



FINANCIAL STATEMENTS
AND GOVERNORS'
REPORT 2015/16

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CHAIR'S INTRODUCTION

The financial year 2015/16 has been another year of change, development and inspirational student success for Staffordshire University.

We are very proud of all our students' achievements and appreciate very much the role played by our dedicated staff in this.

As ever, the challenges in the Higher Education sector continue - with increasing competitiveness in the market, demand for up-to-date programmes to equip students with the skills that they need to enter their chosen career and complications around recruiting international students. The Education White Paper has the potential to change how our performance is measured and assessed, with the aim of further improving the choices and experience of students. To get ahead and stay ahead, we need to continually reassess the needs of students, delivering programmes that they want in ways that suit them.

In response to this, we have spent valuable time developing a new Strategic Plan. This has been submitted to our Board for approval and launched across the University soon after. I am confident that it will put us in a strong position, enabling our students to achieve to the maximum.

Notable successes in the financial year 2015/16 include:

- Delivering a campus transformation programme that has enabled us to sell our Stafford Beaconside site, and invest £46 million in our Stoke-on-Trent campus as well as our Centres of Excellence in Healthcare Education at Stafford and Shrewsbury. This programme

will continue throughout 2016/17 with investment in collaborative, technology-equipped learning spaces across the University.

- Improving our Guardian League Table position; published in May, we showed a rise of 14 places from 83 to 69.
- Being a top provider for the delivery of higher and degree apprenticeships - a position that we aim to build on in the future.
- We were also identified as number one for computer games courses – an area which helps us to grow our reputation for digital technologies.
- Greater efficiencies through implementation of better systems, processes and structures.
- Delivering a surplus and significant capital investment, demonstrating good financial management and our desire to invest in our future.

Professor Michael Gunn retired as Vice-Chancellor and Chief Executive in March 2016, and I acknowledge here his leadership and unstinting work over the last five years.

On 1 April 2016, Professor Liz Barnes took up the role of Vice-Chancellor and Chief Executive. We are delighted that Professor Barnes has joined us and look forward to her leadership through the next exciting phase in our University's journey.

I pay tribute to the contribution made by Dr Ruth Thompson who very sadly passed away this year. Ruth joined the Board as an Independent Governor in 2010 and served as Chair of Education Committee (formerly Academic Standards and Quality Committee). She was also Deputy Chair of Audit and Risk Committee and of Nominations and Governance Committee. Ruth

gave freely of her wisdom, experience and time, acting as a mentor and an inspiration to many. She will be missed greatly.

Finally, my personal thanks to our students, staff, Governors and all of our friends and Partners who contribute to the University's success. We have much to be proud of and much to anticipate.

Further details of our achievements are outlined in the following pages, which I encourage you to read.

David Gage MBE Chair of the Board of Governors



VICE-CHANCELLOR'S REPORT

I am delighted to have taken the role of Vice-Chancellor and Chief Executive of Staffordshire University. Since I joined on 1 April, I have discovered fantastic people who are passionate in what they do, and brilliant inspirational students. Staffordshire University has much to be proud of – a proud history of delivering vocational degrees, a transformed campus environment with great potential, and impressive partners that can really enhance our offer.

There is still more work to do to ensure that we fulfil our potential, to position us as market leaders and ensure that we offer the very best education and experience to our students.

We have developed a new strategic plan – we will be The Connected University, dedicated to the success of our students, our staff and the organisations that work with us. Putting our students first, we will be introducing new strategies around connecting communities, innovative and applied learning, and talented people. Our values are to be ambitious and inspirational, brilliant and friendly, curious and daring, and most of all, we will be Proud to be Staffs!

We have ambitions to grow over the next five years by focusing on what we are good at and being really good at it. I am very confident that the future is exciting for Staffordshire University and I am delighted to be leading it. Since I started, personal highlights for me have been:

- Our Awards Week, which is held at the picturesque Trentham Estate – nine ceremonies over five days celebrating the achievements of more than 3,200 students. What

a fantastic week. Graduation is a time when we can reflect on what Higher Education is all about. As I talked to students, parents and families and listened to our Students' Union representatives in their speeches, I was struck by the power that education has to transform lives. Our graduates' stories are not just about the positive employment outcomes, but about the broader impact on their lives. We produce well-rounded graduates ready to 'take on the world'.

- Confirmation of what we do well - we have a strong pedigree in computing and digital technologies. We have recently been identified as the number one provider of computer games courses and we are renowned for cybercrime courses. Our forensic and crime science courses are delivered in partnership with Staffordshire Police and have a growing reputation. Our creative arts courses continue to thrive and include some niche, internationally recognised courses such as comic arts and puppet making.
- Our leading role in new work-based routes to education - Staffordshire University is powering the future of higher and degree apprenticeships where there is the potential for us to work with businesses large and small - we are a leading university provider. With the impending introduction of the Apprenticeship Levy in April 2017, we are placing this high on our agenda as it presents us with a great opportunity to help upskill our Staffordshire workforce. We continue to offer high quality

fast-track degrees that enable graduates to enter the world of work more quickly.

WE PRODUCE WELL-ROUNDED GRADUATES

The focus for the coming year will be launching the new strategic plan, developing our research capability, improving the overall quality of delivery, building strong relationships with schools and colleges in the region, playing an influential role in our City, county and region, investing in our digital and campus experience and responding to the Education White Paper.

I would like to say a personal thank you to my predecessor, Professor Michael Gunn, who paved the way for a smooth transition into the role.

I would also like to thank our University community for welcoming me and for everything they do to make Staffordshire University great – I very much look forward to working with them in the days, months and years to come.

Professor Liz Barnes
Vice-Chancellor



OPERATING AND FINANCIAL REVIEW

Constitution and Activities

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 and include the power to provide Higher and Further Education and to carry out research and publish the result of research as the University thinks fit.

The University was incorporated in November 1988 and on 1 April 1989 all properties, rights and liabilities which had been used and/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.

Scope of the Financial Statements

These are the first financial statements that are prepared in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland FRS102 and under the Statement of Recommended Practice: Accounting for Further and Higher Education 2015 (FE HE SORP 2015), which has required the restatement of 2014/15 as a comparative year.

The adoption of a valuation of certain land and buildings as 'deemed cost', inclusion of an accrual for annual

leave entitlement, and changes in the presentation of actuarial pension valuations annual deficits, are the key adjustments in comparison with 2014/15 published financial statements prepared under previous UK GAAP. The University has chosen to continue to account for government funded capital grants over the life of the assets that these grants have funded, matching the annual depreciation charge with a recognition of grant income. The balance of capital grants deferred of £19.3 million is now required to be reported as a long term creditor rather than as a source of funds as under previous accounting practice, thus reducing total net assets.

The Financial Statements comprise the consolidated results for the University and its subsidiary undertakings, Staffordshire University Enterprises Limited, The Friends of Staffordshire University Charitable Trust and Staffordshire University Unitemps Ltd.

The subsidiaries undertake a range of activities including consultancy work, the operation of recreational activities and property management for a variety of commercial and other organisations. The taxable profits of the subsidiary undertakings are gifted back to the University under a covenant arrangement.

Results for the Year

The University's consolidated income, expenditure and results for the year to 31 July 2016 are summarised as follows:

In 2015/16 the University and its subsidiaries made an historical cost deficit of £8.9 million (2014/15 £10 million). Income decreased by 3.9% to £114 million, whilst net expenditure decreased by 3.5% to £112 million.

These results include adjustments for FRS102 – Accounting for Retirement Benefits. The impact of this accounting standard on the income and expenditure account remains volatile and reflects changes in assumptions that affect pension assets and liabilities over many years. Its impact this year was to reduce the surplus by £14.9 million (2014/15 by £14.2 million). Excluding these FRS102 adjustments, the operating surplus increased to £6 million (2014/15 £4.1 million).

Income

Income mix has changed significantly over the past few years due to the new tuition fee regime. We have seen a reduction in Funding Council Grants and an increase in academic fees. Continued focus on student recruitment, progression and income diversification is vital to ensure our financial sustainability.

The investment in the campus during 2015/16 and planned investment going forward, our digital agenda, consolidation of our portfolio around the awards that our students want and a new partnership and international strategy will all ensure that income grows in the future.

Expenditure

Staff costs at 55% of total costs have reduced from 56% the previous year despite pay inflation. This is predominantly due to the centralising of our administration teams supported by new technology, enabling us to offer an improved service to students, as well as reducing our costs. This demonstrates the University's continued focus on driving efficiency through improved processes, systems and structures. Our above average student/staff ratio

OPERATING AND FINANCIAL REVIEW

(Guardian league tables) demonstrates our commitment to preserve the 'front line' activity that has the greatest impact on our performance.

Non staff costs are impacted by a £1.4 million increase in depreciation as a result of the investment in the campus during 2015/16. However, the underlying operating cost base has reduced by 1%, as a result of a continued focus on controlling costs and in particular, a better buying programme ensuring that we achieve greater value from our providers.

Surplus

We continue to deliver surpluses with a pre-pension adjustment surplus of £6 million in 2015/16, which is 5.3% of income. Our medium-term financial plan which takes us to 2020, continues to plan for surpluses.

Cash Flow

The table (on page 45) summarises the major cash movements during the year ended 31 July 2016, including capital investments.

The consolidated Cash Flow Statement shows cash inflows from operating activities of £12.8 million (2014/15 £12.8 million). Payments to acquire and improve fixed assets totalled £35 million (2014/15 £10 million) and net cash outflow before financing at £12.9 million, was a £6.6 million increase on the prior year (2014/15 outflow £6.2 million). After allowing for financing drawn in the year, net cash decreased by £3.3 million (2014/15 £3.4 million increase).

Capital Investment

During the year, the University operated from two primary campuses; Stafford and Stoke-on-Trent, with Centres of Excellence for Healthcare at Blackheath

Lane in Stafford and at Royal Shrewsbury Hospital. We also have a hub in Lichfield. Investment in these estates and facilities is key to ensuring that our facilities are attractive to potential students and that we offer the best experience possible. That is why we committed to an investment programme in 2015/16 of £46 million to improve the overall quality of our estate. This investment also enabled us to close the Beaconside site, consolidating our main activities onto the main campus in Stoke-on-Trent, while developing our two Centres of Excellence. Our students asked us for one main vibrant campus and that is what we will provide for the academic year beginning in September 2016. The Beaconside site will be sold during 2016/17 and the sale proceeds will enable us to carry out further refurbishment of our remaining campus. Over £5 million of the campus investment was spent on complete refurbishment of the Centres of Excellence, providing a strong, long-term presence in Stafford and Shrewsbury.

Pension Liability

Retirement benefits for employees of the University are provided by defined benefit schemes. The financial results include the impact of Financial Reporting Standard 102 – Accounting for Retirement Benefits (FRS102) for the benefits covered by the Local Government Pension Scheme (LGPS). This accounting standard requires the inclusion, within the accounts, for the University's share of any net deficit in the scheme. Full disclosures can be found in note 27 - Pension Costs. As at 31 July 2016, the Group's estimated share of the LGPS net deficit was £102.4 million (2014/15 £87.4 million).

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. There are, however, some pension liabilities related to Teachers' Pensions which are not funded through the scheme. These liabilities are valued on the University's balance sheet at £9.5 million (2014/15 £11.1 million).

Liquidity and Long-term Financing

The University had net debt, as at 31 July 2016, of £0.2 million (2014/15 net funds of £16.7 million). This reduction is due to the investment in the campus during 2015/16. Cash at bank and in hand was £44.5 million (2014/15 £62.9 million).

On 17 September 2007, the University refinanced its existing loans of £14.8 million, with a new term loan of £16 million, repayable over 27 years. The interest payable on this loan was fixed at 5.2% for its duration. The loan is part of a larger Convertible Revolving Credit Facility (CRCF) of £50 million. This facility was provided by Lloyds TSB, its purpose to provide funding for the University's future capital programme. The remaining £34 million was drawn down on the 2 September 2013 as a 25-year term loan, at a fixed interest rate of 3.2%.

Treasury and Financing

Cash deposits are invested in accordance with the University's Treasury Management Policy. This was reviewed in the year and additional counterparties added to spread the risk associated with

OPERATING AND FINANCIAL REVIEW

the additional cash balances. The prime requirement of the Policy is to ensure that the capital sum is not at risk, whilst achieving a rate of return commensurate with deposit rates achievable on the London Money Market. Interest receivable decreased to £0.4 million (£0.5 million in 2014/15) due to lower cash balances. Interest payable at £4.9 million includes an FRS102 adjustment of £3.2 million and loan interest payments of £1.7 million (2014/15 – interest payable £4.7 million includes FRS102 interest of £2.9 million and loan interest payments of £1.8 million).

Payment of Creditors

It is the University's policy to agree terms with all suppliers. The University's policy is then to abide by the specific terms made in those agreements.

Governors' Remuneration

Governors receive no remuneration from the University in respect of activities undertaken while acting as Governors, other than in some circumstances, travelling expenses.

FRS102 Impact Income and Expenditure:

2014/15 - Pre FRS 102 surplus was £3.9 million excluding the £12.9 million actuarial loss in respect of pension scheme (deficit was £9.0 million including pension scheme loss). The impact of the transition to FRS102 and the 2015 SORP in the 2014/15 statements was to reduce the surplus by £0.7 million to £3.2 million excluding the £10.6 million actuarial loss in respect of pension scheme (deficit was £7.4 million including pension scheme loss). Actuarial loss in respect of the pension scheme reduced by £2.3 million.

Income increased by £1.3 million due to the release of Non-Government deferred capital grants.

Expenditure increased by £2.5 million with the additional charge on the pension scheme of £2.3 million, holiday accrual of £0.4 million and depreciation was reduced by £0.2 million by realigning the major refurbishment of Sir Stanley Matthews Sports Centre to the existing buildings useful economic life.

Donations of £0.06 million previously included within other income are reported separately.

The revaluation reserve release increased by £0.4 million following the revaluation of the Science Centre, Lichfield, Clarice Cliffe, Ashley and Brindley.

Loss on disposal of assets of £0.1 million previously included within other operating expenses are reported separately.

Balance Sheet

Fixed assets increased by £30.3 million which included £12.9 million in land and £17.4 million in buildings. (£5.6 million Science Centre, £4.3 million Lichfield, £3.8 million Clarice Cliffe, £2.7 million Ashley and £0.8m Brindley). Depreciation reduced by £0.2 million as per above.

The Thornhill collection was included as a Heritage Assets at £3.8 million as an average of the Sotheby's auction sale estimate.

Deferred capital grants of £28.2 million were re-categorised between creditors falling due over one year and creditors falling due within one year.

Movement between investments and cash and cash equivalents reflect deposits held for less than three months and cash and short-term deposits held for more than three months. Endowments are included within cash and cash equivalents.

Debtors movements relates to inter-company.

Revaluation

On first time adoption of FRS102 the University is able to consider its policy in relation to the revaluation of fixed assets, as there is a once only opportunity to change policy and the value used for costs at 1 August 2014. FRS102 allows the option to revalue a selection of assets once as at 1 August 2014 and to establish this as the deemed cost, which then does not have to be revalued on a regular basis. Surveyors GVA BiLFINGER were engaged to provide a full valuation on land and buildings at Stoke-on-Trent, Blackheath Lane and Lichfield.

STRATEGIC PLANNING

The University is currently delivering a strategic plan for the period 2012-2017 entitled Securing Successful Futures. Within this plan, our vision and strategic intent is to be a vibrant, modern, relevant, vocationally and professionally inspired university, with three specific goals. These are:

- to be the best modern teaching university in a student city in the heart of the country
- to be known for our learning and teaching and our distinct and specialised portfolio
- to create a responsive, student orientated business.

This includes the culture of putting students at the heart of everything we do.

Our mantra for the student experience:

- Recruit and Retain
- Challenge and Support
- Achieve and Employ
- Creative and Innovative
- Enjoy and be Proud.

This is all built on our values and strong culture.

People Focused

Being people focused for us means respecting and valuing everyone's contribution to our University community. We have a long-standing commitment to equality, diversity, social inclusion and mobility. We see these as central to our success in building an inclusive and welcoming environment for all. We are a people organisation and it is we - the staff - who will make the difference and deliver this plan.

Innovation and Enterprise

Being innovative, enterprising and entrepreneurial for us means encouraging creativity and taking balanced risks. It requires a supportive

environment for the development of ideas and new business. It also demands a commitment to evidence-based work, taking opportunities as they arise, agility, supporting creativity, and being effective and efficient.

Excellence

Our commitment to excellence demands, that through continuous improvement and transformative change, we strive for the highest standards and levels of achievement, both academically and as a business, seeking to be enterprising and responsible, and at the forefront of the sector.

Partnership

Partnership for us means working with others with diligence, application, openness, transparency, integrity, honesty, professionalism, in collaboration and with a commitment to inter-cultural dialogue and freedom of areas of inquiry.

During the year, a major strategic planning exercise was undertaken through a cross-university initiative called Designing the Future (DTF). The programme was operated with a small core project support team and the involvement of all Faculties, Schools and Services. Critical to the effectiveness of DTF was a non-hierarchical and cross-functional approach. It was a highly collaborative process with active input of hundreds of staff and students through a variety of workshops. The central team provided business analysis input.

To give focused attention to critical aspects, 12 work streams were established, each under the leadership of a member of the Senior Management Team.

DTF enabled us to challenge existing ways of working, draw on best practice and ask colleagues to consider the University's changing operating environment. The programme helped us work towards a new sustainable operating model. The outputs from the workstreams were embedded in business planning for 2016/17 and have provided a solid basis to develop our new strategic plan.

By the year end the new Connected University strategy was in final stages of development.



ANNUAL PUBLIC BENEFIT STATEMENT

The University is a not-for-profit organisation and its mission is to provide and deliver Higher Education to a wide spectrum of students and other customers. In providing these services, the University seeks to enhance the students' development and, in so doing, improve their communities thus enhancing the general public good.

The Board of Governors and University management, in setting the University's strategy and planning its activities, make reference to, and consider carefully, the guidance on public benefit issued by the Charity Commission.

Our strategies and vision are underpinned by our key principles and activities towards the public good. Teaching and learning are the principal ways in which the University makes a contribution to wider society. Rooted in Staffordshire University's strategic plan, is our continued commitment to being an open and accessible institution that proactively encourages people from all backgrounds to aspire to higher education. We are committed to breaking down barriers and encouraging active participation, raising attainment and aspirations, encouraging engagement and admissions to Higher Education.

We do this by ensuring pathways to Higher Education are available through our work with other educational providers. For example, we work closely with schools and colleges, targeting pupils and students from as young as Year 5 through the Children's University, to students in FE Colleges and Sixth Forms in Years 12 and 13, with in-school and on campus activities, as well as mature learners via the Step Up to HE programme.

We have a strategic partnership with Staffordshire University Academy Trust (SUAT) which currently comprises four schools and continues to grow. The Regional Schools Commissioner has recently approved applications to join the Trust from a further four Staffordshire schools. The Trust has access to an experienced team of educational improvement partners, many of whom are based within, or connected to, the University's School of Education. The School, which is an outstanding Initial Teaching Training (ITT) provider, is a key strategic partner engaged to support the Trust's educational objectives and improve standards. Academy improvement activity is bespoke to the needs of each academy.

Staffordshire University Academy Trust contributes to a wider enrichment activity which is demonstrated by:

- University students working as ambassadors and on placements
- visits by Trust academies to the University campus, including participation in the Holocaust Memorial event
- a Professor of Paediatric Cardiology embarking on three-year longitudinal study with academy pupils and a local Premiership football team to improve health outcomes
- provision of media support and marketing expertise for the brand identity of the Trust and its academies
- support for professional development programmes and subsidised places on courses
- support for international links particularly in China and Scandinavia.

The object of this Trust is to enhance the quality of outcomes for the pupils within our academies and of the wider community to advance, for the public benefit, education for students of different abilities between the ages of 3 and 19. The synergy between the academies, their wider partners and the University is leading to improved practices, economies of scale and an increasing range of learning opportunities for both practitioners and students.

Staffordshire University also collaborates with Higher Education institutions and other local organisations to provide a range of events and facilities that are available to people within our communities. We host many public lectures throughout the year.

We provide business support, consultancy, skills development and research, to businesses and individuals to help them maintain a competitive edge. We encourage and support the creation of start-up businesses, helped through our Business Villages. Our Business Villages have a long history of supporting University students/alumni and have a county-wide base of small business owners and entrepreneurs.

The University is also a key local employer and helps with the economic and social growth of the region. Improving employability is vital for individuals and contributes to their health and wellbeing and the economy.

The University also has a long history and commitment to widening participation and social inclusion. The Office for Fair Access (OFFA) approves our plans annually, including enhancing opportunities for under-represented groups.

ANNUAL PUBLIC BENEFIT STATEMENT

Through our access and outreach activities, we aim to ensure students are not discouraged from entering Higher Education because of financial pressures. To support these objectives, we operate a generous bursary scheme. In 2015/16 we made bursary payments of £599,000 to 514 students and awarded fee waivers totalling £193,000 to 213 students.

We are fully committed to supporting students with disabilities and we aim to provide individually negotiated support programmes that can include guidance and help with applications for disabled students' allowances, specialist academic support, and help with mobility along with modifications to estates and infrastructure where necessary.

The University's research activities have impacted on businesses in addressing real-world problems and influenced the wellbeing of the wider society. Our research within clinical biomechanics and human performance, has furthered our understanding of diabetic foot disease and has the potential to change the clinical management plan for millions of people around the world. In addition, the research within this group, funded by the World Health Organisation through the International Society of Prosthetics and Orthotics, has shaped the development of policy on rehabilitation services in the developing and under developed regions of the world. The University has strong international and industry collaboration in this area to ensure that this translational research reaches the neediest population at the earliest stage.

This year, Dr Caroline Sturdy Colls, Associate Professor of Forensic

Archaeology and Genocide Investigation, was awarded the European Archaeological Heritage Prize. The prize is awarded for an outstanding contribution to the protection and presentation of European archaeological heritage and Dr Sturdy Colls received the award in recognition of her research on Holocaust sites across Europe. Her work has included investigations at Treblinka extermination and labour camps in Poland, Serbia, Germany and on the island of Alderney. This work has led to the identification of mass graves, camps and killing sites. She has published widely on her work and has participated in a wide range of educational programmes in order to disseminate her findings. Most recently, she has curated Finding Treblinka (along with Michael Branthwaite), which opened as a permanent exhibition at the Museum of Struggle and Martyrdom in Treblinka in August 2015.

Dr Sturdy Colls has also worked with colleagues in Computer Games Design and partners including Staffordshire Police, Advanced Laser Imaging and Epic Games, to develop new digital recording methods for use by forensic archaeologists and crime scene investigators – which won the Innovative Digital Applications Award category at the O2 NextGen Digital Challenge Awards held at the House of Lords. The Dig For-Arch project featured on BBC Crimewatch, showcasing an initial reconstruction which allows the Police, scientific experts or jury members to complete a virtual walk-through of a crime scene using a Virtual Reality (VR) motion capture headset.

Following the news that the UK Government is to ban plastic microbeads by the end of 2017, a group of scientists have discovered the

first evidence of microplastics being ingested by deep-sea animals. Dr Claire Gwinnett, Associate Professor in Forensic and Crime Science at Staffordshire University, has been working with scientists who took samples from creatures including hermit crabs, squat lobsters and sea cucumbers at two sites in the mid-Atlantic and south-west Indian Ocean, at depths of between 300m and 1800m. Using the latest forensic laboratory techniques, Dr Gwinnett was able to determine the microplastics had been ingested by deep sea creatures. The study, funded by the European Research Council (ERC) and the Natural Environment Research Council (NERC), was a collaboration between the University of Oxford, the University of Bristol, the Natural History Museum in London, and Staffordshire University's Department of Forensic and Crime Science, which made sure the results were robust and the study was free from potential contamination.

The University has also created new online resources for teachers to help tackle bullying and discrimination in classrooms across Europe. The free training includes an online course, toolkit and didactic manual, and was developed following research carried out with educational partners in Turkey, Greece, Germany, Spain and Italy as part of the @Mindset project, a two-year initiative co-funded by the Erasmus+ programme of the European Union. The course content and format was developed with feedback from educational professionals dealing with issues of discrimination on a day-to-day basis. In addition to online user-testing, over 30 teachers and youth workers from across Europe came to Stoke-on-Trent in March 2016 to take part in a successful trial of the course, which received excellent feedback.

CAMPUS TRANSFORMATION

The Campus Transformation Programme

In 2015 we set out to create Staffordshire University's renewed city campus at the heart of Stoke-on-Trent, one that would provide the best possible student experience. We have invested more than £40 million to make this a reality, including:

- relocating our Beaconside provision to Stoke-on-Trent
- creating new computing labs to expand our cutting-edge offering
- creating new computer gaming labs to further drive our reputation as the leading university for computer gaming technology
- creating new state-of-the-art TV and music technology studios
- creating new flexible teaching rooms in modern, comfortable and inspiring surroundings
- creating new café and social spaces.

As part of The Campus Transformation Programme, we have also created two new Centres of Excellence in Healthcare Education, based at our Stafford and Royal Shrewsbury Hospital sites, with £5.5 million investment in new specialist facilities.

All of this work was undertaken in consultation with our students, and marks the beginning of our commitment to a continued process of consultation and improvements, that will provide brilliant learning and teaching facilities and great social activities.

The Mellor building now houses our specialist computing labs and engineering labs. These new facilities deliver a vibrant, dynamic environment with brilliant learning and teaching facilities. This includes a large, open-plan social 'Collision Space' on the top

floor, extensively equipped with the latest learning technology and flexible furniture, and fantastic views across the City.

On the other side of College Road are the brand new Cadman Studios, an £11.5 million development that includes state-of-the-art TV and music technology studios, based in an enhanced social space - the Cadman Courtyard.

Alongside the advanced music and TV studios, computer games design studios have also been introduced, including a dedicated, larger motion capture studio and easily accessible resource centres. This new layout creates fantastic opportunities for cross-subject collaboration in the future.

The Beacon Building

The Beacon Building is a brand new £5.5 million facility for all students to enjoy. Beacons are used to help navigate towards a specific location, and were historically used to celebrate important events. The name was chosen following staff suggestions and a student vote, and The Beacon Building marks and celebrates the University's relocation of course provision from Stafford to our enhanced new city campus on College Road. Standing three storeys high, the iconic, silver, metal-clad structure is based at the heart of the University's creative site. Among the modern and multi-functional spaces inside are 12 timetabled teaching areas and general teaching rooms, flexible multi-sized spaces for lectures, IT labs, seminar spaces, and a new public café to replace The Pavilion.

A major undertaking

Overall, we have invested nearly £46 million as part of our Campus

Transformation Programme, with every aspect ready on schedule for teaching in September 2016.

Delivering these new and exciting spaces while we continue our teaching has been challenging. By working closely with academic colleagues and students, we have managed to negotiate a lot of essential works, relocating teaching into areas outside the works when necessary. We have also sought consultation with local communities, both before and during the construction phases, gaining much positive interest and support.

Ready for the future

Throughout the transformation, we've made sure every space is as connected and future-ready as possible. One example of this is the installation of AV screens with writable surfaces and flexible furniture, to enable different pedagogic approaches and a richer learning experience.

To excite our digitally-savvy students and accommodate our School of Computing, we've also invested an additional £7.8 million into Science, Technology, Engineering and Mathematics (STEM) for new computing and games facilities. The project - named Digital Kiln - merges beautiful learning spaces with state-of-the-art technology.

The next stage of our developments will remain student-focused, including the creation of a number of informal learning spaces across campus, and refurbishment of many of our existing teaching and learning spaces including the Brindley Building, a new Business School facility, and the re-cladding of our Blackstone Building.




**STAFFORDSHIRE
UNIVERSITY**

CENTRE OF EXCELLENCE IN HEALTHCARE EDUCATION

Following the closure of our Beaconside site in Stafford, our nearby Blackheath Lane site now houses our Paramedic, Operating Department Practice, Nursing and Midwifery students at the Centre of Excellence for Healthcare Education.

This campus has had £5 million investment into its facilities, creating completely refreshed learning spaces, a new library, clinical skills labs, ambulance entrance, café and social spaces. It has also been relaunched as the Centre of Excellence in Healthcare Education, offering students a dedicated facility and learning space.

Our Centre of Excellence in Healthcare Education based at our Shrewsbury Campus has also undergone a full refurbishment. Both sites now allow our students to learn in state-of-the-art facilities with equipment they will use in practice when they begin their careers.

Challenges in the sector

The sector has recently seen big changes in how healthcare students are funded. Historically, students' university fees were covered by a Government-funded bursary, but this will stop with effect from our September 2017 entry and students will have access to loans like other undergraduate students.

The funding changes could act as a deterrent to some potential students.

Many healthcare students are mature, with families and low incomes, therefore we expect this segment to be severely impacted.

This does however provide us with an opportunity. Without bursaries, place allocations are no longer capped and

we can recruit an unlimited number of students, though this also means we don't have the security of a guaranteed number of places and have to secure matching placement places.

What we're offering

We have recently undertaken extensive research to create a proposition for the launch of our new Centres of Excellence. We've identified six key areas of strength that will help establish our new campuses and drive recruitment.

INDIVIDUAL ATTENTION

Our Centres of Excellence are dedicated and specialist, meaning smaller teaching groups get a wealth of attention and care.

INDUSTRY-LEADING FACILITIES

At Staffordshire University we're exceptionally proud of our two dedicated Centres of Excellence in Healthcare Education. Extensive investment ensures students are trained using state-of-the-art technology and equipment. Alongside our clinical skills laboratories, we offer a fully-functional operating theatre suite, a training ambulance for use in the clinical field, as well as simulation mannequins for hands-on training.

HAPPINESS AND WELLBEING

The student support we offer at Staffordshire University is a vital and central part of our values. Our academic open door policy, as well as our mentoring and wellbeing service, all help to ensure students adapt to their new life at university. Support doesn't just come from the staff – the Centre of

Excellence concept ensures students can gain continual support from their peers.

DIVERSE PLACEMENTS

We offer the widest breadth of placements available, in a diverse mix of locations and disciplines. Students are based within community, hospital and specialist unit settings, ensuring they are exposed to a range of patients and scenarios.

WE MAKE YOUR FEES WORK HARD

Many students worry about the financial implications of starting a new course. So we make students' fees work hard, from DBS checks and uniforms, to Microsoft Office and online training tools.

DEDICATED SPACES WITH PEOPLE LIKE YOU

Because of the dedicated nature of each campus, everyone a student encounters will be going into healthcare in some way. This means they can share experiences and learn from each other both on campus and in our shared accommodation.





THORNHILL COLLECTION TO BENEFIT FUTURE STUDENTS

A rare collection of oriental ceramics bequeathed to Staffordshire University has been secured for future students.

In 1944, the 270 piece Thornhill Collection was donated to the University by London Chemist, Ernest Thornhill, who wanted it to be used as a study resource.

The Collection contains Chinese wares along with a small number of Korean and Japanese pieces. The earliest pieces in the Collection belong to the Shang (1700–1028 BC) and Zhou (1027–221 BC) dynasties. Ceramic experts, Steven Moore and Anna Westin, have advised that the collection is a rare and rich resource for students, academic researchers and professional practitioners.

After years in storage, the Collection was rediscovered in 2013 but the value had increased significantly to the point where the University was unable to house and display it securely.

Governors took the decision to sell off at auction, a single item from the collection – a rare Ming Dynasty Stem Cup - so that the remainder of the collection could be made available as a study resource. Prior to its sale at auction in Hong Kong, the University also took steps to make sure that an exact scale replica of the Stem Cup was produced.

Vice-Chancellor Professor Liz Barnes said: "The Thornhill Collection is historically important and it has enabled us to raise the funds to professionally house the Collection. Our commissioning of a replica Stem Cup will enable the Collection to be viewed in its entirety."

The Stem Cup, which dates back to circa 1425-1435 and bears the six-character mark of the Emperor of China, Xuande, sold for £3.6 million on 31 May.

The sale was attended by two students from the Faculty of Arts and Creative Technologies.

Photojournalism student Richard Holmes said: "Seeing the Stem Cup sell was an amazing experience – a high-profile auction is something that I didn't expect to be photographing and documenting whilst I was at University, but to do it in Hong Kong was extra special ... when the gavel finally fell, it was great to see the reactions of those connected with the Stem Cup."







HIGHER APPRENTICESHIPS

Higher and Degree Apprenticeships are a new type of apprenticeship. Both offer an 'earn while you learn' route with an embedded Higher Education qualification, to help employers recruit new staff or develop their existing workforce.

As Government approved, nationally accredited work-based programmes, these new apprenticeships have been designed with the input of employers to meet the specific higher skill levels they need. They include qualifications between levels four to seven, equivalent to Higher Education degree or postgraduate programmes. Students gain a recognised qualification that provides them with technical knowledge alongside professional skills and business competencies.

Apprentices are employed for at least 30 hours a week in a specific occupational role, allowing them to put their knowledge into practice in the workplace.

The Government has plans to introduce an apprenticeship levy – a payroll tax equivalent to 0.5% of payroll. This is intended to raise £3 billion to drive apprenticeship activity, as employers can reclaim their tax paid if they use it to buy apprenticeship training and education.

Expert business managers have developed strong employer relationships to position Staffordshire University to become the largest university provider of Higher and Degree Apprenticeships in 2015/16, enabling employers to:

- improve productivity and business performance

- motivate, up-skill and upgrade existing teams
- attract - and retain - the highest level of staff
- benefit from home-grown talent.

Learners are developing awareness of the benefits too. Since their employer pays the fees whilst the learner earns a salary, the proposition of Higher and Degree Apprenticeships is becoming increasingly compelling. Recent research commissioned by the CMI (March, 2016) has discovered a shift in parental attitudes to apprenticeships with an increasing focus on long-term employment prospects. The research suggests 61% of parents surveyed would rather their child took a Degree Apprenticeship with a major company than an Oxbridge degree.

Current programmes include IT, Software, Web and Telecoms Professional with Vodafone; Management with F Ball and Perkins Engines; Health (Assistant Practitioner) with eight regional NHS Trusts following mental health, acute care or peri-operative care pathways. More than 150 apprentices started their apprenticeship at Level 4 and above with the University in 2015-16.

Staffordshire University currently offers apprenticeships in the following areas:

- IT, Software, Web and Telecoms Professional (Level 4)
- Management (Level 5)
- Health - Assistant Practitioner (Level 5)
- Advanced Manufacturing (Level 4).

New developments which will be launched in 2016/17 include the following Degree Apprenticeships:

- Chartered Manager (Level 6)
- Digital Technology Solutions Professional (Level 6)
- Chartered Legal Executive (Level 6).

In addition to the delivery of apprenticeships, the University is involved in a wide range of employer-led trailblazer groups. Our academic experts are providing support to employers in sectors including digital industries, management, health, healthcare science, automotive engineering and policing. Their input is supporting employers to design and develop assessments to ensure apprentices reach the required standards of knowledge, skills and behaviours.

The aspiration is to recruit 500 new apprentices on Higher and Degree Apprenticeships in 2016/17 from a wide range of public and private sector organisations.

INTERNATIONAL

Staffordshire University is undertaking a number of strategies to ensure we are best placed to attract international students looking to study in the UK and respond to the changing international landscape including the Government's recent tightening of the rules surrounding Tier 4 study visas (affecting international students wanting to complete a sandwich degree), and to make certain we manage our visa refusal rates.

Our key approaches are as follows:

1. Following an audit and review, we have tightly defined our recruitment markets across East Asia, Europe, the Middle East, South East Asia and South Asia.

2. We regularly review our international portfolio to ensure that our courses remain highly relevant to the international marketplace.
3. Wherever possible, we are also underpinning the quality of our programmes through their association with research or specific areas of expertise.
4. Capitalising on our unique portfolio to drive interest in Staffordshire University, notably, Ceramics, Computer Gaming and Programming, Sport and Puppetry.

Recent initiatives

Football Coaches' Summer School run

in partnership with Stoke City FC. This three-month programme for 58 Chinese soccer coaches raised the profile of our sports programmes significantly.

International Scholarship Programme - driving attainment and linking achievement with reward. In its first year, the programme recognised the efforts of 10 students, four of whom achieved first-class honours.

An income-generating summer school with Tokyo's high-ranking Nippon Sports Science University.



PARTNERSHIPS

Universities are all about enhancing life choices and transforming lives – and, at Staffordshire University, we pride ourselves on recruiting students not just locally and regionally, but nationally and globally.

To achieve this, we work with a wide range of partners. Some are close to our campuses in the UK; others are much further afield, across Europe, Africa and Asia.

Connected Communities

Our partnership activity helps to connect communities and contributes to the social and economic development of the regions in which we operate. It delivers real-world learning in a global context and helps to build social and economic capital, all whilst contributing to our work at a local level.

Partnership activity allows us to be highly versatile in the way we provide access to Higher Education. We have specially adapted awards and provide flexible study opportunities for local, mature, part-time and international students whose family, financial or work commitments – or geographical location – prevent them from studying on campus. Wherever possible, we also facilitate progression to on campus awards at both undergraduate and postgraduate level.

As an indication of our success in forging global partnerships, we are currently one of the largest providers of transnational education provision with, at year end, some 18,500 students studying in their own country towards carefully monitored Staffordshire University awards. At the same time, around 3,600 students were studying with our UK FE and private provider partners.

We are respected both nationally and internationally as one of the leading providers of transnational learning. Our reputation is further reinforced by our expertise in costing partnership activity and ensuring that the cost of supporting our partners is fully recorded.

Valuable income source

Our success in working with partners also provides an important source of revenue. In 2015/16, income from our UK partnerships exceeded £2.3 million, with income from our international partnerships totalling £4 million.

Our key partnerships in the UK include: Stafford College, Newcastle-under-Lyme College, Stoke-on-Trent College, South Staffordshire College, City of Stoke-on-Trent Sixth Form College, Burton and South Derbyshire College and Shrewsbury College. Our key international partners include: APU, Malaysia; APITT, Sri Lanka; Gulf College, Oman; and British University, Vietnam.

As a further endorsement of our quality, 2015/16 saw an expansion of our programmes with some partners and the successful review and revalidation of others, to ensure that courses remain employability-focused and relevant.

Our July graduation ceremonies provided an important reminder of the significance of our partnerships, with several hundred graduating students, from our local partners; The National Design Academy in Nottingham, Raindance in London and from our international partners in Ghana and Sri Lanka.

Challenges

The challenges we face include a rapidly changing UK policy environment and the announcement of mergers between

many UK FE partners under the UK Area Review. We have supported our partners through Quality Assurance Agency (QAA) visits and by putting together action plans to address areas in need of enhancement.

Other challenges relate to resourcing the quality monitoring of a large portfolio and have resulted in the termination of some arrangements that do not dovetail closely with the University's plans.

During the coming year, we intend to:

- Streamline our portfolio, to ensure all partnerships fit strategically with the emerging University plans.
- Support local partners through mergers resulting from the Area Reviews.
- Host a UK partnership conference to share good practice and enhance the sense of community.
- Explore the benefits of expanding/diversifying our offering for high performing partners, including Higher Apprenticeships and work-based learning, to give our graduates the edge in the employment marketplace.



ARTS AND CREATIVE TECHNOLOGIES

The Faculty of Arts and Creative Technologies (FACT) incorporates the School of Art and Design, the School of Film, Sound and Vision and the School of Journalism, Humanities and Social Sciences.

Over the last year, the entertainment awards have relocated from Stafford to Stoke-on-Trent, with brand new state-of-the-art facilities in the Cadman Courtyard housing Games Design, Music, Film, FX/VFX and a TV studio. The relocation has provided the Faculty with opportunities to explore synergies between subject disciplines, resulting in new projects and awards.

Innovative learning and teaching

This year, we piloted the introduction of Blackboard Journals for practice-based subjects. New video conference software (Blackboard Collaborate Ultra) was used to connect with Channel 4 HQ for a masterclass from the Presentation Schedule Executive.

We are also taking the curriculum outside the University. Middleport Pottery host a range of student placement activities involving History, Fine Art and 3D Design. Fine Art and 3D Design held their Level 5 show at Middleport, open to the public. 2D Design and Surface Pattern responded to a brief to create relevant souvenirs for the museum shop - the prototypes are expected to go into production over the next year.

Vital Source has been introduced to our distance learning courses, giving access to materials whenever and wherever students are.

Courses are experimenting with innovative curriculum delivery models, such as focused block delivery in Surface

Pattern and Drama, and this year, four course, achieved 100% of overall satisfaction in NSS. Ten more scored above the University average.

Research

In preparation of the next Research Excellence Framework (REF), the Faculty launched new Research and Enterprise strategies. Research active staff work in two research groups: Critical Politics and Society and Creative Contemporary Practice, both headed up by a professor. Both areas received input from external consultants.

Among these were Dr Peter Lamb's text on Karl Marx for Bloomsbury, which led to his participation in the BBC's *Marx: Genius of the Modern World*.

The outputs of the research group Creative Contemporary Practice have been as diverse as its members, for instance, Anna Francis' research project that tests the viability of a disused pub as community space.

Impact of selected enterprise activities

The Faculty has launched a Coaching and Mentoring Hub as a first step towards its ambition to become the Staffordshire Centre of Excellence. This will provide support for local people and organisations in the private, public and third sectors. We are currently mapping the significant coaching and mentoring capability and expertise across the county, working with organisations like Stoke-on-Trent City Council, and the Fire Service.

Our growing Social Enterprise Programme attracts a range of local social entrepreneurs. To support this activity, the University signed a Memorandum of Understanding (MoU) with VAST. The Social Enterprise

Showcase event attracted 35+ social enterprise businesses and the University received HEFCE'S National Award for Innovation in Partnership and Ecosystem Development.

We are working with Stoke-on-Trent City Council to assess the social value of the city being awarded City of Culture status in 2021, supporting the bid to be submitted in 2017.

Student and graduate successes

In the School of Film, Sound and Vision, Drama graduate Amit Shah starred in *Stag* on BBC2 and *Crashing* on Channel 4. He also acted alongside Dame Helen Mirren in *The Hundred Foot Journey*.

In the School of Art and Design, final year Surface Pattern student Chelsea Imlack won the W'Innovate & Wilko Award at New Designers in London.

Another student who deserves a very special mention is Nihad Alihodzic. As Head of Declarations at the Organisation of the Prohibition of Chemical Weapons, he is part of a team awarded the Nobel Prize for their work removing all chemical weapons from Syria.

We have a student working at the UN, and another who is a legal advisor to the International Atomic Energy Agency. Many of our students work in the field of development – with roles ranging from working for the UK Department for Development in Uganda to teaching refugee children escaping ISIS in Northern Iraq.

Finally, eight of our graduate journalists have covered the Olympic Games in Rio – more than any other university.

BUSINESS, EDUCATION AND LAW

The portfolio of the Business School has evolved over the past year, with the validation of a foundation degree in partnership with Alton Towers and a new BSc Digital Marketing. The MBA programme has been relaunched. All our subject areas are currently engaged in the ongoing development around Higher Education Apprenticeships.

Employability

In line with the University's focus on employability, the Faculty makes extensive use of e-Coach and engages with a range of externally facing events such as Global Enterprise Week. The Business School has also received the Small Business Charter Award in recognition of its work in supporting small businesses, start-ups and their local economy. The award brings together world-class business schools and small and medium enterprises and communities across the UK, and we're now one of 31 business schools nationally to receive it.

The Business School continues to produce high-impact research in the area of Economics, whilst in Education Dr Katy Vigurs has been conferred as Associate Professor. She and Jim Pugh are now joined by Duncan Hindmarch on the University's Teaching Excellence Academy.

Successful Awards

The School of Education continues to offer a range of successful awards spanning the education sector. 2015/16 has seen the largest full-time undergraduate population in the School in Early Childhood Studies and education-based awards. Part-time studies in the same disciplines have also seen large cohorts at our Stoke-on-Trent and Lichfield campuses. Teacher training for the compulsory school sector continues to offer high

standard courses, although the numbers on awards (such as primary) have been capped by the Department for Education. Masters and postgraduate awards are growing, including the successful EdD which took a new intake in March 2016. Our partnerships also remain strong: the FdA Education and FdA Early Childhood Studies are still the largest partnership awards within the University and show some excellent partnership modelling and collaboration. The teaching training awards in the post-compulsory sector are based on a partnership model.

The School has led on innovative awards such as the national Troops to Teachers and PGCiE in China and delivers Early Years Teacher Status awards – one of 40 providers nationally permitted to offer the award.

In April 2016 OFSTED made their Stage 1 inspection visit to the School. Initial feedback was positive for all four areas (EYTS, Primary, Secondary and PCET).

Over the past year, there has been a large investment in the development of staff and technology enhanced learning. Investment in tablet (iPad) technology continued in the Business School alongside flexible learning spaces in the School of Law, to develop problem-based and Flip learning approaches. These approaches will be further supported by the development of the Ashley Building to create an improved Business School teaching facility.

The School of Education is expanding in its consultancy capacity. One example of this is the school development work with the Staffordshire University Multi-Academy Trust.

The Law School

The Law School at Staffordshire

University is renowned as a leading provider of legal education.

To ensure all undergraduate law courses taught at the School remain fresh and relevant, the entire undergraduate programme was revalidated during 2015/16. At the same time, a new 'non-qualifying' undergraduate award - BA (Hons) Criminology and Offender Management - was validated and will see its first intake of students in September 2017.

The Law School's work with prisons and various sectors of the Criminal Justice System, confirmed the need for a recognised degree-level qualification for individuals wishing to work in areas such as offender management, the Prison Service, the Probation Service and offender rehabilitation. It is envisaged that BA (Hons) Criminology and Offender Management will fulfil that need.

2015/16 also saw the introduction of MA Human Resource Management and Employment Law. The entire area of human resource management and the Law surrounding employees has expanded considerably over recent years. Delivered by blended learning and face-to-face teaching, the course has been designed to provide a specialist route for graduates looking to enter HR, as well as a starting point for those seeking elements of CIPD accreditation.

Finally, in November 2015, the Law School held its highly successful annual Law Careers Fair. Bringing employers from across the West Midlands to Stoke Campus, the event provided valuable employment and networking opportunities for students.

COMPUTING ENGINEERING AND SCIENCES

We deliver a range of industrially relevant Science, Technology, Engineering and Maths (STEM) related courses that focus on making graduates highly employable and prepared for the challenges of the workplace.

The undergraduate and postgraduate courses provided can be studied on campus, with partners here in the UK or overseas, online by distance learning, or as part of a work-based programme of study. Apprenticeship and bespoke professional development courses for industry, also form part of the Faculty portfolio including significant relationships with employers such as the RAF and Bentley Motors. We're a hub of technical research and innovation with a successful history of knowledge transfer activities.

There have been a wide range of achievements and awards during 2015/16, including:

- Development of bespoke degree course with Leoni Wiring Systems to suit their high-level education and training needs.
- Formal launch of Forensics Excellence partnership with Staffordshire Police.
- Successful continuation of the Vodafone Higher Apprenticeship Scheme.
- Winning a £50,000 HEFCE grant to develop an MSc Engineering conversion course for industry.
- Establishing an externally-chaired Engineering Advisory Board with senior level industrial membership.
- Winning an MOD tender for entomology service to categorise insect findings and provide training.
- Juniper bootcamp - Juniper is the second largest global networking company. The event has been a huge success and

feedback from Juniper is that this is the best event they have ever attended, not only in terms of the organisation and the hard work from staff, but also in terms of the attendance, attitude, engagement and enthusiasm of everyone involved.

- Ambitious outreach activities including the Faculty's sponsorship of KMF's Young Engineer of Year Award.

In the spotlight

We've enjoyed a number of highlights in our research and Research Excellence Framework (REF). The Centre of Archaeology won Marie Skłodowska-Curie funding to conduct a project concerning virtual crime scenes which received national UK TV coverage and won an O2 NextGen Digital Award. The Centre also supported two mainstream TV programmes - about finding Shakespeare and Treblinka death camp - while the Green Wall Research Centre was featured on BBC Midlands Today to highlight the leaf samples we are taking from Green Screens immediately along the A38 in Birmingham.

Epic events

Our 50 years of Computing celebrations continued throughout the year, culminating in a reunion of graduates from the first cohort who attended the 2016 graduation ceremony. As well as GRADEX, the Faculty has hosted several other major events and conferences, including the International UPEC Conference the National POLCON Conference and the University's first Digitech Conference.

New courses, new people

There have been a wide range of new awards validated during 2015-16, including MSc Big Data Analysis/

Applied Data Analytics, MSc Internet of Things and BSc Computer Games Programming (VR). Professor Marc Jones has joined as shared Associate Dean with Health Sciences for Scholarship, Enterprise and Research, and Alasdair Dawes has helped refocus our team as the Faculty Head of Enterprise.

Keeping things running smoothly

We made sure students knew what was happening at all times – students and staff were invited to visit the Mellor Building to witness first-hand the essential and valuable changes that were taking place, as well as to whet their appetites for the facilities due in September.

Working with the Students' Union and the Faculty of Arts and Creative Technology, we arranged coaches and evening entertainment to allow Stafford-based students to experience the Stoke-on-Trent campus, to highlight the facilities available.

It was important that we ensured the Stafford students had a positive experience in their last year at the campus, and many of the 50 Years of Computing events were run on campus alongside planned retention activities. These included a community day, GRADEX, an 'it's a knockout' event, a trip to Bletchley Park, public and professorial lectures, hackathons and boot camps with industry. Staff and students enthusiastically engaged with these, with some events capped due to the numbers wanting to take part.

HEALTH SCIENCES

The Faculty of Health Sciences operates through three schools of teaching and four centres of research.

Each school has strong links with employers and is gaining a reputation across the region for the delivery of high quality, employer-focused education and research. As well as existing businesses, we are regularly approached by new organisations who are excited by our flexible and accommodating approach to education and skills development.

Highly satisfied students

Many of our courses scored extremely well in the overall satisfaction category in the 2015 National Student Survey (NSS).

- BSc Psychology and Child Development – 100%
- Dip HE Operating Department Practice – 100%
- BSc Midwifery Practice – 100%
- BSc Sports Therapy – 100%

League tables

There are a number of good news stories in the Guardian University Guide 2017 subject league tables for Health Sciences subjects. All sport, social work, psychology and nursing subjects are in the top 50.

We have developed and embedded our use of technology supported learning to enhance students' experiences – making teaching more inclusive, interactive and exciting.

Student success stories

We have many examples of students excelling, including Joe Dixon, a Sport Psychology PhD student at Staffordshire, who has been appointed as Club Psychologist for Stoke City

FC following a highly impressive scholarship.

Course developments

Staff have been working hard with local NHS Trusts to develop new Higher Apprenticeships in acute care, mental health nursing, and perioperative care. These new apprenticeships provide Trusts with a hugely important boost to their workforce and provide employment for those in the region.

Scale and scope of research

We currently operate through four research centres, namely:

- Centre for Sport Health and Exercise
- Research Centre for Health and Social Care Research
- Centre for Psychological Research
- Centre for Health and Development.

Our research centres currently operate within the Research Excellence Framework 2014 (REF) and have a real impact on society by helping to prevent disease and increase wellness within the population.

Our REF result confirmed that 64% of research submitted in Sport, Leisure and Tourism - and 80% of the impact - was rated as world-leading or internationally excellent. For our submission in Psychology, Psychiatry and Neuroscience, the work received 36% and impact 100%.

Income generation

In 2015/16 we secured bids for research projects worth over £1 million, including a successful research bid of £400,000 from the Police Knowledge Fund. A joint collaboration with Keele University, the project will enable Police Officers

and staff to undertake research of operational significance.

Centres of Excellence in Healthcare Education

We have developed two groundbreaking Centres of Excellence in Healthcare Education – one in Stafford and one in Shrewsbury. They focus on our provision in nursing, midwifery, operating department practice and paramedics. With over £5 million investment, these Centres will completely transform the learning opportunities for our students in order to prepare them for life as excellent healthcare professionals of the future.

Connecting with our communities

Throughout the year, we have led and hosted conferences, worked with local communities and engaged in teaching, research and enterprise with partners across the globe. A few examples are:

- hosting a very well received event for the United Kingdom Association of Forensic Nurses (UKAFN)
- training Social Work, Midwifery and Nursing students on inter-professional approaches to safeguarding
- hosting 60 Chinese football coaches in partnership with Stoke City Football Club
- a highly successful "Weird and Wonderful Psychology" event.
- holding a range of inter-professional events for paramedics and nurses, and the Midwifery Annual Debate
- writing blogs for the Guardian's social care network on the importance for professionals to understand changes to welfare law.

SPORT AT STAFFORDSHIRE UNIVERSITY



Sport and exercise are incredibly powerful tools. Whether you are one of hundreds participating in the Sport England funded Active Universities Programme or one of the 14 students supported on our Team Staffs Elite Scholarship Programme, sport changes our students' lives. Over the last year it has been particularly pleasing to see the doubling of membership of the Stanley Matthews Sports Centre to approximately 1,000 following our investment of £1.25 million. This work was carried out with the support of Matrix Fitness Ltd, a strategic partner of the University which is the fastest growing manufacturer of gym equipment in the world and based in Stoke-on-Trent. This refurbishment has been important not just because it demonstrates a good targeting and return on investment. We know from academic studies that people who play sport do better academically, deal with stressful and anxious situations better (such as exams and job interviews) and have improved social capital, which is key to improving their employability. So our focus on sport is key in terms of our students' attainment, lifestyles and long-term goals.

It is pleasing to see that the improvement in sport facilities and participation is also mirrored by an increasingly strong academic sports and exercise subject area. Overall satisfaction was 91% in the National Student Survey, with two of our awards scoring the maximum 100% satisfaction, and the continued production of high quality research outputs. It therefore seems apt that this year, Stoke-on-Trent was designated as the European City of Sport (ECoS). This is a year-long celebration of sport and physical activity in the City and funding of over

£3.75 million from Stoke-on-Trent City Council and Sport England has ensured a two-year legacy programme up until 2018.

The ECoS status is about celebrating, organising and promoting a diverse range of sports-related activities across the City to encourage increased participation. The University has been a key member and one of many partners of the Local Organising Committee, crafting a range of activities. One of the key outputs from the ECoS is that it has built and developed partnerships that will have further benefits. For instance, links with Stoke City FC community have been stronger and resulted in a successful £360,000 British Council bid to educate and host 60 football coaches from China for three months. Although 55 universities bid for projects, we were one of only three universities in the UK to be awarded this prestigious bid. This work has in turn resulted in further links with China and our male and female rugby teams have been invited to play at the Rugby Sevens friendship games in Beijing this summer.

This year we have had some notable successes, including Team Staffs Elite Scholar, Kate Holt, winning a bronze medal in the National Cross Country Championships, however we would like to improve on these. As we prepare for the new academic year the University Sports Management Board, working with the Student's Union, has decided to change the structure of sport provision at the University. Previously, sport teams under the Team Staffs banner were coordinated by the Students' Union, while facilities were operated separately. From next academic year 2016/17, Team Staffs and facilities will both be led by Head

of Sport and Active Lifestyles, Jonathan Pace. This will allow for greater support and coordination with our University sport teams and joined-up working with the academic sport and exercise team. All of which will result in a better student experience, greater placement and employability opportunities, and hopefully better performances from competitive University teams in the British Universities and Colleges Sports league (BUCS).





STUDENT EXPERIENCE

There's little doubt that the physical transformation which has taken place across our Stoke-on-Trent campus has made Staffordshire University a much more dynamic and inspiring place to study.

Before committing some £40 million to create a fantastic City campus in time for September 2016, we had already gone some way to setting the standard in 21st Century teaching. Just take the opening of our £30 million Science Centre in 2012 for example. We have also invested £6 million in our Centres for Healthcare Excellence at Stafford and Shrewsbury.

The brilliant new facilities and exciting new learning, teaching and social spaces which are now to be found across Stoke-on-Trent campus, only go part-way in demonstrating our commitment to providing the very best student experience. Behind the scenes we are working incredibly hard to ensure that every student gets the very most from their time with us.

To help us meet our goals, we have created Student and Academic Services (SaAS) – a new team tasked with ensuring we deliver a seamless, high quality experience for every student who studies with us.

SaAS is responsible for almost every aspect of the student journey, from enrolment, admission and Welcome Week, to support with student finance, the creation of personalised timetables and even graduation. SaAS also oversees other important services including disability support, nursery provision, counselling and wellbeing.

Many of the improvements we've made to enhance the on campus experience

for both students and visitors – such as the creation of new information points in the Cadman and Brindley buildings – were simple, straightforward and have delivered immediate benefits.

Other initiatives, such as electronic attendance monitoring (to help us more readily identify issues with students and courses), the delivery of personalised timetables, additional study skills support and a new student portal, are now in place and will start to show their worth over the coming year.

Our encouraging results in the 2016 National Student Survey, where our learning resources and facilities achieved 88% satisfaction, 2% higher than the sector average, clearly indicate that we are heading in the right direction.

In association with our Students' Union, we are committed to setting the bar for student experience.

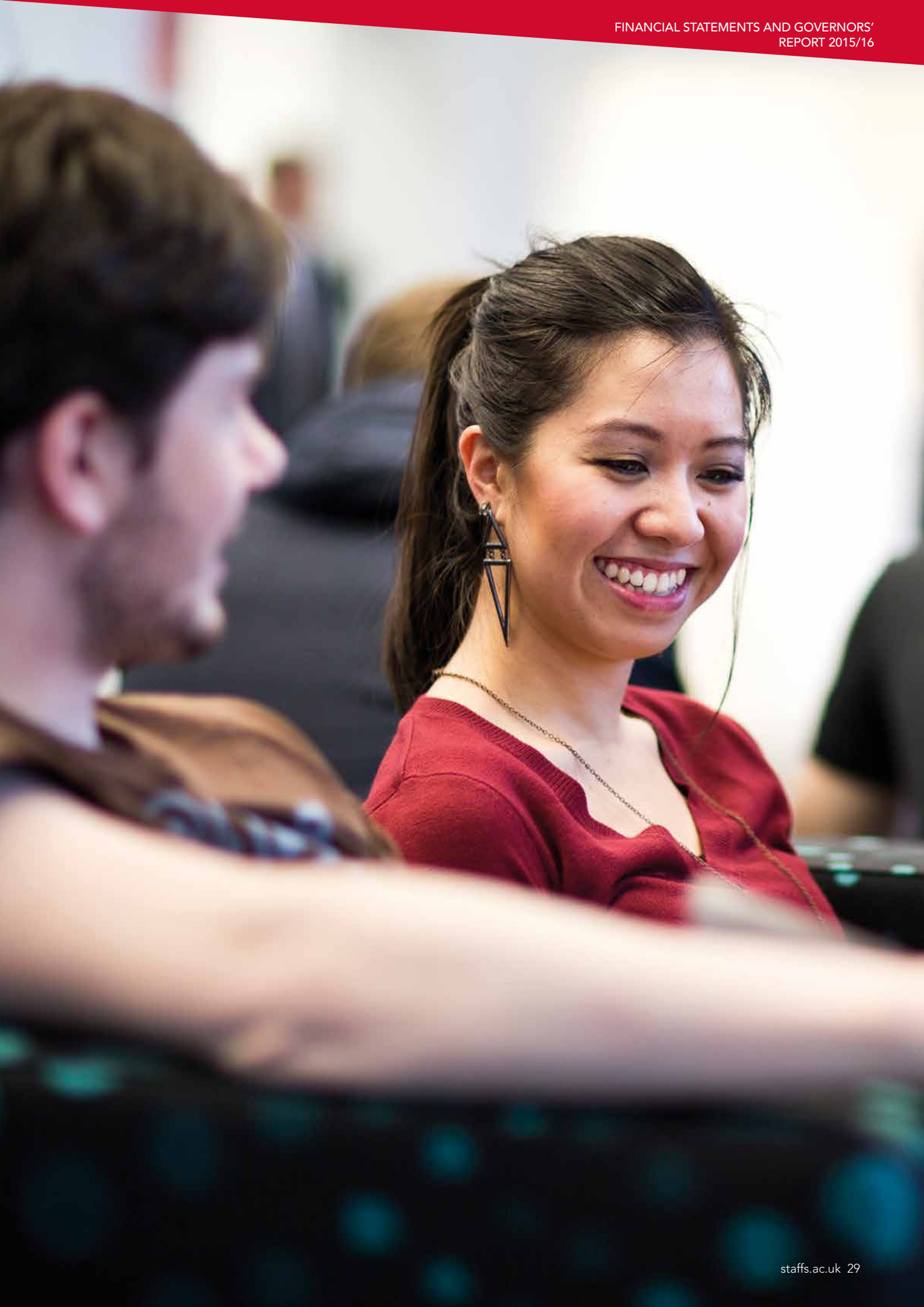
A few ways in which the Students' Union has helped improve the student experience:

- Ask for Help – a campaign to boost student attainment through better access to support
- Be Safe Week – a programme to ensure all students stay safe, which received an award from the Suzy Lamplugh Trust
- High Five – a referendum empowering students to vote on what the Union should prioritise over the coming year
- Funfair and Chill – a programme to help students manage their mental health during exams
- Improved coaching for sports teams, and reduced membership fees for club and society members.

"With the new facilities in place, I firmly believe that we are ready to take on some of the best universities in Britain! Right now, there's a particularly good feeling across the Stoke-on-Trent campus. It's a campus to be proud of – one that offers a perfect mix of vocational and academic opportunities, a top-rate student experience and outstanding support.

"At the Students' Union everyone is doing their bit to enhance the student experience. There are more clubs, societies and social groups than ever before. We're listening to students, providing all kinds of support, highlighting issues that are brought to us – and using our influence to make Staffordshire University even better. The University is a gem in the Midlands and we are helping to make it shine!"

*Darren Clarke,
Vice-President, Students' Union*



RESEARCH AND ENTERPRISE

Staffordshire University researchers are making a real impact in our city and region, across the UK and around the globe. They are tackling some of society's greatest challenges, supporting businesses to grow and transforming the lives of individuals.

The latest assessment of the research quality of UK universities, the Research Assessment Framework (REF) 2014 rated 78% of our research at international standard or above. During the period of this REF exercise, the University has demonstrated an improvement in terms of the overall quality of its research and the volume of research undertaken, growing our international rated research by over one third.

We are improving the competitiveness of business and the efficiency and effectiveness of public and voluntary organisations through collaborative and contract research, consultancy, our corporate training and Continuing Professional Development (CPD) programmes. We provide business start-up support to students, graduates and local entrepreneurs through our Be Inspired (formerly SPEED Plus) programme which is funded through our Higher Education Innovation Fund (HEIF) and the European Regional Development Fund (ERDF). We also offer affordable commercial business incubation and office space through our Business Villages in Stafford and Lichfield.

This year we secured £5 million from HEFCE towards the development of our new £12 million Digital Kiln at our Stoke-on-Trent campus, which opened in September 2016. The Digital Kiln brings our Computing and Games Design resources together into innovative, flexible, teaching

and learning spaces, equipped with state-of-the-art technologies, enabling us to build on our leading edge in Computing Higher Education, particularly Cloud Computing, Cyber-Security, Networking, Games Design, Big Data and Internet-of-Things. At the heart of our Digital Kiln is a new 'collision' space where we can work with businesses and local communities to develop digital skills and capabilities, use new digital technologies to tackle big societal and local community challenges and grow new digital businesses. The overall vision for the Digital Kiln is to create a leading-class digital hub based at Staffordshire University that will act as a catalyst and a digital accelerator for the growth of the digital economy in Stoke-on-Trent and Staffordshire.

This year we delivered over 200 research and enterprise projects, which have included:

- testing smart cars for BMW
- working with Amey PLC and Staffordshire County Council on an Innovate UK funded project to build a smart cities platform for coordinating utilities infrastructure works
- the creation of a new Centre for Health and Development in partnership with Stoke-on-Trent City Council and Staffordshire County Council to improve public health in the region
- a ground-breaking forensics partnership with Staffordshire Police
- three PhD researchers embedded with Stoke City FC and the development of a coaching programme for Chinese football coaches

- leading on the archaeological dig of Shakespeare's last house
- a smart cities partnership with the University of Alabama at Birmingham (UAB) including the development of an innovative international online Dual Masters programme
- working for the Welsh Government to assess the 'value' of natural landscapes
- partner in the EU-funded Sustainable Manager in Tourism Sector (SMARTOUR) project with partners from Greece, Italy and Finland to develop tourism management skills
- working with partners in Italy, Portugal and Spain on a three-year EU-funded project to equip older workers who have suddenly found themselves out of work, with the skills and knowledge to start their own businesses
- The Centre of Archaeology and Forensic and Crime Science Department was awarded a prestigious research grant to develop new ways to record and present crimes scenes via virtual reality.

Looking ahead, we are currently in the process of reviewing and renewing our research infrastructure and we will be investing over £6 million over the next three years to create three new world-class research institutes. These new research institutes will build on our areas of existing research excellence and focus on creating critical mass in our research community, including investment in postgraduate research degrees (MPhil and PhD programmes), and early career and developing researchers as well as new professorships.



EMPLOYABILITY

At Staffordshire University we make it our mission to prepare our students for the world, and the world of work. The skills graduates need for a successful career are not left to chance, they are carefully built in to all our courses. So by the time they graduate they have a specific set of work ready attributes. We call them the Staffordshire Graduate Attributes which all our undergraduate courses are checked against:

- discipline expertise
- professionalism
- global citizenship
- communication and teamwork
- reflective and critical learner
- problem solver and creator of opportunities
- lifelong learning.

Together with our study programmes, they provide the basis for the competences or skills employers are looking for, such as:

- teamworking
- presentation skills
- data handling and statistical analysis
- problem solving
- critical thinking
- report writing.

Not just a careers service - a Careers Network

Networking is the secret to career success. That's why this year we re-launched our careers service as The Careers Network. In making the change we've sought to create a service students engage with throughout their time with us, rather than just at the end of their studies. The new offices in Stoke-on-Trent have been designed to deliver increased and more flexible input from the careers team.

All our students have free access to the Careers Network from day one, and for

five years after graduation. During this time, the Careers Network will provide face-to-face advice, complemented by 24/7 online support, including an eCoach digital platform that offers a wide range of development and careers help.

Many of our graduates don't go directly into employment, and The Careers Network is on-hand to support them into freelance work, entrepreneurship and postgraduate study as well as finding a graduate level job and preparing for work if that's what they choose.

One of the ways the team will help students develop their network is by helping them build a successful LinkedIn profile. Crucially, The Careers Network links our students to employers both for part-time work while they are here, and for careers once they leave. It also connects students to previous Staffordshire graduates, many of whom are well-established in exciting careers and are happy to share experiences and advice.

CareersFest 2015

In October 2015 the University hosted its first CareersFest, a week-long event which brought together a diverse set of employability activities across 40 sessions. These included external speakers, skills sessions, a job hackathon and Careers Expo featuring a range of graduate employers.

Guaranteed Work Experience

Today's employers are not just looking for qualifications. They want people who can demonstrate a range of skills, many of which can only be gained through working. That's why we now offer Guaranteed Work Experience to

our undergraduate students.

Quite simply, any student that wants it, can get real work experience while they are here. Work experience might be part of their course, obtained through their Faculty, sourced via the Careers Network, or something they organise themselves.

Types of Work Experience:

Sandwich placement:

A full year out in a workplace, or even abroad, as a designated part of your course.

Work-based placement

A specific, sometimes project-based role.

Short placement

A useful few week's insight and hands-on experience.

Paid internship Experience

Initiated by an employer, usually through their HR department.

Serial placement

A planned series of short periods in the workplace.

Voluntary work

This is valued by employers, as it demonstrates teamwork and commitment.

Work shadowing

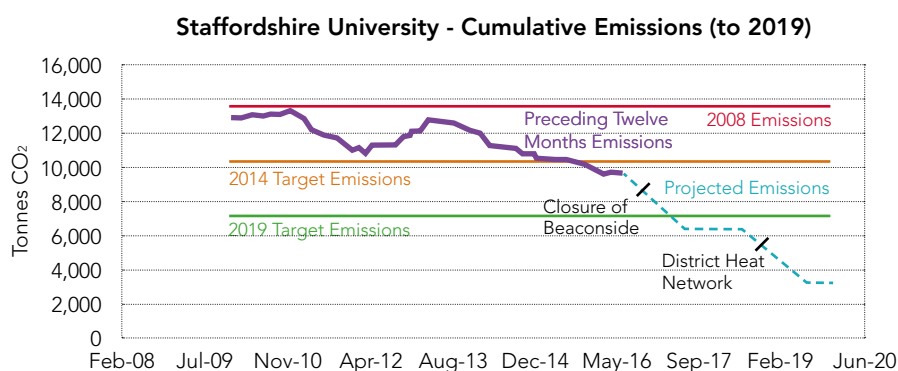
Where only a qualified practitioner is allowed to do the job, work shadowing gives a valuable insight into the working world.

SUSTAINABILITY

This year Estates and Commercial Services colleagues have continued to work on sustainability initiatives such as upgrades, waste recycling, living green wall infrastructures and student engagement (including Student Switch Off). These have helped ensure legal compliance as well as working towards long-term goals such as our Carbon Management Plan.

Our Carbon Management Plan

The Carbon Management Plan was created in 2010. In it, the University made a clear commitment to reduce emissions by 26% by the end of 2014, and by 43% by the end of 2019. The results of our efforts and our projected emissions can be seen in the graph below:



While we missed our end of 2014 target by around 4% during the financial year 2015/16 we reached the target and with the significant emissions reductions likely to follow the closure of Beaconside, we could reach our 2019 target as early as 2017.

Geothermal heating

Another aspect of our sustainability strategy has been the introduction of a new method of heating the campus at Stoke-on-Trent. Our new District Heat Network will utilise deep geothermal energy brought up through bore holes created at the site of the former Shelton steelworks. Running several hundred metres deep, they will deliver 90°C water straight into our existing radiator systems. This alone will provide a 75% reduction in CO₂ emissions and should see us become one of the most carbon efficient organisations in our sector.

Little upgrades that make a big difference

The University is committed to making reductions in energy use wherever possible, and smaller-scale upgrades have been occurring regularly as part of our strategy.

These generally focus on replacing existing fluorescent lights with LED bulbs that require significantly less energy and offer an increased life span. All out-of-date storage heaters have also been upgraded to a newer type of electric heating. Whilst electric heating is more carbon intensive than gas-fired central heating, the cost of such an upgrade is very high, compared to upgrading electric heating technology. So far, we have seen about a 20% reduction in energy consumption using the newer type of units.

Student Switch Off

Student Switch Off (SSO) is a fun and engaging social media campaign that encourages students to switch off and save energy through simple measures, such as putting lids on pans and turning off lights when not needed. These actions contribute to a Halls leaderboard with the winning Hall receiving an end of term celebration event. In 2015-16, this behaviour-change work, led to a 2% reduction in electricity consumed, saving £2,000 and 10 tonnes of CO₂.

Waste performance

In 2015 we appointed a new waste contractor, Veolia Environmental Services Ltd to operate a zero waste to landfill policy for all the University's residual waste. This is done through an Energy Recovery Facility, along with recyclables such as plastics, paper, cardboard and metals segregated at source. University black bag waste now contributes to 300,000 tonnes of non-recyclable waste that is incinerated, generating 23MW of energy for the National Grid - the equivalent of powering 32,000 local homes.

Living walls

One of our most innovative changes has been the living wall installed on Leek Road, adjacent to our £30 million Science building. Associated with PhD research, the wall demonstrates the potential for plant matter to absorb harmful particulates from traffic pollution.

FUTURE RISKS AND UNCERTAINTIES

Student Recruitment

Student recruitment is a key risk. Staffordshire University continues to re-shape and adapt to a challenging operating environment, and to exploit new opportunities such as Higher and Degree Apprenticeships. We are also responding to this risk by raising awareness of the University through an intensive marketing campaign, building stronger links with local schools and colleges, investing in its campus, developing a digital agenda and consolidating its portfolio ensuring that it delivers what its students want.

International Recruitment

The changes to tighter immigration rules and the decline in international recruitment also poses a risk. This is being mitigated by working towards improved internationalisation, ensuring we adhere to the immigration regulations and an international policy.

Internal Change

As Staffordshire University responds to an increasingly demanding market, it has been making structural, process and system changes. These changes enable the University to become more student-focused and efficient. The level of internal change brings with it a risk of disruption to business as usual. Staffordshire University is managing this risk through good quality programme governance, ensuring that service delivery is protected as the change is delivered, regular communication to staff and students and close working with the Students' Union, to ensure that students are engaged in the changes and in some cases shaping them.

Talent Management

Staffordshire University's people are its greatest asset. There is a risk that as

the University changes to respond to the changing needs of students, that the skills that its people are required to have also change. In response to this, Staffordshire University invests in leadership development and has a performance management system that supports people to develop. In 2016/17 a new people strategy will be launched that will strengthen what is already in place.

Product Portfolio

The different career paths that graduates choose is changing rapidly and as a result, the subjects they want to study at university are also changing and will continue to change. The risk is that universities do not respond to these changes and as a result do not offer the awards that students require. Staffordshire University is responding to this risk by opening new awards when it identifies an opportunity in the market, and closing awards that are no longer recruiting. In 2016/17 the Faculties are being reorganised into more streamlined, adaptable functions enabling better cross-working and an increased student focus. As part of this restructure the portfolio is being reviewed enabling a consolidation of what the University delivers and an increased focus on the areas that are most important to students.

Digital

Today's students are digitally savvy and universities have to respond to this to ensure that they teach students in a way that students best respond and learn. This means that universities must have the right infrastructure in place, on which it can build its digital offer to students. Staffordshire University is responding to this risk by migrating all of its data centre capacity to the

Cloud, reorganising its Digital Team to ensure that it has the right skills and can work closely with the University, and implementing an exciting digital strategy that puts the students at the heart, ensuring that Staffordshire University uses technology to give the very best student experience.

Quality

There are strict requirements for universities to deliver a quality education to their students. These requirements are likely to change and become more rigorous with the introduction of the new Teaching Excellence Framework. If a university does not deliver the required quality and breaches regulation it could have a serious impact on its reputation. Staffordshire University has a tight governance framework in place which, together with an academic development unit, ensures that it complies with quality legislation and delivers the very best education to its students.

Student Experience

In the competitive market that universities are in, the student experience is very important. A poor student experience results in poor student survey results and league table position and then reduced student recruitment. Staffordshire University puts its students at the heart of what it does. Many of Staffordshire University's awards achieve high student survey results, but awards with poor student survey results are followed up and supported to improve. The campus is being invested in, a sports strategy has been implemented that encourages participation as well as supporting the elite, administration services have been consolidated and streamlined providing

FUTURE RISKS AND UNCERTAINTIES

a better student service, the front line is being protected to ensure that student to staff ratios are kept at average or above and the Students' Union encourages engagement in clubs and social activities.



CORPORATE GOVERNANCE

Staffordshire University is committed to best practice in all aspects of corporate governance. This summary outlines how we have applied the principles set out in the UK Corporate Governance Code (September 2014). If you're reading our Financial Statements, this overview will help you to understand exactly what we have done.

Throughout the year ended 31 July 2016, the University has been in compliance with all the Code provisions that relate to universities set out in Section 1 of the UK Corporate Governance Code. The University also supports, and is guided by, the Guide for Members of Governing Bodies of Universities and Colleges in England and Wales and Northern Ireland that was reissued by the Committee of University Chairmen (CUC) in 2014.

In addition, the Board of Governors has also formally accepted the CUC's Governance Code of Practice and General Principles issued in 2014. In this connection, the Board of Governors has also agreed the following:

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:

- a) The determination of the educational character and mission of the University and for oversight of its activities
- b) The effective and efficient use of resources, the solvency of the institution and the Corporation and for safeguarding their assets
- c) Approving annual estimates of income and expenditure

- d) The appointment, grading, assignment, appraisal, suspension, dismissal and determination of the pay and conditions of service of holders of senior posts
- e) Setting a framework for the pay and conditions of service of all other staff

In particular, the Board will:

- f) 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
- g) Appoint the head of the institution as Chief Executive and put in place suitable arrangements for monitoring his/her performance
- h) 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
- i) 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 is made up of independent, co-opted, 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 make decisions on are set out in the Articles of Government. Under the Memorandum of Assurance and Accountability with the Higher Education Funding Council for England, 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 six committees; an Employment and Finance Committee, a Nominations and Governance Committee, an Audit and Risk Committee, a Remuneration Committee, an Education Committee and an Estates and Infrastructure Committee. All of these committees are formally constituted with terms of reference and comprise mainly of members of the Board of Governors. The Board of Governors also undertakes a regular review of its own effectiveness, with the latest Effectiveness Review due to be undertaken.

The Employment and Finance Committee

The Employment and Finance 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 together with the accounting policies.

The Nominations and Governance Committee

The Nominations and Governance Committee considers nominations for vacancies in the Board of Governors membership, as well as reappointment of members under the Instrument of Government. It also advises the Board of Governors on general governance and will consider the findings of the Effectiveness Review.

The 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 reports, along with recommendations for how improvements could be made to systems of internal control and management's response and implementation plans. It also considers reports from the Higher Education Funding Council for England (HEFCE) as they affect the University's business and monitor adherence with the regulatory requirements. Whilst executive members attend meetings of the Audit and Risk Committee as necessary, they are not members. The Committee also meets with the external and internal auditors on their own for independent discussions.

The Remuneration Committee

The Remuneration Committee is responsible for determining all employment, contractual and remuneration arrangements for senior postholders, as determined by the Instrument and Articles of Governance. It normally reviews the salary levels of senior post-holders on an annual basis and met twice during the financial year ended 31 July 2016.

The Education Committee

The Education Committee reviews policies and procedures relating to the educational character of the University, reviews the soundness of the University's processes relating to academic standards and quality, and monitors progress against relevant KPIs on behalf of the Board.

The Estates and Infrastructure Committee

The Estates and Infrastructure Committee has responsibility for advising the Board of Governors on its Estates Strategy and the monitoring of estates and infrastructure related projects.

The University maintains a Register of Interests of members of the Board of Governors and of senior managers of the University. This may be consulted by arrangement with the Executive Director of Corporate Services and the Clerk to the Board of Governors.

In accordance with the Instrument and Articles of Government of the University, the Clerk has been designated Secretary to the Board and in that capacity provides independent advice on matters of governance to all Board members.

Statement of Internal Control

As the Board of Governors of Staffordshire University, we have responsibility for maintaining a sound system of internal control that supports the achievement of our policies, aims and objectives. At the same time, that system needs to safeguard the public and other funds and assets for which it is responsible, in accordance with the responsibilities assigned in the University's Instrument and Articles of Government and the Memorandum of Assurance and Accountability with the

Higher Education Funding Council for England.

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

Our system is based on an ongoing process designed to identify risks, to evaluate the nature and extent of those risks, and to manage them efficiently, effectively and economically.

This process has been in place for the year ended 31 July 2016 and up to the date of approval of the Financial Statements.

As the Board of Governors, it is our responsibility to review just how effective the system of internal control is. As part of this, the following processes have been established:

- We meet four times a year to consider the plans and strategic direction of the University.
- We receive periodic reports from the Audit and Risk Committee concerning internal control, and we require 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.
- We have requested the Audit and Risk Committee to provide oversight of the risk management process.

CORPORATE GOVERNANCE (continued)

- The Audit and Risk Committee receives regular reports from the firm of accountants contracted to provide an internal audit service. This includes their independent opinion on the adequacy and effectiveness of the University's system of internal control, together with recommendations for improvement.
- A programme of facilitated workshops is being organised to identify and keep up-to-date, the record of risks facing the organisation.
- A system of key performance and risk indicators has been developed.
- We've established a robust risk prioritisation methodology based on risk ranking.
- An organisation-wide risk register is maintained and regularly updated.
- Reports are received from budget holders and project managers on internal control activities.
- Other sub-committees of the Board
 - notably the Employment and Finance Committee and Estates and Infrastructure Committee
 - consider financial, employment and estates issues. These sub-committees review how effectively the consequences of these issues are being monitored and controlled.

The University has an internal audit service which operates to standards defined in the HEFCE Memorandum of Assurance and Accountability. The internal auditors submit regular reports which include their independent assessment on the adequacy and effectiveness of our system of internal control, together with any recommendations they have for improvement.

The Board of Governors' review of its effectiveness, is subsequently informed by these insights from the internal auditors and the Executive Managers within the University who are responsible for developing and maintaining the internal control framework. It also takes into account comments made by the external auditors in their Management Letter and other reports.

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, and a key 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. A Financial Memorandum agreed with the Higher Education Funding Council for England, the Board of Governors obliges us to make sure 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 have to ensure that:

- suitable accounting policies are selected and applied consistently
- any judgements and estimates are reasonable and prudent
- applicable accounting standards are followed, with any material departures disclosed and explained.

All our financial statements are prepared on a 'going concern basis'. This means that 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, and so has taken all reasonable steps to:

- Ensure that funds from the Higher Education Funding Council for England are used only for the purposes for which they have been given. All funds will be used in accordance with the Financial Memorandum and any other conditions which the Funding Council might prescribe.
- Ensure that 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 one 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 outcomes.

- Clearly defined and formalised requirements for approval and control of expenditure. Investment decisions involving capital and revenue expenditure are subject to formal detailed appraisal and review, according to approval levels set by the Board.
- Comprehensive financial regulations, detailing financial controls and procedures. These are approved by the Employment and Finance Committee and the Board of Governors.
- Clear definitions of the responsibilities and authority of the Executive, Deans of Faculties 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 at an absolute minimum.

Chair of the Board of Governors

GOVERNORS, EXECUTIVES AND ADVISORS

Board of Governors

David Gage (Chair) MBE	
Professor Liz Barnes	(from 01.04.16)
Cordella Bart-Stewart	
Darren Clarke	(from 01.07.16)
Richard Cotterell	
Ken Crossland	(to 31.08.15)
Gary Crowe	(from 01.07.16)
Jaime-Lee Cunningham	(from 01.07.16)
Bal Deol	(to 30.06.16)
Rebecca Dobbs	(to 31.03.16)
Glenn Earlam	
Professor Michael Gunn	(to 31.03.16)
Martin Fiddler	
Mike Herbert	
John Henderson CB	(from 18.09.15)
Richard Hey	(from 01.04.16)
Dr Cathryn Hickey	(from 01.07.16)
Tom Hope	(to 30.06.16)
John van de Laarschot	(to 30.11.15)
Barry Machin	
David Sidaway	(from 01.04.16)
Elaine Simpson	
Dr Greg Taylor	(to 31.10.15)
Dr Ruth Thompson	Deceased 10.07.16
Sarah Tudor	
Jonathan Vardon	(from 01.05.16)
Sara Williams	

Chancellor

The Lord Stafford

Executive Team

Professor Liz Barnes	Vice-Chancellor (from 01.04.16)
Professor Michael Gunn	Vice-Chancellor (to 31.03.16)
Professor Allan Howells	Deputy Vice-Chancellor (Research, Enterprise & External)
Rosy Crehan	Deputy Vice-Chancellor (Academic)
Margaret Monckton	Director of Finance and Infrastructure and Deputy Chief Executive
Ian Blachford	Director of Corporate Services and Clerk to the Board of Governors

Professional Advisors

Auditors	KPMG LLP, One Snowhill, Snowhill Queensway, Birmingham B4 6GH
Bank	Lloyds Bank Plc, 5 Market Square, Stafford ST16 2JL
Solicitors	Shakespeare Martineau, No 1 Colmore Square, Birmingham B4 6AA

AUDITOR'S REPORT AND OPINION

INDEPENDENT AUDITOR'S REPORT TO THE BOARD OF GOVERNORS OF STAFFORDSHIRE UNIVERSITY

We have audited the financial statements of Staffordshire University for the year ended 31 July 2016 set out on pages 42 to 70. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) including FRS 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland.

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

Respective responsibilities of the Board of Governors and auditor

As explained more fully in the statement of Responsibility of the Board of Governors set out on page 39 the Board of Governors is responsible for the preparation of financial statements which give a true and fair view. Our responsibility is to audit, and express an opinion, on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors.

Scope of the audit of the financial statements

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from

material misstatement, whether caused by fraud or error. This includes an assessment of: whether the accounting policies are appropriate to the Group's and University's circumstances and have been consistently applied and adequately disclosed; the reasonableness of significant accounting estimates made by the Board of Governors; and the overall presentation of the financial statements.

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

Opinion on financial statements

In our opinion the financial statements:

- give a true and fair view of the state of the Group's and the University's affairs as at 31 July 2016, of the Group's and 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 United Kingdom Generally Accepted Accounting Practice and with the 2015 Statement of Recommended Practice – Accounting for Further and Higher Education; and
- meet the requirements of HEFCE's Accounts direction to higher education institutions for 2015-16 financial statements.

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

In our opinion, in all material respects:

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

M J Rowley
For and on behalf of KPMG LLP,
Statutory Auditor
Chartered Accountants
One Snowhill
Snowhill Queensway
B4 6GH

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME AND EXPENDITURE

YEAR ENDED 31 JULY 2016

Income	Notes	Year ended 31 July 2016		Year ended 31 July 2015	
		Consolidated £'000	University £'000	Consolidated £'000	University £'000
Tuition fees and education contracts	1	84,946	84,946	84,570	84,570
Funding body grants	2	13,154	13,154	17,293	17,293
Research grants and contracts	3	1,165	1,165	1,266	1,266
Other income	4	14,171	18,111	14,752	14,470
Investment income	5	427	427	453	453
Donations and endowments	6	64	64	58	58
Total income		113,927	117,867	118,392	118,110
Expenditure					
Staff costs	7	62,394	62,055	64,928	64,554
Other operating expenses	9	35,674	35,569	35,586	35,710
Depreciation	11	9,404	9,253	9,359	7,901
Impairment of Beaconside		0	0	3,008	3,008
Interest and other finance costs	8	4,917	4,917	4,730	4,730
Total expenditure		112,389	111,794	117,611	115,903
Surplus before other gains losses and share of operating surplus/deficit of joint ventures and associates.		1,538	6,073	781	2,207
Gain/(loss) on disposal of heritage/fixed assets		788	788	(144)	(144)
Surplus before tax		2,326	6,861	637	2,063
Taxation	10	0	0	0	0
Surplus for the year		2,326	6,861	637	2,063
Actuarial (loss) in respect of pension schemes		(11,237)	(11,237)	(10,672)	(10,672)
Total comprehensive income and expenditure for the year		(8,911)	(4,376)	(10,035)	(8,609)
Represented by:					
Endowment comprehensive income for the year		0	0	0	0
Restricted comprehensive income for the year		788	788	0	0
Unrestricted comprehensive income for the year		(8,479)	(3,944)	(7,418)	(5,992)
Revaluation reserve comprehensive income for the year		(1,220)	(1,220)	(2,617)	(2,617)
		(8,911)	(4,376)	(10,035)	(8,609)

All items of income and expenditure relate to continuing activities.

CONSOLIDATED AND UNIVERSITY STATEMENT OF CHANGES IN RESERVES YEAR ENDED 31 JULY 2016

Consolidated	Income and expenditure account			Revaluation reserve	Total
	Endowment £'000	Restricted £'000	Unrestricted £'000	£'000	£'000
Balance at 1 August 2014	26	3,800	(17,136)	66,716	53,406
Surplus/(deficit) from the income and expenditure statement	0	0	637	0	637
Other comprehensive income	0	0	(9,554)	(1,118)	(10,672)
Transfers between revaluation and income and expenditure reserve	0	0	1,499	(1,499)	0
Release of restricted funds spent in year	0	0	0	0	0
Total comprehensive income for the year	0	0	(7,418)	(2,617)	(10,035)
Balance at 1 August 2015	26	3,800	(24,554)	64,099	43,371
Surplus/(deficit) from the income and expenditure statement	0	788	1,538	0	2,326
Other comprehensive income	0	0	(11,237)	0	(11,237)
Transfers between revaluation and income and expenditure reserve	0	0	1,220	(1,220)	0
Release of restricted funds spent in year	0	0	0	0	0
Total comprehensive income for the year	0	788	(8,479)	(1,220)	(8,911)
Balance at 31 July 2016	26	4,588	(33,033)	62,879	34,460
University	Income and expenditure account			Revaluation reserve	Total
	Endowment £'000	Restricted £'000	Unrestricted £'000	£'000	£'000
Balance at 1 August 2014	26	3,800	(21,450)	66,716	49,092
Surplus/(deficit) from the income and expenditure statement	0	0	2,063	0	2,063
Other comprehensive income	0	0	(9,554)	(1,118)	(10,672)
Transfers between revaluation and income and expenditure reserve	0	0	1,499	(1,499)	0
Release of restricted funds spent in year	0	0	0	0	0
Total comprehensive income for the year	0	0	(5,992)	(2,617)	(8,609)
Balance at 1 August 2015	26	3,800	(27,422)	64,099	40,483
Surplus/(deficit) from the income and expenditure statement	0	788	6,073	0	6,861
Other comprehensive income	0	0	(11,237)	0	(11,237)
Transfers between revaluation and income and expenditure reserve	0	0	1,220	(1,220)	0
Release of restricted funds spent in year	0	0	0	0	0
Total comprehensive income for the year	0	788	(3,944)	(1,220)	(4,376)
Balance at 31 July 2016	26	4,588	(31,386)	62,879	36,107

CONSOLIDATED AND UNIVERSITY BALANCE SHEET

	Notes	As at 31 July 2016		As at 31 July 2015	
		Consolidated £'000	University £'000	Consolidated £'000	University £'000
Non-current assets					
Fixed assets	11	182,263	182,240	154,430	149,330
Heritage assets	11/12	1,300	1,300	3,800	3,800
Investments	13	74	74	74	74
		183,637	183,614	158,304	153,204
Current assets					
Stock	14	0	0	131	131
Trade and other receivables due after more than one year	15	60	60	148	148
Trade and other receivables due within one year	16	11,428	24,225	9,835	20,733
Cash and cash equivalents	17	2,501	2,485	5,840	5,737
Investments	23	42,046	42,051	57,085	57,108
		56,035	68,821	73,039	83,857
Less: Creditors: amounts falling due within one year	18	(37,670)	(48,786)	(27,173)	(35,779)
Net current assets		18,365	20,035	45,866	48,078
Total assets less current liabilities		202,002	203,649	204,170	201,282
Creditors: amounts falling due after more than one year	19	(62,550)	(62,550)	(70,398)	(70,398)
Provisions					
Pension provisions	27	(102,399)	(102,399)	(87,450)	(87,450)
Other provisions	20	(2,593)	(2,593)	(2,951)	(2,951)
Total net assets		34,460	36,107	43,371	40,483
Restricted Reserves					
Income and expenditure reserve - endowment reserve	21	26	26	26	26
Income and expenditure reserve - restricted reserve	22	4,588	4,588	3,800	3,800
Unrestricted Reserves					
Income and expenditure reserve - unrestricted		(33,033)	(31,386)	(24,554)	(27,442)
Revaluation reserve		62,879	62,879	64,099	64,099
Total Reserves		34,460	36,107	43,371	40,483

The financial statements were approved by the Board of Governors on 13 December 2016 and were signed on its behalf on that date by:

David Gage, Chair of the Board of Governors

Professor Liz Barnes, Vice-Chancellor

CONSOLIDATED AND UNIVERSITY CASH FLOW

YEAR ENDED 31 JULY 2016

	Notes	31 July 2016 £'000	31 July 2015 £'000
Cash flow from operating activities			
Surplus for the year before transfer from Reserves		2,326	637
Adjustment for non-cash items			
Depreciation	11	9,404	9,359
Beaconside Impairment		0	3,008
Decrease/(increase) in stock	14	131	9
Decrease/(increase) in debtors	16	(1,515)	(1,585)
Increase/(decrease) in creditors	18/19	150	(1,240)
Increase/(decrease) in pension provision	7/8	3,455	3,478
Increase/(decrease) in other provisions	20	(358)	804
Adjustment for investing or financing activities			
Investment income	5	(427)	(453)
Interest payable	8	1,759	1,790
Endowment income		0	0
Profit on the sale of fixed assets		(788)	144
Proceeds from sales of fixed assets		0	0
Capital grant income		(1,294)	(3,160)
Capital grants receipts		0	0
Net cash inflow from operating activities		12,843	12,791
Cash flows from investing activities			
Proceeds from sales of fixed assets		3,304	1,607
Proceeds from sales of intangible assets		0	0
Capital grants receipts		3,793	2,754
Disposal of non-current asset investments		0	0
Withdrawal of deposits		0	(711)
Investment income	5	427	194
Payments made to acquire fixed assets	11	(35,454)	(10,130)
Payments made to acquire intangible assets		0	0
New non-current asset investments		0	41
New deposits		15,039	0
		(12,891)	(6,245)
Cash flows from financing activities			
Interest paid		(1,759)	(1,796)
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	121
Repayments of amounts borrowed		(1,532)	(1,504)
Capital element of finance lease and service concession payments		0	0
		(3,291)	(3,179)
(Decrease)/increase in cash and cash equivalents in the year		(3,339)	3,367
Cash and cash equivalents at beginning of the year	17	5,840	2,473
Cash and cash equivalents at end of the year	17	2,501	5,840

STATEMENT OF ACCOUNTING POLICIES FOR THE YEAR ENDED 31 JULY 2016

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 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 2016. 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 contact 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 and 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 48 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 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 in 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.

Government Grants

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

HEFCE 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:

STATEMENT OF ACCOUNTING POLICIES (continued) FOR THE YEAR ENDED 31 JULY 2016

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.

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 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 27.

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.

STATEMENT OF ACCOUNTING POLICIES (continued)

FOR THE YEAR ENDED 31 JULY 2016

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 25.

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/deemed cost) less accumulated depreciation and accumulated impairment losses as disclosed in note 11.

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.

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
6.67% per annum

Plant and Machinery
20% per annum

Plant and Machinery (small)
10% per annum

Fixtures and Fittings
20% per annum

Computer Equipment (general)
33.3% per annum

Computer Equipment (servers)
20% per annum

Office Furniture and Equipment
20% per annum

Vehicles
33.3% per annum

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 £1,000 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 known 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.

TRANSITION TO FEHE SORP/FRS 102

The University is preparing its financial statements in accordance with FRS 102 and the FEHE SORP for the first time and consequently has applied the first time adoption requirements.

An explanation of how the transition to the FEHE SORP has affected the reported financial statement position, financial performance and cash flows of the consolidated results of the Institution is provided in note 29. Assets and liabilities have been measured at historic cost under previous UK GAAP, as at 31 July 2014, upon transition.

Application of first time adoption grants certain exemptions from the full requirements of the FEHE SORP during the transition period.

The following exemptions have been taken into these financial statements:

- Fair value has been assessed on transition to FRS102 with respect to certain items of University land and buildings.

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

(c) 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.

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 give 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:

- **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.
- **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 27, 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 2013 has been used by the actuary in valuing the pensions liability at 31 July 2016. Any differences between the figures derived from the roll forward approach and a full actuarial valuation would impact on the carrying amount of the pension liability.

NOTES TO THE ACCOUNTS

FOR THE YEAR ENDED 31 JULY 2016

	Year Ended 31 July 2016		Year Ended 31 July 2015	
	Consolidated £'000	University £'000	Consolidated £'000	University £'000
1. Tuition fees and education contracts				
Full-time Students - UK/EU	61,468	61,468	60,202	60,202
Full-time Students - Overseas	4,258	4,258	5,953	5,953
Part-time Fees	7,561	7,561	7,154	7,154
Education Contracts	7,443	7,443	6,984	6,984
Short Course Fees	4,216	4,216	4,277	4,277
	84,946	84,946	84,570	84,570
2. Funding body grants				
Recurrent Grant - Higher Education Funding Council	4,138	4,138	7,687	7,687
Research & Selective Initiatives	7,771	7,771	7,914	7,914
National College for Teaching and Leadership	37	37	51	51
Capital Grant	1,208	1,208	1,641	1,641
	13,154	13,154	17,293	17,293
3. Research grants and contracts				
Research councils	0	0	7	7
UK Based Charities	77	77	75	75
UK Industry & Commerce	77	77	100	100
UK Central Government/Health Authorities	547	547	245	245
European Community Programmes	120	120	566	566
Other Research Grants & Contracts	344	344	273	273
	1,165	1,165	1,266	1,266
4. Other income				
Residences, catering and conferences	6,093	6,093	6,085	6,085
Consultancy/Self-financing Fees	5,355	5,355	4,107	4,107
Other Rents/lettings	810	666	1,109	1,079
Other Income *	1,827	5,911	1,932	1,680
Release from deferred capital grants (non-funding council)	86	86	1,519	1,519
	14,171	18,111	14,752	14,470
5. Investment income				
Investment income on endowments	21	0	0	0
Other investment income		427	453	453
		427	453	453
6. Donations and endowments				
New endowments	25	0	0	0
Donations with restrictions	22	0	0	0
Unrestricted donations		64	58	58
		64	58	58

* University - Other income includes £4,344 relating to a gain on acquisition of an asset sold in the year by the University's subsidiary Friends of Staffordshire University Charitable Trust to the University.

NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 31 JULY 2016

7. Staff costs	Year Ended 31 July 2016		Year Ended 31 July 2015	
	Consolidated £'000	University £'000	Consolidated £'000	University £'000
Salaries	47,847	47,645	49,991	49,662
Social Security costs	4,085	3,974	3,836	3,824
Other pension costs	9,108	9,082	8,899	8,866
Pension adjustment	297	297	537	537
Redundancy/Managed Severance Scheme	1,057	1,057	1,665	1,665
Total	62,394	62,055	64,928	64,554

Emoluments of the Vice-Chancellor Professor M Gunn to 31 March 2016

	£	£	£	£
Salary	132,597	132,597	170,138	170,138
Benefits	9,664	9,664	4,170	4,170
	142,261	142,261	174,308	174,308
Pension contributions to Teachers' Pension	0	0	0	0
	142,261	142,261	174,308	174,308

Emoluments of the Vice-Chancellor Professor E Barnes from 1 April 2016

	£	£	£	£
Salary	63,333	63,333	0	0
Benefits	0	0	0	0
	63,333	63,333	0	0
Pension contributions to Teachers' Pension	10,437	10,437	0	0
	73,770	73,770	0	0

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

	Year Ended 31 July 2016	Year Ended 31 July 2015
	No	No
£130,000 to £139,999	2	2
£140,000 to £149,999	2	1
	4	3

Average staff numbers by major category:

	No	No
Academic	536	557
Academic Technicians	69	71
Administrative, Professional & Clerical Staff	628	621
Management (Academic)	30	31
Management (Non Academic)	42	44
Manual	69	81
	1,374	1,405

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 72 (2014/15 - SLT members 69). This includes compensation paid to key management personnel.

	Year Ended 31 July 2016 £'000	Year Ended 31 July 2015 £'000
Key management personnel	5,938	5,247

NOTES TO THE ACCOUNTS

FOR THE YEAR ENDED 31 JULY 2016

7 Staff costs (continued)

Council Members

The University's council members are the trustees for charitable law purposes. Due to the nature of the University's operations and the compositions of the Council, 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 Council may have an interest. All transactions involving organisations in which a member of Council may have an interest, including those identified below, are conducted at arms length and in accordance with the University's Financial Regulations and usual procurement procedures. No Council member has received any remuneration/waived payments from the group during the year (2015 - none)

The total expenses paid to or on behalf of six Council members was £3.5k (2015 - £4k to seven Council members). This represents travel and subsistence expenses incurred in attending Council, Committee meetings and Charity events in their official capacity.

	Notes	Year Ended 31 July 2016		Year Ended 31 July 2015	
		Consolidated £'000	University £'000	Consolidated £'000	University £'000
8. Interest and other finance costs					
Loan interest		1,759	1,759	1,789	1,789
Net charge on pension scheme	27	3,158	3,158	2,941	2,941
		4,917	4,917	4,730	4,730

NOTES TO THE ACCOUNTS

FOR THE YEAR ENDED 31 JULY 2016

9. Other Operating Expenses

	Year Ended 31 July 2016		Year Ended 31 July 2015	
	Consolidated	University	Consolidated	University
	£'000	£'000	£'000	£'000
Consumables	1,692	1,691	1,626	1,625
Equipment and Tools	2,057	2,026	2,002	1,980
Software Support Maintenance	1,255	1,255	1,182	1,182
Operating Lease	209	209	439	439
Books and Periodicals	1,156	1,156	1,418	1,418
Printing - External and Internal	451	450	322	321
Protective Clothing/ Laundry/Uniforms	74	74	77	76
Repairs and General Maintenance	4,760	4,746	3,365	3,354
Heat, Light, Water and Power	2,521	2,460	2,542	2,482
Rent and Rates	479	474	538	711
Staff and Student Development	1,544	1,544	1,230	1,230
Travel and Subsistence	1,373	1,371	1,296	1,292
Students' Union Contributions	950	950	950	950
Auditors' Remuneration Audit Services (Corp)	53	53	47	47
Auditors' Remuneration Audit Services (Subs)	5	0	7	0
Auditors' Remuneration Non-Audit Services	48	48	10	8
Internal Audit Costs	164	164	103	103
Payments to Franchise Colleges	7,387	7,387	8,307	8,307
Telephone and Postage	498	497	464	464
Insurance	330	327	288	286
Publicity and Prospectus	1,506	1,499	1,575	1,573
Examinations/Awards Day	370	370	383	383
Subscriptions	618	614	606	603
Vehicle Hire/Lease	172	172	196	196
Other Expenses	229	229	104	104
Management Charge	0	128	0	132
Professional Charges	413	407	667	661
Consultancy	1,825	1,743	1,915	1,850
Technical and Design Work	470	470	246	245
Legal Charges	251	251	202	202
Agency Servicing	288	288	458	458
Security	422	422	445	445
Movement in Prov'n for Bad/Doubtful Debts	140	132	91	101
Placement Fees	327	327	404	404
Registration Fees	182	182	174	174
Grant Payments (External Activity)	104	104	61	61
Bursary Payments*	599	599	1,291	1,291
Hospitality	91	91	61	61
Student Awards/Expenses	644	643	312	312
Bank Charges	112	111	84	82
Gains/Losses on Euro Exchange	(95)	(95)	98	97
	35,674	35,569	35,586	35,710

* Bursary payments have reduced due to the increase in fee waivers within the income section.

10 Taxation

	Year Ended 31 July 2016	Year Ended 31 July 2015
Recognised in the statement of comprehensive income		
Current tax		
Current tax expense	0	0
Adjustment in respect of previous years	0	0
Current tax expense	0	0
Deferred tax		
Origination and reversal of timing differences	0	0
Reduction in tax rate	0	0
Recognition of previously unrecognised tax losses	0	0
Deferred tax expense	0	0
Total tax expense	0	0

NOTES TO THE ACCOUNTS

FOR THE YEAR ENDED 31 JULY 2016

11 Fixed Assets

Consolidated

	Freehold Land and Buildings £'000	Assets in the Course of Construction £'000	Investment Properties £'000	Computer Equipment £'000	Other Equipment & Fittings £'000	Motor Vehicles £'000	Heritage Assets £'000	Total £'000
Cost or valuation								
At 1 August 2015	201,167	5,745	2,265	21,571	19,786	141	3,800	254,475
Additions	4,020	25,667	0	2,301	950	0	0	32,938
Reclassification	1,982	(2,422)	0	440	0	0	0	0
Disposals	(1)	0	0	(382)	(70)	0	(2,500)	(2,953)
At 31 July 2016	207,168	28,990	2,265	23,930	20,666	141	1,300	284,460

Depreciation

At 1 August 2015	68,065	0	0	15,426	12,638	116	0	96,245
Charge for the year	5,352	0	0	2,470	1,564	18	0	9,404
Disposals	(3,968)	0	0	(694)	(90)	0	0	(4,752)
At 31 July 2016	69,449	0	0	17,202	14,112	134	0	100,897

Net book value

At 31 July 2016	137,719	28,990	2,265	6,728	6,554	7	1,300	183,563
At 31 July 2015	133,102	5,745	2,265	6,145	7,148	25	3,800	158,230

University

Cost and valuation

At 1 August 2015	190,115	5,745	2,265	21,571	19,679	141	3,800	243,316
Additions	8,336	25,667	0	2,301	950	0	0	37,254
Reclassification	1,982	(2,422)	0	440	0	0	0	0
Transfer *	4,924	0	0	0	0	0	0	4,924
Disposals	0	0	0	(382)	(70)	.	(2,500)	(2,952)
At 31 July 2016	205,357	28,990	2,265	23,930	20,559	141	1,300	282,542

Depreciation

At 1 August 2015	62,107	0	0	15,425	12,538	116	0	90,186
Charge for the year	5,555	0	0	2,156	1,524	18	0	9,253
Disposals	(1)	0	0	(379)	(57)	0	0	(437)
At 31 July 2016	67,661	0	0	17,202	14,005	134	0	99,002

Net book value

At 31 July 2016	137,696	28,990	2,265	6,728	6,554	7	1,300	183,540
At 31 July 2015	128,008	5,745	2,265	6,146	7,141	25	3,800	153,130

* The transfer within the fixed assets of the University relate to an acquisition of an asset by the University from the university's subsidiary Friends of Staffordshire University Charitable Trust.

Freehold buildings at the University's Stoke campus, Blackheath Lane and Lichfield were re-valued on a depreciated replacement cost basis by GVA BilFINGER, an independent Chartered Surveyor as at 1 August 2014. All Freehold land was re-valued on an open market, existing use basis at the same date. As a first time adopter of FRS102 the University has used those fair values as its deemed cost at 1 August 2014 in accordance with GRS102 paragraph 35.10(c).

At 31 July 2016, Freehold land and buildings included £19.5 million (2014/15: £19.5 million) in respect of Freehold land and is not depreciated. As a result of the Education Reform Act 1988, the freehold and leasehold interests in properties occupied by the Corporation, previously held by Staffordshire County Council, were formally transferred, under the direction of the Education Assets Board, to the Corporation itself with effect from 1 April 1989.

Freehold buildings, to which the Corporation now has title, were professionally revalued at 1 August 2014 on the basis of replacement cost at that date. Freehold

land was revalued on an open market, existing use basis at the same date. Computer equipment, other equipment and fittings belonging to the University were revalued at 31 July 1995.

In December 1996 the University entered into an agreement with Tamworth and Lichfield College (now South Staffordshire College, see note 15, page 56) to provide a new campus facility at Lichfield. The cost of this project was £3.2 million. The project was partly funded by a grant from the European Regional Development Fund and by a loan taken out by the University. Responsibility for the loan is shared jointly by the University and the College and the value of the College's commitment is shown as a long term debtor in the University's Balance Sheet (see note 15).

During 2002/03 the University and the South Staffordshire College entered into an agreement for the development of a second phase at the Lichfield campus. This phase was partly funded by a loan facility taken out by the College. Responsibility for the loan is shared jointly by the University and the College and the value of the of the University's commitment is shown as a long-term creditor in the University's Balance Sheet (see note 19).

NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 31 JULY 2016

12. Heritage assets

The Thornhill Bequest, a collection of medieval Chinese pottery owned by the University. The value is based on an auction sale estimate by Sotherby's.

	Year Ended 31 July 2016	Year Ended 31 July 2015
	Consolidated & University £'000	Consolidated & University £'000
Valuation	3,800	3,800
Additions	0	0
Disposals	(2,500)	0
	1,300	3,800

13. Non-Current Investments Consolidated

	Subsidiary companies £'000	Subsidiary investment in spinouts £'000	Other fixed assets investments £'000	Total £'000
At 1 August 2015	0	0	74	74
Additions	0	0	0	0
Disposals	0	0	0	0
Impairment	0	0	0	0
At 31 July 2016	0	0	74	74
University	£'000	£'000	£'000	£'000
At 1 August 2015	0	0	74	74
Additions	0	0	0	0
Disposals	0	0	0	0
Impairment	0	0	0	0
At 31 July 2016	0	0	74	74
Other non-current investments consist of :			Consolidated & University £'000	
CVCP Properties Limited			33	
Mercia Technologies PLC			41	
			0	
			74	

The group has chosen not to attribute any value to these investments within the financial statements and will review as they become further established. 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. Other subsidiaries are detailed below.

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.

Friends of Staffordshire University Charitable Trust is regarded as a quasi-subsubsidiary of the University under the definition provided in Financial Reporting Standard 102. Under the provisions of this standard, the accounts of the Trust have been consolidated in the group accounts of the University for the year ended 31 July 2016.

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:

AVA Technologies Ltd	37%
Echo Breaker Research and Analysis Ltd	15%
Eris Technology Ltd	30%
Grand Independent Ltd	30%
High House Collections Ltd	100%

NOTES TO THE ACCOUNTS

FOR THE YEAR ENDED 31 JULY 2016

14 Stock

	Year Ended 31 July 2016		Year Ended 31 July 2015	
	Consolidated £'000	University £'000	Consolidated £'000	University £'000
Finished goods	0	0	131	131
	0	0	131	131

15 Trade and other receivables

	Year Ended 31 July 2016		Year Ended 31 July 2015	
	Consolidated £'000	University £'000	Consolidated £'000	University £'000
Amounts falling due after more than one year: Amounts owed under joint arrangement with South Staffordshire College Phase 1	60	60	148	148
	60	60	148	148

16 Trade and other receivables

	Year Ended 31 July 2016		Year Ended 31 July 2015	
	Consolidated £'000	University £'000	Consolidated £'000	University £'000
Amounts falling due within one year: Other trade receivables	7,371	7,155	4,586	4,774
Other receivables	271	264	390	125
Prepayments and accrued income	3,786	3,786	4,859	4,859
Amounts due from subsidiary companies	0	13,020	0	10,975
	11,428	24,225	9,835	20,733

17 Cash and Cash Equivalents

	Year Ended 31 July 2016		Year Ended 31 July 2015	
	Consolidated £'000	University £'000	Consolidated £'000	University £'000
Cash and cash equivalents	2,501	2,485	5,840	5,737
	2,501	2,485	5,840	5,737

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.

18 Creditors: amounts falling due within one year

	Year Ended 31 July 2016		Year Ended 31 July 2015	
	Consolidated £'000	University £'000	Consolidated £'000	University £'000
Unsecured loans	1,508	1,508	1,457	1,457
Trade payables	3,416	3,411	5,311	5,409
Social Security and other taxation payable	2,940	2,906	2,706	2,665
Accruals and deferred income	28,900	28,741	17,080	16,950
Other Creditors	906	905	619	619
Amounts owed to subsidiary companies	0	11,315	0	8,679
	37,670	48,786	27,173	35,779

NOTES TO THE ACCOUNTS

FOR THE YEAR ENDED 31 JULY 2016

19 Creditors: amounts falling due after more than one year

	Year Ended 31 July 2016		Year Ended 31 July 2015	
	Consolidated £'000	University £'000	Consolidated £'000	University £'000
Deferred income	19,277	19,277	25,627	25,627
Secured loans	43,273	43,273	44,771	44,771
	62,550	62,550	70,398	70,398

Analysis of secured and unsecured loans:

Due within one year or on demand (Note 19)	1,508	1,508	1,457	1,457
Due between one and two years	1,548	1,548	1,508	1,508
Due between two and five years	4,886	4,886	4,734	4,734
Due in five years or more	36,839	36,839	38,529	38,529
Due after more than one year	43,273	43,273	44,771	44,771
Total secured and unsecured loans	44,781	44,781	46,228	46,228

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

A term loan facility of £34 million was drawn down on the 2 September 2013. The interest basis of the loan is 25 years fixed at 3.2%

A loan facility of £54k was drawn down on the 20 March 2014 from Salix Finance Ltd as part of their Energy Efficiency Programme. The loan is interest free, repayable over four years.

A new loan facility of £121k was drawn down on 17 September 2014 from HEFCE as part of their Revolving Green fund. The loan is interest free payable over four years.

South Staffordshire College was formed as a merger of the Colleges of Rodbaston, Cannock and Tamworth & Lichfield on 1 August 2008. During 2002/2003 a development of a second phase at the Lichfield campus which was partly funded by a loan facility taken out by the College. The responsibility of the loan is shared jointly by the University and the College and is shown as a long-term creditor.

20 Provisions for liabilities

Consolidated	Pension enhancements on termination £'000	Onerous Lease/ Dilapidations £'000	Restructuring £'000	Total £'000
At 1 August 2015	1,003	1,130	818	2,951
Utilised in year	(122)	(46)	(818)	(986)
Additions in 2015/16	313	0	315	628
Unused amounts reversed in 2015/16	0	0	0	0
At 31 July 2016	1,194	1,084	315	2,593

University	Pension enhancements on termination £'000	Onerous Lease/ Dilapidations £'000	Restructuring £'000	Total £'000
At 1 August 2015	1,003	1,130	818	2,951
Utilised in year	(122)	(46)	(818)	(986)
Additions in 2015/16	313	0	315	628
Unused amounts reversed in 2015/16	0	0	0	0
At 31 July 2016	1,194	1,084	315	2,593

NOTES TO THE ACCOUNTS

FOR THE YEAR ENDED 31 JULY 2016

21 Endowment Reserves - Consolidated & University

Restricted net assets relating to endowments are as follows:

	Restricted permanent endowments £'000	Year Ended 2016 Total £'000	Year Ended 2015 Total £'000
Balances at 1 August 2015			
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
	0	0	0
Total endowment comprehensive income for the year	0	0	0
At 31 July 2016	26	26	26
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 FOR THE YEAR ENDED 31 JULY 2016

22 Restricted Reserves - Consolidated & University

Reserves with restrictions
are as follows:

	Year Ended 2016 Total £'000	2015 Total £'000
Balances at 1 August 2015	3,800	3,800
New grants	0	0
New donations	0	0
Investment income	0	0
Capital grants utilised	0	0
Gain on disposal	788	0
(Decrease)/increase in market value of investments	0	0
Total restricted comprehensive income for the year	788	0
At 31 July 2016	4,588	3,800
	2016 Total £'000	2015 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	3,800
	4,588	3,800

23 Cash & Short-Term Investments

	At 31st July 2016 £'000	Cash Flows £'000	At 1st August 2015 £'000
Consolidated			
Cash & short-term investments	42,046	(15,039)	57,085
Bank overdraft	0	0	0
	42,046	(15,039)	57,085

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

FOR THE YEAR ENDED 31 JULY 2016

24 Capital and other commitments

Provision has not been made for the following capital commitments at 31 July 2016:

	Year Ended 31 July 2016		Year Ended 31 July 2015	
	Consolidated £'000	University £'000	Consolidated £'000	University £'000
Commitments contracted for	14,797	14,797	49,590	49,590
Approved not contracted for	2,850	2,850	501	501
	17,647	17,647	50,091	50,091

25 Lease obligations

Total rentals payable under operating leases:
Consolidated & University

	Year Ended 31 July 2016		Year Ended 31 July 2015	
	Land and Buildings £'000	Other leases £'000	Total £'000	31 July 2015 £'000
Payable during the year	197	50	247	264
Future minimum lease payments due:				
Not later than 1 year	1,049	1	1,050	174
Later than 1 year and not later than 5 years	1,433	0	1,433	302
Later than 5 years	264	0	264	330
Total lease payments due	2,746	1	2,747	806

26 Contingent Liabilities

The University is a member of U.M Association Limited, a company limited by guarantee, formed to provide a mutual association for terrorism 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 prorated 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 FOR THE YEAR ENDED 31 JULY 2016

27 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 2015/16 were £5,762k (2014/15 £5,791k) and for the Staffordshire County Council Superannuation Scheme £5,467k (2014/15 £5,533k).

Funded liabilities comprise of approximately £203m 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.

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 will be implemented in September 2015. A full copy of the valuation report and supporting documentation can be found on the Teachers' Pension Scheme website at the following location:

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

NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 31 JULY 2016

27 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 will commence on 1 April 2015.

Local Government Pension Scheme

The LPGS 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;

NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 31 JULY 2016

27 Pension Costs (Continued)

Local Government Pension Scheme (Continued)

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 and 75% of the maximum tax-free cash for post-April 2008 service.

	At 31 July 2016	At 31 July 2015
Rate of increase in salaries	3.90%	4.5%
Rate of increase for pensions	1.90%	2.6%
Discount rate for liabilities	2.40%	3.6%

NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 31 JULY 2016

27 Pension Costs (Continued)

Mortality Assumptions

Life expectancy is based on the fund's VitaCurves with improvements from 2007 in line with the medium cohort and a 1.25% pa underpin. Based on these assumptions, the average future life expectancies at age 65 are summarised below:

	Males	Females
Current Pensioners	22.1 years	24.3 years
Future Pensioners	24.3 years	26.6 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 2016	CMI 2010 model assuming the current rate of improvement has reached a peak and will converge to a long-term rate of 1.25%	CMI 2010 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 2016	Value at 31 July 2016 £'000	Proportion of each asset type at 31 July 2015	Value at 31 July 2015 £'000
Equities	77%	113,373	74%	95,391
Bonds	10%	14,724	11%	14,180
Property	8%	11,779	8%	11,602
Cash	5%	7,362	5%	7,734
Total Market Value of Assets		147,238		128,907

	Year ended 31 July 2016 £'000	Year ended 31 July 2015 £'000
Group's estimated asset share	147,238	128,907
Present value of scheme liabilities	(249,637)	(216,357)
Deficit in the scheme	(102,399)	(87,450)

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

27 PENSION COSTS (CONTINUED)
**ANALYSIS OF THE AMOUNT CHARGED TO
 THE INCOME AND EXPENDITURE ACCOUNT**

	Year ended 31 July 2016 £'000	Year ended 31 July 2015 £'000
Employer service cost (net of employee contributions)	5,377	5,264
Past service cost	163	180
Curtailment and Settlements	0	131
Total operating cost	5,540	5,575

Analysis of pension finance income/costs

	Year ended 31 July 2016 £'000	Year ended 31 July 2015 £'000
Expected return on pension scheme assets	4,667	4,762
Interest on pension scheme liabilities	(7,825)	(7,703)
Pension finance costs	(3,158)	(2,941)

Amounts recognised in the Statement of Total Recognised Gains and Losses (STRGL)

Actuarial loss recognised in STRGL	(11,237)	(10,672)
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Reconciliation of defined benefit obligation

	Year ended 31 July 2016 £'000	Year ended 31 July 2015 £'000
Opening Defined Benefit Obligation	216,357	191,662
Current service cost	5,377	5,264
Interest Cost	7,825	7,703
Contributions by Members	1,295	1,422
Actuarial losses	23,408	14,874
Past Service Costs (including Curtailments)	163	311
Unfunded Benefits Paid	(657)	(711)
Benefits Paid	(4,131)	(4,168)
Closing Defined Benefit Obligation	249,637	216,357

Reconciliation of fair value of employer assets

	Year ended 31 July 2016 £'000	Year ended 31 July 2015 £'000
Opening Fair Value of Employer Assets	128,907	118,362
Expected Return on Assets	4,667	4,762
Contribution by Members	1,295	1,422
Contributions by the Employer	4,329	4,327
Contributions in respected of Unfunded Benefits	657	711
Actuarial Gains/(Losses)	12,171	4,202
Estimated Unfunded Benefits paid	(657)	(711)
Estimated Benefits Paid	(4,131)	(4,168)
Closing Fair Value of Employer Assets	147,238	128,907

Movement in deficit during the year

	Year ended 31 July 2016 £'000	Year ended 31 July 2015 £'000
Deficit in scheme as 31 July 2015 Movement in year:	(87,450)	(73,300)
Current service charge	(5,377)	(5,264)
Contributions	4,329	4,327
Contributions in respected of Unfunded Benefits	657	711
Past service costs	(163)	(311)
Net interest on assets	(3,158)	(2,941)
Actuarial loss	(11,237)	(10,672)
Deficit in scheme as 31 July 2016	(102,399)	(87,450)

NOTES TO THE ACCOUNTS

FOR THE YEAR ENDED 31 JULY 2016

28 National College for Teaching and Leadership (NCTL)

	Year Ended 31 July 2016	Year Ended 31 July 2015
(a) Student Bursaries	£'000	£'000
Opening fund balance	60	36
Net NCTL grants received in year	411	588
Disbursed to students	(450)	(564)
Balance Unspent at 31 July owing to the NCTL	21	60

29 Connected Charitable Institutions & Related Party Transactions

	Opening balance £'000	Income £'000	Expenditure £'000	Closing balance £'000
Friends of Staffordshire University Charitable Trust	4,435	0	(4,435)	0

The principle activity of Friends of Staffordshire University Charitable Trust, was to act as a property manager for properties leased from Staffordshire University.

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 Academy Trust and Staffordshire University. Purchases by the University amounted to £5k (2014/15: £3k) and sales £109k (2014/15: £68k).

Staffordshire University Academy Trust and Staffordshire University Unitemps Ltd. Purchases by Unitemps £nil (2014/15: £nil) and sales £7k (2014/15: £6k)

30 Events after the End of the Reporting Period

Non adjusting events - On 16 November 2016 the University completed the sale of its Beaconside campus for an undisclosed amount.

31 Transition to FRS102 and the 2015 SORP

As explained in the accounting policies, these are the University's first financial statements prepared in accordance with FRS 102 and the SORP. The accounting policies set out on pages 46 to 49, have been applied in preparing the financial statements for the year ended 2016, the comparative information presented in these financial statements for the year ended 2015 and in the preparation of an opening FRS 102 Statement of Financial Position at 1 August 2014. In preparing its FRS 102, SORP-based Statement of Financial Position, the University has adjusted amounts reported previously in financial statements prepared in accordance with its old basis of accounting (2007 SORP). An explanation of how the transition to FRS 102 and the SORP has affected the University's financial position, financial performance and cash flows is set out in the following tables on pages 67-70.

NOTES TO THE ACCOUNTS

FOR THE YEAR ENDED 31 JULY 2016

31 Transition to FRS102 and the 2015 SORP		1 August 2014			31 July 2015		
CONSOLIDATED		Effect of transition to 2015 SORP			Effect of transition to 2015 SORP		
Notes	2007 SORP	2015 SORP	2015 SORP	2015 SORP	2015 SORP	2015 SORP	2015 SORP
	£'000	£'000	£'000	£'000	£'000	£'000	£'000
Non-current assets							
Fixed assets	a	126,747	30,295	157,042	124,135	30,295	154,430
Heritage assets	b	0	3,800	3,800	0	3,800	3,800
Investments		33	0	33	74	0	74
		<u>126,780</u>	<u>34,095</u>	<u>160,875</u>	<u>124,209</u>	<u>34,095</u>	<u>158,304</u>
Endowment assets		26	(26)	0	26	(26)	0
Current assets							
Stock		140	0	140	131	0	131
Assets held for resale		1,318	0	1,318	0	0	0
Trade and other receivables		8,395	0	8,395	9,735	248	9,983
Cash and cash equivalents		0	2,473	2,473	0	5,840	5,840
Investments		58,847	(2,447)	56,400	62,901	(5,816)	57,085
		<u>68,700</u>	<u>26</u>	<u>68,726</u>	<u>72,767</u>	<u>272</u>	<u>73,039</u>
Less: Creditors:							
Amounts falling due within one year	c	(29,400)	2,415	(26,985)	(25,456)	(1,717)	(27,173)
Net current (liabilities)/assets		<u>39,300</u>	<u>(2,389)</u>	<u>36,911</u>	<u>47,311</u>	<u>(1,445)</u>	<u>45,866</u>
Total assets less current liabilities		166,106	31,680	197,786	171,546	32,624	204,170
Recorded within other Comprehensive Income.							
Creditors: amounts falling due after more than one year	c	(46,452)	(22,481)	(68,933)	(44,862)	(25,536)	(70,398)
Provisions							
Provisions for liabilities							
Other pension liability		(2,147)	0	(2,147)	(2,951)	0	(2,951)
Other provision		(73,300)	0	(73,300)	(87,450)	0	(87,450)
		0	0	0	0	0	0
Total net assets		<u>44,207</u>	<u>9,199</u>	<u>53,406</u>	<u>36,283</u>	<u>7,088</u>	<u>43,371</u>
Deferred capital grants		25,040	(25,040)	0	28,228	(28,228)	0
Restricted Reserves							
Income and expenditure reserve - endowment reserve							
Income and expenditure reserve - restricted reserve	c	26	0	26	26	0	26
Unrestricted Reserves	b	0	3,800	3,800	0	3,800	3,800
Income and expenditure reserve - unrestricted							
Revaluation reserve	c	(17,469)	333	(17,136)	(26,388)	1,834	(24,554)
	a,c	36,610	30,106	66,716	34,417	29,682	64,099
Non-controlling interest		19,167	34,239	53,406	8,055	35,316	43,371
Total Reserves		<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
		<u>44,207</u>	<u>9,199</u>	<u>53,406</u>	<u>36,283</u>	<u>7,088</u>	<u>43,371</u>

Notes to the reconciliation of reserves

Reconciliation of surplus/(deficit) for 2015 a) Revaluation of land and selected buildings b) Thornhill collection c) Deferred capital grants. d) Endowments e) Debtors f) Cash/investments

Further details are shown on page 8 within the Operating and Financial Review

NOTES TO THE ACCOUNTS

FOR THE YEAR ENDED 31 JULY 2016

31 Transition to FRS102 and the 2015 SORP

UNIVERSITY

1 August 2014

31 July 2015

	Notes	Effect of transition to			Effect of transition to		
		2007 SORP £'000	2015 SORP £'000	2015 SORP £'000	£'000	2015 SORP £'000	2015 SORP £'000
Non-current assets							
Intangible assets and goodwill		0	0	0	0	0	0
Fixed Assets	a	120,192	30,295	150,487	117,918	31,412	149,330
Heritage assets	b	0	3,800	3,800	0	3,800	3,800
Investments		49	0	49	74	0	74
Investment in joint venture		0	0	0	0	0	0
Investments in associate		0	0	0	0	0	0
		<u>120,241</u>	<u>34,095</u>	<u>154,336</u>	<u>117,992</u>	<u>35,212</u>	<u>153,204</u>
Endowment assets		26	(26)	0	26	(26)	0
Current assets							
Stock		0	0	0	131	0	131
Assets held for resale		1,318	0	1,318	0	0	0
Trade and other receivables		17,748	0	17,748	20,888	(7)	20,881
Cash and cash equivalents		0	2,473	2,473	0	5,737	5,737
Investments		58,756	(2,447)	56,309	62,819	(5,711)	57,108
		<u>77,822</u>	<u>26</u>	<u>77,848</u>	<u>83,838</u>	<u>19</u>	<u>83,857</u>
Less: Creditors: Amounts falling due within one year	c	(36,097)	2,415	(33,682)	(34,063)	(1,716)	(35,779)
Service concession liabilities due within one year		0	0	0	0	0	0
Share of net liabilities in associate		0	0	0	0	0	0
Net current (liabilities)/ assets		<u>41,725</u>	<u>(2,389)</u>	<u>39,336</u>	<u>49,775</u>	<u>(1,697)</u>	<u>48,078</u>
Total assets less current liabilities		161,992	31,680	193,672	167,793	33,489	201,282
recorded within other Comprehensive Income. Creditors: amounts falling due after more than one year	c	(46,320)	(22,813)	(69,133)	(44,862)	(25,536)	(70,398)
Provisions							
Provisions for liabilities		(2,147)	0	(2,147)	(2,951)	0	(2,951)
Other pension liability		(73,300)	0	(73,300)	(87,450)	0	(87,450)
Other provision		0	0	0	0	0	0
Total net assets		<u>40,225</u>	<u>8,867</u>	<u>49,092</u>	<u>32,530</u>	<u>7,953</u>	<u>40,483</u>
Deferred capital grants	c	25,040	(25,040)	0	28,228	(28,228)	0
Restricted Reserves							
Income and expenditure reserve - endowment reserve		26	0	26	26	0	26
Income and expenditure reserve - restricted reserve	b	0	3,800	3,800	0	3,800	3,800
Unrestricted Reserves							
Income and expenditure reserve - unrestricted	c	(21,451)	1	(21,450)	(30,141)	2,699	(27,442)
Revaluation reserve	a,c	36,610	30,106	66,716	34,417	29,682	64,099
		<u>15,185</u>	<u>33,907</u>	<u>49,092</u>	<u>4,302</u>	<u>36,181</u>	<u>40,483</u>
Non-controlling interest		0	0	0	0	0	0
Total Reserves		<u>40,225</u>	<u>8,867</u>	<u>49,092</u>	<u>32,530</u>	<u>7,953</u>	<u>40,483</u>

Notes to the reconciliation of reserves

Reconciliation of surplus/(deficit) for 2015 a) Revaluation of land and selected buildings b) Thornhill collection c) Deferred capital grants d) Endowments e) Debtors f) Cash/investments. Further details are shown on page 8 within the Operating and Financial Review

NOTES TO THE ACCOUNTS

FOR THE YEAR ENDED 31 JULY 2016

31 Transition to FRS102 and the 2015 SORP CONSOLIDATED

	Notes	2007 SORP £'000	STRGL Items* £'000	Effect of transition to 2015 SORP £'000	2015 SORP £'000
Income					
Tuition fees and education contracts		84,570	0	0	84,570
Funding body grants		17,293	0	0	17,293
Research grants and contracts		1,266	0	0	1,266
Other income (adjusted to exclude income from joint ventures)	a	13,413	0	1,339	14,752
Investment income		453	0	0	453
Total income before donations and endowments		116,995	0	1,339	118,334
Donations and endowments	e	0	0	58	58
Total income		116,995	0	1,397	118,392
Less: Share of income from joint ventures		0	0	0	0
Net income		116,995	0	1,397	118,392
Expenditure					
Staff costs	b	64,499	0	429	64,928
Fundamental restructuring costs		0	0	0	0
Other operating expenses	f	35,730	0	(144)	35,586
Beaconside impairment		3,008	0	0	3,008
Depreciation	c	9,548	0	(189)	9,359
Interest and other finance costs	d	2,413	0	2,317	4,730
Total expenditure		115,198	0	2,413	117,611
Gain/(loss) on disposal of fixed assets	f	0	0	(144)	(144)
Gain/(loss) on investments		0	0	0	0
Share of operating surplus/(deficit) in joint venture		0	0	0	0
Share of operating surplus/(deficit) in associate		0	0	0	0
Surplus before tax		1,797	0	(1,160)	637
Taxation		0	0	0	0
Surplus after tax		2,334	0	(1,160)	637
Non controlling interest		0	0	0	0
Surplus for the year		2,334	0	(1,160)	637
Unrealised surplus on revaluation of land and buildings		0	0	0	0
Actuarial (loss)/gain in respect of pension schemes	d	(12,989)	0	2,317	(10,672)
Change in fair value of hedging financial instruments		0	0	0	0
Total comprehensive income for the year		(11,192)	0	1,157	(10,035)

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

Notes to the reconciliation of surplus/(deficit)

a) Non-Government Grant deferred capital release

b) Holiday accrual

c) Depreciation

d) Pension adjustment

e) Donations and endowments reported separately

f) Loss on disposal of assets reported separately

Further details are shown on page 8 within the Operating and Financial Review

NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 31 JULY 2016

31 Transition to FRS102 and the 2015 SORP UNIVERSITY

	Notes	2007 SORP £'000	STRGL Items* £'000	Effect of transition to 2015 SORP £'000	2015 SORP £'000
Income					
Tuition fees and education contracts		84,570	0	0	84,570
Funding body grants		17,293	0	0	17,293
Research grants and contracts		1,266	0	0	1,266
Other income (adjusted to exclude income from joint ventures)	a	13,131	0	1,339	14,470
Investment income		453	0	0	453
Total income before donations and endowments		116,713	0	1,339	118,052
Donations and endowments	e	0	0	58	58
Total income		116,713	0	1,397	118,110
Less: Share of income from joint ventures		0	0	0	0
Net income		116,713	0	1,397	118,110
Expenditure					
Staff costs	b	64,125	0	429	64,554
Fundamental restructuring costs		0	0	0	0
Other operating expenses	f	35,854	0	(144)	35,710
Beaconside impairment		3,008	0	0	3,008
Depreciation	c	8,090	0	(189)	7,901
Interest and other finance costs	d	2,413	0	2,317	4,730
Total expenditure		113,490	0	2,413	115,903
Gain/(loss) on disposal of fixed assets	f	0	0	(144)	(144)
Gain/(loss) on investments		0	0	0	0
Share of operating surplus/(deficit) in joint venture		0	0	0	0
Share of operating surplus/(deficit) in associate		0	0	0	0
Surplus before tax		3,223	0	(1,160)	2,063
Taxation		0	0	0	0
Surplus after tax		3,223	0	(1,160)	2,063
Non controlling interest		0	0	0	0
Surplus for the year		3,223	0	(1,160)	2,063
Unrealised surplus on revaluation of land and buildings		0	0	0	0
Actuarial (loss)/gain in respect of pension schemes	d	(12,989)	0	2,317	(10,672)
Change in fair value of hedging financial instruments		0	0	0	0
Total comprehensive income for the year		(9,766)	0	1,157	(8,609)

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

Notes to the reconciliation of surplus/(deficit)

a) Non-Government Grant deferred capital release

b) Holiday accrual

c) Depreciation

d) Pension adjustment

e) Donations and endowments reported separately

f) Loss on disposal of assets reported separately

Further details are shown on page 8 within the Operating and Financial Review

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