

University of Bolton

# Financial Statements 2017-18

# Contents

	<b>Page</b>
<b>Strategic Report 2017-18</b>	<b>2</b>
<b>Members of the Board of Governors</b>	<b>20</b>
<b>Principal Advisers to the University</b>	<b>21</b>
<b>Statement of Corporate Governance and Internal Control</b>	<b>22</b>
<b>Responsibilities of the Board of Governors</b>	<b>31</b>
<b>Independent Auditor's Report to the Governing Body of the University of Bolton</b>	<b>32</b>
<b>Statement of Accounting Policies for the year ended 31 July 2018</b>	<b>34</b>
<b>University of Bolton Statement of Comprehensive Income and Expenditure</b>	<b>39</b>
<b>University of Bolton Statement of Changes in Reserves</b>	<b>40</b>
<b>University of Bolton Balance Sheet</b>	<b>41</b>
<b>University of Bolton Cash Flow</b>	<b>42</b>
<b>Notes to the Accounts</b>	<b>43</b>

# Strategic Report 2017-18

## Context

The University of Bolton is a Teaching Intensive, Research Informed (TIRI) university which proudly traces its history back to the foundation, in 1825, of the Bolton Mechanics' Institute; one of the first to be established in the UK. To this day, the University retains its primary purpose of providing educational opportunities to the widest range of individuals and enabling them to achieve their full potential.

The University's educational provision has a distinct emphasis upon professional and vocational education. It welcomes people who wish to invest in their futures through accessing educational opportunities and thus enhance both their life skills and employment prospects. Intensive teaching through a portfolio of focussed high quality undergraduate and postgraduate programmes, underpinned and informed by research, is central to the University's abiding mission; as evidenced by the University's recent 'Teaching Excellence Framework (TEF) Silver' award outcome and National Student Survey (NSS 2018) results. The University's Apprenticeships and Access to Higher Education provision is graded by Ofsted as 'good' with emphasis on Management, Leadership, Teaching and Learning.

The TIRI philosophy and the Platinum Critical Mass (PCM) course portfolio approach, developed as the core of its Strategic Plan (2015-20), have been a watershed development in the University of Bolton's real transformation and its journey as a successful institution. The 2017-18 academic year saw the University continue the implementation of this Strategic Plan with major developments achieved in educational, physical and technological infrastructure. This learning infrastructure, combined with excellent teaching, is directly enhancing the overall student learning experience and achievement. A continued strategic focus upon wilful institution building, the culmination of which will be the creation of a sector leading Higher Education Institution (HEI) with a unique strategy to be the first truly 'teaching intensive' university in the United Kingdom. Our University's performance in the recent National Student Survey (NSS 2018) exemplifies the success of our strategy and efforts. The University of Bolton stood in the top 68 universities in the overall Student Satisfaction results, out of 154 universities and HEIs in the UK. This is an evident and substantial improvement based on a strategy of conscious institutional building. Our Employability, Enterprise and Apprenticeships Strategy (2017-22) is driving our efforts in these areas to achieve significant improvements in our graduate employability while expanding our industry collaborations, applied research and apprenticeships provision in the region.

The University successfully completed its strategic amalgamation with Bolton College in August 2018. This will allow us to manage and improve the pathways to higher education for thousands of learners in a structural fashion i.e. articulating pre-degree provision and enhancing preparedness to study at HE level. This targeted strategic merger directly supports the delivery of the Greater Manchester Skills Strategy while enabling the University to access a wide range of employment sectors and jobs in the region. The University is also at the heart of, and leading, the regeneration of the town of Bolton; its multi-million-pound infrastructure projects are transforming the physical environment of the town centre and the University is widely recognised now as both the engine and driving force for the renaissance of the town. Strategic partnerships with NHS Trusts and a wide range of employers, across the industrial sectors in the North West, exemplify the University's growing role. The University is taking its rightful place as a key agent for economic, social and cultural development as part of the new Greater Manchester Northern Powerhouse and will strive to become over the next few years a leading Greater Manchester university of the future.

The University demonstrated robust financial performance, generating a healthy operating surplus (on an historical cost basis) of 0.4% (2016-17, 0.8%) of turnover in the academic year 2017-18. Within the context of a highly competitive HE market, the University experienced strong student recruitment to its courses in the year and made progress in improving teaching & learning, student experience, satisfaction and success. Notwithstanding these developments, student retention and graduate employability remain a challenge and are reflective in part of the University's inclusivity and access agenda. The University has more students as a percentage of its intake from both working class backgrounds and State Schools than any other in the UK, and is in the top three in the UK for its percentage of mature students. Pride is taken in respect of the University's care for the very high percentage of students admitted who declare as having a disability. Notwithstanding these challenges, the University has commenced fundamental and extensive changes with new and beneficial approaches to student experience, progression, retention, graduate employability, and overall student success. Since 2015, there has been a quantum transformative change in the institution's engagement with these aspects. The University has been investing significantly in the academic staff, physical infrastructure, specialist facilities and student support personnel. These investments will take time to secure results but are already showing significant evidence of positive impact.

Value for Money (VfM) and Corporate Social Responsibility (CSR) principles are fundamental to the University's mission and values. These are integrated with the key plans, systems and processes of the organisation. For instance, the TIRI agenda places the students at the centre of "everything we do" in the institution, providing them with an excellent overall learning experience and Value for Money. CSR is an ever increasingly important aspect of the work of staff and students with many charities and community groups benefiting from support. It is within this laudable and enviable profile that the University

continues to have a sound and effective control on its cost base and is highly efficient by any sector measure. The institution continues to sustain low levels of borrowing for the sector, and this, combined with good surplus levels, ensures organisational sustainability and the capability to strategically reinvest in its academic and physical infrastructure.

The overall external Higher Education (HE) environment remains in transition with a number of key developments, including major socio-political and economic complexities arising from Brexit. HE institutions across the sector are faced with multifaceted challenges including key policy changes affecting international student recruitment; the new emphasis upon consumer rights; the recent expansion of private providers; the changing role of the further education sector; and intensifying competition for recruiting students.

The establishment of the Office for Students (OfS) and the Higher Education and Research Act (2017) constitutes a substantial change to the regulatory and competitive environment. Based on its robust Strategic Plan, TIRI philosophy and Platinum Course approach, the University will continue to successfully navigate this complex environment with an absolute focus on wilful institutional building to improve student success. Continual innovation and improvement of its educational provision, while placing the student learning experience and success at the centre of all its work, will serve as the core guiding principles for the University's ambition to be a world-class Teaching Intensive, Research Informed institution.

## **Recruitment and Revenue**

Within the context of a highly competitive Higher Education environment in the UK, the University experienced healthy recruitment of UK Home students in 2017-18 to undergraduate programmes. For example, the University experienced strong demand for its programmes in areas such as Special & Visual Effects (SVFX), Nursing, Psychology, English Studies, Civil Engineering, Mathematics and Biology. However, the international student recruitment including EU was subdued. While the part-time student recruitment continued to be challenging for the University and the wider HE sector in the year, recruitment to the postgraduate taught courses remained healthy. The University experienced continued growth in postgraduate research student numbers in 2017-18. The Off Campus Division has shown robust student recruitment in 2017-18 with a healthy financial and academic contribution. Following the successful launch of our innovative Undergraduate Nursing Degree programme in 2015, the Faculty of Health and Wellbeing has been rapidly expanding the provision in this area. In addition to the Lancashire Teaching Hospitals NHS Foundation Trust, the University has now established successful collaborations with the Bolton NHS Foundation Trust, Central Manchester NHS Foundation Trust, South Manchester NHS Foundation Trust, and the Wrightington, Wigan and Leigh NHS Foundation Trust. Similarly, the University is also growing its provision in the Creative Technologies area with new developments in Special & Visual Effects (SVFX), depicting healthy student recruitment and achievement.

Sustainable student recruitment is fundamental to the University's future as most of the University's income is now generated from student fees (via the Student Loans Company (SLC) arrangements). The vast majority of home students, on conventional three-year full-time degree programmes, are now on these funding arrangements. The University has been adjusting its financial planning and management to this funding regime to ensure resilience in the face of shifts in government policy and of shifting market demands. The results and financial consequences continue to be positive. The government's removal of the cap on student numbers in 2015, such that all UK universities are permitted to recruit freely without the ceiling of the Student Number Control (SNC), had a significant impact on the UK student recruitment pattern across the sector. With intensifying competition, student recruitment for forthcoming years will be challenging in the sector. Within this competitive external context, the University maintained its strong recruitment of students in 2017-18. Based on its TIRI agenda and Platinum Courses strategy, the University has been able to develop and deliver high quality courses which are experiencing good demand and growth.

## **Strategic Developments and Performance**

### **a) Strategic Plan 2015-2020: Achieving core objectives**

During 2017-18, the University continued the robust implementation of its Strategic Plan (2015-20) and its transformation agenda i.e. to be a world-class Teaching Intensive, Research Informed institution. The University continued to achieve fundamental improvements in the quality and nature of its courses and the student learning experience. Structural adjustments were continued to our UG and PG course portfolio, staffing composition, and learning infrastructure to enable concrete and sustainable improvements in student recruitment, learning experience, progression, retention, student satisfaction and graduate outcomes including, but not exclusively, levels of employability. The core component of the University's Strategic Plan (2015-20) is to develop a strong course eco-system, i.e. a portfolio of Platinum Critical Mass (PCM) Courses in a focussed set of disciplines, based on the following key principles: 1) State-of-the-art course curriculum delivered by high quality larger academic teams; 2) Recruitment of high quality students with critical mass cohort sizes; 3) Rigorous research focussed entirely upon underpinning the teaching delivery in world-class (often new) facilities; 4)

Outstanding learning experience and personalised student support throughout the student life cycle; 5) Upfront investments in the respective academic disciplines to deploy high quality academic staff, state-of-the-art technologies, and overall learning infrastructure.

Through its Platinum Courses agenda and the underpinning investments, the University is now achieving “economies of scale” in its course portfolio. The lack of scale was a key strategic and long-term challenge for the University of Bolton. As part of the agenda, all Academic areas in the University have undertaken a comprehensive analysis of their UG and PG course portfolios to create PCM courses in the respective niche subject areas, in each of which the University will become a leading provider. These courses are market relevant, attracting a critical mass of high quality students from across the UK and internationally. This is a fundamentally new approach adopted to transform the University’s UG and PG course portfolio. The institution has made a conscious decision to make significant investments to realise the PCM agenda by developing and growing its academic staff base; excellent facilities; technology; and learning infrastructure. Since 2015, wide-ranging strategic investments have been made to achieve the ambitious long-term goals, reshape the institution and achieve a step change in student recruitment, quality of its provision, student learning experience, retention, and graduate level employability. The University is also placing renewed emphasis on the professional body accreditations for its programmes to maintain and enhance their quality and competitive position. In a number of areas, these accreditations are critical for continual enhancement of student learning and ultimately their employability. Academic areas across the institution have been successful in achieving relevant accreditations to their programmes from the respective professional bodies including the following: Nursing and Midwifery Council (NMC); British Psychological Society (BPS); General Dental Council (GDC); Association of Chartered Certified Accountants (ACCA); Institute of Chartered Accountants in England & Wales (ICAEW); Chartered Institute of Purchasing & Supply; British Association of Sport and Exercise Sciences (BASES); British Association of Sport Rehabilitators and Trainers (BASRaT); Institution of Mechanical Engineers (IMechE); Institution of Civil Engineers (ICE); Institution of Structural Engineers (IStructE); Solicitors’ Regulation Authority; and the Bar Standards Board, amongst others.

Over the five to ten years, the defining principle of our Strategy is to be recognised as the UK’s leading, indeed only, truly ‘teaching intensive university’, and that such teaching be underpinned and informed by proper research. We expect all of our taught programmes to be directly shaped by the most relevant and latest research as well as industry needs. This will also mean that all our students will receive individualised, intensive tuition and support to help them achieve their academic and personal potential. This key framework has already directly informed our estates and facilities strategies, our research strategies, our investment plans and our communications to partners and other stakeholders.

## **b) Our Estate**

The University continued its strategic investments during 2017-18 for the development and improvement of its overall infrastructure. These are based on the implementation of a robust Estates Strategy and comprehensive masterplan. The University recognises that the functionality, safety, and efficiency of its estates are central to providing an excellent learning environment, services and experience to its students. Accordingly, the Strategy is to develop the estates to be as functional and as attractive as possible whilst supporting the delivery of the University’s academic offering. For instance, the University’s investment in Bolton One, a state-of-the-art Health, Leisure and Research Centre built in collaboration with the Local Council and NHS has been a resounding success, with courses housed there being oversubscribed. Bolton One is being used to its maximum capacity with significant positive impact on student learning, experience and satisfaction while also contributing to the wellbeing of local communities. The University has made the following strategic investments to achieve the ambitious long-term goals, reshape the institution and realise a step change in student recruitment, quality of its provision, student learning experience, retention, and graduate level employability:

1. **The new Bolton Central Building (£8m town centre facility)** has transformed the old Business School into the new Institute of Management, and enhanced the delivery of programmes in Business, Management and Accountancy disciplines. This now hosts the University’s ‘Hub’ for apprenticeships and industry collaborations. This Hub is serving as a ‘Single Point of Contact’ for SMEs and large businesses in the Greater Manchester region, to deliver a comprehensive range of employability and enterprise activities.
2. **Continual improvement of the teaching facilities and technological infrastructure:** In 2017-18, the University continued its investments in new hardware, software and laboratory facilities and equipment. For example, during 2017-18, the University has launched the ‘MyBolton’ mobile communications platform to improve student engagement. **Teaching facilities are being expanded** and updated in a number of areas, with substantial capital investments being made including enhanced laboratory and learning facilities for Nursing, Games, and Engineering.
3. **National Centre for Motorsports Engineering (NCME - STEM Centre): Opened in September 2017** with c. £14m investment, to provide state-of-the-art facilities for the School of Engineering and the School of Creative Technologies.

### c) Teaching Excellence and Student Satisfaction

The transformative strategy that the University adopted, to become a world-class Teaching Intensive, Research Informed institution, has started showing significant evidence of positive impact. In 2017's Teaching Excellence Framework (TEF) assessment, the University has been awarded a Silver rating, direct evidence of excellence in its teaching and student learning. TEF was introduced two years ago and has three ascending levels: bronze, silver and gold. The TEF Panel, having considered the information in the provider submission from the University of Bolton in relation to the TEF criteria indicated that its judgement reflects, in particular, evidence of:

1. High quality educational resources developed through targeted investment in learning facilities and the digital environment.
2. Provider development of an institutional culture that facilitates, recognises, and rewards excellent teaching.
3. The provision of professionally relevant courses that actively engage with employers, and embed employability into the curriculum through a range of high quality initiatives.
4. Excellent support for students from disadvantaged backgrounds.
5. Good examples of engaging students in curriculum.

TEF Silver grades are awarded to universities offering courses with high levels of stretch that ensure all students are significantly challenged. The Silver award recognises the University for exceeding the baseline threshold expected of UK Higher Education, as emphasised by the TEF Panel; *"Based on the evidence available, the TEF Panel judged that the higher education provider (University of Bolton) delivers high quality teaching, learning and outcomes for its students. It consistently exceeds rigorous national quality requirements for UK higher education"*.

Over the past 2 years, the University has consistently achieved good performance in the National Student Survey (NSS) results. The University's overall performance in the latest NSS results (July 2018) exemplifies the success of our strategy and efforts. The University gained 68<sup>th</sup> place out of 154 Universities and HEIs in the UK for overall student satisfaction results (Times Higher-July 2018). This is compared to a ranking of 129 in 2016. The University has also exceeded its sector benchmark for overall student satisfaction i.e. scored 84 against the benchmark of 83 for Q27. The following subsections highlight the performance of individual subject areas at our University when compared to the universities at National, North West and Greater Manchester levels.

#### **NSS performance of subject areas: At national level**

- First in the UK for Subjects Allied to Medicine
- First in the UK for Social Work
- Top 10 in the UK for Law
- Top 10 in the UK for Nursing
- Top 20 in the UK for Accounting
- Top 20 in UK for Electronic and Electrical Engineering

#### **NSS performance of subject areas: Compared to the universities in the North West\***

- First in NW for Electronic and Electrical Engineering
- First in NW for Subjects Allied to Medicine
- First in NW for Social Work
- Second in NW for Law
- Third in NW for Nursing
- Fourth in NW for Psychology
- Fourth in NW for Accounting
- Fourth in NW for Photography
- **Top 5 in NW for overall satisfaction in 15 subject areas.**

\* **North West:** Compared to Edge Hill, Lancaster, Liverpool University, Liverpool Hope, John Moores, UCLan, Salford, MMU, University of Manchester, Cumbria and Chester.

\*\* **Greater Manchester:** Compared to Manchester, Salford and MMU

The University will continue the implementation of a comprehensive set of interventions to improve student learning experience, satisfaction and success in order to maintain this positive momentum. These interventions include the Enhanced Personal Tutoring (EPT) system based on skills checks, improving feedback provision, individualised support to the students, improving the learning infrastructure, and quality of teaching. A number of other specific initiatives have also been implemented to improve overall student engagement and experience. These include the development of Academic

Societies, Events, Clubs, Social Spaces, Stay on Campus Campaign, "You Said - We Did" Campaigns, Students' Union feedback and corrective actions mechanism, Peer Learning, Sports Strategy, Volunteering and Community Engagement, and Bolton Partnership Agreement.

#### **d) Student Experience, Teaching & Learning, and Retention**

The University has implemented a holistic approach to improve 'Student Experience' based on the overarching 'Student Life Cycle' and focussing on the interventions across three key dimensions: Academic dimension; Social dimension and Administrative Professional dimension. Achieving tangible and time-based improvements in student retention and overarching learning experience is central to this approach. Improvements achieved in the University's National Student Survey (NSS) scores in the past 2 years reflect the progress made in terms of enhancing the student learning experience and satisfaction. The University takes the view that improving retention cannot be seen in isolation from learning and teaching, student engagement and the broader student experience. We therefore approach retention within these contexts while maintaining clear visibility, accountability and support for retention. The Strategy aims to enhance student retention by providing more personalised support and learning experience. This involves using inclusive student-centred teaching, learning, and assessment strategies to enhance student engagement, attainment, and overall success.

During the past 2 years, we have improved our efforts in providing personalised student support and an enhanced learning experience. The interplay between the above three key dimensions is also managed in a focussed and coordinated manner. The personalised student support provision is based on a model of early identification of individual student learning needs followed by early intervention efforts. We have decisively increased the importance of engagement analytics as a tool to support early intervention, based on our PULSE system. Our Early Intervention & Transitional Support Model ensures that at an early stage i.e. soon after a student enrolls in an undergraduate programme, we identify the learners who are at risk of attrition and/or poor academic performance. This is achieved based on the Bolton Skills Check conducted for all new students, with a specific focus on literacy and numeracy skills. The results from the Skills Check are integrated with the student profile data to create a coherent view of an individual student. The institution then deploys appropriate individualised support activities to aid their effective transition to Higher Education, progression and attainment. It also helps to identify those who may be socially isolated and those who show particular academic promise, so that they are provided with specific, appropriate and timely support. Our trained Enhanced Personal Tutors (EPTs) in Academic areas across the University provide this personalised support for 'at risk' students. In 2017-18, over 50 EPTs were selected and trained from across the institution to drive personalised support for students. The University will continue its investments in 2018-19 for improving student retention and attainment. The University is also focussing on the enhancement of Learning, Teaching and Assessment (LTA) as a key component for improving student retention. This encompasses designing and delivering a dynamic and innovative curriculum in all programmes with student-centred pedagogies that meet the specific needs, interests and aspirations of our students. The new assessment strategies in Academic Schools have been incorporating formative assessments as well as assessment to develop our students' confidence as learners and to reduce the fear of failure. Feedback provision mechanisms were also improved so that the students receive constructive and timely advice on their assessment work.

We are also making major investments in creating fit-for-purpose learning environments and infrastructure for delivering high quality teaching with appropriate mechanisms for assessment and feedback. This is supported by a comprehensive staff development (STEP) programme to ensure that both academic and support staff are equipped with the skill set to achieve the aforementioned strategic objectives of the University, including retention. In addition, the University has deployed Learning Excellence Achievement Pathway (LEAP) to combine and enhance the full range of online and face-to-face learning development opportunities for students across the institution. It recognises key areas relating to the acquisition of skills, knowledge and experience by the students. As part of this, the students work with Personal Tutors and agree their individual LEAP action plan, which helps them to set and achieve short, medium and long-term goals. This holistic approach is sustained by effective resource allocation across the institution to achieve a step change in improving student retention. Mechanisms have been built to evaluate the effectiveness of these strategies and action plans to ensure maximum impact and improved student retention outcomes.

#### **e) Student Success**

During 2017-18 many students and graduates of the University of Bolton have achieved a significant number of key successes in a broad range of disciplines, including the following:

- A Textiles and Surface Design (BA) student was selected by the Head of Embroidery at Alexander McQueen fashion house to showcase her portfolio. This has resulted in gaining freelance employment as a textile artist, hand painting their products. She recently undertook specialist training in Florence and was engaged in making hand painted leather products for the catwalk to showcase in Paris. She was also selected from several hundred

applications to take up a 'launch-pad' stand at Meet only Original Designs (MoOD) Brussels. This has resulted in several connections with major companies for freelance projects.

- A recent Creative Writing (BA) graduate from the University was awarded the Carcanet Prize for Poetry.
- In August 2018, a group of 7 Bolton Fine Art alumni took part in a highly successful artist exchange project and exhibition in Bolton's twin town of Paderborn.
- A Textiles and Surface Design (BA) student was selected to have her work printed by Turnbull Prints Ltd., in Thailand. She also undertook a short work placement with Standfast and Barracks Ltd. In 2017, she had her work selected at New Designers in London by Trendease International to showcase as part of the MoOD Exhibition 2018 in Brussels. As a result, she has now gained a year-long placement with Standfast and Barracks.
- Two Fine Art students won one-month Fellowship Placements with the British Council at the Venice Biennale. Both went out in June and worked in the British Pavilion and both had books produced of the work they made as part of their experience, with a forthcoming show at the Mall Galleries in London.
- An alumna of the University's MA International Multi Media Journalism (Beijing) programme won the National Press Photographer's Association 2017 Best of Photojournalism, Multimedia Awards for their project *Will to Win*. Another alumna (currently working for National Geographic and the New York Times) of this programme won an Award of Excellence at the Pictures of the Year International Competition.
- A Fine Art student had a sculpture accepted for the Warrington Open Art Exhibition. She won one of the Show Prizes for her Resin Sculpture.
- The work of one of our graduates with first-class degree in English and Creative Writing was shortlisted in the prestigious Frogmore Poetry Prize.
- A Creative Writing graduate now works for prestigious Carcanet Press and published his debut fantasy novel, *Rogue Arcanist*, earlier this year.
- As NUS conference delegate for the University's Students' Union, a current third-year English student travelled to Glasgow to represent Bolton at the National Union of Students' Conference. She also recently published her creative work in Leeds-based literary magazine, Strix.
- A Media Production recent graduate has a film selected for Bolton Film Festival. His other documentary short film was shortlisted for a Royal Television Society Award this year.
- A Media Writing and Production Alumna won The Northern Writers Prize 2018 for Screen and is currently on attachment to Hollyoaks/ Lime Pictures. Another alumna from the programme won Royal Television Society Award North West 2018 for Factual Documentary and was short-listed for National Awards.
- A student from our Theatre and Performance degree undertook several industry placements across her three years at the University, from supporting the Octagon's National Theatre Connections group to working as an Assistant Director on Professor David Thacker's main house production. At the end of her second year of the programme she was invited to become an Octagon supported artist and showcased her work in the Reveal Festivals in 2017 and 2018. Since graduation she has been engaged by the British Youth Opera as an Assistant Director on *The Rake's Progress*, directed by Steven Unwin, and is currently Assistant Director for the Octagon/University coproduction of "*And Did Those Feet*".
- Another student who graduated from BA Theatre and Performance this summer has been cast in her first professional acting role in John Godber's up-coming performance of *Seasons In The Sun* with The John Godber Company.
- A 2018 Redeye Prize winning photography graduate won a work placement at an online retailer, Dart's Corner. Impressed by the graduate's work, the company has given the student a full-time job as assistant photographer.
- A 2018 Photography Graduate has been commissioned by several local charities and NHS Trusts based on his pioneering prostate cancer photographs.
- Our Graphic Design students and graduates have gained placements at renowned companies including SPS EU Ltd, Dancewear Central, Port Vale Football Club, We Connect Construction and Human Appeal.
- An alumna of the University's MA International Multi Media Journalism (Beijing) programme won a prestigious fellowship in data & VR journalism. A number of 2018 graduates from this programme have secured placements at renowned media organisations including Getty Images China and CTGN-CCTV. A 2018 graduate has recently filmed and produced a series of five films for the new South China Morning Post.
- Two students from the University's National Centre for Motorsports Engineering (NCME) have successfully completed their placement with our Rally Cross programme at Albatec during the summer holidays, spending the entire 4 months working in their specialist facilities. They have attended rounds of the World and British Rally Cross with great success, impressing the placement partner, Albatec.
- A student who graduated from our Motorsports programme in the summer has gained a graduate job in a race car team, participating in a national series.
- A batch of first and second year Motorsports students have provided technical assistance at the World Endurance Championship round at Silverstone in the Formula 3 support race technical department. Two of our students were commended by the organising team for their dedication and having a great eye for technical detail.
- A Games Design graduate was recruited by one of our former members of staff now working in industry at Simbin Studios.

- A Games programming graduate gained a Programmer role at games company Lucid. The company has been consistently recruiting our graduates, highlighting the quality of our programmes in the Games discipline.
- Many of our SFX and VFX students and graduates are currently working on renowned programmes and films including *Coronation Street* and *Star Wars*.
- Several VFX graduates have gained placements and graduate jobs at renowned firms in the industry including Union VFX (London), MPC (an Oscar winning studio in Canada), Cloth Cat Animation (Cardiff), The Mill (a London based Oscar winning company), Visualisation One, Madam Tussauds (London), and Dorset Orthopaedic,
- A VFX graduate has gained a placement at Screenclay FX in Barcelona, and had job offers from a number of Oscar Winning Studios including DNEG and MPC and Framestore.
- A number of our Computing (BSc) graduates gained graduate employments at renowned businesses including Barclays, CTI Digital, Moneysupermarket, RBS Group, and Kinetic Solutions.
- A BEng Civil Engineering student undertook a dissertation project involving both laboratory and field water testing. She entered the 'ICE North West Emerging Engineers' paper and presentation competition and was selected as one of the finalists.
- A graduate from the University's IET Accredited Electrical & Electronic Engineering (2018) programme was offered a graduate job as an Electrical Engineer at Atkins, one of the world's most respected design, engineering and project management consultancies.
- A BEng Mechanical Engineering Student was shortlisted by Atkins for the prestigious UK Telegraph STEM Awards. The student's submission was the topic she has chosen for her final year project at the University. The focus was looking at Electro - Magnetic Levitation systems to reduce damage caused to buildings during earthquakes. At the awards, she came second in her category. She is now working for BAE Systems and the company is fully sponsoring her studies.
- A PGCE Mathematics trainee teacher has completed his course with a double Distinction and has now fulfilled his ambition to teach abroad by securing a post teaching mathematics in the United Arab Emirates.
- A PGCE ESOL and Literacy student has gained a job in the European Parliament as an EU Political Linguistic Administrator (PLA).
- A PGCE Sports Coaching student has gained full time employment teaching BTEC Sports to Huddersfield Giants Academy, combining his strengths as a dual professional in Sport and Teaching
- One of our students from the Psychology, Psychotherapy and Counselling pathway graduated with a First Class Honours despite of her serious visual impairment and related learning challenges.
- Two of our Criminological and Forensic Psychology students successfully presented their final year projects at the prestigious British Psychological Society (BPS) Conference.
- A recent Master's graduate from the University has started work on the 'Hummingbird Project', at the Medequip4Kids Charity. This Hummingbird Project will deliver a Positive Psychology intervention to 1200 secondary school children.
- Four of our psychology PhD students had systematic review papers published in high impact factor journals in the discipline, while a Positive Psychology Master's student developed a unique scale of maternal wellbeing, which has been published in the Journal of Health Visiting.
- A second year Psychology student set up the largest student society, Mind Matters, and ran a one-day conference on mental health problems.
- A student graduated with BSc (Hons) Business Management and gained a graduate role with Softcat - a leading educational software provider.
- An Executive MBA student has achieved phenomenal growth for his company, applying his learning from the programme at the University. He recently won a £1 million technology contract from the Ministry of Justice.
- A first year BSc (Hons) Business Student contributed to the development of an Octagon play called 'Flight' by sharing her personal experience of her families escape from war-torn Syria.
- A PhD graduate from the Institute of Management secured an academic position at Coventry University soon after the completion of her studies.
- A student who obtained an MSc and ACCA dual award from the University has gained placement at Grant Thornton as a Transfer Pricing Manager
- A research study supported by the Jenkinson TIRI Awards assessed whether a panel of nine genes indicated to have a role in growth and proliferation of Oral Cavity Squamous Cell Carcinoma (OCSCC) could be detected in human saliva. This allowed the research team to make a more accurate prediction of the likelihood of relapse in OCSCC patients. The research findings obtained by two undergraduate students indicate that the panel nine genes can be detected in saliva, and the temporal expression of these genetic biomarkers may be useful to predict the likelihood of oral cancer relapse.
- An LLB (Hons) Law student, who graduated with First Class Honours, is now completing her Solicitor's qualification course whilst working at a leading law firm, as a paralegal. Another Law student has now joined Middle Temple, Inns of Court, and is due to commence his Barrister's qualification programme in September 2018.
- An international LLB (Hons) Law student has returned to his home country to become a Judiciary Officer.

- The first 2 cohort of the University's Nursing students have graduated this year. One of these graduating nurses from the first Pre-registration Nursing programme cohort achieved a first-class honours degree and was nominated for a Governor's award for an exemplar work
- A student nurse has been nominated for an exceptional student award by her mentor at the NHS Trust at which she is completing her practice placements. This is a fabulous achievement for a student on her 2nd placement.
- Two Nursing students have spent their Easter break in India, exploring health care provision in some of the poorest communities there. They have learned and shared knowledge back at the university providing an excellent presentation to other students and staff.
- A student Nurse has run her first London marathon this year and raised money for a charity close to her heart, the Royal Society for Blind Children.
- An Advanced Practice Student successfully completed the programme and has now become Head of the Clinical Coordination Hub.
- Two Nursing Associate students have written and published an article in the Nursing Standard. Two Nursing Associate students have appeared on the Royal College of Nursing website to promote the new Nursing Associate role in the NHS.
- One of our BSc Dental Technologies students gained a work placement in an internationally renowned dental tech company – Zirkonzahn GmbH based in Northern Italy. Following a selection process, the company offered our student a place on their summer school. The student successfully completed the programme and received a certificate. This development has opened the door to additional students applying this academic year.
- A group of Nursing Associate students has delivered their Cardiovascular Disease screening tool for Greater Manchester which they developed during their health promotion module at the University. This is now being considered for implementing as a pilot across the region.

## Quality Assurance: Protecting and Enhancing Standards (2017-18)

The University continues to receive recognition of its taught programmes from external professional and statutory bodies. This is underpinned by robust internal peer review processes co-ordinated by the Standards and Enhancement Office. Highlights in 2017/18 included:

- In response to IMechE changes, the reconfiguration of Engineering programmes:
  - BEng (Hons) Mechanical Engineering
  - BEng (Hons) Electrical and Electronics Engineering
  - BSc (Hons) Motorsport Technology
  - BEng (Hons) Automotive Performance Engineering
  - BEng (Hons) Biomedical Engineering
  - BEng (Hons) Medical Engineering
- Accreditation of the reconfigured BEng (Hons) Electrical and Electronics Engineering by the IET
- BSc (Hons) Nursing (Adult) with a new partner, accredited by the Nursing and Midwifery Council
- Reconfiguration of PSRB accredited Sport programmes:
  - BSc (Hons) Sports Rehabilitation (BASRaT)
  - BSc (Hons) Sports Coaching and Performance Enhancement (CIMSPA)
- Reconfiguration of the ACCA Final Year programme to refresh the content

The University has responded swiftly to proposals for the approval of higher and degree apprenticeships programmes during 2017/18. In addition to following the same robust internal processes for programme approval, adherence to the approved Institute for Apprentices Standard and the preparedness of students for their End Point Assessments has also been assured. Programmes in this category in 2017/18 included:

- FdSc Nursing Associate (Higher Apprenticeship Route)
- BEng (Hons) Civil Engineering (Degree Apprenticeship Route)
- BEng (Hons) Mechanical Engineering (Degree Apprenticeship Route)
- BEng (Hons) Electrical and Electronics Engineering (Degree Apprenticeship Route)
- BSc (Hons) Digital and Technology Solutions: Software Engineering (Degree Apprenticeship Route)
- BSc (Hons) Digital and Technology Solutions: Network Engineering (Degree Apprenticeship Route)
- BSc (Hons) Computing (Data Analyst) (Degree Apprenticeship Route)
- BSc (Hons) Business Management: Health & Social Care (Chartered Manager Degree Apprenticeship (Top-up))

- BSc (Hons) Retail Business Management (Chartered Manager Degree Apprenticeship Route)
- Master of Business Administration Executive (Senior Leader Master's Degree Apprenticeship)
- Master of Business Administration Executive: Retail (Senior Leader Master's Degree Apprenticeship)
- MRes Engineering Management (Postgraduate Engineer Degree Apprenticeship Route)
- MSc Systems Engineering (Mechanical)/(Electronic)/(Mechatronics) and Engineering Management (Degree Apprenticeship Route)

In addition to programme approvals with 9 partners, other programme approvals during 2017-18 have included:

- Professional Doctorate in Health and Social Care
- Two new Master's of Research qualifications: MRes Engineering Management and MRes Environmental Management
- Reconfiguration of the Computing Suite of programmes.

In order to ensure that students are at the heart of our enhancement processes, we regularly ask our learners how they are finding their programmes. In 2017/18 we reviewed over 13,500 Module Evaluation Questionnaires and took action on the basis of the feedback at course, School and institutional level as appropriate. For example, we have upgraded equipment and teaching rooms in some areas in response to student suggestions. With over 150 external examiners from around the UK working with us on nearly 600 exams, we ensure that our standards are kept high throughout the assessment process. We continue to update and develop our portfolio of programmes with over 125 new or revised courses.

## Research, Staff Development and Success 2017-18

Following a review of research activity in 2015 the University has taken a more targeted approach to externally funded research, with a clear focus on high quality research projects which, under the Teaching Intensive, Research Informed (TIRI) framework benefit our students and our teaching agenda. Nonetheless in 2017-18, the University secured £713,576 in external research grants from Innovate UK, DSTL, UK Charities and industrial funding. New externally-funded research projects included the following:

- Chemical functionalisation of Nylon, Prof B Kandola, funded by US Army, £37,916
- Epoxy-based fire-resistant intumescent protective coatings, Prof B Kandola, funded by Innovate UK, £150,497
- Smart Nasogastric Tube - Feasibility Study, Prof J Luo, funded by UCL, £5,000
- Wireless Sensors for detecting sleep apnoea, Prof J Luo, funded by Innovate UK (KTP), £169,408
- Creation of a Lancashire Cotton Industrial Library Archive, Prof AR Horrocks, funded by CIWMT, £18,140
- Feasibility study to engineer fire retardancy in wool fabrics using UV laser/Plasma (FR-MLSE), Prof B Kandola, funded by Innovate UK/MTIX Ltd, £31,193
- Studentships x 2 (over 3 yrs), Prof B Kandola, funded by DSTL, £247,422
- Bolton Lads & Girls Club, Dr P Matthews, funded by BLGC, £4,000
- KCMC Project Scientist, £50,000

The University maintains a very healthy postgraduate research portfolio. In 2017-18 we awarded 27 PhDs and enrolled 63 new PhD research students and 2 MPhil students. Our annual Jenkinson Award Scheme, designed to pump prime high quality innovative research, which will also enhance the curriculum and student learning experience, supported 8 new projects this year (a total of £22,596 awarded):

Researcher	Project Name	School	Total
Kim Edwards-Keates	Celebrating Bolton's Victorian Literary Legacy	Arts	1550
Jill Marsden	The Transvaluation of the Literary	Arts	2000
Leanne Lewis	'Anarchy and the Aesthetic' Exhibition, May 2018: A contemporary exploration of the relationship between punk and the arts (HE4 Art and Design Students and Module Staff)	Arts	4000
Julie Prescott	Project Phoenix -Psycho Education in a School Context	Psychology	2806

Researcher	Project Name	School	Total
Mohammad Sanami	Developing technic for manufacturing Orthopaedic Implants such as Intervertebral disc, using Auxetic Polymers and Structures	Engineering	5000
Navneet Soin	Development of wearable triboelectric energy harvesting devices	Engineering	4000
Craig Hobbs	PARTICIPATE' Physical Activity RaTes In EthniC Minorities: Preliminary Study of A Town Evaluation	Sport	1300
Bob Snape	The Centre for Worktown Studies	Sport	2000

Additionally, the University awarded 8 Ainsworth Travel Scholarships (a total award of £3811) through a competitive process for PhD students across the University. These awards were focussed on allowing PhD students to make bids for funding in order to financially support the dissemination of their research.

The University is also fostering a high-performance culture across the University that promotes staff development and recognises good performance. A systematic Academic Staff Development (STEP) programme was developed and implemented to provide training for staff in areas such as teaching & learning methods, industry collaboration, student employability, skills development, assessment strategies, personal tutoring techniques, etc. A structured performance appraisal system continues to be deployed for academic and support staff to ensure commitment and ownership towards the institution's transformation (TIRI) agenda. This includes tangible career progression routes and rewards for achieving exceptional performance. For instance, the new teaching oriented progression routes include Teaching Professors, Associate Teaching Professors and Assistant Teaching Professors. In 2016, the University made the watershed appointments of new Teaching Professors, acknowledging the outstanding contribution of its staff to the student learning experience, but particularly those who excel at teaching. This has continued in 2017-18 with another round of appointments underway that will come to fruition towards the end of the first term in 2018-19.

## National and International Partnerships – Off Campus Division (OFCD)

Based on its strategic plan, the OFCD has strengthened its collaborative partnerships and sustained its academic and financial contribution to the University during 2017-18 academic year. UK partnerships have seen healthy growth in student numbers during the year. The Bradford College partnership started in 2016-17 and is now fully operational with a first year intake of 900 students. Bradford College has now established good engagement and collaborations with the Academic Schools across the University. Niche partnerships in areas such as Professional & Commercial Dance (Shockout Arts) and Backstage Engineering (Backstage Academy) have also continued to grow. These collaborations are particularly innovative, and continue to thrive based on their deep integration with the industries in which they operate. In 2017-18 the OFCD has also developed a new partnership with St. Helens College for the provision of Logistics & Supply Chain, Business, and Health programmes.

Off campus division staff have worked closely with Faculty of Health and Wellbeing to set up a model for delivering the undergraduate Nursing programmes at a number of Further Education College partners in the UK. The OFCD is working closely with Kendal College, Bradford College, and Barnett & Southgate College to pilot these developments. Another project developed during 2017-18 is focussed on the provision of the International Foundation Year, with Regent Group. This project will explore improving recruitment, teaching and pastoral care for international students who will progress onto various undergraduate degree programmes at the University of Bolton.

Internationally, the partnership at New York College (in Athens and Thessaloniki) has seen significant expansion with the addition of 15 new programmes. This will help the University to increase its provision with New York College of up to 150 students per year. Student numbers at our partnership with Study World in Sri Lanka has also seen expansion with the introduction of civil engineering, mechanical engineering, electrical engineering, accountancy and law. Botswana has also experienced good growth in the academic year in the subject areas of Supply Chain Management, Project Management and Accountancy. However, student recruitment at partner institutions in Malaysia, Vietnam, Zambia and Malawi has declined by around 15% in 2017-18. The OFCD closely monitors the financial and academic sustainability of all its partnerships, and implements appropriate action plans to address the identified issues. An updated business review process (Annual Review of Partnership Operations - ARPO) has been introduced to ensure that contractual arrangements with each partner institution are reviewed formally, due diligence is updated, and the strategic direction of the partnership is assessed at a formal ARPO meeting.

The Division will continue its overarching focus to actively improve the revenues, surplus generation, and academic contribution to the University through the delivery of high quality UG, PG and Research Degree programmes. These key objectives are pursued and achieved based on well-established and rigorous academic quality control systems and sound governance procedures to develop and manage partnerships. Strategically, the OFCD directly contributes to the realisation of the University's Internationalisation goals and provide avenues of pragmatic growth that are academically relevant and financially prudent.

## **Industry Collaboration: Implementation of the University's Employability Enterprise and Apprenticeships (EEA) Strategy: 2017-22**

The University has developed and deployed its new Employability, Enterprise and Apprenticeships Strategy (2017-22) which will take our work in these areas to the next level. The University's overarching Strategic Plan (2015-20) and the constituent TIRI agenda endeavours to improve the employability and overall success of its students through a fundamental repositioning of the institution. This approach encompasses development of a Platinum Critical Mass (PCM) course portfolio, integrated employer collaborations, enterprise and knowledge transfer operations to achieve a step change in the overall student learning experience and graduate skills development. As part of this transformative approach, the EEA Strategy (2017-22) focusses on the following three key dimensions:

- *Employability of our students:* Focussing on integrated development of employability skills of our students based on the embedment of key graduate attributes in the core curriculum, systematic provision of industry work placement opportunities and preparation of our students for the graduate job market.
- *Enterprise Research operations:* Focussing on applied research with businesses based on our TIRI agenda and Platinum subject areas, integrated knowledge transfer activity & projects, and consequent income generation based on dynamic interactions with industry, and
- *Apprenticeships:* Focussing on the development and delivery of a strong portfolio of Higher Apprenticeships, in synchronisation with the TIRI philosophy and Platinum agenda.

This new EEA Strategy places the 'student success' at the centre of "everything we do" in the institution. It consciously and purposefully brings together the three diverse, but interrelated core components: Employability, Enterprise and Apprenticeships. This integration will achieve coherency in our industry collaborations, optimise the resource utilisation, and address some key issues such as the lack of a sizeable business development and employability team at the University.

All three components of the EEA Strategy need the development of strong industry collaborations and proactive interactions with businesses across the region i.e. with SMEs and large companies in the target industry sectors. These are essential to achieve the Key Performance Indicators (KPIs) defined for this Strategy i.e. improving the employability of our students, placements, applied research and enterprise income, and delivering Degree Apprenticeships. Each of the KPIs requires such integral relationships with the industry. The University will enhance capacity and capability of its Business Development and Careers team to develop industry links, promote student employability, and enterprise research activities.

The integration of the three components (EEA) will also benefit the post-merger institution (University of Bolton and Bolton College), by creating a strong and dedicated team with a wide range of skills, connections and expertise in industrial relations, student employability, and apprenticeships promotion and delivery. This will optimise resource utilisation, enable a 'single point of contact' for industry for these interrelated elements, and provide institutional capability to reach businesses across Greater Manchester and beyond.

The guiding principles outlined below reflect the University of Bolton's commitment to provide clarity and support for the development and delivery of three core components (EEA) of the Strategy for all of its key stakeholders: students, staff and employers. For students, they aim to provide opportunities to develop and enhance a wide range of employability attributes and skills. For staff, to develop a holistic approach across the institution with common goals for supporting the development of employability and enterprise in the learning and teaching environment. For employers, to create an institution that is responsive to the needs of the labour market, ensuring that our students and graduates can add value to the workforce. Over the next 5 years, these principles will provide a framework to develop and deliver specific action plans and interventions, to achieve the aims of the Strategy.

1. Revitalising and expanding industry collaborations to create a core network of partner employers in the target industry sectors, including Engineering, Health, Retail, Logistics, Sports, and Creative Industries.
2. Strengthening Industry Advisory Boards (IABs) in all eight Academic Schools to support the comprehensive range of Employability, Enterprise and Apprenticeships developments.
3. Continual enhancement of curriculum design and delivery to strengthen Graduate Attributes across the undergraduate and postgraduate programmes to enhance their industry relevancy and employability.
4. Improving work placement and experience opportunities for students to achieve a step change in graduate level employment.
5. Delivering a strong portfolio of Higher and Degree Apprenticeship programmes with integrated progression pathways for students across FE and HE.
6. Promoting and further expanding applied research and knowledge exchange with industry to invigorate enterprise income generation, apprenticeships development, and increase student placements etc.
7. Creating a coherent institutional enterprise ecosystem to develop and deliver enterprise projects with SMEs and large businesses in the region (e.g. Knowledge Transfer Partnerships (KTPs)), with executive level commitment to the agenda.
8. Rapidly building the institutional capability and capacity to achieve the defined Employability and Enterprise goals. For example, the University is currently expanding its business liaison capacity and knowledge base to deliver the Employability and Enterprise initiatives presented above, and effectively promote our portfolio of Degree Apprenticeships to companies in the focussed various industry sectors.
9. Developing infrastructure to support the Strategy in terms of knowledge base, systems, processes, technology, and physical infrastructure.
10. Focussed structuring and integration of resources across the two institutions (the University and Bolton College) including business development teams, careers services, apprenticeships delivery teams, etc.

The University is investing strategically in the academic staff, physical infrastructure, specialist facilities and student support personnel to support the implementation of the EEA Strategy. Progress has been made in creating a strong network of partner employers who are a key component in developing and delivering high quality programmes so that the students develop the core skill sets required for the respective industry sectors. The University's 'Employability and Further Study' performance continues to improve in absolute terms. However, the University recognises the need to achieve substantial further improvements in graduate employability and enterprise efforts. We have also made it a priority to develop and offer a comprehensive range of Degree Apprenticeship programmes through integrated partnerships with companies in the region. The institution will utilise this major growth opportunity and play a significant role in the Greater Manchester region in delivering apprenticeships. Our approach for developing and delivering Higher Apprenticeship programmes, across various academic disciplines, will build upon the University's Platinum Strategy in synergy with the TIRI agenda. The provision of apprenticeships will be based on demand drivers from industry, and will support the progression of learners to higher education and skilled employment.

## **The Student Body, Educational Opportunities, Equality and Diversity**

The University's mission, to provide educational opportunities to the widest range of individuals and enable them to achieve their full potential, is reflected in its Student Body. This widening participation philosophy is firmly embedded in the institution as it continually strives to remove barriers to Higher Education with no boundaries to studying and learning. The University of Bolton continues to be one of the most inclusive universities in England and its recruitment of students from underrepresented groups as shown by gender, ethnicity or social group substantially exceeds the HEFCE benchmarks. The University's record in providing opportunities for learning in higher education is amongst the best in the sector as shown in the data released from the Higher Education Statistics Agency for 2016/17:

- 99.3% of UK domiciled young (under 21) entrants to full-time first degree programmes were from state schools or colleges, which is above the University's HESA benchmark of 97.9%.

- 54.7% of the University's UK domiciled full-time undergraduate entrants are mature (21 or over), which is significantly higher than the sector average. 26.2% of the University's total HE student body study part-time; many of these students are sponsored by employers and engaged in career development.
- 35%<sup>1</sup> of our UK domiciled HE student enrolments in 2016/17 were non-white, compared with the national average of 24%. 13.4% were black (compared with the national average of 6.9%, 14.6% and were Asian (compared with a national average of 10.3%). 43.1% of the University's UK domiciled HE students are male, against the national trend, which has seen male participation rates particularly among white males from socially under-represented groups, decline.
- 24.8%<sup>1</sup> of our young full time undergraduates come from low participation neighbourhoods (POLAR 3) – this is above the benchmark of 19.8% and 4<sup>th</sup> in the UK. 17.8%<sup>1</sup> of mature first degree students are from low participation neighbourhoods compared with a benchmark of 16.4%. 17.6%<sup>1</sup> of mature first degree students have no previous HE background and are from low participation neighbourhoods. This compares with a benchmark of 11.8% and a sector wide figure of 11.6%.
- 11.5%<sup>1</sup> of our full-time first degree students were in receipt of Disabled Students' Allowance (compared with the benchmark of 8%) and 15.6%<sup>1</sup> of our HE student enrolments have a known disability compared with a national average of 12%. The percentages of students with a disability compared to the overall student population have steadily risen over the last five years at the University and exceed the sector average substantially.

*Note<sup>1</sup>: HESA Performance Indicators 2016/17 entrants*

The University workforce continues to be richly diverse and remained broadly comparable to previous academic year. Compared to the sector (source ECU Equality in Higher Education: Statistics Report) the University has a higher proportion of its staff from Black and Minority Ethnic (BME) communities. Similarly, the proportion of staff who have disclosed that they have a disability was also higher. However, the percentage of female academic staff in the University is slightly lower when compared to the sector average. Whereas, the percentage of staff over the age of 50 was slightly higher than the respective sector average.

The Organisational Development, Equality and Diversity Committee undertakes the task of monitoring the relevant data and advises the University's Executive Board on equality and diversity matters. The University has an Equal Opportunity Policy and publishes an annual Equality & Diversity Information Report. An Equality & Diversity Action Plan is in place and is reviewed and updated regularly. A new approach to Equality Impact Assessments (now called Equality Checks) was also implemented. Policies and organisational initiatives are now assessed against this new process. During the year, no diversity related issues have been identified. Initiatives were also introduced to raise awareness of mental health issues and unconscious bias. A network of Equality, Diversity and Dignity Champions is in place across the University. An online diversity training package is available for staff with up-to-date information and best practice.

## **Environmental Sustainability Agenda**

The University is continuing its investments and making good progress on its Environmental Sustainability Agenda by promoting and improving the efficient utilisation of resources including energy consumption; disposing of materials in a responsible manner; water consumption; procuring material from renewable sources; reducing waste; and promoting recycling and reuse wherever possible. For example, in the last 3 years, the University made further progress in driving efficiencies in its energy consumption by modernising its lighting to LED. Nearly 50% of the University now uses LED lighting, which reduces energy consumption and consequent CO2 emissions up to 80%, when compared to traditional lighting. In addition, the University has been implementing PIR based motion detection technology to achieve further energy savings. This system now covers the majority of the University and plans are in place to achieve 100% coverage by 2020. The University also has a purchasing policy that promotes sustainability and encourages suppliers to follow good practice. It now procures all its paper sustainably from suppliers with EU Ecolabel. The Environmental Sustainability Group at the University continues to oversee the improvements in estates and facilities to deliver the University's carbon reduction targets and its overarching sustainability goals.

## Public benefit

As a higher education corporation, the University is a statutory body established under the provisions of the Education Reform Act 1988 and benefits from charitable status as an exempt charity. The Board of Governors, who are the trustees of the charity, have paid regard to the Charity Commission's public benefit guidance, particularly the supplementary guidance on the advancement of education. The guidance is also included in the induction packs for new Board members. As a Higher Education Corporation (HEC), the University's objects are derived from the powers of a HEC, as set out in section 24 of the Higher Education Reform Act 1988, and Part II of the Further and Higher Education Act 1992. The University's charitable objects are: to provide higher education, and to carry out research and knowledge exchange. The University's Board of Governors consider that they have complied with Section 17 of the Charities Act 2011 with regard to the guidance on public benefit published by the Charity Commission. The paragraphs below demonstrate the public benefit arising through the University's activities. The University continues to demonstrate public benefit and civic impact through its core activities as well as through connected initiatives, projects and activities:

- Based on the core institutional commitment to the widening participation philosophy, the University strives to remove barriers to Higher Education. It continues to be one of the most inclusive universities in England and its recruitment of students from underrepresented groups meets or exceeds all HEFCE benchmarks for social inclusion in admissions, especially for Black, Asian and Minority Ethnic (BAME) groups and for students with disabilities.
- Using its Platinum Critical Mass (PCM) Courses Strategy, the University has been highly successful in launching its innovative Undergraduate Nursing Degree programme in 2015. The University is rapidly expanding the provision in this area, contributing directly to the capacity building and addressing the skills shortage in the Health Sector. Further developments are planned to introduce undergraduate programmes in Midwifery in collaboration with the regional partner NHS Trusts.
- The University is also establishing strategic partnerships with a wide range of employers, across the industrial sectors in the North West, exemplifying the University's growing role and contribution to the local economy. The University is taking its rightful place as a key agent for economic, social and cultural development as part of the new Greater Manchester Northern Powerhouse. The University is also at the heart of, and leading, the regeneration of the town of Bolton; its multi-million-pound learning infrastructure projects are transforming the physical environment of the town centre and the University is widely recognised now as both the engine and driving force for the renaissance of the town.
- The University offers scholarships, bursaries and incentives targeted to all those alumni who wish to further their studies at the University but who have no other financial support to do so. This reaffirms the University's commitment to lifelong support for those who can benefit from higher education.
- The University attracts a significant number of international students for its undergraduate and postgraduate course here in the UK. The University's Off Campus Division (OCD) provides Higher Education opportunities globally. It delivers this through the partnership centres across the world, demonstrating a commitment to internationalism and the bringing together of cultures through education which is also evidenced in the globalisation strand which is embedded in the curriculum of every one of its undergraduate programmes.
- The University's applied research and knowledge transfer activities support business and industry, the Further Education sector and community bodies. In the last Research Excellence Framework (REF) the University was rated by independent international panels as delivering world-leading research in six of the seven subjects submitted. One of the highest rated projects for impact, in English Language and Literature, across the UK focussed on how the University of Bolton research had helped community groups support the families of prisoners. The University also continues to deliver Knowledge Transfer Partnership (KTP) projects and other applied research projects with companies in the region, directly benefiting the industry.
- The University supports a number of local charities both directly and indirectly. For example, the University supports the Bolton Lads & Girls Club, a local charity, which has been providing a wide range of sporting and learning opportunities for young people since 1890. In recent years, the University hosted a very special event for Fortalice, where it celebrated 40 years of providing refuge and frontline services for women, families, children and young people affected by domestic abuse. It also works with other local voluntary agencies and charities

such as Bolton at Home, Octagon Theatre, Bolton Rotary Club etc., to help create equality of opportunity and community cohesion in Bolton and beyond. The University regularly provides access to its learning infrastructure to many local organisations and charities for the benefit of the communities across the region.

- In a partnership approach., the University works closely with many public-sector agencies, educational partners and community groups to improve the economic prospects and social mobility of Bolton and the North West. The Bolton Education Zone partnership, between the University, Bolton College and Bolton Sixth Form College, continues to work actively to highlight, promote and advocate educational opportunities and progression routes in Bolton and to cooperate to facilitate these through shared activities. For example, the University's Centre for Research into Health and Wellbeing works closely with the Council, the Bolton Clinical Commissioning Group and the Royal Bolton Hospital NHS Foundation Trust to research into and promote health education and awareness amongst the local community and, through its support for the National Forum on Health and Wellbeing, the same work is actively carried out across the North West. Of particular note is the University's close involvement in the 'Bolton Health Mela' hosted by our Centre for Research for Health and Wellbeing. The Annual Health Mela offers health advice in a friendly environment and is a key event in the annual schedule of inclusive public health support.

## Future Prospects

The University will continue its focus and efforts on the implementation of its core strategic plan and transformation towards a world-class Teaching Intensive, Research Informed (TIRI) institution. In the 2018-19 academic year, it will further strengthen and intensify the deployment of beneficial approaches to student experience, progression, retention, graduate employability, and overall student success. Emphasis will be given to build further institutional capacity and capability for improving the employability skills of our students. The University will continue to develop excellent teaching staff, support services and learning infrastructure to deliver high quality teaching and student experience. The University will build up on its recent successes in the Teaching Excellence Framework (TEF Silver Award) and Student Satisfaction (NSS 2017 and 2018). Particular focus will also be given for achieving improvements in Student Retention through individualised student support. The University will make targeted investments to achieve its Platinum Courses development agenda, build high quality research that directly contributes to the core teaching, and prepare for the Research Excellence Framework (REF 2021).

The University will ensure that any new arrangements for quality and performance introduced under the auspices of the new Office for Students in the context of the Higher Education and Research Act (2017) are reflected in our own internal procedures. Our adoption of the TIRI model ensures we are well placed to meet this new agenda. Additionally, we will continue to work towards achieving a good outcome in relation to the Research Excellence Framework (REF) in 2021, while maintaining a clear priority for the impact of research on our teaching intensive agenda above all else.

The University will strive to derive the educational, social and economic returns from the strategic investments it made in recent years, directly benefitting the students, industry and local communities. The University will further develop and expand its undergraduate provision in Creative Technologies, Subjects allied to Medicine, Nursing & Midwifery, and Engineering, thereby contributing to the University's growth agenda. These investments will also serve as a base for industry partners, becoming an exemplar for industry-academic collaboration, creating a strong eco-system in which the students will have the opportunity to gain valuable industry experience, thereby directly improving their employability.

The University will continue to build strategic partnerships with industry to enhance its educational provision and graduate employability. It will rigorously implement its new Employability, Enterprise and Apprenticeships Strategy (2017-22) which will take our work in these areas to the next level. This new five-year Plan places the 'student success' at the centre of "everything we do" in the institution. It consciously and purposefully brings together the three diverse, but interrelated core components; Employability, Enterprise and Apprenticeships. This integration will achieve coherency in our industry collaborations and optimise the resource utilisation. It will also enable an integrated development of the employability skills of our students based on embedment of key graduate attributes in the core curriculum, systematic provision of industry work placement opportunities and preparation of our students for the graduate job market.

Based on the successful completion of the merger with Bolton College (in August 2018), the University will further build the institutional capability and capacity to enable integrated progression pathways for students across FE and HE. The institution will use the collective strengths to enable the vertical integration of Higher and Further Education for benefiting the students i.e. improved progression, learning experience, integrated higher apprenticeships etc. This merger provides an exciting opportunity to shape the future development of education, training and skills in Greater Manchester and beyond with wide ranging benefits. The University will work towards realising the core aim of the merger i.e. creating a larger,

stronger, and much more sustainable institution will be a key focus of our work over the coming years. A common mission and values, which will focus on “student learning experience and success” will guide this journey.

The University will continue to investment in the development of its academic and support staff. It will increase its investments in the Academic Staff Development (STEP) programme to provide training in areas such as Teaching & Learning methods, Assessment Strategies, Personal tutoring techniques, Industry collaboration, Student Retention, Student employability, Skills development, etc. We will foster a high-performance culture across the University that promotes staff development and recognises good performance to ensure commitment and ownership towards the institution’s transformation (TIRI) agenda. The University will also continue its TIRI Professorships programme to identify, celebrate and promote excellence in teaching.

## **Financial**

The University has for the 13<sup>th</sup> year running reported an operating surplus. In this case, £231,000 (2016: £404,000) (on a historical cost basis) which is equal to 0.4% (2017: .82%) of turnover in the year.

### **Key Performance Indicators (KPIs)**

The University measures its performance using a variety of tools. Easily quantifiable measures that consider past financial performance covering surplus generation, finance and liquidity, growth and capital employed have all performed well given the challenges faced.

The University’s KPIs for short term sustainability are achievement of the budgeted operating surplus/deficit and maintenance of cash balances at or above the budgeted level.

Longer term sustainability depends on the University’s ability to continue to attract and retain students on our campus, and develop other income in a highly competitive and rapidly changing international market place for higher education.

The University’s KPIs for long term sustainability will be measured by the achievement of targeted progress towards platinisation of provision, continued improvement of the quality of the campus estate and facilities, and achievement of income targets for off campus operations.

The combination of short and long term sustainability has served the University well and is considered by the Board to be a sound basis going forward.

### **Principal Risks and Uncertainties**

The University initially established a tiered fee structure for the new funding regime, which kept it within the Government’s guideline of maintaining its average fees below £7,500 for home funded full time students; this maintained the University’s allocated student numbers (SNC) which the University recruited, and thus maximised its fee income for the year 2013-14. This position was successfully consolidated in 2014-15, and given a better understanding of the student market and its demand inelasticity with respect to price, fees were realigned to the market norm of £9,000 pa for UG FT courses. This was enabled by the relaxation of the notional £7,500 limiter, and the signalled removal by Government of the SNC cap. As a result the University rationally maximised fee income in the market conditions prevailing.

Looking ahead however, and notwithstanding the decisions taken on financial matters, the challenges are unlikely to decrease in an ever increasingly competitive marketplace void of any student number control mechanism.

In response, the Board of Governors will continue to guide the University in the furtherance of its strategic aims with the assurance that the accumulation of reserves and cash already achieved provides the University with the financial strength to withstand and respond to unanticipated shocks which might occur, and the means and confidence to invest in the quality of academic and infrastructure provision required to deliver its platinum agenda.

## Performance

	2017-18	2016-17
	£'000	£'000
Income	53,127	49,660
Expenditure	<u>52,623</u>	<u>49,519</u>
Surplus before FRS 17	504	141
Defined Benefit Pension Scheme Adjustment under FRS 102	<u>(1,556)</u>	<u>(1,029)</u>
Surplus after Defined Benefit Pension Adjustment	(1,052)	(888)
Release from Capital Reserve	<u>1,283</u>	<u>1,292</u>
Historical Cost Surplus	<u>231</u>	404
Historical Cost Surplus as percentage of Income	0.4%	. 0.82%

## Operating Surplus

The operating (deficit) / surplus was (£1,052,000) (2017: £888,000).

## Liquidity

Operating performance has helped to maintain strong cash balances throughout the year.

The University's Financial Strategy sets a target of cash balances being maintained at, or higher than, 6% of turnover. This would equate to a value of £3,188,000 in 2017-18. This target was achieved during 2006-07 and has been maintained (in fact considerably exceeded) since then. At 31 July 2018 the cash balance was £14,871,000 as shown in the Balance Sheet on page 42 of the Financial Statements.

There was a net outflow of cash in 2017-18, mainly arising from significant Capital Expenditure. The University's cash balances remain significantly ahead of the target set in the financial strategy.

<u>Liquidity Ratios</u>	<u>2017-18</u>	<u>2016-17</u>	<u>2015-16</u>
External Borrowing as % of Income	0.0%	2.3%	4.6%
Net Cash Flow from Operations as % of Income	4.6%	5.9%	4.3%
Net Liquidity	110 days	133 days	164 days

## Reserves

At 31 July 2018 the University's Income & Expenditure Account reserves amounted to £33,894,000 before the impact of the Defined Benefit Pension Scheme Adjustment under FRS 102. There was an increase in the retained reserves due to a good operating performance.

## Borrowings

The University's has no current borrowings the finance leases in respect of the two Halls of Residence were discharged during 2018.

## Sustainability

There have been several factors bearing upon 2017-18 recruitment nationally which will affect the higher education sector going forward. There has been a significant reduction in international students in the sector (primarily UKVI driven); and a reduction in part time recruitment because of employers limiting staff training funds and a reluctance by individuals to pay the new higher fees or take on debt.

Whilst this has impacted on the University, actions taken to control costs have meant that the overall impact of these changes has been contained, as can be seen in the operating performance for the year.

### **Going concern**

The activities of the University, together with the factors likely to affect its future development and performance are set out in this Strategic Report. The financial position of the University, its cash flows, liquidity and borrowings are described in the Financial Statements and accompanying notes.

The Governors and management have reviewed future cash flow projections which demonstrate ongoing positive cash flows. They are aware of the potential impact that the general economic climate and the changes to the funding regime could continue to have upon funding directly and indirectly available to the University and have considered the various scenarios that a potential reduction in income levels could give rise to. The Governors and management have also considered the impact that the change in the funding regime will continue to have on the working capital requirements.

After undertaking the review, the Governors and management have a reasonable expectation that the University has adequate resources to continue in operational existence for the foreseeable future, and for this reason adopt the going concern basis in the preparation of the University's Financial Statements.

### **Disclosure of Information to Auditors**

The members of the Board of Governors who held office at the date of approval of the report confirm that, so far as they are each aware, there is no relevant audit information of which the University's auditors are unaware; and each member has taken all the steps that he or she ought to have taken to be aware of any relevant audit information and to establish that the University's auditors are aware of that information.

Signed on behalf of the Board by:

The Rt Reverend Bishop N McCulloch KCVO  
Chair of the Board of Governors

20 November 2018

## Members of the Board of Governors:

1 August 2017 to 31 July 2018

Name	Category	Sub-Committee Membership	Note
Rt Reverend N McCulloch KCVO MA Hon DCL DLitt (Honoris Causa) DEd (Honoris Causa)	Independent	Resources Nominations Remuneration Ad Hoc	Chair of the Board
Professor HH W Morris MA Cantab (Hons) LLD (Honoris Causa)	Independent	Audit Nominations Remuneration Ad Hoc	Deputy Chair of the Board Chair of Audit Committee
Ms R Hannan BA (Hons) BPS Level A & B	Independent	Resources Remuneration Ad Hoc	Chair of Resources Committee Chair of Remuneration Committee (from 21.11.2017)
Dr Harni Bharaj MD FRCP	Independent	Audit	From 02.11.2017
Mr S Conn FCA FIPA	Independent	Resources Nominations Ad Hoc	Chair of Remuneration Committee (to 21.11.2017)
Professor M J Leeming LLB (Hons) Her Majesty's Senior Coroner, Manchester West	Independent	Audit Nominations Ad Hoc	(Audit Committee Member to 25.01.2018)
Mr A Fawcett MBA BA	Independent	Audit Ad Hoc	(Audit Committee Member from 25.01.2018)
Mrs K Flood MBA PgDip Management Studies HNC Total Quality Management	Independent	Ad Hoc	
Dr A Roberts EdD (Honoris Causa) FIET FRSA	Independent	Resources Remuneration Ad Hoc	(Remuneration Committee Member from 21.11.2017)
Rev Canon Dr P Denby MBE JP DL MPhil MEd Hon DD	Statutory Co-opted	Audit	
Prof R Lewis BA (Hons) MA BPhil PGCE MEd	Statutory Co-opted	Audit Ad Hoc	
Dr Yakub Patel DUniv (Honors Causa) FCCA	Statutory Co-opted	Audit Committee	From 11.07.2018
Professor G E Holmes DL BSc (Hons) MBA PGCE FInstD PhD	President and Vice Chancellor	Resources Nominations Remuneration	(Remuneration Committee Member to 28.09.2017)
Dr G Waugh BA (Hons) CertEd MEd PGDE (PCET) Post Grad Dip MEd MA Fellow of the Institute for Learning	Senate Member	Nominations	
Ms S Johnson BSc (Hons)	Students' Union President		To 30.06.2018
Miss Boluwatife Oyesola	Students' Union President		From 01.07.2018

## **Principal Advisors to the University**

### **Bankers**

Lloyds Banking Group, 53 Kings Street, Manchester, M60 2ES

### **External Legal Advisors**

DLA Piper LLP, India Buildings, Water Street, Liverpool, L2 0NH

Eversheds LLP, Eversheds House, 70 Bridgewater Street, Manchester, M1 5ES

Mills & Reeve, 78 – 84 Colmore Row, Birmingham, B3 2AB

Pinsent Masons, 3 Hardman St, Manchester, M3 3AU

Shoosmiths LLP, 3 Hardman Street, Spinningfields, Manchester, M3 3HF

Veale Wasbrough Vizards, Narrow Quay House, Narrow Quay, Bristol, BS1 4QA

42 Bedford Row Chambers, London WC1R 4LL

### **Financial Advisors**

Deloitte LLP, 2 Hardman Street, Manchester M3 3HF

### **External Auditors**

Scott-Moncrieff, Exchange Place, 3 Sempie Street, Edinburgh EH3 8BL

### **Internal Audit**

PricewaterhouseCoopers LLP, 101 Barbirolli Square, Lower Mosley Street, Manchester, M2 3PW

## **Statement of Corporate Governance and Internal Control 1 August 2017 – 31 July 2018**

The purpose of this statement is to provide readers of the Financial Statements of The University of Bolton with information about its governance and legal structure. This summary outlines the manner in which the Governing Body, and through it the University being a body entrusted with both public and private funds, has fulfilled its duty to maintain the highest standards of Corporate Governance.

It is noteworthy that from the 1 April 2018 the Office for Students ('OfS'), an independent body which whilst not part of central government reports to Parliament through the Department for Education, has been exercising the role and responsibilities of independent regulator of higher education in England. The OfS regulatory framework published in February 2018 will not come into force until 1 August 2019; however the University is funded and regulated by the OfS from 1 April 2018 to 31 July 2019 through a combination of the powers and duties 'carried forward' from the previous legislation and the new Higher Education and Research Act 2017 powers and duties. This is called the 'transition period'.

The Governing Body is committed to exhibiting best practice in all aspects of Corporate Governance and, throughout the period and up to the date of approval, has acted in good faith to:

- conduct its business in accordance with the seven principles identified by the Committee on Standards in Public Life, namely selflessness, integrity, objectivity, accountability, openness, honesty and leadership; and
- apply the Committee of University Chairs' governance code of practice contained in 'The Higher Education Code of Governance (Revised June 2018)' which adopts and builds on the 'Nolan Principles of Public Life', which provide an ethical framework for the personal behaviour of governors; and
- apply the Committee of University Chairs' code of practice contained in 'The Higher Education Senior Staff Remuneration Code' (June 2018); and
- clearly define and communicate the scope of its own responsibilities in the context of legislation, governing instruments and guidance including The Higher Education Code of Governance through the adoption of a Statement of Primary Responsibilities; and
- comply with the:
  - (i) Higher Education Funding Council for England's Memorandum of Assurance and Accountability between HEFCE and institutions (2017/08) which was effective from 1 August 2017 to 31 March 2018, and thereafter,
  - (ii) OfS' Terms and conditions of funding for higher education institutions between the OfS and institutions (published 29 March 2018 and should be read in conjunction with the terms and conditions of research England grant) which was effective from 1 April 2018 and will apply during the transition period to 31 July 2019, and supersedes HEFCE's Memorandum of Assurance and Accountability between HEFCE and institutions (2017/08).
- have regard to the advice and guidance as set out in The UK Corporate Governance Code issued by the Financial Reporting Council (April 2016), noting the revised version published in July 2018 to apply to the accounting periods beginning on or after 1 January 2019; and
- have regard to the advice and guidance as set out in the Good Pay Guide for Charities and Social Enterprises (2013) issued by the Association of Chief Executives of Voluntary Organisations; and
- have oversight of the University's approach to corporate and social responsibility.

The University's Internal Auditor, PwC, completed in October 2017 a high level assessment of the University's policies and processes against the requirements of The Higher Education Code of Governance and also the Charity Governance Code. Following its assessment, PwC concluded (and reported to the Audit Committee and Board) that the University has a wealth of policies and mechanisms in place that demonstrate their compliance with The Higher Education Code of Governance and the Charity Governance Code. In respect of The Higher Education Code of Governance, PwC found that there are appropriate mechanisms in place to meet all of the "must" statements.

The Office for Students completed its Assurance Review (formerly called a 'HEFCE Assurance Review') at the University on 21 May 2018. The aim of the review was to examine how the University exercised accountability for the public funding which it received covering the 12 month period to 21 May 2018. As part of the scope of the Assurance Review, the University is required to demonstrate to the OfS, through its various returns, that;

- it has adequate and effective risk management, control and governance
- funds have been applied only for the purposes for which they have been received
- it has arrangements for academic governance focused on continuous improvement of the student academic experience and of student outcomes, and on the reliability of degree standards
- it is financially sustainable
- value for money is achieved
- data can be relied upon
- it complies with charity law

The OfS' overall conclusion stated that it was able to place reliance on the University's accountability information for the purposes of satisfying the regulatory requirements under the 'carried forward' powers in place during the transition period from 1 April 2018 to 31 July 2019. The OfS considered that the University's most recent accountability returns were underpinned by appropriate and effective oversight and approval processes. The OfS made therein no recommendations for improvement.

In relation to the University's Prevent duty annual reporting obligation, HEFCE confirmed in March 2018 its conclusion that the information provided to it by the University in its Prevent annual report (December 2017) demonstrated sufficient evidence of due regard to the Prevent duty. Throughout the academic year and up to the date of approval, the Governing Body is assured that the University:

- has had due regard to the need to prevent people being drawn into terrorism (the Prevent duty); and
- has provided to OfS all required information about its implementation of the Prevent duty; and
- has reported to OfS in a timely way all serious issues related to the Prevent duty, or now attaches any reports that should have been made, with an explanation of why they were not submitted; and
- has reviewed, and where necessary, updated its Prevent risk assessment and action plan.

### **Governance and Legal Structure**

The University of Bolton is an independent corporation, established as a Higher Education Corporation under the terms of the Education Reform Act 1988. The University is commonly referred to as a 'post 92' institution which is a reference to the Further and Higher Education Act 1992; this Act made changes to the funding and administration of further and higher education within England and Wales.

The University's objectives, powers and framework of governance are set out in its 'Statutory Instrument' and 'Articles of Government', as approved by the Privy Council. The Governing Body ensures compliance with statutes, ordinances and provisions regulating the institution and its framework of governance.

The University traces its history to the Bolton Mechanics' Institute, established in 1825 alongside other similar institutions formed to serve the educational needs of employers and workers in the northern industrial towns. During the 19<sup>th</sup> and 20<sup>th</sup> centuries, technical and vocational education grew in Bolton, closely aligned with the growth of textiles and engineering industries, leading to the foundation of the Bolton Technical School in 1891, which became the Bolton Technical College in 1936. Higher level courses were transferred to the new Bolton Institute of Technology in 1966 and in 1982 the Institute merged with the Bolton College of Education (Technical), established in 1947 as one of four specialist centres for the training of teachers for the post-compulsory sector, to form the Bolton Institute of Higher Education. Taught degree awarding powers were

granted to the Institute in 1992 at the same time as the former polytechnics, reflecting the fact that degree and postgraduate level provision had been offered successfully since the 1960s under the auspices of the Council for National Academic Awards (CNAA), and the University of Manchester. Research degree awarding powers were gained in 1995 and the Institute was awarded university title in 2005 by Privy Council consent.

Following the successful completion of the merger process on the 31 July 2018, Bolton College FE Corporation was (in accordance with a resolution of its governing body) formally dissolved at one minute past midnight on the 1 August 2018 and its property, rights and liabilities were transferred to a designated institution (being a company limited by guarantee (company number 11198091) incorporated by Eversheds Sutherland LLP on the 9 February 2018) under the company name of 'Bolton College', a wholly owned subsidiary of the University of Bolton which forms part of the 'University Group'. Bolton College has retained a distinct and separate legal personality and governing body with a parent/subsidiary group structure operating within the parameters of a suite of complementary governing documents, including its articles of association. The intention of the suite of governing documents is that they work together to give the subsidiary operational independence within the confines of further and secondary education and in accordance with the University's overarching higher education policy. The articles assure an independent board with a skill set suited to offering further and secondary education; a separate governance agreement provides an agreed statement as to the operational workings of the University Board with the College Board. The Clerking of the corporate governance function of the University Group is co-ordinated across the two institutions to ensure their business is conducted in a timely and joined up manner as required by the relevant government agencies and each Governing Body. The College's Board comprises of up to 6 Governors (who in the opinion of the Board have the necessary skills and diversity to ensure the Board carries out its functions under its articles of association), up to 6 Governors (who in the opinion of the University have the necessary skills and diversity to ensure the Board carries out its functions under its articles of association), the Principal of the College, the President and Vice Chancellor, 2 staff Governors and 2 students Governors. All Governors have access to a Clerk appointed by the College Board who also acts as Company Secretary.

The University is an exempt charity and therefore it is exempt from registration with and regulation by the Charity Commission. It must comply with the law, including the requirements set out in the Charities Act 2011, and the OfS acts as its principal regulator. The University's main charitable purpose is the advancement of education. However, as well as meeting its main charitable purpose, the University seeks to make a contribution to the following charitable purposes identified in the 2011 Charities Act:

- The advancement of health or the saving of lives
- The advancement of citizenship or community development
- The advancement of the arts, culture, heritage or science
- The promotion of equality and diversity
- The advancement of environmental protection or improvement

Members of the Governing Body are also trustees and have the responsibilities and potential liabilities that go with trustee status. The Board is aware that its members must:

- ensure the charity is carrying out its purposes for the public benefit, and that its assets are applied solely for its charitable purposes
- comply with the charity's governing document and the law
- act in the charity's best interests, including by managing conflicts of interest
- ensure the charity is accountable
- manage the charity's resources responsibly, including by managing risks and protecting its assets and people
- act with reasonable care and skill.

Those charitable trustees who served at any time during the financial year and until the date the Financial Statements are formally approved as those members of the Governing Body listed on page 30. The University is satisfied that it has had due regard for the Charity Commission's guidance on public benefit and that the required statements appear elsewhere in these Financial Statements. Professional fundraisers and commercial participators do not carry out fundraising activities for the University. Instead, the University is preparing the ground for fundraising by raising its profile, building an excellent reputation and increasing the number of its friends.

Bolton College, as a designated institution, is an exempt charity by virtue of its relationship with a higher education institution and the Office for Students is the Principal Regulator. The College must comply with all requests from the OfS to enable the OfS to comply with its duties as Principal Regulator.

The Governing Body is the legal personification of the University and holds itself responsible for the strategic direction, the educational character and mission, all financial and property matters and staffing policies of the University. The President and Vice Chancellor, as the Chief Executive and President of the University, is (as stipulated in the University's 'Articles of Government') responsible for the organisation, direction and management of the University and leadership of the staff, and the appointment, assignment, grading, appraisal, suspension, dismissal, and determination – within the framework set by the Governing Body – of the pay and conditions of service of staff other than the Designated Senior Post Holders.

Academic stewardship is undertaken by the University's Senate, of which the President and Vice Chancellor is Chair, and the responsibilities of Senate are set out in the University's Articles of Government. Overall accountability for academic matters, in particular academic quality, remains with the Governing Body.

The Chair of the Governing Body plays an important role in the governance of the University while working independently of its regular executive management. The Chair is supported by the Deputy Chair; both are independent governors. The Chair and the Deputy Chair of the Board are formally appointed by the Governing Body by a nomination and election procedure for a period of two years. There is a clear division of responsibility in that the roles of the Chair of the Board and President and Vice Chancellor are separate.

The Chancellor is the honorary head of the University and is appointed by the Governing Body to act as the principal figurehead and ambassador for the University. The University's current Chancellor is the Earl of St Andrews, George Philip Nicholas Windsor. The Earl of St Andrews is the eldest son of Their Royal Highnesses, The Duke and Duchess of Kent. He is the third Chancellor in the history of the University and his term of office officially began on 1 January 2017. The previous Chancellor of the University of Bolton was Sir Ernest Ryder, Lord Justice of Appeal and Senior President, whose term ended on the 31 December 2016.

The Earl's interest in cultural diversity and building bridges between civilisations is mirrored within the University and, in particular, represented by the Centre for Islamic Finance at the University. The Earl has been associated with the University through the Centre for Islamic Finance for some time as its patron.

Supporting the Chancellor in his role is the Pro Chancellor, also appointed by the Governing Body. The office of Pro Chancellor is a non-constitutional honorary role. The University's first and current Pro Chancellor is Dr Brett Warburton of Warburtons Ltd who was appointed to the role on 1 April 2015.

### **The Governing Body**

The Board of Governors comprises up to 19 members, including the President and Vice Chancellor, and has a majority of independent members, who are external and independent of the University. The elected President of the University's Students' Union is an ex officio member of the Governing Body and provides a conduit for the 'student voice' via her report to members at each meeting.

It is the Governing Body's responsibility to bring independent judgement to bear on issues of strategy, performance, resources and standards of conduct. The Governing Body has delegated to the President and Vice Chancellor (as Head and Accountable Officer of the Institution) responsibility for the organisation, direction and management of the University and leadership of its staff.

The Governing Body has a strong and independent non-executive element and no individual or group dominates its decision making process. The Governing Body considers that each of its non-executive members is independent of management and free from any business or other relationship which could materially interfere with the exercise of their independent judgement. All Governors are required to exercise their responsibilities in the interests of the institution as a whole rather than as the representative of any constituency.

External members of the Governing Body are not remunerated for their services and may only claim reimbursement for travelling and other incidental expenses.

Appropriate procedures are in place for the appointment, due diligence and mapping of interests of members of the governing body and of senior management. In accordance with CUC guidance, there is a Register of Interests which is updated annually, placed in the public domain and is available for reference at each meeting of the Governing Body. The University has had documented procedures in place for the nomination and appointment of Governors since 1993 and these were revised in 2005. These specify that all appointments are made by the full board on the basis of recommendations from the Nominations Committee. The University has formally amended (on 20 August 2018) the terms of reference of the Nominations Committee by the addition of the following clause:

*“4. To make recommendations to the appointing authority having regard to:*

*(e) The requirements of the Office for Students in relation to the appointment of ‘Fit and Proper Persons’ (Securing student success: Regulatory framework for higher education in England, Office for Students, Feb 2018. pp146-7)”*

In addition, the University, with effect from 21 Aug 2018, has adopted an annual ‘Fit and Proper Person’ Governor Declaration Scheme which explicitly and comprehensively addresses the OfS expectations and indicators.

All Members are required to adhere to the University’s Code of Conduct as set out in the Good Practice Guide for Governors. This Guide explicitly specifies the need for governors to adhere not only to the Nolan principles, but also to “Have regard to his or her broader responsibilities as a Governor of a public institution, including the need to promote public accountability for the actions and performance of the governing body”.

All Governors have access to the Clerk to the Board of Governors, who is appointed to act as Secretary to the Board and is responsible for the corporate governance function. The appointment and removal of the Clerk are matters for the Governing Body as a whole.

### **Conduct of Business**

The Board of Governors has at least four formal meetings per financial year along with two training days designed to brief members on current and relevant issues, matters and risks. The Board has five sub-committees operating with a clearly defined scheme of delegated authority:

- Audit Committee
- Remuneration Committee
- Resources Committee
- Nominations Committee
- Ad Hoc Appointments Committee

The average attendance for members of the Board of Governors at full meetings of the Board and at meetings of its sub-committees for the period 1 August 2017 to 31 July 2018 was 93%.

The **Audit Committee** formally meets at least three times throughout the financial year, with the University’s External and Internal Auditors invited to attend at all meetings. It considers detailed reports together with recommendations for the improvement of the University’s systems of internal control and management’s

responses and implementation plans. It also receives and considers reports from the OfS as they affect the University's business and monitors adherence to the regulatory requirements. Whilst senior executives (including the President and Vice Chancellor) are invited to attend meetings to present reports as determined by the Chair of the Audit Committee and the Clerk, they are not Committee members. Its membership comprises of Independent Governors save for the Chair of the Board of Governors who is precluded from membership. The minutes from a meeting of the Audit Committee are presented to members at the subsequent meeting of the Governing Body.

At least once each financial year, the Audit Committee meets the University's External and Internal Auditors without any officers present for independent discussions.

Risk management (including the risk register) is a standing item on every agenda, as it is for each scheduled meeting of the Board of Governors, and the Committee annually considers, for recommendation to the Board of Governors, the University's Risk Appetite Statement.

The Committee has a watching brief on the University's internal action plan to ensure optimum data quality and receives a progress report as a standing item on every agenda, which is considered along with the internal audit reviews undertaken by PwC to assist the Audit Committee with its opinion on the management and quality assurance of data. The opinion is based on the information presented to the Committee and the data management assurance does not require the Committee to verify data.

The University has explicitly benchmarked its academic governance arrangements against the CUC Code for Higher Education (Element 4 Academic Governance) since February 2015 via a compliance dashboard presented to the Audit Committee at each meeting and subsequently to the University Board. This dashboard approach has led to enhancements including (i) structured induction for new members of Senate and its Sub-Committees and (ii) comprehensive self-assessment by Senate and its Sub-Committees on an annual basis, leading to a Committee enhancement action plan. In this context the University has also, via its Audit Committee, approved a protocol to support the Governors' Annual Assurance Statement on Quality to OfS as part of their new Revised Operating Model for quality assurance and assessment.

The Committee is required to produce an annual report for the Governing Body and the accountable officer (which, following approval, is shared with OfS) that must cover the financial year and include any significant issues up to the date of signing the report and its consideration of the financial statements for the year. The report is presented to and reviewed by the Governing Body before the audited financial statements are signed. The report confirms the Committee's opinion on the adequacy and effectiveness of the University's arrangements for:

- risk management, control and governance
- economy, efficiency and effectiveness (VFM)
- management and quality assurance of data submitted to the Higher Education Statistics Agency, the Students Loan Company, HEFCE and other bodies.

The Committee undertakes such work it considers necessary to fulfil its role and it provides the necessary assurances with the support of suitably resourced internal and external audit functions, which operate to recognised professional standards. The Committee has also considered evidence-based assurances from management.

The **Remuneration Committee** is a decision making body with delegated authority from the Governing Body to review and determine the salaries and other emoluments, conditions of service and, where appropriate, severance payments, of the Designated Senior Post Holders, which include the statutory roles of President and Vice Chancellor and Clerk to the Board of Governors. The Governing Body recognises that the proper remuneration of all staff, including the President and Vice Chancellor and his immediate team, is an important part of ensuring institutional sustainability and protecting the reputation of the institution.

The Remuneration Committee membership comprises of Independent Governors only - the President and Vice Chancellor and other senior staff (including the Clerk) are not members of the Remuneration Committee but may attend, by invitation only, its meetings provided they are not present for discussions that directly affect them, for example, when his/her own salary, other emoluments, conditions of service and, where appropriate, severance payment, are under consideration. Membership includes both the Chair and Deputy Chair of the Board of Governors.

The Remuneration Committee is chaired by the longest serving Independent Governor (excluding the ex officio Independent Governors i.e. the Chair and Deputy Chair of the Board) on the Committee. It considers comparator information on the emoluments of senior post holders within its remit (including UCEA's report on pay ratios in HE and Senior Staff Remuneration Survey, the University's Gender Pay Gap report and remuneration data of other higher paid staff at comparator institutions). All arrangements are unambiguous, diligently recorded and available for review by the University's audit service providers. It further considers the public interest and the safeguarding of public funds alongside the interests of the institution when considering all forms of payment, reward and severance to the senior post holders.

Its terms of reference are reviewed annually by the Board of Governors at their first meeting in the academic year. The Remuneration Committee reports on its decisions and operation at least annually to the Governing Body and the minutes from a meeting of the Remuneration Committee are presented to members at the subsequent meeting of the Governing Body.

The University provides and publishes information on senior staff salaries in its annual audited financial statements and returning annual submissions to the OfS as required by the OfS Terms and conditions of funding for higher education institutions between the OfS and institutions (published 29 March 2018). Specifically the financial statements publish the pay and non-pay benefits of the President and Vice Chancellor and disclose the number of staff with a basic salary of over £100,000 per annum, broken down into bands of £5,000.

The Governing Body's justification for the total remuneration package of the head of the institution is provided on page 46.

The **Resources Committee** is an advisory committee and ensures, inter alia, that the University's revenue and capital budgets are prepared in accordance with approved plans and in accordance with the Funding Council requirement that financial solvency is maintained. The minutes from a meeting of the Resources Committee are presented to members at the subsequent meeting of the Governing Body.

The **Nominations Committee** is an advisory committee and makes recommendations for the appointment of Independent Governors with reference and consideration to the balance and skills mix of the Governing Body and the needs of the University. This arrangement ensures there is due reflection on the composition of the Governing Body so that steps may, if necessary, be taken to ensure it reflects societal norms and values. The minutes from a meeting of the Nominations Committee are presented to members at the subsequent meeting of the Governing Body. The University has a clear documented protocol for the appointment of independent governors which is incorporated into its Terms of Reference for our Nominations Committee which is published on its website. (<https://www.bolton.ac.uk/wp-content/uploads/2018/02/Terms-of-Reference-Nominations-Committee-approved-21.11.2017.pdf>) The membership is the Chair of the Board of Governors (Chair), three members of the Board of Governors, one Senate Member (Academic Board) and the President and Vice Chancellor.

The **Ad Hoc Appointments Committee** is an executive body reporting its decisions to the Governing Body and may determine by a majority vote of those present, appointments of Independent Members to the Board of Governors.

Ad-hoc **Board of Governors' working groups** are occasionally established to consider projects and risk based oversight tasks.

## Internal Control

The University's Governing Body has responsibility for maintaining a sound system of internal control that supports the achievement of policies, aims and objectives, whilst safeguarding the public and other funds and assets for which it is responsible, in accordance with the responsibilities assigned to the Governing Body in the University's governing documents and the Terms and conditions of funding for higher education institutions between the Office for Students and institutions (published 29 March 2018).

The system of internal control is based on an ongoing process designed to identify risks to the achievement of institutional policies, aims and objectives, to evaluate the nature and extent of those risks and to manage them effectively and economically. The approach to internal control is risk-based and risk prioritisation is based upon impact and likelihood.

The Governing Body has reviewed the key risks to which the University is exposed together with the operating, financial and compliance controls that have been implemented to mitigate those risks. The Governing Body is of the view that there is an ongoing process for identifying, evaluating and managing risk which is linked to achieving institutional objectives, that it has been in place for the year ended 31 July 2018 and up to the date of approval of the University's Financial Statements and that it has been regularly reviewed by the Governing Body.

The Governing Body has responsibility for reviewing the effectiveness of the system of internal control and the following processes have been established:

- it formally meets at least four times each financial year to review the plans and strategic direction of the University; and
- formal agendas, papers and reports are supplied to Governors in a timely manner, prior to Board and sub-committee meetings. Relevant briefings are also circulated on an ad-hoc basis as required; and
- it receives an annual report from the Audit Committee which includes the Committee's opinion on the adequacy and effectiveness of the University's risk management, control and governance arrangements; processes for promoting value for money through economy, efficiency and effectiveness; and the management and quality assurance of data; and
- it has at least two formal training and review sessions each financial year, at which it interrogates, inter alia, the key strategic issues/risks affecting the sector and the University; and
- it receives the confirmed minutes of the Audit Committee, its other sub-committees and Senate, along with regular reports from managers on the steps being taken to manage risk in their areas of responsibility and ongoing operations, including progress reports on key projects; and
- the Audit Committee receives regular reports from Internal Audit, which includes Internal Audit's independent opinion on the adequacy and effectiveness of the arrangements to enable the related risks to be managed and objectives to be met regarding governance, risk management and control; and value for money arrangements; and
- the institution's system of internal control, together with recommendations for improvement; and
- a number of the senior executives are responsible for the promotion, dissemination and co-ordination of risk management processes, including the maintaining of an organisation-wide risk register, and regular reporting to the Audit Committee and Board of Governors; and
- the organisation-wide risk register covers business, operational and compliance as well as financial risk and is presented at each formal meeting of the Audit Committee and the Board of Governors thereafter for assessment and interrogation.

The Governing Body is committed to managing its affairs in an open and transparent manner, demonstrated not least by the publication of minutes and agendas of its meetings. Further, it has strict regard to its requirement to ensure that decision-making processes are free of any undue pressures from external interest groups, including donors, alumni, corporate sponsors and political interest groups.

The Governing Body's review of the effectiveness of the system of internal control is informed by:

- Internal Audit, which observes and complies with the requirements of the OfS Audit Code of Practice;
- the work of the senior executive team within the University, who have responsibility for the development and maintenance of the internal control framework; and
- by comments made by the External Auditors in their management letter and other reports.
- 

**Signed on behalf of the Board by:**

The Rt Reverend Bishop N McCulloch KCVO  
Chair of the Board of Governors

20 November 2018

## **Responsibilities of the Board of Governors**

In accordance with the Education Reform Act 1988 the Board of Governors is responsible for the administration and management of the University's affairs, including an effective system of internal control, and is required to present audited Financial Statements for each financial year which include a statement on corporate governance and internal control.

Working through its established sub-committees, the Board of Governors is responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the University and to enable it to ensure that the Financial Statements comply with the Education Reform Act 1988 (as amended by the Further and Higher Education Act 1992), the 2015 Statement of Recommended Practice: Accounting for Further and Higher Education and other relevant standards.

In addition, within the terms and conditions of the Memorandum of Assurance and Accountability between HEFCE and institutions (2017/08) and thereafter the OfS' Terms and conditions of funding for higher education institutions between the OfS and institutions which was effective from 1 April 2018, the Board of Governors, through its Accountable Officer, is required to prepare Financial Statements for each financial year. Under those terms and conditions, the Board of Governors must not approve the Financial Statements unless they are satisfied that they give a true and fair view of the state of affairs and of the surplus or deficit of the University for that year. In preparing these Financial Statements, the Board of Governors has ensured that:

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

The Board of Governors has taken reasonable steps to ensure that funds from the Higher Education Funding Council for England in accordance with the Memorandum of Assurance and Accountability between HEFCE and institutions (2017/08) which was effective from 1 August 2017 to 31 March 2018, and thereafter the OfS' Terms and conditions of funding for higher education institutions between the OfS and institutions (published 29 March 2018 and should be read in conjunction with the terms and conditions of research England grant) which was effective from 1 April 2018 and will apply during the transition period to 31 July 2019, and supersedes HEFCE's Memorandum of Assurance and Accountability between HEFCE and institutions (2017/08) are used only for activities that are eligible for funding under the terms therein and the Further and Higher Education Act 1992, as this is the intended purpose for which the funds have been provided by Parliament.

The Board of Governors has taken reasonable steps to ensure that there are appropriate financial and management controls in place to safeguard public funds and funds from other sources; safeguard the assets of the University and prevent and detect fraud; and secure the economic, efficient and effective management of the University's resources and expenditure.

### **Signed on behalf of the Board by:**

The Rt Reverend Bishop N McCulloch KCVO

Chair of the Board of Governors

20 November 2018

## **Independent Auditor's Report to the Governing Body of the University of Bolton**

### **Opinion**

We have audited the financial statements of The University of Bolton (the 'University') for the year ended 31 July 2018 which comprise the Statement of Comprehensive Income, the Statement of Changes in Reserves, the Balance Sheet, the Statement of Cash Flows and the notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' (United Kingdom Generally Accepted Accounting Practice).

In our opinion, the financial statements:

- give a true and fair view of the state of the University's affairs as at 31 July 2018 and of its income and expenditure, gains and losses, changes in reserves and cash flows for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Statement of Recommended Practice – Accounting for Further and Higher Education and the Accounts Direction issued by the Office for Students.

### **Basis for opinion**

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the University in accordance with the ethical requirements that are relevant to our audit of the financial statements in the United Kingdom, including the Financial Reporting Council's Ethical Standard, and we have fulfilled our ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

### **Conclusions relating to going concern**

We have nothing to report in respect of the following matters in which the ISAs (UK) require us to report to you where:

- the Governing Body's use of the going concern basis of accounting in the preparation of the financial statements is not appropriate, or
- the Governing Body have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the University's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

### **Other information**

The Governing Body is responsible for the other information. The other information comprises the information included in the annual report, other than the financial statements and our Auditor's Report thereon. Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

### **Opinion on other matters prescribed by the Office for Student's Terms and Conditions of Funding for Higher Education Institutions**

In our opinion, in all material respects:

- Funds from whatever source administered by the University for specific purposes have been properly applied to those purposes and managed in accordance with relevant legislation; and
- Funds provided by HEFCE, the Office for Students and Research England have been applied in accordance with the relevant terms and conditions.

### **Responsibilities of the Governing Body**

As explained more fully in the Statement of the Governing Body's Responsibilities for Accounting and the Financial Statements set out on page 31, the Governing Body (who are Trustees for the purposes of charity law) is responsible for the preparation of the financial statements which give a true and fair view, and for such internal control as the Court determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the Governing Body is responsible for assessing the University's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Governing Body either intend to liquidate the University or to cease operations, or have no realistic alternative but to do so.

### **Auditor's responsibilities for the audit of the financial statements**

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an Auditor's Report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs(UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at: [www.frc.org.uk/auditorsresponsibilities](http://www.frc.org.uk/auditorsresponsibilities). This description forms part of our Auditor's Report.

### **Use of our report**

This report is made solely to the Governing Body in accordance with paragraph 12.2 of the University's articles of government.

Our audit work has been undertaken so that we might state to the Governing Body those matters we are required to state to them in an Auditor's Report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the University and the Governing Body, for our audit work, for this report, or for the opinions we have formed.

Scott-Moncrieff, Statutory Auditor  
Exchange Place 3  
Semple Street  
Edinburgh  
EH3 8BL

Date:

## Statement of Accounting Policies

### for the year ended 31 July 2018

#### 1. Basis of preparation

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

#### 2. Basis of consolidation

The consolidated financial statements include the University and all its subsidiaries for the financial year to 31 July 2018. The results of subsidiaries acquired or disposed of during the period are included in the consolidated statement of income and expenditure from the date of acquisition or up to the date of disposal. Intra-group transactions are eliminated on consolidation.

The consolidated financial statements do not include the income and expenditure of the Students' Union as the University does not exert control or have dominant influence over policy decisions.

Associated companies and joint ventures are accounted for using the equity method where material. Investments in the University's subsidiaries and associates are recorded at cost.

#### 3. Income recognition

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

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

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

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

#### Grant funding

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

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

## Donations and endowments

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

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

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

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

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

## Capital grants

Government capital grants are recognised in income over the expected useful life of the asset. Other capital grants are recognised in income when the University is entitled to the funds subject to any performance related conditions being met.

## 4. Accounting for retirement benefits

The pension schemes for the University's staff are the Teachers' Pension Scheme (TPS), the Greater Manchester Pension Fund (GMPF), and the Universities' Superannuation Scheme (USS). The schemes are defined benefit schemes which are externally funded and contracted out of the State Earnings-Related Pension Scheme. The TPS is valued every five years by the Government Actuary, the GMPF every three years by the actuaries using the retained age method, and the USS every three years by the actuary using the projected unit method.

In the cases of the TPS and USS, since it is not possible to identify the University's share of the underlying assets and liabilities FRS 102 requires that these schemes are accounted for as defined contribution schemes, with contributions recognised in the year they are paid. In the case of the GMPF the University's share is identifiable and hence the defined benefit pension scheme adjustment under FRS 102 is fully applicable; accordingly, its share in the scheme is fully incorporated in the accounts.

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

Contributions are paid by the University at the rate specified by the trustees of the schemes. Pension costs are assessed on the latest actuarial valuation of the schemes and are accounted for on the basis of charging the cost of providing pensions over the period during which the University benefits from the employee's services. Variations from regular cost are spread over the expected average remaining lifetime of members of the schemes after making allowances for future withdrawals.

The University's provision for enhancing pensions was last revalued at 31 July 2018. All movements on this provision are recognised in the Income and Expenditure account.

### Defined Contribution Plan

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

## Defined Benefit Plan

Defined benefit plans are post-employment benefit plans other than defined contribution plans. Under defined benefit plans, the University's obligation is to provide the agreed benefits to current and former employees, and actuarial risk (that benefits will cost more or less than expected) and investment risk (that returns on assets set aside to fund the benefits will differ from expectations) are borne, in substance, by the University. The University should recognise a liability for its obligations under defined benefit plans net of plan assets. This net defined benefit liability is measured as the estimated amount of benefit that employees have earned in return for their service in the current and prior periods, discounted to determine its present value, less the fair value (at bid price) of plan assets. The calculation is performed by a qualified actuary using the projected unit credit method. Where the calculation results in a net asset, recognition of the asset is limited to the extent to which the University is able to recover the surplus either through reduced contributions in the future or through refunds from the plan.

## 5. Employment benefits

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

## 6. Finance leases

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

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

## 7. Operating leases

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

## 8. Foreign currency

Transactions in foreign currencies are translated to the respective functional currencies of the University at the foreign exchange rate ruling at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies at the balance sheet date are translated to the functional currency at the foreign exchange rate ruling at that date. Foreign exchange differences arising on translation are recognised in Surplus or Deficit. Non-monetary assets and liabilities that are measured in terms of historical cost in a foreign currency are translated using the exchange rate at the date of the transaction. Non-monetary assets and liabilities denominated in foreign currencies that are stated at fair value are retranslated to the functional currency at foreign exchange rates ruling at the dates the fair value was determined.

## 9. Fixed assets

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

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

## Land and buildings

Land and buildings are measured using the revaluation model. Under the revaluation model, assets are revalued to fair value. The University has a policy of ensuring a full revaluation takes place at least every 5 years such that the fair value is not materially different to the current value. Depreciation and impairment losses are subsequently charged on the revalued amount.

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

Freehold land is not depreciated as it is considered to have an indefinite useful life. Freehold buildings are depreciated on a straight line basis over their expected economic life to the University of up to 50 years.

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

## Equipment

Equipment, including computers and software, costing less than £10,000 per individual item is recognised as expenditure. All other equipment is capitalised.

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

IT and Telecoms Equipment	10 Years
Halls of Residence Furniture	10 Years
Other Equipment	5 Years
Motor Vehicles	4 Years

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

## Borrowing costs

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

## 10. Investments

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

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

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

## 11. Cash and cash equivalents

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

Cash equivalents are short term, highly liquid investments that are readily convertible to known amounts of cash with insignificant risk of change in value.

## 12. Financial Instruments

Financial instruments are recognised in the Balance sheet when the University becomes party to the contractual provisions of the instrument. All of the University's financial instruments are classified as 'basic' in accordance with Chapter 11 of FRS102. All of the University's financial instruments are initially measured at transaction price. At the end of each reporting period, basic financial instruments are measured at amortised cost using the effective interest rate method.

Financial assets are derecognised when the contractual rights to the cash flows from asset to expire, or when the University has transferred substantially all the risks and rewards of ownership. Financial liabilities are derecognised only once the liability has been extinguished through discharge, cancellation or expiry.

### **13. Provisions, contingent liabilities and contingent assets**

Provisions are recognised in the financial statements when:

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

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

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

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

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

### **14. Taxation**

The University is an exempt charity within the meaning of Part 3 of the Charities Act 2011. It is therefore a charity within the meaning of Para 1 of schedule 6 to the Finance Act 2010 and accordingly, the University is potentially exempt from UK Corporation Tax in respect of income or capital gains received within categories covered by section 478-488 of the Corporation Tax Act 2010 (CTA 2010) or section 256 of the Taxation of Chargeable Gains Act 1992, to the extent that such income or gains are applied to exclusively charitable purposes.

The University receives no similar exemption in respect of Value Added Tax. Irrecoverable VAT on inputs is included in the costs of such inputs. Any irrecoverable VAT allocated to fixed assets is included in their cost.

### **15. Reserves**

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

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

**University of Bolton Statement of Comprehensive Income and Expenditure**  
**Year Ended 31 July 2018**

	Notes	Year ended 31 July 2018 £'000	Year ended 31 July 2017 £'000
<b>Income</b>			
Tuition fees and education contracts	1	44,395	42,019
Funding body grants	2	4,316	3,942
Research grants and contracts	3	405	624
Other income	4	3,933	2,972
Investment income	5	60	91
Donations and endowments	6	18	12
<b>Total income</b>		<b>53,127</b>	<b>49,660</b>
<b>Expenditure</b>			
Staff costs	7	29,834	28,874
Fundamental restructuring costs	9	539	418
Other operating expenses	9	20,024	17,719
Depreciation	10	3,339	2,882
Interest and other finance costs	8	443	632
<b>Total expenditure</b>	9	<b>54,179</b>	<b>50,525</b>
<b>(Deficit) before other gains losses and share of operating surplus/deficit of joint ventures and associates, and before tax</b>		<b>(1,052)</b>	<b>(865)</b>
Gain/(loss) on disposal of fixed assets		0	0
<b>(Deficit) before tax</b>		<b>(1,052)</b>	<b>(865)</b>
Taxation		0	(23)
<b>(Deficit) for the year</b>		<b>(1,052)</b>	<b>(888)</b>
Actuarial gain in respect of pension schemes	23	6,871	9,026
<b>Total comprehensive income for the year</b>		<b>5,819</b>	<b>8,138</b>
Represented by:			
Endowment comprehensive income for the year		1	1
Restricted comprehensive income for the year		1	1
Unrestricted comprehensive income for the year		8,300	9,428
Revaluation reserve comprehensive income for the year		(2,483)	(1,292)
Attributable to the University		5,819	8,138
Attributable to the non-controlling interest		0	0
		<b>5,819</b>	<b>8,138</b>
<b>Surplus for the year attributable to:</b>			
Non controlling interest		0	0
University		(1,052)	(888)
All items of income and expenditure relate to continuing activities		<b>(1,052)</b>	<b>(888)</b>
<b>Total Comprehensive Income for the Year</b>		<b>5,819</b>	<b>8,138</b>

All items of income and expenditure relate to continuing activities.

**University of Bolton Statement of Changes in Reserves  
Year ended 31 July 2018**

	Income and expenditure account			Revaluation reserve	Total
	<i>Endowment</i> £'000	<i>Restricted</i> £'000	<i>Unrestricted</i> £'000	£'000	£'000
<b>Balance at 1 August 2016</b>	<b>196</b>	<b>82</b>	<b>6,357</b>	<b>37,810</b>	<b>44,445</b>
Surplus/(deficit) from the Statement of Comprehensive Income and Expenditure	1	1	(890)	0	(888)
Other comprehensive income	0	0	9,026	0	9,026
Transfers between revaluation and income and expenditure reserve	0	0	1,292	(1,292)	0
Release of restricted funds spent in year	0	0	0	0	0
<b>Total comprehensive income for the year</b>	<b>1</b>	<b>1</b>	<b>9,428</b>	<b>(1,292)</b>	<b>8,138</b>
<b>Balance at 1 August 2017</b>	<b>197</b>	<b>83</b>	<b>15,785</b>	<b>36,518</b>	<b>52,583</b>
Surplus/(deficit) from the Statement of Comprehensive Income and Expenditure	1	1	(1,054)	0	(1,052)
Other comprehensive income	0	0	6,871	0	6,871
Transfers between revaluation and income and expenditure reserve	0	0	2,483	(2,483)	0
Release of restricted funds spent in year	0	0	0	0	0
<b>Total comprehensive income for the year</b>	<b>1</b>	<b>1</b>	<b>8,300</b>	<b>(2,483)</b>	<b>5,819</b>
<b>Balance at 31 July 2018</b>	<b>198</b>	<b>84</b>	<b>24,085</b>	<b>34,035</b>	<b>58,402</b>

## University of Bolton Balance Sheet

	Notes	As at 31 July 2018 £'000	As at 31 July 2017 £'000
<b>Non-current assets</b>			
Fixed assets	10	83,404	83,920
<b>Current assets</b>			
Trade and other receivables	12	3,077	1,281
Cash and cash equivalents	18	14,871	17,032
		<u>17,948</u>	<u>18,313</u>
Less: Creditors: amounts falling due within one year	13	(13,501)	(13,905)
<b>Net current assets</b>		<u>4,447</u>	<u>4,408</u>
<b>Total assets less current liabilities</b>		<b>87,851</b>	88,328
Creditors: amounts falling due after more than one year	14	(17,383)	(18,011)
<b>Provisions</b>			
Pension provisions	15	(11,997)	(17,458)
Other provisions	15	(69)	(276)
<b>Total net assets</b>		<u>58,402</u>	<u>52,583</u>
<b>Restricted Reserves</b>			
Income and expenditure reserve - endowment reserve	16	198	197
Income and expenditure reserve - restricted reserve	17	84	83
<b>Unrestricted Reserves</b>			
Income and expenditure reserve - unrestricted	19	24,085	15,785
Revaluation reserve		34,035	36,518
<b>Total Reserves</b>		<u>58,402</u>	<u>52,583</u>

The Financial Statements were approved by the Board of Governors on 20 November 2018 and were signed on its behalf by:

The Rt Reverend Bishop N McCulloch KCVO  
Chair of the Board of Governors

Professor GE Holmes DL  
President and Vice Chancellor

## University of Bolton Cash Flow

### Year ended 31 July 2018

		Year ended 31 July 2018 £'000	Year ended 31 July 2017 £'000
<b>Cash flow from operating activities</b>			
Surplus for the year		(1,052)	(888)
<b>Adjustment for non-cash items</b>			
Depreciation	10	3,339	2,882
(Increase) / Decrease in debtors	12	(1,832)	787
Increase / (Decrease) in creditors	13/14	1,675	(256)
Increase in pension provision	15	1,410	889
(Decrease) / Increase in other provisions	15	(207)	235
<b>Adjustment for investing or financing activities</b>			
Investment income	5	(58)	(89)
Interest payable	8	20	72
Endowment income		(2)	(2)
Capital grant income		(825)	(676)
Profit on the Disposal of Fixed Assets		(3)	(7)
<b>Net cash inflow from operating activities</b>		<b>2,465</b>	<b>2,947</b>
<b>Cash flows from investing activities</b>			
Proceeds from the Disposal of Fixed Assets		1,227	42
Capital grants receipts		246	0
Investment income		94	143
Payments made to acquire fixed assets		(5,025)	(5,254)
New non-current asset investments		0	960
		<b>(3,458)</b>	<b>(4,109)</b>
<b>Cash flows from financing activities</b>			
Interest element of finance lease		(20)	(72)
Endowment cash received		2	2
Repayments of amounts borrowed		0	0
Capital element of finance lease		(1,150)	(1,069)
		<b>(1,168)</b>	<b>(1,139)</b>
<b>(Decrease) in cash and cash equivalents in the year</b>		<b>(2,161)</b>	<b>(2,301)</b>
Cash and cash equivalents at beginning of the year	18	17,032	19,333
Cash and cash equivalents at end of the year	18	14,871	17,032

## Notes to the Accounts

	Year Ended 31 July 2018	Year Ended 31 July 2017
Notes	£'000	£'000
<b>1 Tuition fees and education contracts</b>		
Full-time home and EU students	35,459	34,442
Full-time international students	3,711	3,130
Part-time students	5,225	4,447
	<u>44,395</u>	<u>42,019</u>

	Year Ended 31 July 2018	Year Ended 31 July 2017
Notes	£'000	£'000
<b>2 Funding body grants</b>		
Higher Education Funding Council	3,335	3,240
Skills Funding Agency	40	70
Capital grant	725	576
Specific grants	216	56
	<u>4,316</u>	<u>3,942</u>

	Year Ended 31 July 2018	Year Ended 31 July 2017
Notes	£'000	£'000
<b>3 Research grants and contracts</b>		
Research councils	15	77
Research charities	18	20
Government (UK and overseas)	242	231
Industry and commerce	128	132
Other	2	55
Research and Development Expenditure Credit	0	109
	<u>405</u>	<u>624</u>

Research and Development Expenditure Credit (RDEC) is claimed from HM Revenue and Customs at a rate of 10% or 11% on qualifying research and development expenditure, and is received net of Corporation Tax. The gross income recognised in 2016-17 related to qualifying expenditure incurred between the years ending 31 July 2014 and 31 July 2015 with tax deducted shown separately. The University is not able to claim for RDEC in relation to any expenditure from 1 August 2015 onwards.

As an exempt charity, the University is potentially exempt from Corporation Tax on income and gains falling within section 287 of the Corporation Tax Act (CTA) 2009 and sections 471-478-488 CTA 2010 or section 256 of the Taxation of Chargeable Gains Act 1992 to the extent that such income or gains are applied to exclusively charitable purposes. The charge for UK Corporation Tax is solely in respect of Research and Development Expenditure Credit grants receivable.

	Year Ended 31 July 2018	Year Ended 31 July 2017
Notes	£'000	£'000
<b>4 Other income</b>		
Residences, catering and conferences	1,513	1,741
Other revenue grants	48	96
Other capital grants	100	100
Other income	2,272	1,035
	<u>3,933</u>	<u>2,972</u>

	<b>Year Ended 31 July 2018</b>	Year Ended 31 July 2017
Notes	<b>£'000</b>	£'000
<b>5 Investment income</b>		
Investment income on endowments	1	1
Investment income on restricted reserves	1	1
Other investment income	<u>58</u>	<u>89</u>
	<b><u>60</u></b>	<b><u>91</u></b>

	<b>Year Ended 31 July 2018</b>	Year Ended 31 July 2017
Notes	<b>£'000</b>	£'000
<b>6 Donations and endowments</b>		
Unrestricted donations	<u>18</u>	<u>12</u>
	<b><u>18</u></b>	<b><u>12</u></b>

	Notes	Year Ended 31 July 2018 £'000	Year Ended 31 July 2017 £'000
<b>7 Staff costs</b>			
Staff Costs :			
Salaries		22,528	22,283
Social security costs		2,409	2,333
Movement on Pension provisions		1,167	510
Other pension costs		3,730	3,748
<b>Total</b>		<b>29,834</b>	<b>28,874</b>

#### Fundamental restructuring costs

Charges to the Statement of Comprehensive Income and Expenditure totalled £539,000 for 31 people (2016-17: £418,000, 23 people).

Emoluments of the President and Vice-Chancellor:	Notes	2017-18 £	2016-17 £
Salary		256,284	252,000
Benefits (healthcare)		2,129	2,091
Allowance in lieu of pension contributions		37,114	36,124
		<b>295,527</b>	<b>290,215</b>

#### Justification for the total remuneration package of the President and Vice Chancellor

The total Remuneration package of the President and Vice Chancellor is reviewed formally each year by the Remuneration Committee comprised entirely of Independent Governors. Membership includes both the Chair and Deputy Chair of the Board of Governors. The Committee is chaired by an Independent Governor with HR and management consultancy expertise\*(see footnote). The Committee considers the findings of an annual appraisal exercise for the President and Vice Chancellor including an assessment of the value and performance delivered by the President and Vice Chancellor, undertaken by the Chair of the Board incorporating feedback garnered by the Chair from all Independent Governors. This appraisal and feedback is considered carefully by the Remuneration Committee before it makes its annual determination. The Committee also systematically reviews benchmark comparator data from the UCEA surveys and those conducted by CUC during its deliberations.

The Governing Body considered that the President and Vice Chancellor who has considerable experience, having been in post at the University for over 12 years, has ably and successfully steered the University through some difficult challenges throughout 2017-18. In particular he initiated and gave effect to the Integration (merger) Project involving the acquisition of Bolton College. This project, described by the Minister of State as a “novel national pilot” was brought to successful legal completion as the academic year under review ended, and now places the institution in a significantly stronger position within a University Group structure than it has ever known before. The Governing Body acknowledges the vision, drive and perseverance of the President and Vice Chancellor, and the team he has led throughout the extended period of negotiations, that has facilitated this outstanding and unique achievement.

At the same time, the President and Vice Chancellor has continued to make sure the University’s presence and strengths are recognised locally, regionally, nationally and indeed internationally. The University has been recognised as the No 1 university in Greater Manchester for student satisfaction; and latterly has been placed in the top ten of UK universities for both its digital media exposure and more importantly for student satisfaction with Teaching. This latter fact providing further evidence of the success of the University under the leadership of the President and Vice Chancellor with respect to the TEF Silver Award.

The Governing Body and more specifically the Remuneration Committee is satisfied that the President and Vice Chancellor has continued to provide excellent leadership once again throughout 2017-18 and that he remains a considerable asset to the University which gets very good value from all he, personally and professionally, gives to it – both within and far beyond his required duties. In a time of national consideration of pay restraint the Committee remained satisfied that the total remuneration package of the President and Vice Chancellor was justified and in keeping with his sustained period of successful leadership of the institution, highly effective financial management and his stewardship of the organisation’s growth through acquisition. Furthermore, it is the Governing Body’s considered and continuing view that, in his role as President and Vice Chancellor of the University of Bolton, Professor George Holmes DL remains “the right person, in the right place, at the right time.”

\* <https://www.bolton.ac.uk/about/governance/ms-rachel-hannan-ba/>

	2017-18	2016-17
Ratio of the President and Vice Chancellor’s salary to median salary	7.2	7.2
Ratio of the President and Vice Chancellor’s earnings to median earnings	7.1	6.9

## Remuneration of other higher paid staff, excluding employer's pension contributions:

Basic salary per annum	2017-18	2016-17
	No.	No.
£100,000 to £104,999	0	0
£105,000 to £109,999	0	0
£110,000 to £114,999	0	2
£115,000 to £119,999	0	0
£120,000 to £124,999	1	1
£125,000 to £129,999	0	1
£130,000 to £134,999	2	0
£135,000 to £139,999	0	0
£140,000 to £144,999	0	0
£145,000 to £149,999	0	0
£150,000 to £154,999	1	1
	<b>4</b>	<b>5</b>

Average staff numbers by major category :	2017-18	2016-17
	No.	No.
Academic	285	295
Support	277	268
Management and specialist	8	9
	<b>570</b>	<b>572</b>

Key management personnel are those persons having authority and responsibility for planning, directing and controlling the activities of the University. Staff costs include compensation paid to key management personnel. Compensation consists of salary and benefits excluding any employer's pension contribution, and employers National Insurance Contributions

	2017-18	2016-17
	£'000	£'000
<b>Key management personnel compensation</b>	<b>521</b>	<b>479</b>

## Members of the Board of Governors

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

The President of the Students' Union is also a member of the Board of Governors. Payments to the Students' Union totalled £249,000 (grant) and £3,993 (other transactions) (2016-17, £269,000 and £6,824 respectively). There were no amounts due to the Students' Union at 31 July 2018 (2016-17, nil).

## Transactions with Related Parties

Organisation	2017-18				2016-17			
	Income £'000	Expenditure £'000	Receivables outstanding at 31 July 2018 £'000	Payables outstanding at 31 July 2018 £'000	Income £'000	Expenditure £'000	Receivables outstanding at 31 July 2017 £'000	Payables outstanding at 31 July 2017 £'000
Bolton UTC	270	50	40	0	274	45	0	0
Bolton College	109	102	0	46	8	176	0	0
Bolton Lads and Girls Club	72	51	0	12	72	51	7	12

## Transactions with Related Parties (Continued)

Organisation	2017-18				2016-17			
	Income £'000	Expenditure £'000	Receivables outstanding at 31 July 2018 £'000	Payables outstanding at 31 July 2018 £'000	Income £'000	Expenditure £'000	Receivables outstanding at 31 July 2017 £'000	Payables outstanding at 31 July 2017 £'000
Bolton Middlebrook Leisure Trust (Bolton Arena)	0	10	0	0	0	0	0	0
Octagon Theatre Trust	0	177	0	66	0	279	0	61
Alliance Learning	0	29	0	39	12	22	0	24
Centre for Islamic Finance	0	172	0	19	0	127	0	0
Pennine Telecom Limited	0	21	0	0	0	0	0	0

### Bolton UTC

The University is the main sponsor of Bolton UTC. One member of the Board of Governors is a Member / Subscriber of the UTC, and three senior employees of the University are Trustees / Directors of the UTC. The University provides support and services to the UTC.

### Bolton College

Seven members of the Board of Governors, and one senior employee of the University are Board Members of the College. One senior employee of the University is the Acting Principal of the College. Support and services are exchanged between the University and the College.

### Bolton Lads and Girls Club

The spouse of one of the Board of Governors is the President of Bolton Lads and Girls Club. Another member of the Board of Governors is a supporting member / part of the Management Committee of Bolton Lads and Girls Club. The University is a patron of the club and provides an annual Summer School on its behalf.

### Bolton Middlebrook Leisure Trust (Bolton Arena)

One member of the Board of Governors is a Trustees / Directors of Bolton Middlebrook Leisure Trust. During the year the University acquired goods and services from the trust.

### Octagon Theatre

One senior employee of the University is a Trustee of the Octagon Theatre Trust. The University has partnered with the Octagon to provide experience and high quality teaching to its theatre students.

### Alliance Learning

One senior employee of the University is a Trustee / Director of Alliance Learning. Support and services are exchanged between the University and Alliance Learning.

### Centre for Islamic Finance

The spouse of one of the Board of Governors and a senior employee of the University are Directors of the Centre of Islamic Finance. Support and services are exchanged between the University and the Centre for Islamic Finance.

### Pennine Telecom

An independent member of the University's Board of Governors is a director of Pennine Telecom Limited. During the year the University acquired goods and services from the company.

No Board member has received any remuneration/waived payments from the University during the year (2017 - none)

The total expenses paid to or on behalf of 2 board members was £990 (2016-17 - £936 to 3 board members). This represents travel and subsistence expenses incurred in attending Board, Committee meetings and Charity events in their official capacity.

Notes	Year Ended 31 July 2018 £'000	Year Ended 31 July 2017 £'000
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## 8 Interest and other finance costs

Finance lease interest (including finance charge)	20	72
Net charge on pension scheme	23 423	560
	<b>443</b>	<b>632</b>

Notes	Year Ended 31 July 2018 £'000	Year Ended 31 July 2017 £'000
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## 9 Analysis of total expenditure by activity

Academic and related expenditure	36,424	34,900
Administration and central services	5,753	5,625
Premises	7,510	5,765
Residences, catering and conferences	2,564	2,694
Research grants and contracts	334	433
Other expenses	1,594	1,108
	<b>54,179</b>	<b>50,525</b>

Other operating expenses include:

External auditors remuneration in respect of audit services	31	31
External auditors remuneration in respect of non-audit services	1	5
Operating Lease rentals - Other	92	100
Fundamental restructuring costs	539	418

## 10 Fixed Assets

	Freehold Land and Buildings	Leasehold Land and Buildings	Fixtures, Fittings and Equipment	Assets in the Course of Construction	Total
	£'000	£'000	£'000	£'000	£'000
<b>Cost or valuation</b>					
At 1 August 2017	48,502	32,289	16,459	9,017	106,267
Additions	1,266	1,443	1,040	298	4,047
Disposals	(1,200)	0	(52)	0	(1,252)
Transfers	6,970	1,820	227	(9,017)	0
Surplus on revaluation	0	0	0	0	0
<b>At 31 July 2018</b>	<b>55,538</b>	<b>35,552</b>	<b>17,674</b>	<b>298</b>	<b>109,062</b>
<b>Consisting of valuation as at:</b>					
31 July 2018	21,969	16,893	0	0	38,862
Cost	33,569	18,659	17,674	298	70,200
	<b>55,538</b>	<b>35,552</b>	<b>17,674</b>	<b>298</b>	<b>109,062</b>
<b>Depreciation</b>					
At 1 August 2017	5,340	1,902	15,105	0	22,347
Charge for the year	2,019	854	466	0	3,339
Written back on disposal	0	0	(28)	0	(28)
<b>At 31 July 2018</b>	<b>7,359</b>	<b>2,756</b>	<b>15,543</b>	<b>0</b>	<b>25,658</b>
<b>Net book value</b>					
<b>At 31 July 2018</b>	<b>48,179</b>	<b>32,796</b>	<b>2,131</b>	<b>298</b>	<b>83,404</b>
At 31 July 2017	43,162	30,387	1,354	9,017	83,920

Included within land and buildings is land valued at £11.3m (2017: £11.8m) freehold which is not depreciated.

	Freehold Land and Buildings	Leasehold Land and Buildings	Fixtures, Fittings and Equipment	Assets in the Course of Construction	Total
	£'000	£'000	£'000	£'000	£'000
<b>Finance leased assets included above:</b>					
<b>Net Book Value:</b>					
At 31 July 2017	0	10,757	0	0	10,757
At 31 July 2018	0	0	0	0	0

The finance leases under which the assets were held finished during 2017-18.

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

	<b>Year Ended 31 July 2018 £'000</b>	Year Ended 31 July 2017 £'000
Cost	599	599
Accumulated depreciation	(599)	(599)
Charge for year	0	0
Net book value	<u>0</u>	<u>0</u>

## 11 Non-Current Investments

Bolton College FE Corporation was (in accordance with a resolution of its governing body) formally dissolved at one minute past midnight on the 1 August 2018 and its property, rights and liabilities were transferred to a designated institution (being a company limited by guarantee (company number 11198091) incorporated on the 9 February 2018) under the company name of 'Bolton College', a wholly owned subsidiary of the University of Bolton which forms part of the 'University Group'.

Bolton UTC is a company limited by guarantee. The liability is limited to £10 per member; one of the three Subscribers is the President and Vice Chancellor, Prof. G.E. Holmes.

Under the equity method of accounting for associates the University's interest in the UTC would amount to  $\frac{1}{3}$  of the 2017-18 operating deficit of £451k, namely £150k; (2016-17 £130k and £43k respectively) and of the Net Assets of £319k, namely £106k (2016-17 £887k and £296k respectively). The University does not consider these to be material so that the UTC has not been treated as an Associate in the Financial Statements.

## 12 Trade and other receivables

	<b>Year Ended 31 July 2018 £'000</b>	Year Ended 31 July 2017 £'000
Amounts falling due within one year:		
Grants receivable	45	54
Other trade receivables	2,368	743
Other receivables	65	90
Prepayments	599	394
	<u>3,077</u>	<u>1,281</u>

Financial instrument assets comprise: trade receivables, grants, other receivables £2,475,000 (2016-17 - £835,000).

## 13 Creditors: amounts falling due within one year

	<b>Year Ended 31 July 2018 £'000</b>	Year Ended 31 July 2017 £'000
Obligations under finance leases	0	1,150
Trade payables	1,223	1,497
Social security and other taxation payable	682	645
Accruals and deferred income	11,596	10,613
	<u>13,501</u>	<u>13,905</u>

## Deferred income

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

	Year Ended 31 July 2018 £'000	Year Ended 31 July 2017 £'000
Research grants received on account	1,667	583
Grant income	0	0
Other income	0	0
	<u>1,667</u>	<u>583</u>

Financial instrument liabilities comprise: Obligations under finance leases, trade payables, accruals £6,617,000 (2016-17 - £6,601,000).

## 14 Creditors: amounts falling due after more than one year

	Year Ended 31 July 2018 £'000	Year Ended 31 July 2017 £'000
Deferred income	17,383	18,011
	<u>17,383</u>	<u>18,011</u>
Analysis of Deferred Capital Grants as :		
<b>Due within one year (Note 13)</b>	<b>825</b>	<b>776</b>
Due between one and two years	825	776
Due between two and five years	2,992	3,034
Due in five years or more	13,566	14,201
<b>Due after more than one year</b>	<b>17,383</b>	<b>18,011</b>
<b>Total Deferred Capital Grants</b>	<b><u>18,208</u></b>	<b><u>18,787</u></b>
Analysis of Obligations under Finance Leases :		
<b>Due within one year or on demand (Note 13)</b>	<b>0</b>	<b>1,150</b>
Due between one and two years	0	0
Due between two and five years	0	0
Due in five years or more	0	0
<b>Due after more than one year</b>	<b>0</b>	<b>0</b>
<b>Total Finance Leases</b>	<b><u>0</u></b>	<b><u>1,150</u></b>

## 15 Provisions for liabilities

	Defined Benefit Obligations (Note 23)	Obligation to fund deficit on USS Pension	Pension enhancements on termination	Total Pensions Provisions	Other	Total
At 1 August 2017	14,896	230	2,332	17,458	276	17,734
Utilised in year	(5,265)	(57)	(178)	(5,500)	(207)	(5,707)
Additions in 2017/18	0	5	34	39	0	39
At 31 July 2018	<u>9,631</u>	<u>178</u>	<u>2,188</u>	<u>11,997</u>	<u>69</u>	<u>12,066</u>

## Defined Benefit Obligations

The obligation to fund the past deficit on the Greater Manchester Pension Fund (GMPF) arises from the contractual obligation with the pension scheme for total payments relating to benefits arising from past performance. Management have assessed future employees within the GMPF scheme and salary payment over the period of the contracted obligation in assessing the value of this provision.

## USS deficit

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

## Pension enhancement

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

University  
Net Interest Rate 2.3%

## 16 Endowment Reserves

Restricted net assets relating to endowments are as follows:

	Year Ended 31 July 2018			Year Ended
	Restricted	Expendable	Total	31 July 2017
	permanent	endowments		Total
	endowments			
	£'000	£'000	£'000	£'000
<b>Balances at 1 August</b>				
Capital	67	45	112	112
Accumulated income	76	9	85	84
	<u>143</u>	<u>54</u>	<u>197</u>	<u>196</u>
New endowments	0	0	0	0
Investment income	1	0	1	1
<b>Total endowment comprehensive income for the year</b>	<u>1</u>	<u>0</u>	<u>1</u>	<u>1</u>
<b>At 31 July</b>	<u>144</u>	<u>54</u>	<u>198</u>	<u>197</u>

Represented by:

	Year Ended 31 July 2018			Year Ended
	Restricted	Expendable	Total	31 July 2017
	permanent	endowments		Total
	endowments			
	£'000	£'000	£'000	£'000
Capital	67	45	112	112
Accumulated income	77	9	86	85
	<u>144</u>	<u>54</u>	<u>198</u>	<u>197</u>

Analysis by type of purpose:

	Year Ended 31 July 2018			Year Ended 31 July 2017
	Restricted permanent endowments	Expendable endowments	Total	Total
	£'000	£'000	£'000	£'000
Prize funds	92	0	92	91
General	52	54	106	106
	<b>144</b>	<b>54</b>	<b>198</b>	<b>197</b>

Analysis by asset

	Year Ended 31 July 2018	Year Ended 31 July 2017
Cash & cash equivalents	<u>198</u>	<u>197</u>

## 17 Restricted Reserves

Reserves with restrictions are as follows:

	Year Ended 31 July 2018		Year Ended 31 July 2017
	Donations £'000	Total £'000	Total £'000
<b>Balances at 1 August</b>	83	<b>83</b>	82
New donations	0	<b>0</b>	0
Investment income	1	<b>1</b>	1
<b>Total restricted comprehensive income for the year</b>	1	<b>1</b>	1
<b>At 31 July</b>	<u>84</u>	<u>84</u>	<u>83</u>

	Year Ended 31 July 2018	Year Ended 31 July 2017
	Total £'000	Total £'000
<b>Analysis of other restricted funds /donations by type of purpose:</b>		
Scholarships and bursaries	12	12
Research support	39	38
Prize funds	1	1
General	32	32
	<u>84</u>	<u>83</u>

## 18 Cash and cash equivalents

	At 1st August 2017 £'000	Cash Flows Flows £'000	At 31st July 2018 £'000
Cash and cash equivalents	17,032	(2,161)	<u>14,871</u>

## 19. Analysis of Reserves

	Year Ended 31 July 2018 £'000	Year Ended 31 July 2017 £'000
Income and Expenditure Reserve	33,894	30,911
Pension Reserve Local Government Pension Scheme	(9,631)	(14,896)
USS Pension	(178)	(230)
	<u>24,085</u>	<u>15,785</u>
Restricted Reserves	282	280
	<u>24,367</u>	<u>16,065</u>
Revaluation Reserve	34,035	36,518
	<u><u>58,402</u></u>	<u><u>52,583</u></u>

## 20 Capital and other commitments

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

	Year Ended 31 July 2018 £'000	Year Ended 31 July 2017 £'000
Commitments contracted for	<u>368</u>	<u>2,913</u>

## 21 Lease obligations

Total rentals payable under operating leases:

	Year Ended 31 July 2018 Other leases £'000	Year Ended 31 July 2017 Other Leases £'000
<b>Payable during the year</b>	92	100
<b>Future minimum lease payments due:</b>		
Not later than 1 year	20	20
Later than 1 year and not later than 5 years	0	0
Later than 5 years	0	0
<b>Total lease payments due</b>	<u><u>20</u></u>	<u><u>20</u></u>

## 22 Events after the reporting period

Following the successful completion of the merger process on the 31 July 2018, Bolton College FE Corporation was (in accordance with a resolution of its governing body) formally dissolved at one minute past midnight on the 1 August 2018 and its property, rights and liabilities were transferred to a designated institution (being a company limited by guarantee (company number 11198091) incorporated on the 9 February 2018) under the company name of 'Bolton College', a wholly owned subsidiary of the University of Bolton which forms part of the 'University Group'. Bolton College has retained a distinct and separate legal personality and governing body with a parent/subsidiary group structure operating within the parameters of a suite of complementary governing documents, including its articles of association. The intention of the suite of governing documents is that they work together to give the subsidiary operational independence within the confines of further and secondary education and in accordance with the University's overarching higher education policy. The articles assure an independent board with a skill set suited to offering further and secondary education; a separate governance agreement provides an agreed statement as to the operational workings of the University Board with the College Board. The College's Board comprises of up to 6 Governors (who in the opinion of the Board have the necessary skills and diversity to ensure the Board carries out its functions under its articles of association), up to 6 Governors (who in the opinion of the University have the necessary skills and diversity to ensure the Board carries out its functions under its articles of association), the Principal of the College, the Vice Chancellor, 2 staff Governors and 2 students Governors. All Governors have access to a Clerk appointed by the College Board who also acts as Company Secretary.

## 23. Pension Schemes

The two principal pension schemes for the University are the Teachers' Pension Scheme (TPS) and the Greater Manchester Pension Fund (GMPF). There is also a small number of staff belonging to the Universities Superannuation Scheme (USS).

The total pension cost for the University was:

	2017-18	2016-17
	£000	£000
TPS Contributions Paid	1,953	1,960
GMPF Charge to the Income and Expenditure Account	2,849	2,154
USS Contributions paid	61	103
Enhanced Pension Provision	<u>34</u>	<u>41</u>
Total Pension Cost (Note 7)	<u>4,897</u>	<u>4,258</u>
Outstanding Employer and Employees' Pension Contributions at 31 July, paid early August	453	455

### Teachers' Pension Scheme

#### Introduction

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 2012 and in accordance with The Public Service Pensions (Valuations and Employer Cost Cap) Directions 2014. The valuation report was published by the Department for Education (the Department) on 9 June 2014. The key results of the valuation are:

- employer contribution rates were set at 16.4% of pensionable pay;
- total scheme liabilities for service to the effective date of £191.5 billion, and notional assets of £176.6 billion, giving a notional past service deficit of £14.9 billion;
- an employer cost cap of 10.9% of pensionable pay.

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

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

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

### **Scheme Changes**

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

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

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

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

The pension costs paid to TPS in the year amounted to £1,952,000 (2016-17: £1,960,000).

### **Universities Superannuation Scheme**

The University participates in the Universities Superannuation Scheme (the scheme). The scheme is a hybrid pension scheme, providing defined benefits (for all members), as well as defined contribution benefits. The assets of the scheme are held in a separate trustee-administered fund. Because of the mutual nature of the scheme, the assets are not attributed to individual institutions and a scheme-wide contribution rate is set. The University is therefore exposed to actuarial risks associated with other institutions employees and is unable to identify its share of the underlying assets and liabilities of the scheme on a consistent and reasonable basis. As required by Section 28 of FRS102 "Employee Benefits", the University therefore accounts for the scheme as if it were a wholly defined contribution scheme. As a result, the amount charged to the Statement of Comprehensive Income represents the contributions payable to the scheme. Since the University has entered into an agreement (the Recovery Plan) that determines how each employer within the scheme will fund the overall deficit, the University recognises a liability for the contributions payable that arise from the agreement (to the extent that they relate to the deficit) and therefore an expense is recognised.

FRS102 makes the distinction between a group plan and a multi-employer scheme. A group plan consists of a collection of entities under common control typically with a sponsoring employer. A multi-employer scheme is a scheme for entities not under common control and represents (typically) an industry-wide scheme such as Universities' Superannuation Scheme. The accounting for a multi-employer scheme where the employer has entered into an agreement with the scheme that determines how the employer will fund a deficit results in the recognition of a liability for the contributions payable that arise from the agreement (to the extent that they relate to the deficit) and the resulting expense in the Statement of Comprehensive Income in accordance with section 28 of FRS102. The Board of Governors is satisfied that Universities Superannuation Scheme meets the definition of a multi-employees scheme means has therefor recognised the discounted fair value of the contractual contributions under the funding plan in existence at the date of approving the financial statements.

The total cost charged to the Statement of Comprehensive Income was £61,000 (2016-17 - £103,000).

The latest available complete actuarial valuation of the Retirement Income Builder section of the Scheme is at 31 March 2014 ("the valuation date"), which was carried out using the projected unit method. The valuation as at 31 March 2017 is underway but not yet completed.

Since the University cannot identify its share of Retirement Income Builder Section of the Scheme assets and liabilities, the following disclosures reflect those relevant for the scheme as a whole.

The 2014 valuation was the third valuation for USS under the scheme-specific funding regime introduced by the Pensions Act 2004, which requires schemes to adopt a statutory funding objective, which is to have sufficient and appropriate assets to cover their technical provisions. At the valuation date, the value of the assets of the scheme was £41.6 billion and the value of the scheme's technical provisions was £46.9 billion indicating a shortfall of £5.3 billion. These figures will be revised once the 2017 Scheme Valuation is complete.

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

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

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

	2018	2017
Mortality base table	Pre-retirement : 71% of AMCO0 (duration 0) for males and 112% of AFCO0 (duration 0) for females Post-retirement : 96.5% of SAPS S1NMA "light" for males and 101.3% of RFV00 for females	98% of SAPS S1NA "light" YOB unadjusted for males  99% of SAPS S1NA "light" YOB with a -1 Year adjustment for females
Future improvements to mortality	CMI_2016 with a smoothing parameter of 8.5 and a long term improvement rate of 1.8% pa for males and 1.6% pa for females	CMI_2014 with a long term rate of 1.5% pa

The current life expectancies on retirement at age 65 are:

	2018	2017
Males currently aged 65 (years)	24.5	24.4
Females currently aged 65 (years)	26.0	26.6
Males currently aged 45 (years)	26.5	26.5
Females currently aged 45 (years)	27.8	29.0
Scheme Assets	£63.6bn	£60.0bn
Total Scheme Liabilities	£72.0bn	£77.5bn
FRS102 total scheme deficit	£8.4bn	£17.5bn
DRS102 total funding level	88%	77%

### Greater Manchester Pension Fund

The GMPF is a funded defined benefit scheme. The scheme is valued every three years by professionally qualified independent actuaries using the projected unit method, the rates of contribution payable being determined by the trustees on the advice of the actuaries. In the intervening years, the GMPF actuary reviews the progress of the GMPF scheme.

For GMPF, the actuary has indicated that the resources of the scheme are likely, in the normal course of events, to meet the liabilities as they fall due at the level specified by the GMPF Regulations. The contribution payable by the employer was 23.2% of pensionable salaries.

Under the definitions set out in FRS 17, the GMPF is a multi-employer defined benefit pension scheme. The actuary of the scheme has identified the University's share of its assets and liabilities as at 31 July 2018.

The pension scheme assets are held in a separate trustee-administered fund to meet long-term pension liabilities to past and present employees. The trustees of the fund are required to act in the best interests of the fund's beneficiaries. The appointment of trustees to the fund is determined by the scheme's trust documentation. The trustees are responsible for setting the investment strategy for the scheme after consultation with professional advisers.

The material assumptions used by the actuary at 31 July 2018 were:

	<b>2017-18</b>	<b>2016-17</b>
Rate of Increase in Pension	2.4%	2.5%
Rate of Increase in Salaries	3.2%	3.3%
Discount Rate	2.8%	2.7%
Inflation Assumption	2.4%	2.5%

The Current mortality assumptions include sufficient allowance for future improvements in mortality rates. The assumed average life expectancies at age 65 are:

	<b>Males</b>	<b>Females</b>
	<b>Years</b>	<b>Years</b>
Mortality Assumptions		
Current Pensioners	21.5	24.1
Future Pensioners	23.7	26.2

The assets in the GMPF Scheme and the expected rate of return were:

#### **Scheme Assets**

	<b>Value at 2017-18</b>	<b>Value at 2016-17</b>
	<b>£000</b>	<b>£000</b>
Equities	46,196	44,826
Bonds	10,870	9,962
Property	4,756	3,736
Cash	<u>6,114</u>	<u>3,736</u>
	<u>67,936</u>	<u>62,260</u>

## Changes in the Fair Value of Plan Assets Defined Benefit Obligation and Net Liability for Year end 31 July 2018

Period Ended 31 July 2018	Assets £'000	Obligations £'000	Net (liability) / asset £'000
Fair Value of Plan Assets	62,260	0	62,260
Present Value of Funded Liabilities	0	77,008	(77,008)
Present Value of Unfunded Liabilities	0	148	(148)
<b>Opening Position as at 31 July 2017</b>	<b>62,260</b>	<b>77,156</b>	<b>(14,896)</b>
Service Cost			
Current Service Cost*	0	2,868	(2,868)
Past Service Costs (including curtailments)	0	18	(18)
<b>Total Service Cost</b>	<b>0</b>	<b>2,886</b>	<b>(2,886)</b>
Net Interest			
Interest income on plan assets	1,684	0	1,684
Interest cost on defined benefit obligation	0	2,102	(2,102)
<b>Total Net Interest</b>	<b>1,684</b>	<b>2,102</b>	<b>(418)</b>
<b>Total defined benefit cost recognised in Surplus or (Deficit)</b>	<b>1,684</b>	<b>4,988</b>	<b>(3,304)</b>
Cash flows			
Plan participants' contributions	492	492	0
Employer contributions	1,689	0	1,689
Contributions in respect of defined benefits	9	0	9
Benefits paid	(1,888)	(1,888)	0
Unfunded benefits paid	(9)	(9)	0
<b>Expected Closing Position</b>	<b>64,237</b>	<b>80,739</b>	<b>(16,502)</b>
Remeasurements			
Changes in demographic assumptions	0	0	0
Changes in financial assumptions	0	(3,144)	3,144
Other Experience	0	(28)	28
Return on assets excluding amounts included in net interest	3,699	0	3,699
<b>Total Remeasurements recognised in Other Comprehensive Income</b>	<b>3,699</b>	<b>(3,172)</b>	<b>6,871</b>
Fair Value of Plan Assets	67,936	-	67,936
Present Value of Funded liabilities	0	77,453	(77,453)
Present Value of Unfunded liabilities	0	114	(114)
<b>Closing Position as at 31 July 2018</b>	<b>67,936</b>	<b>77,567</b>	<b>(9,631)</b>

The estimated value of employer contributions for the year ended 31 July 2019 is £1,689,000.

## 24. Accounting estimates and judgements

### Tangible Assets (Note 10)

Land and Buildings both the value and the expected useful life are estimated by a professional valuer as part of the valuation process. Equipment is capitalised at cost, and estimated to have an expected useful life as follows: -

IT and Telecoms Equipment	10 Years
Halls of Residence Furniture	10 Years
Other Equipment	5 Years
Motor Vehicles	4 Years

### Pension Provisions (Notes 15 and 23)

#### Greater Manchester Pension Fund (Defined Benefit Scheme).

The material assumptions used by the scheme's actuary at 31 July 2018 in order to assess the value of the University's obligations under the Greater Manchester Pension Fund were as follows: - :

	2017-18	2016-17
Rate of Increase in Pension	2.4%	2.5%
Rate of Increase in Salaries	3.2%	3.3%
Discount Rate	2.8%	2.7%
Inflation Assumption	2.4%	2.5%

The Current mortality assumptions include sufficient allowance for future improvements in mortality rates. The assumed average life expectancies at age 65 are:

	Males	Females
	Years	Years
Mortality Assumptions		
Current Pensioners	21.5	24.1
Future Pensioners	23.7	26.2

#### Universities Superannuation Scheme.

The scheme's actuary calculated the technical provisions, on assumption that the valuation rate of interest would be 6.1% per annum (which includes an additional assumed investment return over gilts), salary increases would be 3.6% per annum (plus an additional allowance for increases in salaries due to age and promotion reflecting historic scheme experience, with a further cautionary reserve on top for past service liabilities) and pensions would increase by 2.6% per annum thereafter.

#### Pension enhancement

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

Net Interest Rate 2.30

Beyond this, the University does not hold any complex or derivatives financial; instruments that would require the use of sophisticated models to provide an estimated valuation