solicitors Shakespeare Martineau
No 1 Colmore Square
Birmingham B4 6AA

INDEPENDENT AUDITOR'S REPORT

Independent Auditor's Report to the Board of Governors of Staffordshire University

Report on the audit of the Financial Statements

Opinion

We have audited the financial statements of Staffordshire University ("the University") for the year ended 31 July 2019 which comprise the Consolidated and University statement of comprehensive income and expenditure, the Consolidated and University statement of changes in reserves, the Consolidated and University balance sheet, the Consolidated cash flow statement and related notes, including the accounting policies.

In our opinion the financial statements:

- give a true and fair view of the state of the Group's and the University's affairs as at 31 July 2019, and of the Group's and the University's income and expenditure, gains and losses and changes in reserves, and of the Group's cash flows, for the year then ended;
- have been properly prepared in accordance with UK accounting standards, including FRS 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland, and with the 2015 Statement of Recommended Practice – Accounting for Further and Higher Education; and
- meet the requirements of the Accounts Direction dated 19 June 2018 issued by the Office for Students.

Basis for opinion

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

Going concern

The Board of Governors has prepared the financial statements on the going concern basis as they do not intend to liquidate the Group or the University or to cease their operations, and as they have concluded that the Group and the University's financial position means that this is realistic. They have also concluded that there are no material uncertainties that could have cast significant doubt over their ability to continue as a going concern for at least a year from the date of approval of the financial statements ("the going concern period").

We are required to report to you if we have concluded that the use of the going concern basis of accounting is inappropriate or there is an undisclosed material uncertainty that may cast significant doubt over the use of that basis for a period of at least a year from the date of approval of the financial statements. In our evaluation of the Board of Governors conclusions, we considered the inherent risks to the Group's business model, including the impact of Brexit, and analysed how those risks might affect the Group and the University's financial resources or

ability to continue operations over the going concern period. We have nothing to report in these respects.

However, as we cannot predict all future events or conditions and as subsequent events may result in outcomes that are inconsistent with judgements that were reasonable at the time they were made, the absence of reference to a material uncertainty in this auditor's report is not a guarantee that the Group or the University will continue in operation.

Other information

The Board of Governors is responsible for the other information, which comprises the Financial Review, Corporate Governance Statement Responsibility of the Board of Governors. Our opinion on the financial statements does not cover the other information and, accordingly, we do not express an audit opinion or any form of assurance conclusion thereon.

Our responsibility is to read the other information and, in doing so, consider whether, based on our financial statements audit work, the information therein is materially misstated or inconsistent with the financial statements or our audit knowledge. Based solely on that work, we have not identified material misstatements in the other information.

Consolidated and University Statement of Changes in Reserves

Year Ended 31 July 2019

Consolidated	Income and expenditure account			Revaluation Reserve £'000	Total £'000
	Endowment £'000	Restricted £'000	Unrestricted £'000		
Balance at 1 August 2017	26	4,588	8,066	53,566	66,246
Deficit from the income and expenditure statement	0	0	(8,572)	0	(8,572)
Other comprehensive income	0	0	19,997	0	19,997
Transfers between revaluation and income and expenditure reserve	0	0	53,566	(53,566)	0
Release of restricted funds spent in year	0	0	0	0	0
Total comprehensive income for the year	0	0	64,991	(53,566)	11,425
Balance at 1 August 2018	26	4,588	73,057	0	77,671
Surplus from the income and expenditure statement	0	0	10,152	0	10,152
Other comprehensive income	0	0	(27,694)	0	(27,694)
Release of restricted funds spent in year	0	0	0	0	0
Total comprehensive income for the year	0	0	(17,542)	0	(17,542)
Balance at 31 July 2019	26	4,588	55,515	0	60,129
University	Income and expenditure account			Revaluation Reserve	Total
	Endowment £'000	Restricted £'000	Unrestricted £'000	£'000	£'000
Balance at 1 August 2017	26	4,588	9,748	53,566	67,928
Deficit from the income and expenditure statement	0	0	(10,255)	0	(10,255)
Other comprehensive income	0	0	19,997	0	19,997
Transfers between revaluation and income and expenditure reserve	0	0	53,566	(53,566)	0
Release of restricted funds spent in year	0	0	0	0	0
Total comprehensive income for the year	0	0	63,308	(53,566)	9,742
Balance at 1 August 2018	26	4,588	73,056	0	77,670
Surplus from the income and expenditure statement	0	0	10,157	0	10,157
Other comprehensive income	0	0	(27,694)	0	(27,694)
Release of restricted funds spent in year	0	0	0	0	0
Total comprehensive income for the year	0	0	(17,537)	0	(17,537)
Balance at 31 July 2019	26	4,588	55,519	0	60,133

During 2017/18, the revaluation reserve was amalgamated with the unrestricted reserves of the University. Historically, there has been a release from the revaluation reserve into the unrestricted reserve each year via the Consolidated and University Statement of Comprehensive Income and Expenditure (CSCI). This transfer is an accounting entry only and does not form part of the University's operating activities. By amalgamating the revaluation and unrestricted reserves, this release will no longer take place, thereby bringing further clarity to the true operating position of the University each year.

Consolidated and University Balance Sheet

Year Ended 31 July 2019

Notes	As at 31 July 2019		As at 31 July 2018	
	Consolidated £'000	University £'000	Consolidated £'000	University £'000
Non-current assets				
Fixed assets	11	144,691	144,691	147,492
Heritage assets	11/12	1,300	1,300	1,300
Investments	13	74	74	74
		146,065	146,065	148,866
Current assets				
Trade and other receivables due within one year	14	12,058	23,661	8,640
Cash and cash equivalents	15	10,608	9,969	8,660
Investments	21	59,538	59,538	53,112
		82,204	93,168	70,412
Less: Creditors: amounts falling due within one year	16	(26,474)	(37,434)	(24,665)
Net current assets		55,730	55,734	45,747
Total assets less current liabilities		201,795	201,799	194,613
Creditors: amounts falling due after more than one year	17	(58,193)	(58,193)	(58,302)
Provisions				
Pension provisions	25	(81,753)	(81,753)	(56,307)
Other provisions	18	(1,720)	(1,720)	(2,333)
Total net assets		60,129	60,133	77,671
Restricted Reserves				
Income and expenditure reserve - endowment reserve	19	26	26	26
Income and expenditure reserve - restricted reserve	20	4,588	4,588	4,588
Unrestricted Reserves				
Income and expenditure reserve - unrestricted including pension reserve		55,515	55,519	73,057
Total Reserves		60,129	60,133	77,671

The financial statements were approved by the Board of Governors on 20 November 2019 and were signed on its behalf on that date by:

Colin Hughes, Chair of the Board of Governors

Professor Liz Barnes, Vice-Chancellor

Consolidated Cash Flow Statement

Year Ended 31 July 2019

Notes	Year ended 31 July 2019 £'000	Year ended 31 July 2018 £'000
Cash flow from operating activities		
	10,152	(8,572)
Adjustment for non-cash items		
Depreciation	11 10,553	19,146
Decrease/(increase) in stock	0	0
(Increase)/decrease in debtors	14 (3,418)	2,353
Increase/(decrease) in creditors	16/17 1,930	(2,212)
(Decrease)/increase in pension provision	7/8 (2,248)	3,003
(Decrease)/Increase in other provisions	18 (613)	(54)
Adjustment for investing or financing activities		
Investment income	5 (508)	(213)
Interest payable	8 1,578	1,626
Endowment income	0	0
(Profit)/Loss on the sale of fixed assets	0	(45)
Proceeds from sales of fixed assets	0	0
Capital grant income	0	0
Capital grants receipts	0	0
Net cash inflow from operating activities	17,426	15,032
Cash flows from investing activities		
Proceeds from sales of fixed assets	0	0
Proceeds from sales of intangible assets	0	0
Capital grants receipts	1,336	1,146
Disposal of non-current asset investments	0	0
Withdrawal of deposits	0	0
Investment income	5 508	213
Payments made to acquire fixed assets	11 (7,752)	(3,365)
Payments made to acquire intangible assets	0	0
New non-current asset investments	0	0
New deposits	(6,426)	(9,828)
	(12,334)	(11,834)
Cash flows from financing activities		
Interest paid	(1,578)	(1,626)
Interest element of finance lease and service concession payments	0	0
Endowment cash received	0	0
New secured loans	0	0
New unsecured loans	0	0
Repayments of amounts borrowed	(1,566)	(1,566)
Capital element of finance lease and service concession payments	0	0
	(3,144)	(3,192)
Increase in cash and cash equivalents in the year	1,948	6
Cash and cash equivalents at beginning of the year	8,660	8,654
Cash and cash equivalents at end of the year	15 10,608	8,660

Statement of Accounting Policies

Year Ended 31 July 2019

The following accounting policies have been applied consistently in detailing items which are considered material in relation to financial statements.

BASIS OF PREPARATION

These financial statements have been prepared in accordance with the Statement of Recommended Practice: Accounting for Further and Higher Education 2015 (the FEHE SORP) and in accordance with Financial Reporting Standard (FRS102).

BASIS OF ACCOUNTING

The financial statements are prepared in accordance with the historical cost convention (modified by the revaluation of fixed assets). The University is a public benefit entity and therefore has applied the relevant public benefit requirement of FRS102.

GOING CONCERN

The University considers that it has sufficient financial resources and is confident that its future income streams will maintain these resources.

The Governors believe that the University is well-placed to effectively manage its business risks, despite the current uncertain economic situation.

The Governors have a reasonable expectation that the University has adequate resources to continue in operational existence for the foreseeable future. The financial statements continue to be prepared on the going concern basis.

ACCOUNTING POLICIES

The following accounting policies have been applied consistently in dealing with items which are considered material in relation to the financial statements except as noted below.

BASIS OF CONSOLIDATION

The consolidated financial statements include the University and all its subsidiaries for the financial year to 31 July 2019. The results of subsidiaries acquired or disposed of during the period are included in the Consolidated Statement of Comprehensive Income and Expenditure from the date of acquisition or up to the date of disposal. Intra-group transactions are eliminated on consolidation.

The consolidated financial statements do not include those of Staffordshire University Union of Students, as the University does not exert control or dominant influence over policy decisions.

INCOME RECOGNITION

Income recognition is determined by the nature of the transaction, income source and whether or not the transaction has commercial substance.

TRANSACTIONS WITH COMMERCIAL SUBSTANCE

Where a transaction has commercial substance, it is accounted for as a revenue transaction or service and referenced to the terms of the contract or service.

TUITION FEES AND EDUCATIONAL CONTRACTS

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

SALE OF GOODS AND SERVICES

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

INVESTMENT INCOME

Refer to Page 56 for investment income recognition policy.

AGENCY INCOME

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.

TRANSACTIONS WITHOUT COMMERCIAL SUBSTANCE

Where the university receives income on a basis that is without commercial substance it accounts for this on a Non-Exchange Transaction basis. A Non-Exchange Transaction is defined as when; An entity receives value from another entity without directly giving approximately equal value in exchange.

Accrual Model requires:

Grants are either classified as a grant relating to revenue or a grant relating to assets. Grants relating to revenue are recognised in income on a systematic basis over the periods in which the University recognises the related costs for which the grant is intended to compensate. A grant that becomes receivable as compensation for expenses or losses already incurred or for the purpose of giving immediate financial support to the University with no future related costs, shall be recognised as income in the period in which it becomes receivable.

Grants relating to assets are recognised in income on a systematic basis over the expected useful life of the asset.

Statement of Accounting Policies (continued)**Year Ended 31 July 2019****GOVERNMENT GRANTS**

Both revenue and capital government grants are accounted for under the Accrual Model.

FUNDING GRANTS

For funding grants relating to a single academic year income is recognised in full in the period to which the grant relates. Grants relating to more than a single year are recognised pro-rata across the term of the grant.

NON-GOVERNMENT GRANTS, DONATIONS AND ENDOWMENTS

Grant and donation income received from a non-governmental source, is accounted for under the Accrual Model. Income is recognised as Donation and Endowment income, with the exception of funding for the purposes of research which is recognised as 'Research Grants and Contracts'.

Non-government grants and donation income is split into four classes:

(i) Non-government grants and donated income with performance conditions**(ii) Donations with restrictions**

A donation is considered to have a restriction when the gift agreement contains;

'A requirement that limits or directs the purposes for which a resource may be used that does not meet the definition of a performance-related condition'.

Income with restrictions, but no performance conditions, is recognised within the Statement of Comprehensive Income and Expenditure when the grant is receivable (legal/contractual commitment) and recorded within restricted reserves. As the funding is expended against the restriction it is transferred to unrestricted reserves by way of a reserves transfer.

(iii) Donations without restrictions

Income with neither restrictions nor performance conditions is recognised within the Consolidated Statement of Comprehensive Income and Expenditure when the grant is receivable (legal/contractual commitment) and recorded within unrestricted reserves.

(iv) Endowments

Refer to Endowment policy for income recognition on endowments.

CAPITAL GRANTS

Government Grants for the purchasing or construction of specific assets are recognised across the useful life of the asset.

RESEARCH INCOME

Income recognition for research funding is dependent upon the source of the funding and the nature of the transaction. Income is classified as 'Research Grants and Contracts' regardless of source when it meets the Frascati definition of research.

The following specific research income recognition criteria has been applied:

Where funding is from a government body, expenditure on the grant purpose is presumed to be the performance condition unless specifically disallowed under the funding agreement.

Funding from charities and industry is accounted for as non-government grant income unless it is demonstrable that a revenue transaction has taken place with near equal value being exchanged.

ENDOWMENTS

Endowments are a class of donation where the donor requires the original gift to be invested, with the return to be spent against the donor's charitable aims. The donor can specify that the capital can be spent (expendable endowment) or maintained in perpetuity (permanent endowments).

Endowments are Non-Exchange transactions without performance-related conditions. Endowments with donor imposed restrictions are recognised within the Consolidated Statement of Comprehensive Income and Expenditure when the University is entitled to the income. Income is retained within the restricted reserve until such time that it is utilised in line with such restrictions at which point the income is released to general reserves through a reserve transfer.

RESERVES

Reserves are classified as restricted or unrestricted. Restricted endowment reserves include balances which, through endowment to the University are held as a permanently restricted fund which the University must hold in perpetuity. Other restricted reserves include balances where the donor has designated a specific purpose and therefore the University is restricted in the use of these funds.

Statement of Accounting Policies**Year Ended 31 July 2019****POST RETIREMENT BENEFITS**

Retirement benefits to employees of the University are provided by the Teachers' Pension Scheme (TPS) and the Local Government Pension Scheme (LGPS). These are defined benefit schemes which are externally funded and contracted out of the State Earnings Related Pension Scheme (SERPS). Contributions to the TPS are charged as incurred.

Contributions to the TPS scheme are charged to the income and expenditure account so as to spread the cost of pensions over 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. The contributions are determined by qualified actuaries on the basis of quinquennial valuations using a prospective benefit method.

The assets of the LGPS are measured using closing market values. LGP liabilities are measured using projected unit method and discounted at the current rate of return on a high quality corporate bond of equivalent term and currency to the liability.

The increase in the present value of the liabilities of the scheme which are expected to arise from employee service in the period is charged to the operating surplus. The expected return of the scheme's assets and the increase during the period in the present value of the scheme's liabilities, arising from the passage of time, are included in pension finance costs. Actuarial gains and losses are recognised in the statement of changes in reserves.

Further details of the pension schemes are given in note 25.

EMPLOYMENT BENEFITS

Short term employment benefits such as salaries and compensated absences are recognised as an expense in the year in which the employees render service to the University. A liability is recognised at each balance sheet date to the extent that employee holiday allowances have been accrued but not taken, the expense being recognised as staff costs in the Consolidated Statement of Comprehensive Income and Expenditure.

OPERATING LEASES

Costs in respect of operating leases are charged on a straight-line basis over the lease term. Future commitments under operating leases are disclosed in note 23.

FOREIGN CURRENCY

Transactions in foreign currencies are recorded at the rate of exchange on the transaction date. Monetary assets and liabilities denominated in foreign currencies are reported at the rates of exchange prevailing at the balance sheet date. Non-monetary assets and liabilities measured at historical cost in a foreign currency are translated using the exchange rate at the date of the transaction.

Foreign exchange differences arising on translation are recognised in the Consolidated Statement of Comprehensive income and Expenditure.

FIXED ASSETS - PROPERTY, PLANT & EQUIPMENT

Fixed assets are stated at cost less accumulated depreciation and accumulated impairment losses as disclosed in note 11.

Where parts of a fixed asset have different economic lives, they are accounted for as separate items with the appropriate depreciation rate.

LAND AND BUILDINGS

Buildings under construction are accounted for at cost. They are not depreciated until they are brought into use.

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

Land and buildings inherited from Staffordshire County Council are stated in the balance sheet at valuation on the basis of depreciated replacement cost as the open market value for existing use is not readily obtainable. The associated credit is included in the revaluation reserve. The difference between depreciation charged on the historic cost of assets and the actual charge for the year calculated on the revalued amount is released to the income and expenditure account reserve on an annual basis.

Certain items of fixed assets that had been re-valued to fair value on the date of transition to FRS102, are measured on the basis of deemed cost being the re-valued amount at the date of that revaluation.

EQUIPMENT

Equipment (including computers and software) costing less than £10,000 per item is charged to the Consolidated Statement of Income and Expenditure in the year of acquisition. All other equipment is capitalised at cost and depreciated according to the rates in the table below.

Statement of Accounting Policies (continued)**Year Ended 31 July 2019****DEPRECIATION**

Depreciation is not provided on freehold land. Freehold buildings have been depreciated over the estimated remaining useful life of each building with a base date of 1 August 2014. Depreciation on newly acquired buildings is provided for at the rate of 2% per annum on a straight-line basis. On all other tangible fixed assets depreciation is provided to write off the cost or valuation over their useful lives on a straight line basis at the following annual rates:-

Building Refurbishments
Plant and Machinery
Plant and Machinery (small)
Fixtures and Fittings
Computer Equipment (general)
Computer Equipment (servers)
Office Furniture and Equipment
Vehicles

Expenditure which extends the useful life of an asset has been depreciated over the assessed extended life of the asset.

Assets held under finance leases are depreciated over the life of the lease if this is a shorter period. Equipment including computers and software costing less than £10,000 per individual item is written off in the year of acquisition.

BORROWING COSTS

Borrowing costs are recognised as an expense in the Consolidated Statement of Comprehensive Income and Expenditure in the period in which they are incurred.

HERITAGE ASSETS

Works of art and other valuable artefacts valued at over £25,000 are capitalised and recognised at their cost or value where reasonably obtainable.

Assets initially received as donations are initially recognised at fair value.

Heritage assets are not depreciated as their long economic life residual value mean that any depreciation would not be material.

INVESTMENT PROPERTIES

Investment property is land and building held for rental income or capital appreciation rather than for use in delivering services.

Investment properties are measured initially at cost and subsequently at fair value with movements recognised in the Consolidated Statement of Comprehensive Income and Expenditure. Properties are not depreciated but are revalued or reviewed annually according to market conditions as at the 31 July each year.

INVESTMENTS

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

Investments in listed shares and venture capital vehicles (where shares are publicly traded or their fair value can be reliably measurable) are measured at market value.

STOCK

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

CASH AND CASH EQUIVALENTS

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

Cash equivalents are short term, high liquid investments that are readily convertible to know amounts of cash with insignificant risk of change in value. These include term deposits and other instruments with less than three months maturity held as part of the University's treasury management activities.

PROVISIONS, CONTINGENT LIABILITIES AND CONTINGENT ASSETS

Provisions are recognised in the financial statements when:

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

The amount recognised, as a provision is determined by discounting the expected future cash flows at a pre-tax rate that reflects risks specific to the liability.

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

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

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

Statement of Accounting Policies**Year Ended 31 July 2019****TAXATION STATUS**

The University is an exempt charity within the meaning of schedule 3 of the Charities Act 2011 and as such is a charity within the meaning of Para 1 of Schedule 6 to the Finance Act 2010. Accordingly, the University is potentially exempt from taxation in respect of income or capital gains received within categories covered by Sections 478 to 488 of the Corporation Tax Act 2010 (formerly enacted in Section 505 of the Income and Corporation Taxes Act 1988) or Section 256 of the Taxation of Chargeable Gains Act 1992, to the extent that such income or gains are applied exclusively to charitable purposes. The University receives no similar exemption in respect of Value Added Tax. Irrecoverable VAT on inputs is included in the costs of such inputs and added to the cost of tangible fixed assets as appropriate, where the inputs themselves are tangible fixed assets by nature. The University's subsidiary company is subject to corporation tax.

DEFERRED TAXATION

Deferred taxation is recognised on all timing differences at the balance sheet date where transactions or events that gives the company an obligation to pay more tax in the future, or right to pay less tax in the future, have occurred. Deferred tax assets are recognised when it is more likely than not that they will be recovered. Deferred tax is measured using rates of tax that have enacted or substantively enacted by the balance sheet date.

ACCOUNTING ESTIMATES AND JUDGEMENTS

The Preparation of financial statements requires the use of accounting estimates and assumptions. It also requires management to exercise its judgement in the process of applying accounting policies. Estimates, assumptions and judgements are continually evaluated based on available information and experience. Estimates based on assumptions and judgements could differ significantly from actual results. The areas most affected by the use of estimates and judgements are described below:

(i) Tangible fixed assets

Tangible Fixed assets, other than investment properties, are depreciated over their useful lives taking into account residual values, where appropriate. The actual lives of the assets and residual values are assessed annually and may vary depending on a number of factors. In re-assessing asset lives, factors such as technological innovation and maintenance programmes are taken into account. Residual value assessments consider issues such as future market conditions, the remaining life of the asset and projected disposal values.

(ii) Local Government Pension Scheme

The Present value of the Local Government Pension Scheme defined benefit liability depends on a number of factors that are determined on an actuarial basis using a variety of assumptions. The assumptions used in determining the net cost (income) for pensions include the discount rate. Any changes in these assumptions, which are disclosed in note 25, will impact the carrying amount of the pension liability. Furthermore a roll forward approach which projects results from the latest full actuarial valuation performed at 31 March 2016 has been used by the actuary in valuing the pensions liability at 31 July 2019.

FINANCIAL INSTRUMENTS

All loans, investments and short term deposits held by the Group are classified as basic financial instruments in accordance with FRS102. These instruments are initially recorded at the transaction price less any transaction costs (historical cost). FRS 102 requires that basic financial instruments are subsequently measured at amortised cost, however the University has calculated that the difference between the historical cost and amortised cost basis is not material and so these financial instruments are stated on the balance sheet at historical cost. Loans and investments that are payable or receivable within one year are not discounted.

Notes to the Accounts

Year Ended 31 July 2019

	Year Ended 31 July 2019		Year Ended 31 July 2018	
	Consolidated £'000	University £'000	Consolidated £'000	University £'000
1 Tuition fees and education contracts				
Full time Students - UK/EU	64,822	64,822	59,904	59,904
Full time Students - Overseas	3,736	3,736	2,666	2,666
Part-time Fees	4,251	4,251	3,885	3,885
Partnerships	12,376	12,376	12,834	12,834
Other Education Contracts	7,272	7,272	10,268	10,268
Apprenticeships	1,791	1,791	540	540
	94,248	94,248	90,097	90,097
2 Funding body grants				
Office for Students - Teaching/HEFCE	8,018	8,018	8,132	8,132
Research England - Research/HEFCE	837	837	755	755
Higher Education Innovation Fund	1,325	1,325	1,314	1,314
Capital grants - other release	1,870	1,870	1,763	1,763
	12,050	12,050	11,964	11,964

In 2017-18 the University received grants from the Higher Education Funding Council for England (HEFCE) from 1 August 2017 until 31 March 2018, and then from the Office for Students (OFS) and UK Research and Innovation (via Research England) from 1 April 2018 to 31 July 2018.

	Year Ended 31 July 2019		Year Ended 31 July 2018	
	Consolidated £'000	University £'000	Consolidated £'000	University £'000
3 Research grants and contracts				
Research Councils	0	0	1	1
UK Based Charities	188	188	102	102
UK Industry & Commerce	56	56	148	148
UK Central Government/Health Authorities	728	728	672	672
European Community Programmes	429	429	597	597
Other Research Grants & Contracts	0	0	33	33
	1,401	1,401	1,553	1,553

	Year Ended 31 July 2019		Year Ended 31 July 2018	
	Consolidated £'000	University £'000	Consolidated £'000	University £'000
4 Other income				
Residences, catering and conferences	6,713	6,713	6,589	6,589
Consultancy/Self Financing Fees	1,413	1,413	1,935	1,935
Other Rents/lettings	725	725	723	723
Other Income	1,830	1,775	1,606	1,235
Release from deferred capital grants (non-funding council)	69	69	53	53
	10,750	10,695	10,906	10,535

	Year Ended 31 July 2019		Year Ended 31 July 2018	
	Consolidated £'000	University £'000	Consolidated £'000	University £'000
5 Investment income				
Other investment income	508	507	213	213
	508	507	213	213

	Year Ended 31 July 2019		Year Ended 31 July 2018	
	Consolidated £'000	University £'000	Consolidated £'000	University £'000
6 Donations and endowments				
Unrestricted donations	149	149	118	118
	149	149	118	118

Notes to the Accounts

Year Ended 31 July 2019

	Year Ended 31 July 2019		Year Ended 31 July 2018	
	Consolidated £'000	University £'000	Consolidated £'000	University £'000
7 Staff costs				
Salaries	45,832	48,308	47,896	47,774
Social security costs	5,670	4,534	4,956	4,856
Other pension costs	8,780	7,713	9,936	9,914
Pension adjustment	(3,771)	(3,771)	1,011	1,011
Redundancy/ Managed Severance Scheme	656	497	1,515	1,515
Total	57,167	57,281	65,314	65,070

Redundancy/managed severance scheme payments were made to 35 people (2017/18 - 84 people)

	Year Ended 31 July 2019		Year Ended 31 July 2018	
	£'000	£'000	£'000	£'000
Emoluments of the Vice-Chancellor Professor E Barnes				
Salary	230	230	204	204
Performance-related pay	20	20	20	20
Taxable benefits - Health Care Insurance	3	3	3	3
Non-taxable benefits	0	0	0	0
	253	253	227	227
Pension contributions to Teachers Pensions'	38	38	34	34
	291	291	261	261

The pay multiple of the Vice Chancellor and the median earnings of the institution's whole workforce, illustrating how that multiple has changed over time is shown below. To assist with consistency and comparison, the definition for the multiple is based on the methodology used by UCEA.

In 2017-18 the Vice Chancellor's basic salary was 6.3 times the median pay of staff, where the median pay is calculated on a full-time equivalent basis for salaries paid by the University to its staff. The median for the sector was 7.4 times, with the median for the post-92 sector of 6.8 times. Following the decisions made at the Remuneration Committee in September 2018, the multiple for the Vice Chancellor's basic salary moved to 6.5 for the 2018-19 academic year, with effect from 1 August 2018. Data for the median of the sector for 2018-19 is not currently available from UCEA.

In 2017-18 the Vice Chancellor's total remuneration was 7.1 times the median total remuneration of staff, where the median total remuneration is calculated on a full-time equivalent for the total remuneration paid by the University for its staff. The median for the sector was 7.9 times, with the median for the post-92 part of the sector at 7.2 times. Following the decisions made at the Remuneration Committee in September 2018, the multiple moved to 7.1 for the 2018-19 academic year, with effect from 1 August 2018.

The Remuneration Committee considers the market position of the Vice Chancellor's role, reviewing against comparator institutions. For 2018-19, the salary of the Vice Chancellor was below the median of the post 92 sector, of institutions of a similar turnover, as measured by the UCEA Annual Survey of Senior Postholders and below, all but one of the comparators in the CUC Annual Survey of Vice Chancellors Remuneration (2019) comparator set.

The Remuneration Committee also considers the performance of the institution when reviewing remuneration of the Vice Chancellor. Most notably, in the Strategic Plan from 2016-21 there were three

high-level key performance indicators. These were Teaching Excellence and Student Outcome Framework (TEF) Gold, top 50% position in the main UK league tables and financial sustainability.

Following resubmission in the TEF process, the University, based on its much-improved metrics, was awarded Gold standard in the Teaching Excellence and Student Outcome Framework (TEF). Also during 2018-19 the University moved into the top 50% of universities in the 3 key UK university league tables. Finally during 2018-19, the University moved onto a sustainable financial footing, and 2018-19 therefore saw the achievement of these high-level university KPIs two years ahead of schedule.

The University has risen for the 3rd consecutive year in the Complete University Guide (from 73rd to 58th - a rise of 47 places over the last 3 years) and for the 6th consecutive year in the Guardian League Table (90th to 37th - a rise of 53 places since the 2015 rankings). This represents the University's first entry into the top 40 in this key league table. The University is joint 3rd in the country for "Students' Satisfaction with Assessment" and rose for a 3rd consecutive year in the Sunday Times Good University Guide to 57th in 2018-19 (a 6-place rise, from 63rd to 57th, and a rise of 35 places in total over the last 3 years). It continues to be in the Top 10 for Teaching Quality.

In addition, the following achievements are recorded:

- First entry into the THE World Rankings in 2019
- Shortlisted for the University of the Year Award at the Sunday Times Awards 2019

As part of the Queen's Birthday Honours, the Vice Chancellor received a CBE for her contribution to Higher Education. In addition, in recognition of her leadership, the Vice Chancellor was nominated to join the Cabinet Office National Leadership Centre Programme, for those who are recognised as amongst the most talented, high-potential leaders in their sector, nominated by the Department for Education.

Notes to the Accounts

Year Ended 31 July 2019

7 Staff costs (continued)

Remuneration of other higher paid staff earning over £100,000, excluding employer's pension contributions are shown before any salary sacrifice:

£100,000 to £104,999
£105,000 to £109,999
£110,000 to £114,999
£115,000 to £119,999
£120,000 to £124,999
£125,000 to £129,999
£130,000 to £134,999
£135,000 to £139,999
£140,000 to £144,999
£145,000 to £149,999

	Year Ended 31 July 2019	Year Ended 31 July 2018
	No.	No.
	1	1
	0	0
	0	0
	0	0
	0	0
	0	4
	0	1
	3	0
	1	0
	5	6

Average staff numbers by major category :

Academic
Academic Technicians
Administrative, Professional & Clerical Staff
Management (Academic)
Management (Non Academic)
Manual

	No.	No.
	466	510
	50	60
	629	672
	37	35
	32	37
	0	0
	1,214	1,314

Key management personnel

Key management personnel are the Senior Leadership Team (SLT) who have authority and responsibility for planning, directing and controlling the activities of the University. SLT members 17, (FTE's - 16) (2017/18 - SLT members 21, FTE's - 19). This includes compensation paid to key management personnel.

	Year Ended 31 July 2019	Year Ended 31 July 2018
	£'000	£'000
	2,264	2,188

Key management personnel

Board of Governors

The University's Board of Governors are the trustees for charitable law purposes. Due to the nature of the University's operations and the compositions of the Board, being drawn from local public and private sector organisations, it is inevitable that transactions will take place with organisations in which a member of the Board may have an interest. All transactions involving organisations in which a Board member may have an interest, including those identified in Note 27, are conducted at arms length and in accordance with the University's Financial Regulations and usual procurement procedures.

No Board member has received any remuneration/waived payments from the group during the year (2018 - none)

The total expenses paid to or on behalf of four Board members was £3.3k (2018 - £3.1k to three Board members). This represents travel and subsistence expenses incurred in attending Board meetings, Committee meetings and Charity events in their official capacity.

8 Interest and other finance costs

Loan interest
Net charge on pension scheme

Notes	Year Ended 31 July 2019		Year Ended 31 July 2018	
	Consolidated	University	Consolidated	University
	£'000	£'000	£'000	£'000
	1,578	1,578	1,626	1,626
	1,523	1,523	1,992	1,992
	3,101	3,101	3,618	3,618

Notes to the Accounts

Year Ended 31 July 2019

9 Other Operating Expenses

	Year Ended 31 July 2019		Year Ended 31 July 2018	
	Consolidated	University	Consolidated	University
	£'000	£'000	£'000	£'000
Academic and Related Expenditure	12,100	12,100	11,563	11,563
Administration and Central Services	15,895	15,720	13,847	15,403
Premises	5,684	5,684	5,604	5,604
Research Grants and Contracts	411	411	624	624
Residences, Catering and Conferences	3,347	3,347	2,593	2,593
Other Expenditure	696	696	1,159	1,159
	38,133	37,958	35,390	36,946

Other Operating Expenses include fees paid to the External Auditors for audit services of £64,000 (2017/18 - £56,000), and fees for non-audit services was £28,000 (2017/18 - £92,000).

10 Taxation

The taxation charge for the University and Group in the year was zero (2017/18 : zero).

11 Fixed Assets

Consolidated & University

	Freehold Land and Buildings	Assets in the Course of Construction	Investment Properties	Computer Equipment	Other Equipment & Fittings	Motor Vehicles	Heritage Assets	Total
	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000
Cost or valuation								
At 1 August 2018	195,849	2,886	2,265	30,111	26,117	165	1,300	258,693
Additions	239	7,147	0	(98)	464	0	0	7,752
Reclassification	3,080	(6,229)	0	1,925	1,224	0	0	0
Migration adjustments	(27,962)	0	0	(15,090)	(9,907)	(141)	0	(53,100)
Disposals	0	0	0	0	0	0	0	0
At 31 July 2019	171,206	3,804	2,265	16,848	17,898	24	1,300	213,345
Depreciation								
At 1 August 2018	71,788	0	0	21,012	16,958	143	0	109,901
Charge for the year	5,669	0	0	2,721	2,155	8	0	10,553
Reclassification	0	0	0	0	0	0	0	0
Migration adjustments	(27,962)	0	0	(15,090)	(9,907)	(141)	0	(53,100)
Disposals	0	0	0	0	0	0	0	0
At 31 July 2019	49,495	0	0	8,643	9,206	10	0	67,354
Net book value								
At 31 July 2019	121,711	3,804	2,265	8,205	8,692	14	1,300	145,991
At 31 July 2018	124,061	2,886	2,265	9,099	9,159	22	1,300	148,792

During the implementation of Oracle Fusion in May 2019, a decision was made not to transfer any assets that had become fully depreciated in the years prior to 2018/19, and therefore remove them from the balance sheet. The rationale for the decision being that the majority of the assets were very old and in the absence of an asset tagging system it is difficult to prove if the University still has the assets.

Freehold Buildings at the University's Stoke Campus, Blackheath Lane and Lichfield were revalued on a depreciated replacement cost basis by GVA BiLFINGER, an Independent Chartered Surveyor as at 1 August 2014. Freehold land was revalued on an open market, existing use basis at the same date. The University has used those fair values as its deemed cost at 1 August 2014 in accordance with FRS102 Paragraph 35.10(c).

At 31 July 2019, Freehold land and buildings included £17.3 million (2017/18: £17.3 million) in respect of Freehold land and is not depreciated.

Notes to the Accounts

Year Ended 31 July 2019

12 Heritage assets

The Thornhill Bequest, a collection of medieval Chinese pottery owned by the University. The value is based on a valuation made for insurance purposes as at November 2013. The valuation was undertaken by professional advisors expert in this field.

	Year Ended 31 July 2019 £'000	Year Ended 31 July 2018 £'000
Valuation	1,300	1,300
Additions	0	0
Disposals	0	0
	1,300	1,300

13 Non-Current Investments

Consolidated	Subsidiary companies	Subsidiary investment in spinouts	Other fixed assets investments	Total
	£'000	£'000	£'000	£'000
At 1 August 2018	0	0	74	74
Additions	0	0	0	0
Disposals	0	0	0	0
Impairment	0	0	0	0
At 31 July 2019	0	0	74	74
University	£'000	£'000	£'000	£'000
At 1 August 2018	0	0	74	74
Additions	0	0	0	0
Disposals	0	0	0	0
Impairment	0	0	0	0
At 31 July 2019	0	0	74	74

Other non-current investments consist of:

CVCP Properties Limited
Mercia Asset Management PLC

Consolidated and University £'000
33
41
74

Non-Current investments represent £33k investment (0.78% of the issued share capital) in CVCP Properties Limited, which is a Company registered in Great Britain and incorporated in England and Wales and £41k investment (0.0003% of the issued share capital) in Mercia Technologies PLC.

The group holds shares in a number of spin out companies and companies which have been set up through Research Business and Employability Services.

The group shareholding is as follows:

	University Holding	Value	
Subsidiary Companies			
Staffordshire University Unitemps Ltd	100%	£1	
Staffordshire University Services Ltd	100%	£1	
Staffordshire University Enterprises Ltd	100%	£0	Dissolved 28th August 2018
Spinout Companies			
AVA Technologies Ltd	37%	-	
Echo Breaker Research and Analysis Ltd	15%	-	Dissolved 28th August 2018
Grand Independent Ltd	30%	-	
High House Collections Ltd	100%	-	Dissolved 23rd October 2018

Staffordshire University Unitemps Ltd was established to act as an employment agency primarily employing students and providing services both internal and external to the University.

Staffordshire University Services Ltd, a company incorporated in and operating in Great Britain and registered in England and Wales. The main areas of activity of Staffordshire University Services Limited, are the provision of staff to the University.

Staffordshire University Enterprises Ltd, a company incorporated in and operating in Great Britain and registered in England and Wales. The main areas of activity of Staffordshire University Enterprises Limited, are the undertaking of consultancy work and the operation of recreational activities. The company was dormant throughout the year and was dissolved on the 28th August 2018.

The group has chosen not to attribute any value to the investments in spinout companies within the financial statements and will review as they become further established.

Notes to the Accounts

Year Ended 31 July 2019

- 14 Trade and other receivables**
Amounts falling due within one year:
Other trade receivables
Other receivables
Prepayments and accrued income
Amounts due from subsidiary companies

	Year Ended 31 July 2019		Year Ended 31 July 2018	
	Consolidated £'000	University £'000	Consolidated £'000	University £'000
Other trade receivables	6,341	6,056	3,293	3,121
Other receivables	309	308	218	218
Prepayments and accrued income	5,408	5,409	5,129	5,129
Amounts due from subsidiary companies	0	11,888	0	9,654
	12,058	23,661	8,640	18,122

- 15 Cash and Cash Equivalents**
Cash and Cash equivalents

	Year Ended 31 July 2019		Year Ended 31 July 2018	
	Consolidated £'000	University £'000	Consolidated £'000	University £'000
Cash and Cash equivalents	10,608	9,969	8,660	8,654
	10,608	9,969	8,660	8,654

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

- 16 Creditors: amounts falling due within one year**
Secured loans
Trade payables
Social security and other taxation payable
Accruals and deferred income
Other Creditors
Amounts owed to subsidiary companies

	Year Ended 31 July 2019		Year Ended 31 July 2018	
	Consolidated £'000	University £'000	Consolidated £'000	University £'000
Secured loans	1,628	1,628	1,566	1,566
Trade payables	3,493	3,491	2,499	2,499
Social security and other taxation payable	2,310	2,035	2,555	2,525
Accruals and deferred income	18,559	18,461	17,289	17,176
Other Creditors	484	482	756	756
Amounts owed to subsidiary companies	0	11,337	0	9,620
	26,474	37,434	24,665	34,142

Notes to the Accounts

Year Ended 31 July 2019

17 Creditors : amounts falling due after more than one year

	Year ended 31 July 2019		Year ended 31 July 2018	
	Consolidated £'000	University £'000	Consolidated £'000	University £'000
Deferred income	19,663	19,663	18,144	18,144
Secured loans	38,530	38,530	40,158	40,158
	58,193	58,193	58,302	58,302

Analysis of secured and unsecured loans:

Due within one year or on demand (Note 16)

	Year ended 31 July 2019		Year ended 31 July 2018	
Due between one and two years	1,692	1,692	1,629	1,629
Due between two and five years	5,472	5,472	5,270	5,270
Due in five years or more	31,366	31,366	33,259	33,259
Due after more than one year	38,530	38,530	40,158	40,158
Total secured and unsecured loans	38,530	38,530	40,158	40,158

Deferred income represents deferred capital government grants which are now required under FRS102 to be reported as a long term creditor.

The University has two term loans, the first was drawn down in 2007 for £16m at 5.38% fixed for 27 years and the second of £34m was drawn down in 2013 at 3.19% fixed for 25 years.

18 Provisions for liabilities

Consolidated	Pension Pension on termination	Onerous Lease/ Dilapidations	Restructuring	Total
	£'000	£'000	£'000	£'000
At 1 August 2018	1,233	726	374	2,333
Utilised in year	(365)	(225)	(374)	(964)
Additions in 2018/19	223	28	100	351
At 31 July 2019	1,091	529	100	1,720

University	Pension Pension on termination	Onerous Lease/ Dilapidations	Restructuring	Total
	£'000	£'000	£'000	£'000
At 1 August 2018	1,233	726	374	2,333
Utilised in year	(365)	(225)	(374)	(964)
Additions in 2018/19	223	28	100	351
At 31 July 2019	1,091	529	100	1,720

Notes to the Accounts

Year Ended 31 July 2019

19 Endowment Reserves - Consolidate & University

Restricted net assets relating to endowments are as follows:

Balances at 1 August 2018

	Restricted Permanent endowments £'000	Year Ended 2019 Total £'000	Year Ended 2018 Total £'000
Capital	22	22	22
Accumulated income	4	4	4
	26	26	26
New endowments	0	0	0
Investment income	0	0	0
Expenditure	0	0	0
(Decrease) / increase in market value of investments	0	0	0
Total endowment comprehensive income for the year	0	0	0
	26	26	26

At 31 July 2019

Represented by:

Capital	22	22	22
Accumulated income	4	4	4
	26	26	26

Analysis by type of purpose:

Prize funds	26	26	26
	26	26	26

Notes to the Accounts

Year Ended 31 July 2019

20 Restricted Reserves - Consolidated & University

Reserves with restrictions are as follows:

	Year Ended 2019 Total £'000	Year Ended 2018 Total £'000
Balances at 1 August 2018	4,588	4,588
New grants	0	0
New donations	0	0
Investment income	0	0
Capital grants utilised	0	0
Gain on disposal	0	0
(Decrease) / increase in market value of investments	0	0
Total restricted comprehensive income for the year	0	0
At 31 July 2019	4,588	4,588
	2019 Total £'000	2018 Total £'000
Analysis of other restricted funds / donations by type of purpose:		
Lectureships	0	0
Scholarships and bursaries	0	0
Research support	0	0
Prize funds	0	0
General	4,588	4,588
At 31 July 2019	4,588	4,588

21 Cash & Short-Term Investments

	At 31st July 2019 £'000	Cash Flows £'000	At 1st August 2018 £'000
Consolidated			
Cash and short-term investments	59,538	6,426	53,112
Bank overdraft	0	0	0
	59,538	6,426	53,112

Cash and short-term investments are held with banks and building societies operating in the London market and licensed by the Financial Services Authority with more than three months maturity at the balance sheet date.

Notes to the Accounts

Year Ended 31 July 2019

22 Capital and other commitments

Provision has not been made for the following capital commitments at 31 July 2019:

	Year Ended 31 July 2019		Year Ended 31 July 2018	
	Consolidated £'000	University £'000	Consolidated £'000	University £'000
Commitments contracted for	137	137	2,075	2,075
Approved not contracted for	3,724	3,724	5,877	5,877
	3,861	3,861	7,952	7,952

23 Lease obligations

Total rentals payable under operating leases:
Consolidated & University

	Year Ended 31 July 2019			31 July 2018
	Land and Buildings £'000	Other leases £'000	Total £'000	£'000
Payable during the year	1,824	95	1,919	1,346
Future minimum lease payments due:				
Not later than 1 year	1,192	73	1,265	1,844
Later than 1 year and not later than 5 years	567	9	576	2,093
Later than 5 years	66	0	66	0
Total lease payments due	1,825	82	1,907	3,937

24 Contingent Liabilities

The University is a member of U.M Association Limited (UMAL), a company limited by guarantee, formed to provide a mutual association for insuring risk. Under the terms of its membership, each member acts as insurer and insured. If the association as a whole suffers a shortfall in any underwriting year, the members are liable for their pro-rated share, spread using a bank facility over 7 years. The University is a guarantor, on a joint and several basis with a bank facility. No liability has yet arisen under this guarantee.

Notes to the Accounts

Year Ended 31 July 2019

25 PENSION COSTS

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 for academic staff and to the Staffordshire County Council Superannuation Scheme (LGPS) for non-academic staff. These are both independently administered schemes.

Total employees and employers contributions to the Teachers' Superannuation Scheme for 2018/19 were £5,363k (2017/18 £5,681k) and for the Staffordshire County Council Superannuation Scheme £2,392k (2017/18 £5,354k).

Funded liabilities comprise of approximately £284m in respect of employee members, deferred pensioners and pensioners. For unfunded liabilities it is assumed that all unfunded pensions are payable for the remainder of the member's life. It is further assumed that 90% of pensioners are married (or cohabiting) at death and that their spouse (cohabitee) will receive a pension of 50% of the member's pension as at the date of the member's death.

Staffordshire University Services Ltd

The pension scheme for Staffordshire University Services Ltd with Aviva is a defined contribution plan, a post employment benefit plan under which Staffordshire University Services Ltd pays fixed contributions into a separate entity and has no legal or constructive obligation to pay further amounts. Obligations for contributions to defined contribution pension plans are recognised as an expense in the income statement in the year during which services are rendered by employees.

Teachers' Pension Scheme

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

The Teachers' Pension Budgeting and Valuation Account

Although members may be employed by various bodies, their retirement and other pension benefits are set out in regulations made under the Superannuation Act 1972 and are paid by public funds provided by Parliament. The TPS is an unfunded scheme and members contribute on a 'pay as you go' basis – these contributions, along with those made by employers, are credited to the Exchequer under arrangements governed by the above Act. The Teachers' Pensions Regulations 2010 require an annual account, the Teachers' Pension Budgeting and Valuation Account, to be kept of receipts and expenditure (including the cost of pension increases). From 1 April 2001, the Account has been credited with a real rate of return, which is equivalent to assuming that the balance in the Account is invested in notional investments that produce that real rate of return.

Valuation of The Teachers' Pension Scheme

The latest actuarial review of the TPS was carried out as at 31 March 2016 and in accordance with The Public Service Pensions (Valuations and Employer Cost Cap) Directions 2014. The valuation report was published by the Department for Education (the Department) on 9 June 2014. The key results of the valuation are:

Employer contribution rates were set at 16.4% of pensionable pay:

Total scheme liabilities for service to the effective date of £191.5 billion, and notional assets of £176.6 billion, giving a notional past service deficit of £14.9 billion.

An employer cost cap of 10.9% of pensionable pay. The new employer contribution rate for the TPS was implemented in September 2015. A full copy of the valuation report and supporting documentation can be found on the Teachers' Pension Scheme website at the following location: www.teacherspensions.co.uk/news/employers/2014/06/publication-of-the-valuation-report.aspx

Notes to the Accounts

Year Ended 31 July 2019

25 PENSION COSTS (Continued)

Scheme Changes

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

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

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

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

Local Government Pension Scheme

The LGPS is a defined benefit statutory scheme, administered in accordance with the Local Government Pension Scheme (Benefits, Membership and Contributions) Regulations 2007, the Local Government Pension Scheme (Administration) Regulations 2008 and the Local Government Pension Scheme (Transitional Provisions) Regulations 2008. It is contracted out of the State Second Pension.

The agreed contribution rates for future years are 16.6% plus an increasing annual sum for the employer and between 5.5% and 12.5% for employees.

The latest formal valuation of the Fund for the purpose of setting employers' actual contributions was as at 31 March 2016, with the next formal valuation due as at 31 March 2019.

A valuation of the Fund's liabilities as at 31 July 2016 has been undertaken by the Fund's actuary for the purpose of FRS 102 "Retirement Benefits". The following valuation data has been used for the purposes of this disclosure.

The individual membership data submitted as at the 31 March 2016 for the purpose of the funding valuation at that date (or for employers which have joined the Fund after 31 March 2016, membership data as at the date of joining);

The individual pensioner data in respect of LGPS unfunded pensions and teachers' pensions where appropriate;

The latest numbers of employees, deferred pensioners and pensioners;

Actual payroll data information up to the latest available date;

Employer and employee contributions up to the latest available date (in order to estimate contribution income and pensionable payroll for the accounting period this year);

The actual split of the fund assets as at the latest available date;

The actual Fund returns provided up to the latest available date;

Any new early retirements from 1 August 2016 to the latest available date on unreduced pensions which are not anticipated in the normal employer service cost (e.g. non ill-health retirements before the member's benefits can be taken unreduced), as set out in Section 1 of the Results Schedule.

The following information is based upon a full actuarial valuation of the Fund at 31 March 2016.

Salary increases are 1% pa nominal until 31 March 2015, reverting to the long term rate shown thereafter.

Changes to the Local Government Pension Scheme (LGPS under regulation 3 of the LGPS (Amendment) Regulations 2006 (statutory instrument 2006/966) permits employees retiring on or after 6 April 2006 to take an extra increase in their lump sum payment on retirement in exchange for a reduction in their future annual pension.

Commutation

An allowance is included for future retirements to elect to take 50% of the maximum additional tax-free cash up to HMRC limits for the pre-April 2008 service and 75% of the maximum tax-free cash for post-April 2008 service.

	At 31 July 2019	At 31 July 2018
Rate of increase in salaries	2.80%	2.80%
Rate of increase for pensions	2.40%	2.40%
Discount rate for liabilities	2.10%	2.80%

Notes to the Accounts

Year Ended 31 July 2019

25 PENSION COSTS (Continued)

Mortality Assumptions

Life expectancy is based on the Fund's VitaCurves with improvements in line with the Medium Cohort and 1% p.a. underpin from 2013. Based on these assumptions, the average future life expectancies at age 65 are summarised below:

	Males	Females
Current Pensioners	22.1 years	24.4 years
Future Pensioners	24.1 years	26.4 years

Historic Mortality

Life expectancy for the prior year end is based on the fund's VitaCurves. The allowance for the future life expectancies are shown below:

Year Ended	Prospective Pensioners	Pensioners
31 July 2018	CMI 2013 model assuming the current rate of improvement has reached a peak and will converge to a long-term rate of 1.25%	CMI 2013 model assuming the current rate of improvement has reached a peak and will converge to a long-term rate of 1.25%

The assets in the scheme and the expected rates of return were:

	Proportion of each asset type at 31 July 2019	Value at 31 July 2019 £'000	Proportion of each asset type at 31 July 2018	Value at 31 July 2018 £'000
Equities	69%	137,503	70%	128,455
Bonds	20%	39,856	18%	33,031
Property	8%	15,942	8%	14,680
Cash	3%	5,979	4%	7,340
Total Market Value of Assets		<u>199,280</u>		<u>183,506</u>

	Year ended 31 July 2019 £'000	Year ended 31 July 2018 £'000
Group's estimated asset share	199,280	183,506
Present value of scheme liabilities	(281,033)	(239,813)
Deficit in the scheme	<u>(81,753)</u>	<u>(56,307)</u>

Under the arrangements of FRS102, a provision has been made by the Group for the Institution's share of the deficit of the scheme.

Notes to the Accounts

Year Ended 31 July 2019

25 PENSION COSTS (Continued)

ANALYSIS OF THE AMOUNT CHARGED TO THE INCOME AND EXPENDITURE ACCOUNT

Employer service cost (net of employee contributions)	3,182	6,462
Past service cost	(2,418)	117
Curtailment and Settlements	0	0
Total operating cost	<u>764</u>	<u>6,579</u>

Analysis of pension finance income/costs

Expected return on pension scheme assets	5,133	4,516
Interest on pension scheme liabilities	(6,656)	(6,508)
Pension finance costs	<u>(1,523)</u>	<u>(1,992)</u>

Amounts recognised in the Statement of Comprehensive Income & Expenditure (SOC1)

Actuarial (loss) / gain recognised in SOC1

Year Ended 31 July 2019 £'000	Year Ended 31 July 2018 £'000
764	6,579

Year Ended 31 July 2019 £'000	Year Ended 31 July 2018 £'000
(1,523)	(1,992)

(27,694)	19,997
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Reconciliation of defined benefit obligation

Opening Defined Benefit Obligation

Current service cost	3,182	6,462
Interest Cost	6,656	6,508
Contributions by Members	688	1,201
Actuarial gains / (losses)	38,461	(9,227)
Past Service Costs (including Curtailments)	(2,418)	117
Unfunded Benefits Paid	(727)	(719)
Benefits Paid	(4,622)	(4,394)
Closing Defined Benefit Obligation	<u>281,033</u>	<u>239,813</u>

Reconciliation of fair value of employer assets

Opening Fair Value of Employer Assets

Expected Return on Assets	5,133	4,516
Contribution by Members	688	1,201
Contributions by the Employer	3,808	4,849
Contributions in respected of Unfunded Benefits	727	719
Actuarial Gains/(Losses)	10,767	10,770
Estimated Unfunded Benefits paid	(727)	(719)
Estimated Benefits Paid	(4,622)	(4,394)
Closing Fair Value of Employer Assets	<u>199,280</u>	<u>183,506</u>

Movement in deficit during the year

Deficit in scheme as 1 August	(56,307)	(73,301)
Movement in year:		
Current service charge	(3,182)	(6,462)
Contributions	3,808	4,849
Contributions in respected of Unfunded Benefits	727	719
Past service costs	2,418	(117)
Net interest on assets	(1,523)	(1,992)
Actuarial (loss) / gain	(27,694)	19,997
Deficit in scheme as 31 July	<u>(81,753)</u>	<u>(56,307)</u>

Year Ended 31 July 2019 £'000	Year Ended 31 July 2018 £'000
239,813	239,865
3,182	6,462
6,656	6,508
688	1,201
38,461	(9,227)
(2,418)	117
(727)	(719)
(4,622)	(4,394)
<u>281,033</u>	<u>239,813</u>

Year Ended 31 July 2019 £'000	Year Ended 31 July 2018 £'000
183,506	166,564
5,133	4,516
688	1,201
3,808	4,849
727	719
10,767	10,770
(727)	(719)
(4,622)	(4,394)
<u>199,280</u>	<u>183,506</u>

Year Ended 31 July 2019 £'000	Year Ended 31 July 2018 £'000
(56,307)	(73,301)
(3,182)	(6,462)
3,808	4,849
727	719
2,418	(117)
(1,523)	(1,992)
(27,694)	19,997
<u>(81,753)</u>	<u>(56,307)</u>

Notes to the Accounts

Year Ended 31 July 2019

26 National College for Teaching and Leadership (NCTL)

	Year Ended 31 July 2019 £'000	Year Ended 31 July 2018 £'000
Student Bursaries		
Opening fund balance	97	82
Net NCTL grants received in year	902	739
Disbursed to students	(923)	(724)
Adjustment	(13)	0
Balance Unspent at 31 July owing to the NCTL	63	97

27 Related Party Transactions

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

Included with the accounts for the period are transactions between:

Staffordshire University and Staffordshire University Students Union. The University provided a grant of £832k to the Student's Union (2017/18: £875k), and purchases from the Student's Union amounted to £28k (2017/18: £7k).

Staffordshire University Academy Trust and Staffordshire University. Purchases by the University amounted to £1k (2017/18: £23k) and sales £36k (2017/18: £40k).

Staffordshire University Academy Trust and Staffordshire University Unitemps Ltd. Purchases by Unitemps £nil (2017/18: £nil) and sales £nil (2017/18: £3k).



*37th out of 121 UK institutions in the Guardian League Tables 2020