

The University of Bolton Group

Annual Report and Consolidated Financial Statements
Year Ended 31 July 2019

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Strategic Report 2018-19

Overview and 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. The University retains its primary purpose of providing educational opportunities to the widest range of individuals, thereby enabling them to achieve their full potential. 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. During 2018-19, the University continued its strategic focus on wilful institution building to create a sector leading Higher Education Institution (HEI) with a unique strategy to be the first truly 'Teaching Intensive, Research Informed' university in the United Kingdom.



President & Vice-Chancellor Professor George E Holmes, addresses the graduation ceremony

The University demonstrated robust financial performance in 2018-19, reporting an annual operating surplus for the 14th year running. In this case, £771,000 (2018: £231,000) on a historical cost basis which is equal to 1.3% (2018: 0.4%) of turnover in the year. The Group has reported an operating deficit. In this case, £5,750,000 (2018: £nil) on a historical cost basis which is equal to 6.7% (2018: .0%) of turnover in the year. This has arisen from recognising in full the fair value of the net assets transferred into the group from the acquisitions of the College and the Anderton Centre, and the impact of the 'McCloud' judgement on the FRS17 Defined Benefit Pension Scheme.

The overall external Higher Education (HE) environment remains highly competitive and in transition with a number of key developments, including major socio-political and economic complexities arising from potential Brexit. HE institutions across the sector are faced with multifaceted challenges including a stringent regulatory environment, potential key policy changes arising from the Augar Review, emphasis upon consumer rights, continuing expansion of private providers, changing role of the further education sector, and intensifying competition for recruiting students. Within this context, The University experienced strong demand for its courses during 2018-19, with a significant uplift in core full-time enrolments. During 2018-19, the University experienced 14% growth in new student enrolments over 2017-18 (fig.2). Platinum programmes across the academic areas were central in achieving this growth, depicting the effectiveness of the University's core strategy and its implementation.

The University has also made substantive progress in improving teaching & learning, student experience, satisfaction and success. For instance, the overall performance of the institution has improved substantially in the latest National Student Survey results (NSS July 2019). Our latest NSS scores, which exceeded last year's performance, exemplify the success of our strategy and efforts. The University gained 31st place out of 131 universities in the UK for overall student satisfaction results (for all modes of study combined). The University has also exceeded its sector bench mark for overall student satisfaction: i.e. scored 86.53 against the benchmark of 82.42 for the taught degrees. Last year, we scored 84 against the benchmark of 83.

Notwithstanding these developments, student retention and graduate employability outcomes continue to be a challenge and are reflective in part of the University's inclusivity and access agenda. The University welcomes people from a diverse range of backgrounds, who want to invest in their futures by accessing educational opportunities to enhance both their life skills and employment prospects. It is particularly noteworthy that 45% of full-time students are from localities with the lowest higher education participation, POLAR quintiles 1 and 2. 38.8% of our full-time students have BAME heritage and 54.5% are mature (nationally this is 27.8%). Over 70% of our students commute to the University, travelling from their home, either locally or further afield, often juggling home and study commitments. The University is also proud of its widening participation mission in respect of the high percentage of students admitted who declare as having a disability. Notwithstanding these challenges, the University has continued fundamental and extensive changes with new and beneficial approaches to student experience, progression, retention, graduate employability, and overall student success. During 2018-19 the University also continued its strategic investments in the academic staff, physical infrastructure, specialist facilities and student support personnel. These investments are already showing significant evidence of positive impact.

The University's educational provision has a distinct emphasis on professional and vocational education. Intensive teaching through a focussed portfolio of high quality undergraduate and postgraduate programmes, underpinned and informed by relevant research, is central to the University's abiding mission; the success of which was demonstrated through the achievement of 'Teaching Excellence Framework' (TEF) Silver award. The Employability, Enterprise and Apprenticeships Strategy (2017-22) is driving our efforts in these areas, with significant investment being made in 2018-19 to achieve a step-change in graduate employability, the expansion of industry collaborations, applied research and Apprenticeships. The University's apprenticeships provision has experienced strong growth, with both Apprenticeships and Access to Higher Education provision graded by Ofsted as 'good'. The inspection highlighted that students and higher apprentices receive good-quality education and training and demonstrate high standards in all aspects of their learning and that staff use their specialist subject knowledge and relevant industrial experience effectively to develop the academic knowledge and practical skills.



The TIRI philosophy and the Platinum Critical Mass (PCM) course portfolio approach, developed as the core of the University's Strategic Plan (2015-20), is the catalyst in the transformational journey of the University of Bolton. The 2018-19 academic year continued to see developments in educational, physical and technological infrastructure, such as: the launch of the Social Work subject area; becoming the first UK Higher Education Provider to offer an Operating Department Practitioner (ODP) Integrated Degree Apprenticeship; the Retail Degree Apprenticeship with JD Sports; and development of the Sony Collaboration Suite incorporating Sony Vision Exchange and Ubcast Lecture Capture Technologies. This learning infrastructure, combined with excellent teaching and student support, is directly enhancing the overall student learning experience and achievement.

The University of Bolton has expanded its reach during 2018-19, acquiring Bolton College as a wholly owned subsidiary in August 2018. There is a strong strategic alignment between the two organisations that are geographically very close with complementary educational philosophy and characteristics of the student population, essentially forming a joint campus. This acquisition will allow the University to manage and improve the pathways to higher education for thousands of learners in a structured fashion i.e. articulating pre-degree provision and enhancing preparedness to study at HE level. This targeted strategic acquisition 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. 2018-19 has been a transition year for the University and Bolton College with integrated curriculum pathways and progression routes being defined, and linked to local and regional employment sectors. College students are now able to access University facilities, becoming familiar with the higher education environment, thereby serving to build aspiration.

The University also welcomed the Anderton Centre, an outdoor activities and learning centre based in Chorley, in to the Group. The centre will provide enrichment for students, enhancing the student experience, supporting health and wellbeing, in addition to providing opportunities for personal stretch and challenge in a natural setting. This provides opportunities for our students and staff to engage in activities supportive of their academic and sporting interests, contributing to their mental and physical wellbeing. In addition, UoB Services Ltd has been established to provide high quality catering and related services to the students and improve their experience at the University. During the year, the University became one of the three members of Alliance Learning, an apprenticeships and commercial training provider with over 50 years of successful track record. Through this membership, the University effectively gained a 33% share in Alliance Learning. This strategic collaboration with

Alliance Learning has enabled the University Group to become a comprehensive provider of apprenticeships (at all levels) in the region. Based on these unique strengths, the University Group has launched its 'ConnectED' brand for promoting and delivering apprenticeships. The University continues to sponsor and support the University Technical College (UTC) Bolton providing valuable access to higher education, learning infrastructure and expertise.



The University is also at the heart of its local and regional communities, leading the regeneration of the town of Bolton with its multi-million pound infrastructure projects. The University is widely recognised now as both the engine and driving force for the renaissance of the town. Our 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.

Social Responsibility and Value for Money (VfM) principles are fundamental to the University's mission and values. These are integrated with the University's key plans, systems and processes. 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.

Notable developments and achievements in the year

The University is committed to building aspiration and improving life-chances for people from a diverse range of backgrounds. To help fulfil this ambition, the University is delighted to welcome Baroness Helen Newlove, a Working Peer, high profile motivational speaker, presenter and women's champion. Baroness Newlove will play a key role in delivering outreach to inspire and motivate individuals who might not ordinarily consider higher education as an option for them.

A joint bid was successfully submitted by the University and Bolton College, in partnership with Bolton NHS Foundation Trust and Bolton Council, to the Greater Manchester Combined Authority, Local Growth Fund for Skills: securing a £10m contribution towards a state-of-the-art Bolton College of Medical Sciences (MCMS) building, with innovative digital learning at its heart. The project is particularly well placed to deliver health workforce requirements as the new building and curriculum delivery will be co-located on the NHS Bolton site. It will also act as a catalyst for the development of a wide range of Further and Higher Education programmes in Health disciplines.



*The Baroness
Newlove of
Warrington*



Fig.1. An artist's impression of the Bolton College Medical Sciences (BCMS) Development

There has been a continued strengthening of the partnerships with Bolton College, UTC and Alliance Learning during the year, to provide seamless pathways into higher education. This strategic partnership approach has resulted in the development and launch of the ConnectED concept i.e. a single point of contact and advice for employers across the region for a wide range of apprenticeships (at all levels). The ConnectED hub at the University's Institute of Management assists employers in their apprenticeships and workforce development strategy, with employers being encouraged to drop in. It should also serve to enhance employer engagement across the University in developing curriculum, provision of placements and in enhancing the employability of graduates.



ConnectED Hub opened in 2019 at the Institute of Management – University of Bolton

During the year 2018-19, the University's developments in degree apprenticeships have delivered excellent results. The University is now well established in the delivery of Degree Apprenticeships in a number of disciplines including Health, Engineering and Management with almost 400 apprentices and some 60 employers participating.

The University made a strategic decision to dispose of the Orlando Halls of Residence to a private provider, which is the University-nominated student accommodation provider. This has enabled significant investment in the facilities for those students who choose to live in Bolton whilst studying. The decision to divest was made in order to focus resources on core academic provision, to enhance teaching & learning, improve student experience and outcomes. The University has also released a town centre site that it leased earlier as this was no longer part of the strategic estates masterplan.

Strategic Developments and Performance

The University continued the robust implementation of its Strategic Plan (2015-20) and its transformation agenda in 2018-19 i.e. to be a world-class Teaching Intensive, Research Informed institution. We made progress in achieving fundamental improvements in the quality and nature of our courses and the student learning experience. We continued the enhancement of 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 University has a number of key performance indicators relating to the student lifecycle, including: Recruitment; Continuation; National Student Survey (NSS); and Graduate Employment Outcomes. The focus on these measures is key, as they provide not only an indication of the impact of the University's investment in transformational strategies to improve the student experience, but they also inform lead-indicators against which the OfS regulates providers. It is particularly worth noting, when considering performance indicators, the distinct characteristics of the University's student population. In line with its widening participation philosophy, the University prides itself on providing Higher Education opportunities to a diverse range of students, many from challenging socio-economic backgrounds who may face multiple barriers to access, participation, attainment and employment, which have to be overcome to achieve success. Over 70% are commuter students, an attribute that is considered to increase the risk of a non-continuation. The University continues to work constructively with other universities, colleges, the third sector and employers, through the Greater Manchester Higher partnership, to further encourage participation from under-represented groups.

a) Student Recruitment

Higher Education is becoming an increasingly competitive market for student recruitment, especially for core Home Undergraduate students. Coupled with the demographic downturn and entry of multiple private players, this area is a major challenge for the sector. Within this competitive environment, the University has performed well, achieving a healthy growth in overall full-time student enrolments in 2018-19. The University experienced 14% growth in new undergraduate student enrolments in the September 2018 intake when compared to 2017. Platinum programmes across the academic areas were central in achieving this growth, depicting the effectiveness of the University's core strategy and its implementation. Within this growth context, the University continues to provide educational opportunities to the widest range of individuals. It is particularly noteworthy that the University has a particularly high proportion of students from low participation Neighbourhoods and State Schools (fig.2 to 6).

The University's growing reputation and profile is reflected in the increasing demand for its courses, with substantive growth in applications for the September 2019 intake. This is attributed to the successful realisation of the core strategy and Platinum provision, with continued focus and comprehensive efforts directed towards improving courses, teaching quality, learning infrastructure, student satisfaction, promotion and applicant conversion. In addition, the University is building its portfolio of Degree Apprenticeship, creating an alternative pathway and choice in accessing higher education. The University currently has over 400 apprentices enrolled on various programmes in Health, Business & Management, and Engineering.

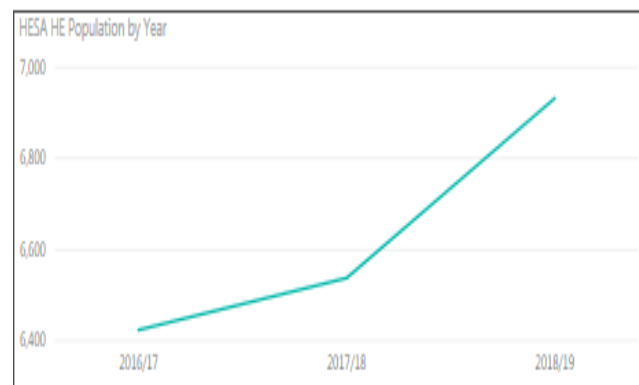
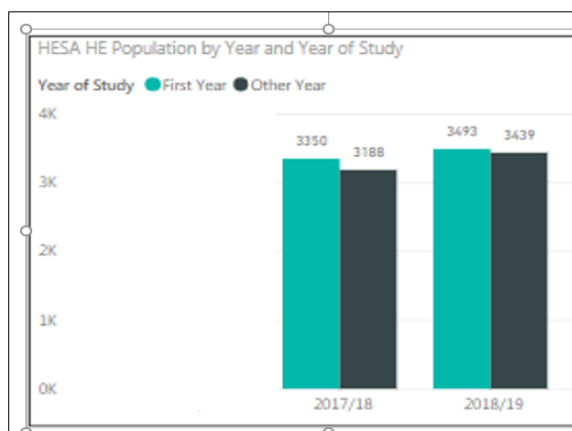


Fig.2 and 3. University of Bolton - Total student numbers (headcount, excluding students taught wholly offshore)

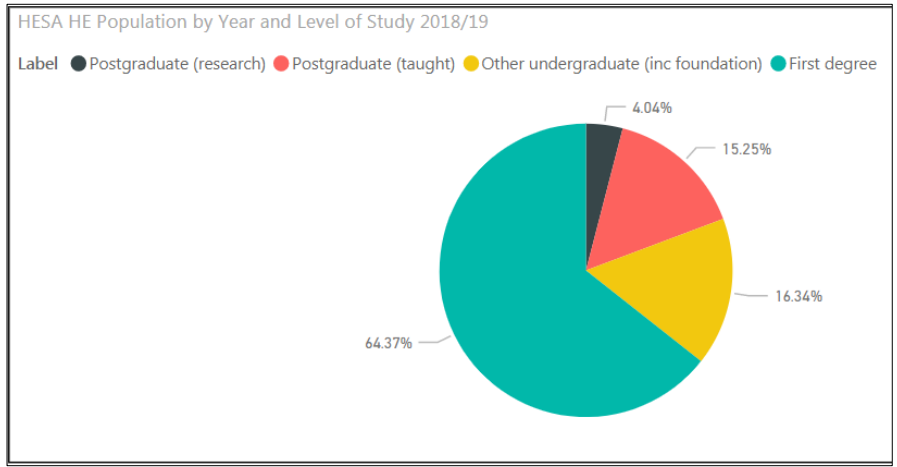


Fig.4. Breakdown of Undergraduate/Postgraduate Students 2018/19

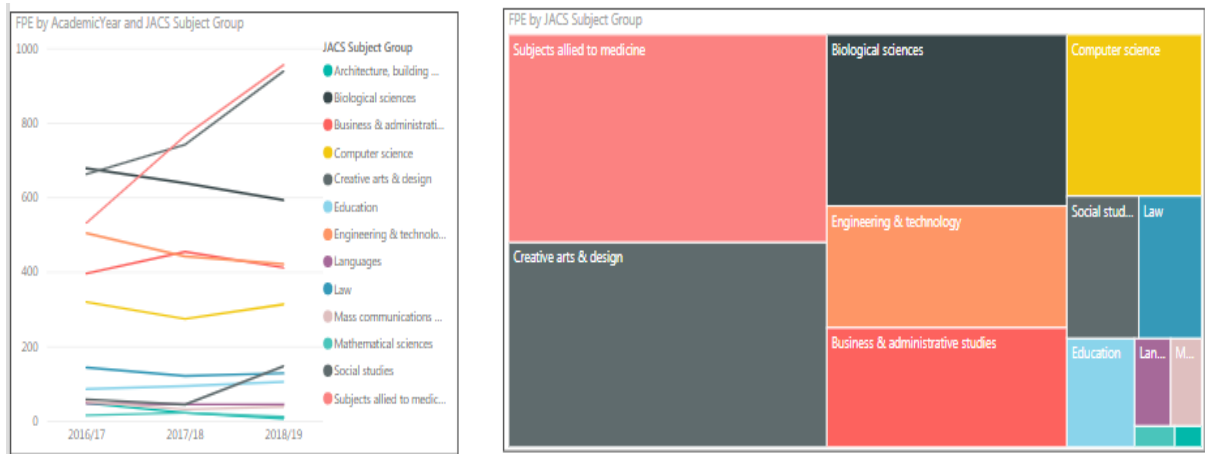


Fig.5. Subject breakdown – full-time first degree 2018/19

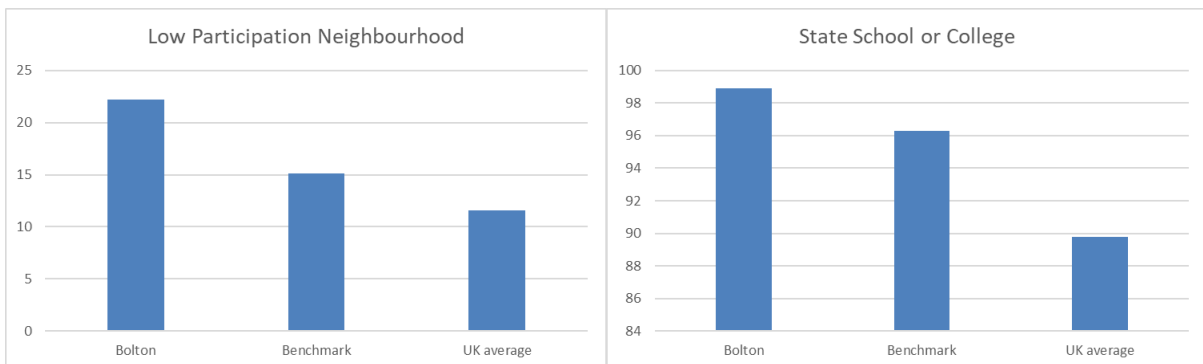


Fig.6. HESA Performance Indicators T1a: UK domiciled young full-time first degree entrants 2017-18

b) Student Experience, Retention, and Attainment

The University has invested significantly in enhancing the overall experience for students from enrolment through to graduation and beyond, underpinned by TIRI and Platinum Course strategies. The University's has continued to improve its overall performance in the latest National Student Survey results (NSS July 2019) for full-time taught undergraduates as shown in the graphs below (fig. 7). Our latest NSS scores, which exceeded last year's performance, exemplify the success of our strategy and efforts. The University gained 31st place out of 131 universities in the UK for overall student satisfaction results (for all modes of study combined). For full-time students alone, we are 18th in the UK. The University has also exceeded its sector bench mark for overall student satisfaction i.e. scored 86.53 against the benchmark of 82.42 for the taught degrees for Q27. Last year, we scored 84 against the benchmark of 83 for Q27. These results are based on a response rate of c. 66%. Academic and support areas across the University have worked effectively to encourage students in completing the survey, while working closely with the Students' Union.



Fig. 7. NSS performance 2017-19

The University will continue the implementation of a comprehensive set of interventions to improve student learning experience, satisfaction and success to maintain this positive momentum. These interventions include the Enhanced Personal Tutoring (EPT) system based on skills diagnostics, improving feedback provision, individualised support to the students, improving learning infrastructure, and quality of teaching. Efforts will also be made to improve two-way communications with the students to improve the feedback and continual enhancement of courses. A number of other specific initiatives have also been implemented to improve overall student engagement and experience. These include 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. The University will strengthen the aforementioned initiatives for the academic year 2019-20 to enable all academic areas to achieve further improvements in overall student satisfaction rates.

There is an improving picture in both overall non-continuation and attainment, but these are still notably below the sector averages. For full-time first-degree students – 2016-17 all entrants no longer in Higher Education in 2017-18 was 15.7% (benchmark 11.7%, HESA PI T3a), showing a 1.4% improvement from 2015-16. Student attainment has been improving generally over recent years, with 60.8% achieving good honours degrees in 2017-18 compared to a sector average of 76.3%, although degree attainment should be considered in the context of the widely publicised issue of grade inflation across the sector.



*Christine Banda (Right)
finalist in the Worshipful Company of Information Technologists
Outstanding IT Student Award*



*Nisha Sykes
Winner of the British Psychology Society
Undergraduate Award*

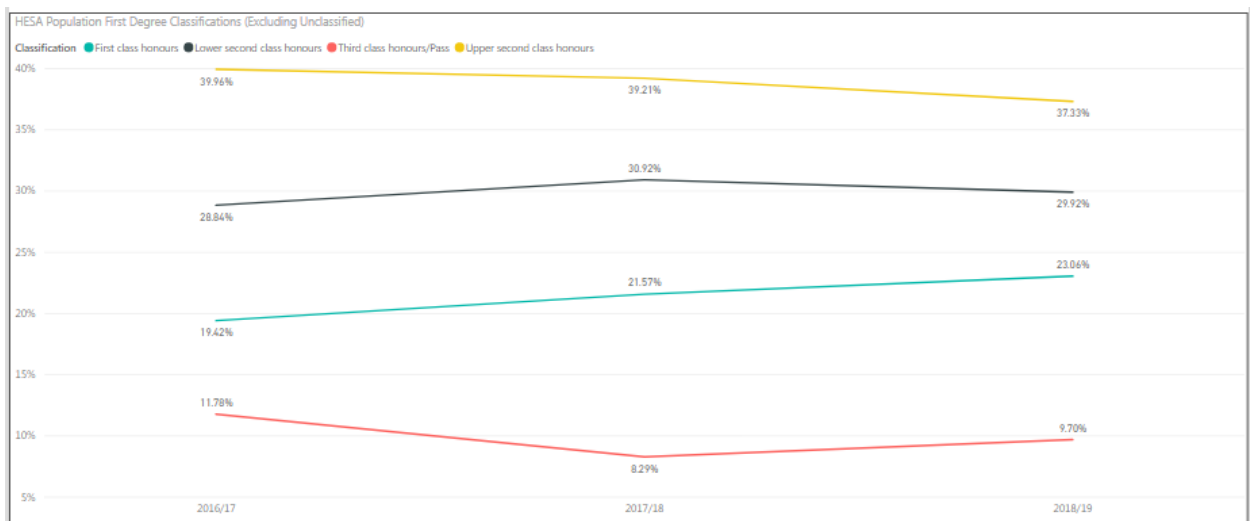


Fig. 10. Degree Classification

The University is implementing a holistic approach to improving its student retention through the overall enhancement of the student learning experience, engagement, support provision, satisfaction and attainment. We take the view that improving retention cannot be seen in isolation from learning and teaching, student engagement and the broader student experience. It is recognised that further embedding and refining of the initiatives will be required to ensure that all students have the best chance of success. Since the launch of the Student Experience and Learning Teaching and Assessment Strategies in 2015, the University has continued to implement and evaluate a model of Early Intervention and Transitional Support (EI) across the student lifecycle. Fig.11 summarises the constituent parts of the Early Intervention Model.

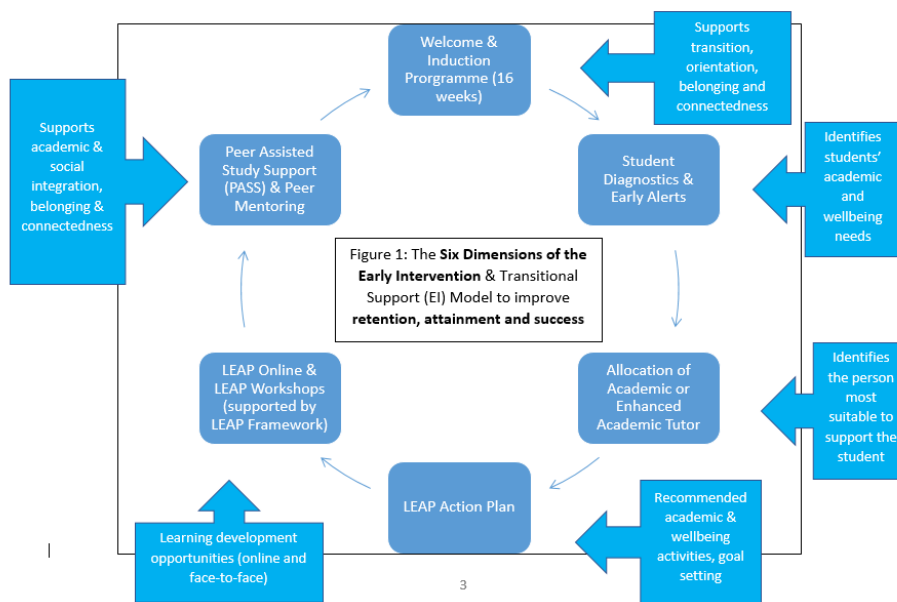


Fig. 11. Early intervention model

The approach is evidence-based and designed to ensure that students, from prospective to alumnus, are adequately supported during their time here. During the 2018-19 academic year, the first set of students to benefit from the EI model graduated from the University. This coincided with our best ever performance in the NSS. Particular highlights in relation to the implementation and embedding of the model during the 2018-19 academic year include:

- (1) **Pre-Transitional, Welcome and Induction Activities** - the University places great emphasis on supporting students in transition and has made considerable progress refining the infrastructure and processes involved in our welcome and induction framework with a newly branded welcome campaign launched in September 2018.
- (2) **The LEAP Ahead Diagnostics** – in 2018 a newly automated diagnostics system was implemented, called LEAP Ahead, requiring all new students to complete a reflective questionnaire. The information received was used to create a new dashboard for tutors, highlighting indicators of risk associated with retention, and showcasing particular student characteristics data that are known contributors to gaps in attainment and progression. Students received an action plan with detailed recommendations of activities to undertake as part of the LEAP Learning Development Programme.
- (3) **Academic and Enhanced Academic Tutoring** – new academic tutor training modules were designed and launched in 2018 and over 150 staff have participated in this training, which is aligned closely with the diagnostics process. Emphasis has been placed on supporting them to understand how to work with students who are at risk, how to promote student success and how to work with professional support services to troubleshoot known problems with student retention and progression.
- (4) **The LEAP Programme** – there are now 62 modules available in LEAP, each with a digital badge attached to its completion. Over 4600 badges were awarded to students in just the first quarter of the 2018-19 academic year; a figure that exceeds the number of badges issued across the whole of the previous academic year.
- (5) **Peer Learning, Belonging and Engagement** – the University now has 18 active Peer Assisted Study Support (PASS) schemes which are designed to provide co-curricular engagement opportunities for students, aligned with a new Quality Enhancement Framework.
- (6) **Student Wellbeing and Mental Health** – a new wellbeing triage system has been established, alongside new posts in wellbeing, CBT and counselling, which has been discussed at length in academic tutoring sessions to ensure familiarity with the process. Colleagues are engaged in implementing the UK's Step Change Framework and have subscribed to the Big White Wall mental health support platform. The University is also a partner in the new Greater Manchester Mental Health Service, along with the other Manchester universities and the NHS.

c) Graduate Outcomes

A key priority area for the University is to improve the job outcomes for graduates, particularly those deemed to be highly skilled jobs. There have been no survey results published in 2019 as the previous survey of Destinations of Leavers from Higher Education (DLHE) conducted 6 months after graduation is being replaced by the new Graduate Outcomes Survey (GOS) to be conducted 15 months from graduation. Employability and graduate outcomes continue to be a significant long-term challenge for the University. The latest DLHE survey (July 2018) results highlight the extent of this challenge. The University's score of 82.3, for the key indicator (graduates from full-time first-degree courses), was below the sector benchmark of 92.6. Whereas, the employment indicator for the graduates from part-time courses is comparatively better i.e. 94.0 against the sector benchmark of 94.9.

In line with its Widening Participation philosophy, the University continues to provide Higher Education opportunities to a diverse range of students, many from challenging socio-economic backgrounds. This means that the University has a disproportionately higher number of disabled students and ethnic minority students, having a direct impact on our key employability outcomes. In addition, a number of courses in our historical portfolio do not cater effectively to the graduate level jobs in industry. The level of industry exposure to students on such courses is also low and requires fundamental improvements. To address this long-term challenge, the University has developed a wide-ranging five-year strategy (EEA 2017-22) with a comprehensive set of measures. The University has significantly increased its efforts and investments to support this strategy, starting in the 2018-19 academic year, focussing on the following key areas:

- Build substantial capability and capacity to improve graduate employability, including significant new investments in staff and other resources to enable the systematic provision of industry work placement opportunities and the preparation of our students for the graduate job market. The University is making these investments while optimising the utilisation of combined strengths of the University and College
- Develop the employability skills of our students through the embedment of key graduate attributes in the core curriculum of all courses. The Graduate Attributes Matrix for Employability (GAME) is now embedded in the core curriculum and delivered across all undergraduate and postgraduate programmes. GAME ensures that graduates are prepared and have the skills that will help them to gain graduate-level employment / further study. More work is being undertaken to build assessments around these attributes.
- Organising "Employability Weeks" and "Job Fairs" while working closely with employers in the region and nationally. This is to provide real-time access to the employment market knowledge, placements and graduate job opportunities for our students.
- Expand our Platinum Courses Portfolio so that our graduates in critical numbers from these programmes start improving our overall employability performance (e.g. Games, Nursing, etc.).
- Launch "Guaranteed Graduate Job" programmes based on strategic collaborations with industry. The University is in advanced stages of discussions with a number of companies to develop this model.



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The University has made significant further investments in this regard, with the recent appointment of a Director of Jobs for Students and a team of recruitment specialists with industry experience in the dedicated Employment Team. The team is currently deploying a transformational plan to equip the University's students and alumni with the employability skills and confidence to compete and secure employment in the local jobs market, and further afield. The enhanced Employment Team, with a University-wide approach to employer engagement, that includes Apprenticeships, should serve to capitalise on industry connections and ensure that graduates are job-ready. Innovative solutions to employers' workforce development issues are already being instigated, with a guaranteed jobs programme for Eddie Stobart, an approach that is likely to be replicated with other companies.



*Sharon Halladay – Our graduate in Textiles & Surface Design
Following an exhibition of her work at London trade show 'New Designers', Sharon was commissioned by Fashion House Alexander McQueen to work on a hand-painting project in Florence*

In addition, the University's Bolton Award is gaining traction. The Bolton Award is an employability and enterprise programme designed to enable students to benefit from work experience, skills development and a range of enrichment activities. It is an extra-curricular programme that requires a minimum commitment of 35 hours. It incorporates careers advice and workshops, employability or volunteering experience, CV coaching and a mock interview. The Bolton Award has been instrumental in raising awareness about the wider support of the Careers Team and is a major element in the roll out of HEAR (Higher Education Achievement Record). This is now widely used across the UK to give a much fuller description of the student's achievements including academic work, extra-curricular activities, prizes and employability awards, voluntary work and offices held in student union clubs and societies that have been verified by the institution.



Our graduate, Scott Warrington, now owns a multi-million pound business, one of the fastest growing sport and leisure SMEs. He returned to the University to inspire current students

Quality assurance: protecting and enhancing standards

The University continues to receive recognition of its taught programmes from a wide range of external professional and statutory bodies including the Nursing & Midwifery Council, the British Psychological Society, the Association of Chartered Certified Accountants (ACCA) and the Chartered Institute of Management Accountants (CIMA), and key building, civil and mechanical professional engineering institutions. These accreditations are underpinned by robust internal peer review processes. Over 170 external examiners from around the UK, working on nearly 600 exams, ensure that standards are kept high throughout the assessment process. External examiners come from a wide range of institutions including the universities of Liverpool, Sheffield, Leeds, Dundee, Warwick, UCL, Queen Mary, Nottingham and the Open University. The portfolio of programmes has continued to be updated and developed with 165 new or revised courses. Highlights in 2018-19 included:

- In response to revised Nursing and Midwifery Council (NMC) standards:
 - BSc (Hons) Nursing (Adult) plus Registered Nurse Degree Apprenticeship Route
 - Non-Medical Independent and Supplementary Prescribing for Nurses and Midwives (HE6) (40 credit module V300)
 - Non-Medical Independent and Supplementary Prescribing for Nurses and Midwives (HE7) (40 credit module V300)
 - Advanced Diploma in Continuing Professional Development – Preparation of Community Nurse Prescribers (V150) (HE6) (20 credit module)
 - Community Nurse Prescribing (V100) (HE6) (20 credit integrated module) with:
 - BSc (Hons) Community Specialist Practice (District Nursing) (Top-up)
 - Postgraduate Diploma Community Specialist Practice (District Nursing)
 - BSc (Hons) Specialist Community Public Health Nursing (Health Visiting) (Top-up)
 - Postgraduate Diploma Specialist Community Public Health Nursing (Health Visiting)
 - FdSc Nursing Associate plus Higher Apprenticeship Route
- Plus, new programmes developed to meet the new NMC standards:
- BSc (Hons) Nursing (Child)
 - BSc (Hons) Midwifery (Pre-registration).
- Approval of higher and degree Apprenticeships continued during 2018-19 with the following programmes developed to meet both the academic requirements and the Apprenticeship standards. Programmes included:
 - MSc Advanced Clinical Practice (Integrated Degree Apprenticeship route) plus degree
 - FdA Health and Social Care (Assistant Practitioner Higher Apprenticeship route) plus Foundation Degree
 - BSc (Hons) Digital and Technology Solutions (Degree Apprenticeship routes in: Software Engineering, Network Engineering and Cyber Security) plus degrees
 - BA (Hons) Social Work (Integrated Degree Apprenticeship) plus degree
 - BSc (Hons) Operating Department Practice (Degree Apprenticeship for Operating Department Practitioners) plus degree.
- In addition to programme approvals on-campus, we have approved programmes with six new partners and thirteen existing partners. During 2018-19, approvals with new partners have included:
 - Postgraduate Diploma in Global Healthcare Management with Apollo Medskills, India
 - Diploma of Higher Education in Dental Technology with Sri Vishnu Educational Society, India
 - MSc (Clin) Clinical Dentistry plus in the Specialist Practice of: Restorative & Aesthetic Dentistry; Pulpal Therapy & Endodontics; Dento-Facial Orthodontics; Periodontal Therapy and Restorative Aesthetic Dentistry & Periodontology
 - 24 programmes, including: Education; Teacher Training; Crime & Criminal Justice and Psychology, Psychotherapy & Counselling with Burnley College
 - MBA (Top-up) and MSc International Management (Top-up) with Klaspad, Malaysia
 - Franchise of the University's International Foundation Programme with six strands to Regent Group, London.

In order to ensure that students are at the heart of the enhancement processes, their views are sought. In 2018-19, over 13,600 Module Evaluation Questionnaires were reviewed and action taken on the basis of the feedback at course, School and institutional-level, as appropriate. For example, IT equipment has been improved in some areas in response to student suggestions. The commitment to continuous improvement through student feedback and other mechanisms, ensures that support for the student experience and student ambition is personalised and systematic, in line with the TIRI agenda.

Working with the Students' Union

Bolton Students' Union represents the interests of all registered University of Bolton students. The Students' Union (SU) receives an annual grant from the University and the University is investing in student spaces. It is however an independent charitable organisation that is run by a Board of Trustees. The Board of Trustees comprises the Students' Union President, two elected student members, five University staff members and a member of the National Union of Students. It is supported by the SU General Manager, who is responsible for the day-to-day running of the Students' Union.



The SU plays a pivotal role in student engagement, in addition to offering advice and guidance to students, co-ordinating societies, organising events and running a shop and bar/café. The SU is involved in the recruitment, selection and training of Student Representatives at all levels who are asked to feedback on their experience to the SU by completing a survey at the end of the academic year; Student Representatives' activities are overseen by the SU Academic Engagement Co-ordinator.

The SU Academic Engagement Co-ordinator works alongside other members of the Student Engagement Team, and the Students' Union President, to actively elicit feedback from students via ad-hoc email and face-to-face contact, as well as the "SU on Tour", "Speak Week" initiatives and the Student-Led Teaching Awards. "SU on Tour" takes place usually once a month and involves members of the SU, including the President, having a presence in different locations of the University to promote SU activities and to listen to any concerns and comments. The "Speak Week" initiative involves SU members and student volunteers asking students for verbal feedback on a number of key areas, including the effectiveness of its activities. The first "Speak Week" took place in March 2019, with over 700 students responding. Following its success, the initiative is due to take place a further three times over the 2019-20 academic year.

As well as gathering information on student concerns, the SU also gathers written feedback on excellent practice through the Student-Led Teaching Awards scheme. This involves students nominating outstanding academic and professional staff members, as well as more recently, student representatives and student societies. The awards take place annually. The feedback from students gained by the SU is used to develop an Annual Quality Report from which recommendations for action are developed and progress reported to Education Committee. The Assistant Vice Chancellor (OfS) is the nominee for Executive Board-Student Union Liaison and maintains open channels of informal communication through regular meetings.

The University works closely with the Students' Union to ensure inclusive and informed representation by, and for, students. Students are welcomed as formal members of course, School and University-level committees. At course level, representatives are elected annually by their peers to stand on a Student-Staff Liaison Committee (SSLC). SSLC Student Representatives are trained by the Students' Union at the start of the academic year, prior to the first SSLC which is usually held in November (for programmes with September start dates). Student members of University-level committees are usually nominated by the SU. The Students' Union President sits on the Education Committee, Senate and the Governing Body. As well as contributing to key committees, students are also involved in the programme approval process as full panel members for programme approval events, the University's Standing Panels (for programme developments and approvals) and periodic reviews. Students on these panels are volunteers, nominated by the SU, and trained by a member of the Standards and Enhancement Office.

During 2018-19, the University has worked with the Students' Union to ensure student engagement through involvement in key decision-making groups. This included: the Jenkinson Awards Panel (the annual research pump-priming scheme for staff); the Ryley Scheme (student research interns); the Ainsworth Scholarship Scheme (Doctoral scholarships); and, the STRIVE awards (University – College collaboration projects). Students have also been involved in the broader appointment process for lecturing staff. In 2018-19, the SU was fully involved in the development and approval of the new Student Protection Plan under the emerging regulatory framework of the Office for Students.

Research and knowledge transfer

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 TIRI framework to benefit students and the overarching teaching agenda. In 2018-19, the University continued to secure a range of external research grants from Innovate UK, DSTL, UK Charities and industrial funding. Externally-funded research projects included the following:

Research area/Partner organisation	Academic Staff
Aksa Akrilik Kimya Sanayii A.S.	Horrocks AR
Bolton Lads and Girls Club	Matthews P
Chemical functionalisation of Nylon	Kandola B
Creation of a Lancashire Cotton Industrial Library Archive	Horrocks AR
Epoxy-based fire-resistant intumescent protective coatings	Kandola B
MedEquip4Kids	Kannangara C
Smart Nasogastric Tube - Feasibility Study	Luo J
Vita Cellular Foams	Kandola B
Wireless Sensors for detecting sleep apnea	Luo J

Within the Institute of Materials Research and Innovation (IMRI), a research centre in the School of Engineering, the most recent developments have been in the Fire Materials research area. The group has been successful in developing prototype carbon fibres from lignin-based fibres in collaboration with six academic and five industrial partners (a Horizon 2020 project). One project is ongoing and funding was received for two new projects from Defence Science and Technology Laboratory, Ministry of Defence, UK to study potential hazards of the carbon fibre: carbon fibre composites under fire and impact; and production of carbon fibres with enhanced structural coherence on exposure to extreme temperatures. In addition, the group has an on-going project and received funding for a new project from the US Army to flame retard nylon-cotton blended textiles for US Army personnel uniforms. Regarding knowledge exchange, within IMRI there are also two KTP projects running and one recently funded to start in October 2019. These include development of new generation of intumescent coatings with Sherwin Williams, UK; development of next generation flame retardant flexible polyurethane foam with Vita Cellular Foams (UK) Ltd and development of wireless sensors for detection of obstructive sleep apnoea with Passion for Life Healthcare UK Ltd. Within the area of electronics, major research is ongoing in the area of energy harvesting for wireless sensor applications and the group is working with many industrial partners and national/international research institutes.

The School of Sport and Biological Sciences have been instrumental in the development and implementation of an injury survey and audit on behalf of the Rugby Football League (RFL), covering all of the Super League teams. The aim of this research is to better inform the sports medicine and physiotherapy staff working in rugby so that better standards of care, rehabilitation, athletic development and athlete preparation, can be achieved.

Within the School of Arts, the Centre for Worktown Studies supports academic research and public engagement via the Spender Collection of photographs that were produced as a source of documentary evidence for the Mass Observation 'Worktown' project which aimed to investigate and document everyday life in a northern industrial town in 1938. The Centre presented the 11th Recording Leisure Lives conference in April 2019 and is supervising activity undertaken through 'Bolton at Home' social housing provider in the use of Worktown to engage disadvantaged women in community drama projects. The Psychology 'Happiness' research project builds on this research and was featured on the BBC North West Tonight programme. It led to a series of articles on happiness in the local newspaper and even reached the Time magazine on-line as well as the Daily Mail. The most recent work has been researching happiness in women's groups in Bolton.

There were fifteen Jenkinson awards made to colleagues, shown in the table below, which have the aim of strengthening research activity, with particular focus this year on enhancing impact case studies for REF 2021. Additionally, seven Ainsworth travel scholarships were awarded which took place during 2018-19 and a further 2 full student scholarships awarded during 2018-19 to commence September 2019.

Witchcraft and Human Rights: From Horror to Hope	Spence S	Law
The creation of a live North West textile industrial history resource linked to Worktown	Horrocks AR	Engineering
A Festival of Worktown	Snape R	Sport & Biomedical Sci
Flexible wireless multi-sensor chip for investigating effect obstructive sleeping apnoea on cardiovascular disease and hypertension	Luo J	Engineering
Preventing or minimising tissue damage during minimally invasive surgery by redesigning the surgical graspers jaw	Sanami M	Engineering
Developing a REF2021 Case Study on Happiness	Carson J	Education & Psychology
ProGRAD : Professional discussions as a learning tool for promoting employability skills in undergraduate students	Kannangara C	Psychology
Finding a Voice: presentation skills for global learners	Andrews B	Arts
Design and Development of miniaturised antennas for implantable wireless devices and Internet of Things	See C	Engineering
EEG and the early detection of Alzheimer's disease	Jagger R	Education & Psychology
CAMP-To : Towards a Culturally Appropriate Model of Personal Tutoring: A Focus on sub-Saharan African Collaborative Transnational Education Partnerships (Masters programmes)	Clark L	Off Campus Division
Cytotoxicity of dental ceramic materials and related surface treatments	Poulis N	Health & Wellbeing
Whitman 200	Jones E	Arts
The Cavell Project: Exploring the relationship between staff engagement and key performance in the NHS	Brown C	Institute of Management
Evolving and Sustaining the Participation of African Female Students	Leslie-Walker A	Sport & Biomedical Sciences

A Research Summer School was successfully run from 17-20 June 2019 to support all researchers in the University and for the first time, the invitation was extended to PGT students. The PGR Students' Society held a conference on 29 and 30 April 2019 which included for the first time an invited external guest speaker. Following the approval by the Board of Studies in 2018, a second Independent Viva Voce Chair training session was held on 23 July 2019 in order to increase the number of colleagues who can support PhD/MPhil viva examinations.

The University maintains a very healthy postgraduate research portfolio across all subject areas within the University. In 2018-19, 27 PhDs were awarded 83 PhD research students enrolled, an increase of 20 on 2017-18. The total number of PGR students was 397 in 2018-19.

Other Recent Knowledge Exchange Successes



Students from the National Centre for Motorsports Engineering at the University were part of the Albatec team who built and fine-tuned the British rally team car that won the 2018 British Rallycross Championship



The University has partnered with transport and logistics company Eddie Stobart to deliver a Logistics & Supply Chain Management Degree which guarantees a graduate job for successful students



The University has linked with Manchester business The Insights People to develop a new Digital / Social Media Customer Behaviour degree to gain greater understanding of consumer behaviour and trends



A team of Management students who set up a business called LinkBridge with a mobile app, won awards for Marketing Excellence and Student Journey in the UK final of the Young Enterprise Awards 2019

Off Campus Division (OFCD): UK and International Collaborative Provision

The University continues to deliver a wide range of UG and PG programmes through the off campus partnerships, both at home and internationally, to some 3,200 students (via franchise and validation arrangements). Overall, the OFCD has experienced a healthy growth in student numbers and its contribution to the University during 2018-19. The division is continuing with its strategic approach 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.

Based on its strategic plan and a considered approach, the OFCD has strengthened its collaborative partnerships and selectively expanded its provision during 2018-19, with quality being a critical determining factor and enhanced oversight in place. During the year, the University has developed two Satellite Nursing Education Centres at Bradford College and PETROC (a Further Education College in Barnstaple). This is based on an innovative model developed through a close working relationship with the NHS Trusts and partner Further Education Colleges with absolute focus on quality and student learning experience. An Academic Centre in London is also under development in partnership with Regents Group which was launched in September 2019. The Centre will provide a range of programmes from Business to Computing as well as Health and Social Care.



University of Bolton and Malawi Institute of Management (MIM)

2018 graduation ceremony held at MIM Lilongwe Campus on 24th November 2018.

Dr Lynn Clark and Assistant Professor Zahra Salimi from the Off Campus Division have undertaken research funded by the Global Challenge Research Fund, to better understand the impact of our Masters and Doctoral programmes in Sub-Saharan Africa. In collaboration with our partners Malawi Institute of Management (MIM), In Service Training Trust Zambia (ISTT) and Institute of Development Management (IDM) in Botswana, we have educated nearly 600 PG students. These were predominantly in Supply Chain and Project Management disciplines. With these partnerships, the University is also delivering PhD programmes. The research has provided clear evidence of graduates utilising their learning and skills developed from our programmes to achieve a wide range of benefits for their organisations in both the public and private sector. The University's programmes have also enabled personal progression and greater confidence in their work. The next phase of the project will see the study findings being used to enhance and tailor the programmes in collaboration with our partner institutions in the respective countries.

Staff achievement and progress

The University employs c. 700 academic and professional support staff. It is through these committed teams that the University's TIRI philosophy and Platinum Courses strategy are brought to life and that the University is able to enhance its educational provision while contributing to the wider public good. During 2018-19, the University ran its second TIRI Professor promotion round to give recognition to the highest performing academic staff. Following a rigorous selection process, five colleagues were offered TIRI Professorships.

The final twelve-month review against the Investors in People (IIP) standard was completed in May. Plans are in development to achieve an aspirational Silver level recognition at the next full assessment in 2020. The University's Annual Jenkinson Award scheme ran in May with 15 staff receiving awards totalling over £50K to develop and support their research trajectories. The University is also collaborating with Alliance Learning to deliver a new CMI accredited level 5 Operational Management Development Programme. The first cohort of University employees is currently undertaking this programme at Alliance Learning. During 2018-19, six staff received recognition for 30 years' service and eleven for 20 years' service at a Long Service Celebration Event held in February. A number of Student Led Teaching Awards (nominated by our students) were also given out at a ceremony held in May that was organised by the Students Union. During the academic year, a number of professional support services across the University were awarded Customer Service Excellence (CSE) accreditation. Following the establishment of the University Group, a new Staff Fee Waiver policy was launched across all areas to enable employees across the Group to benefit from an academic qualification and/or internal courses of study at any establishment in the Group.

In support of the University's wilful institutional building agenda a number of strategic appointments were made during the financial year. These included: Assistant Vice Chancellor (Transformation); Pro Vice Chancellor (Widening Participation); Executive Director (Strategic Planning); Executive Director (Development Office); Executive Director (Marketing Communications); and Director for Jobs for Students.

The University promotes equality, diversity and inclusion. A key theme this year has been to develop further our approach to support the mental health of our staff and students. As examples, further investment have been made in the number of staff working in our Life Lounge and a new three tier training intervention to raise cross institutional awareness is in the pipeline. The Gender Pay Gap Report for 2018 was published in 2019 (mean Gender Pay Gap of 14.1% and Median Pay Gap of 6.9%). The data published showed the gap had reduced compared to the previous year and was broadly in line with the rest of the sector. To ensure effective organisational functioning and performance, the University monitors performance of its staff based on a set of KPIs as follows:

- Labour turnover at or lower than the sector average of 8.4% - for the year ending 31st July 2019 this was 7.81% (i.e. below target)
- Average days lost due to sickness absence at, or lower than, sector average of 6 days - for the year ending 31st July 2019 this was 6.66 days (i.e. slightly above target – due to the impact of number of long- term sick cases).
- HR staff costs per University employee are no higher than the sector average of £578 – as published in the 2018 DLA Piper HR Performance Indicators Scorecard, the cost for the University was £521 and therefore below the sector average.
- Staff and student ratio to be in line with sector average (2017-18: 14.2 compared to sector median 15.5)
- Total staff costs as a percentage of the University turnover with sector average (2017-18: 54.6% compared to sector average 53.2%).

The University has a Remuneration Committee with expertise in senior remuneration and is committed to the HE Senior Staff Remuneration Code and its key principles. Looking ahead with the review and development of the Strategic Plan 2020-2025 in mind, the linked refresh of the aligned HR Strategy and IIP taking place during the next financial period will ensure that staff are at the forefront of the University developments. This is to ensure that we continue to enhance our position and deliver positive outcomes for our students in an increasingly challenging and competitive environment.

Financial

The University has for the 14th year running reported an operating surplus. In this case, £771,000 (2018: £231,000) (on a historical cost basis) which is equal to 1.3% (2018: 0.4%) of turnover in the year.

The Group has reported an operating deficit. In this case, £5,750,000 (2018: £nil) (on a historical cost basis) which is equal to 6.7% (2018: .0%) of turnover in the year. This has arisen from recognising in full the fair value of the net assets transferred into the group from the acquisitions of the College and the Anderton Centre, and the impact of the 'McCloud' judgement on the FRS17 Defined Benefit Pension Scheme.

Key Performance Indicators (KPIs)

The Group and University measure 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 Group's and 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 ability to continue to attract and retain students on our campuses, and develop other income in a highly competitive and rapidly changing international market place for higher education.

The Group and 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 £9,250 pa (2018: £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

	2018-19		2017-18	
	Group	University	Group	University
Income	86,068	61,078	53,127	53,127
Expenditure	83,995	59,281	52,623	52,623
Surplus / (Deficit) before FRS17	2,073	1,797	504	504
Defined Benefit Pension Scheme Adjustment under FRS17	(3,363)	(2,157)	(1,556)	(1,556)
Surplus / (Deficit) after FRS17	(1,290)	(360)	(1,052)	(1,052)
Loss on Disposal of Assets	(2,619)	(2,610)	0	0
Loss on Transfer of Assets	(5,380)	0	0	0
Impairment of Assets	(202)	0	0	0
Surplus / (Deficit) for Year	(9,491)	(2,970)	(1,052)	(1,052)
Release from Capital Reserve	3,741	3,741	1,283	1,283
Historical Cost Surplus / (Deficit)	(5,750)	771	231	231
Historical Cost Surplus / (Deficit) as percentage of Income	(6.7%)	1.3%	0.4%	0.4%

Operating Surplus / (Deficit)

The University operating (deficit) / surplus was (£2,970,000) (2018: £1,052,000)

The Group operating (deficit) / surplus was (£9,491,000) (2018: £1,052,000).

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 £3,665,000 in 2018-19. This target was achieved during 2006-07 and has been maintained (in fact considerably exceeded) since then. At 31 July 2019 the cash balance was £19,354,000 as shown in the Statement of Financial Position on page 55 of the Financial Statements.

There was a net inflow of cash in 2018-19, mainly arising from Operating Activities. The University's cash balances remain significantly ahead of the target set in the financial strategy.

University

Liquidity Ratios	2018-19	2017-18	2016-17
External Borrowing as % of Income	0.0%	0.0%	2.3%
Net Cash Flow from Operations as % of Income	5.9%	4.6%	5.9%
Net Liquidity	127 days	110 days	133 days

Group

Liquidity Ratios	<u>2018-19</u>	<u>2017-18</u>
External Borrowing as % of Income	11.6%	0%
Net Cash Flow from Operations as % of Income	5.9%	4.6%
Net Liquidity	96 days	110 days

Reserves

At 31 July 2019 the University's Income & Expenditure Account reserves amounted to £36,820,000 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. At 31 July 2019 the Group's Income & Expenditure Account reserves amounted to £38,143,000 before the impact of the Defined Benefit Pension Schemes Adjustments under FRS 102.

Borrowings

The University's has no current borrowings the finance leases in respect of the two Halls of Residence were discharged during 2018. The Group's long-term debt relate to the College (£9,948,000 outstanding borrowings in respect of building works), and the Anderton Centre (£63,000 outstanding on a finance lease in respect of a biomass generator).

Sustainability

There have been several factors bearing upon 2018-19 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.

Public Benefit

The University of Bolton, as a higher education corporation, is a statutory body established under the provisions of the Education Reform Act 1988 and benefits from charitable status as an exempt charity. It is an exempt charity within the definition of the Charities Act 2011 and its principal regulator is the Office for Students (OfS). 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. They continue to keep this statement under review, and consider that the University is fully compliant with that guidance. All new Governors are provided with an induction programme to ensure they are aware of the University's obligations as an exempt charity, the requirements for serious incident reporting and their obligations as charitable trustees. A serious incident reporting procedure is in place, and during 2018-19 no serious incidents or incidents of harm to beneficiaries were reported within the University. The Board of Governors is not aware of any activity which would cause harm to the University's beneficiaries. The University has had particular regard to the requirements of the Prevent duty.



Anderton Centre in Chorley

The University's core charitable purpose is the advancement of education. In addition, the University also makes a significant contribution to the following charitable purposes: a) The advancement of health or the saving of lives, b) The advancement of citizenship or community development, c) The advancement of the arts, culture, heritage or science, d) The promotion of equality and diversity and e) The advancement of environmental protection or improvement. 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:

Advancement of education: The sections above demonstrate the University's commitment to Learning, Teaching, Knowledge Exchange and Research; and to providing socially inclusive and life enhancing opportunities to our students, regardless of background. Whilst the primary beneficiaries are the students, its activities also benefit society at large. In 2018-19, the University produced 2109 graduates, of which 393 were postgraduate and 1716 undergraduate, most of whom will then go on to make a higher-level contribution to the economy and society. Over 85% of those in employment remain in local area.

The mission and population characteristics of Bolton College are synonymous with those of the University, offering programmes to both 16-18 year olds, as well as adults. The Anderton Centre delivers outdoor and teambuilding activities. The University sponsors the Bolton UTC and is in a strategic alliance with local apprenticeship provider, Alliance Learning, as one of its three core members. The University is also committed to working collaboratively with other HEIs, third sector organisations and employers in the region through the Greater Manchester Higher Partnership to raise awareness of, and encourage progression to, the full range of Higher Education opportunities. Surpluses generated by the University are re-invested solely for the benefit of students, the wider University and local community.

Advancement of health or the saving of lives: The University's educational provision in Health has undergone rapid expansion. This now includes Nursing, Social Work, Operating Department Practitioner (ODP), Midwifery, Sports Rehabilitation, Physician Associate, Advanced Practitioners, Physiotherapy, etc. The University has been highly flexible and adaptive to the changes and requirements of the Healthcare sector, responding rapidly to meet workforce needs. In addition, the University's Centre for Dental Sciences is England's only university-based department awarding and delivering Dental Technology courses in Higher Education, offering placement and work-based learning within a substantive on-site integrated commercial laboratory.



Nursing student Anthony Lennon was honoured for his commitment and talent during his placement by the Manchester Royal Infirmary emergency department

As highlighted earlier, the University Group is at an advanced stage of developing the new Bolton College of Medical Sciences. This state of the art learning infrastructure development is underway in collaboration with Bolton NHS Foundation Trust, Bolton Council, and the Greater Manchester Combined Authority. This £30m development will serve the learning needs of students in both Further Education and Higher Education creating skilled work force for the healthcare sector in region.

Advancement of citizenship or community development: The University is a civic university and is an anchor institution in its local region. It works with a range of local voluntary agencies and charities such as Bolton at Home, Octagon Theatre and Bolton Rotary Club, to help create equality of opportunity and community cohesion in Bolton and beyond. It is a patron of the Bolton Lads and Girls Club, a local charity that provides a wide range of sporting, arts, mentoring and community outreach opportunities for young people, many of whom come from disadvantaged backgrounds, and which celebrated its 130th anniversary in 2019.



Bolton One is a state-of-the-art Health, Leisure and Research Centre built and run in collaboration with the Local Council and NHS. It is being used to maximum capacity with significant positive impact on student learning, experience and satisfaction and on the wellbeing of local communities. Student volunteering projects also contribute to the community development. For example, one group of students is working in partnership with Greater Manchester Police to be trained to work in local communities to deliver Restorative Justice; it aims to support the victims of crime and the offenders so the two parties can come together. Another group is helping to improve the mental health of children in the North West through The Hummingbird Project which aims to give them confidence in themselves by using positive psychology to help them cope with issues they will encounter throughout their lives.

The advancement of the arts, culture, heritage or science

Creative Technologies are a particular area of strength of the University, with staff who have especially strong professional backgrounds. We are at the forefront of the cutting-edge of this UK's fastest growing sector with prominent industry links to blue-chip software developers, games studios, award-winning SVFX studios and BAFTA-nominated designers in the UK, Europe and beyond.

The School of Art has been working in partnership with Network Rail and others to create a gallery and to transform the local Station into a thriving community hub involving young people in a range of arts projects. It has strong links with the Octagon Theatre, and has been involved in several productions whilst the Theatre has been undergoing a period of renovation and so performing in different venues. It also has strong partnerships with renowned organisations such as Backstage Academy in Live Events and Shockout Arts in Dance, with whom a new Performing Arts programme has been launched.



Special Effects student Patricia Bielby won The Twins FX WOW Factor Award at New Blades, the top UK industry special effects recruitment fair; and alumni Mark Scullion and Sharleigh Wood won Royal Television Society NW Award for Best Factual



Creative Writing Lecturer Ed Edwards's Play, The Political History of Smack and Crack was described as 'possibly the best thing' at the Edinburgh Fringe Festival by 'The Stage'



Emeritus Professor Subbiyan Rajendran was presented with The Textile Institute S G Smith Memorial Medal for the furtherance of scientific knowledge of fibrous and biomedical materials, awarded to only 36 scientists since 1964

The Institute for Materials Research and Innovation (IMRI) is internationally known for its strong applied materials science and engineering applications through the development of new, designer and novel smart and multifunctional materials (fibres, fabrics, films, foams and particles) at nano and micro levels, as well as associated processing technologies.

The promotion of Equality and Diversity: Inclusiveness is core to all the University's activities. For example, the University's Learning, Teaching and Assessment Strategy, which has been under development during 2018-19, identifies that the University is committed to a higher education experience that offers equality of opportunity, promotes diversity and champions social mobility. It continues that the University is proud of the high level of diversity of our people, our programmes and our global partnerships aim to offer a stretching, inclusive and nurturing learning and teaching environment. Our vision is to have a diverse and inclusive, whole-of-institution learning culture that encourages staff and students alike to embrace the values of active citizenship.

The University has a wide range of data which demonstrates that it is already highly successful in attracting one of the most socially inclusive student populations of any HEI in the country. For example, in 2017-18, full-time BAME students 38.8% (national position 31.1%); part-time BAME 19% (national position 14.6%); full-time mature students 54.5% (27.8% nationally); part-time 92% mature (87.4% nationally); full-time students in Polar 4 quintiles 1 & 2 is 45% (national position 27.7%); disabled 17.3% (14.6% nationally). Regarding the Staff population of the University, the University performs above sector average for the percentage of female staff, BME staff and disabled staff in both academic and professional categories, as measured by the DLA Piper HR Benchmark (WPI).

The advancement of environmental protection or improvement: The University continues to make progress on Environmental Sustainability by promoting and improving the efficient utilisation of resources including energy consumption; water consumption; procuring material from renewable sources; and responsible materials disposal including reducing waste and promoting recycling and reuse wherever possible. Solar PV has been fitted to supply approximately 15% of the energy requirement for the University's Motorsports Engineering building. Old lighting fittings are being replaced by energy saving LED and old bulbs and tubes are sent to recycle rather than waste. All paper procured is produced from a sustainable forest and several trees have been planted on campus under the Trees for Cities Scheme. Multi-Functional Devices operate on a print and pull basis, only printing when the machine is attended thus saving paper and power, and single use plastic has been reduced by the introduction of plumbed water fountains across the estate.



Richard Greenwood, Chief Executive of Radic8 (A Bolton based Clean Air Tech firm) and Dr Kondal Reddy Kandadi, Deputy Vice-Chancellor of the University of Bolton launching a collaborative partnership in July 2019

During 2018-19, the University has established the Clean Air Technologies Centre (CATCE). This is an innovative collaboration between the University and Radic8, a leading provider of clean air technologies based in Bolton. The centre involves academics working across the University in the fields of engineering, health and wellbeing, maths, biomedical sciences, creative technologies and business. They will work on innovating, collaborating, qualifying and commercialising clean air technologies to combat air pollution indoors and outdoors.

Future Prospects and developments

The overall external Higher Education environment remains in transition with a number of factors, including major socio-political and economic complexities potentially arising from Brexit. Higher Education 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; intensifying competition for recruiting students; and, ever-expanding new regulatory conditions. The University continues to closely monitor, and engage with, the emerging policy context as the political landscape unfolds. It is unclear at this stage what, if any, recommendations from the Augar Review will be taken forward, including changes to fees. The University is, however, well-placed to take advantage of any opportunities arising, given its unique relationship with Bolton College and a strategic partnership with Alliance Learning.

The University will continue its strategic focus and efforts on the implementation of its core transformation agenda towards a world-class Teaching Intensive, Research Informed (TIRI) institution, while building high quality research that directly contributes to the core teaching and prepare for the Research Excellence Framework (REF 2021). In the 2019-20 academic year, we will further strengthen and intensify the deployment of beneficial approaches to student experience, progression, retention, graduate employability, and overall student success. Based on the recent improvements in institutional capacity and capability in the Employment Team, the University will aim to achieve a positive step change in its graduate employment outcomes through individualised student support. The University will continue to promote teaching excellence with high standard support services and learning infrastructure to deliver the best possible teaching and student experience. The University will build further up on its continued successes in the Student Satisfaction (NSS 2017, 2018 and 2019) and Teaching Excellence Framework (TEF) Silver Award.

In a major potential boost for international recruitment for UK universities, the government has announced recently a new two-year post-study work visa, expanding opportunities for talented international students to build successful careers in the UK. This new 'Graduate' route will be open to all international students who have valid UK immigration status as a student and have successfully completed a course of study in any subject at undergraduate level or above at an approved UK Higher Education Provider. The visa will allow eligible students to work, or look for work, in any career or position of their choice, for two years after completing their studies. The University of Bolton is developing coherent plans to benefit from this positive policy by improving its international student recruitment for its on-campus UG and PG courses.

From 1 August 2019, the Office for Students (OfS) assumed its full regulatory powers through its Regulatory Framework that sets the baseline conditions all registered higher education providers must meet on an on-going basis. The Teaching Excellence and Students Outcomes Framework (TEF) has been independently reviewed, and any resulting changes will likely be in place in time for the next TEF Awards expected in 2021. In the meantime, the focus on innovation and continuous improvement of educational provision, placing the student learning experience and success centre-stage, will serve as the guiding principles for the University's ambition to be a world-class Teaching Intensive, Research Informed institution.

The University will further develop and expand its platinum undergraduate provision in Engineering, Management, Creative Technologies, and Subjects allied to Medicine, Nursing & Midwifery, 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 employment prospects.

In 2019-20, the University will initiate the development of its new five year Strategic Plan (2020-2025), as we conclude the current plan in the year. The new plan will build on the strengths of the TIRI philosophy (TIRI 2.0) while focusing on targeted investments to expand its successful Platinum Critical Mass Courses strategy (Platinum 2.0). We will continue our commitment for the development of our academic and support staff, with increased investments 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 strengthen our efforts to foster a high-performance culture across the University that 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.

The University Group, based on its successful acquisition of Bolton College and Anderton Centre, and its strategic partnership with Alliance Learning, will use the collective institutional 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. We will work towards closer integration of the acquired institutions to create a larger, stronger, and much more sustainable institution. A common mission and values, which will focus on "student learning experience and success" will guide this journey. The University Group will strive to derive the educational, social and economic returns from its strategic investments to directly benefit the students, industry and local communities.

Signed on behalf of the Board by:

The Rt Reverend Bishop N McCulloch KCVO
Chair of the Board of Governors
19 November 2019



Members of the Board of Governors:

1 August 2018 to 31 July 2019

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
Dr Harni Bharaj MD FRCP	Independent	Audit	
Mr S Conn FCA FIPA	Independent	Resources Nominations Ad Hoc	
Professor M J Leeming LLB (Hons) Her Majesty's Senior Coroner, Manchester West	Independent	Nominations Ad Hoc	To 03.01.2019
Mr A Fawcett MBA BA	Independent	Audit Ad Hoc	
Mrs K Flood MBA PgDip Management Studies HNC Total Quality Management	Independent	Ad Hoc	
Dr Uday Nayak	Independent	Nominations Ad Hoc	From 09.04.2019
Dr A Roberts EdD (Honoris Causa) FIET FRSA	Independent	Resources Remuneration Ad Hoc	
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	To 19.11.2018
Professor G E Holmes DL BSc (Hons) MBA PGCE FInstD PhD	President and Vice Chancellor	Resources Nominations	
Mrs Anna Fitzpatrick BSc (Hons) PGCE-HE MCSP Fellow HEA	Senate Member		From 09.04.2019

Members of the Board of Governors (continued)

Name	Category	Sub-Committee Membership	Note
Dr G Waugh BA (Hons) CertEd MEd PGDE (PCET) Post Grad Dip MEd MA Fellow of the Institute for Learning	Senate Member	Nominations	
Miss Boluwatife Oyesola	Students' Union President		To 30.06.2019
Mr Ansh Sachdeva	Students' Union President		From 01.07.2019
Miss Cassie Short	Student Co-opted Member (HE)		From 01.07.2019

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

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

DTE Business Advisers, The Exchange, 5 Bank Street, Bury, BL9 0DN

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 2018 – 31 July 2019 and the period up to the date of approval of the audited Financial Statements

The purpose of this statement is to provide readers of the Financial Statements of The University of Bolton with transparent information about the adequacy and effectiveness of its arrangements for corporate governance, risk management and oversight of any statutory and other regulatory responsibilities. It further incorporates a statement of the responsibilities of the Governing Body.

This statement 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 came fully into force on the 1 August 2019; however the University was 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 was known as 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 OfS's Regulatory Framework for higher education in England (first issued 28 February 2018 and fully in force on 1 August 2019) constituted under section 75 of the Higher Education and Research Act 2017 which replaced the previous regulatory framework for higher education in England which operated under part 2 of the Further and Higher Education Act 1992 and part 3 of the Higher Education Act 2004; and
- comply with the OfS's Terms and conditions of funding for higher education institutions between the OfS and institutions (published 29 March 2018 to be read in conjunction with the terms and conditions of research England grant which were effective from 1 April 2018 and applied during the transition period to 31 July 2019, and superseded HEFCE's Memorandum of Assurance and Accountability between HEFCE and institutions (2017/08)) and the OfS's Terms and conditions of funding 2019-20 (OfS 2019.12) made under section 41 of the Higher Education and Research Act 2017 which have applied thereafter; and

- 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.

In relation to the University's Prevent duty obligation, the OfS has confirmed:

- in April 2019 following consideration of the University's accountability and data return, that it had concluded the University demonstrated due regard to the Prevent duty; and
- in July 2019 following a Prevent Review Meeting convened by the OfS on the 9 July 2019, its monitoring outcome which concluded that the University had 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' university 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 is subject to the Higher Education and Research Act 2017, an Act to make provision about higher education and research; and to make provision about alternative payments to students in higher or further education.

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 University 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 19th and 20th 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.

During the relevant period, the University has expanded its breadth and reach by intentionally developing the University Group within a structured parent/subsidiary arrangement with appropriate group reporting and oversight. Following the successful completion of separate acquisition processes by the University:

- 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 by Parliamentary order 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 and exempt charity 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 College's 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.
- on the 26 March 2019, Lancashire Outdoors Activities Initiative (a registered charitable company limited by guarantee trading as the 'Anderton Centre') and its wholly owned trading (commercial) subsidiary LOAI Anderton Limited joined the 'University Group'. Located at Lower Rivington reservoir in Anderton, Lancashire, the subsidiary has a Board of Trustees which meets monthly and comprehensive minutes and action points are produced, in line with University governance committee formats; its provision consists of outdoor activities on water and land with residential and catering facilities.

Further, Eversheds Sutherland LLP incorporated on behalf of the University on the 5 June 2019 a wholly owned subsidiary, UOB Services Limited, (registered company number 12035286) to provide catering services following the successful transfer on the 1 September 2019 of the University's catering function in-house; the aim being to improve the offering, service and user experience. The transfer was covered by the Transfer of Undertakings (Protection of Employment) Regulations 2006; noting the subsidiary is a separate independent legal entity and employer.

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; and
- 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 pages 30-31. 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. The President and Vice Chancellor is a member of the University's Governing Body.

The President and Vice Chancellor, reporting to the University Governing Body, has executive oversight of the University Group and is advised by a Group Cabinet whose membership includes the relevant senior operational lead from each entity within the University Group.

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 the University, 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 of the University of Bolton

The Board of Governors comprises of up to 18 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/his 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 University) 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 are 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 University 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 academic 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 2018 to 31 July 2019 was 92%.

The **Audit Committee** formally meets at least three times throughout the academic 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 plus an external member with financial expertise, noting 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 academic 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 PricewaterhouseCoopers LLP 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. During 2018-19 this has been subsumed into a broader dashboard reflecting the General Ongoing Conditions of Registration with the Office for Students presented to these committees. 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 the 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 the 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, based on the information presented to the

Committee and including internal and external audit work, on the adequacy and effectiveness of the University's:

- risk management, control and governance arrangements;
- processes for promoting value of money through economy, efficiency and effectiveness; and
- (by virtue of the funding body support it receives) the management and quality assurance of data.

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 two 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 University when considering all forms of payment, reward and severance to the senior post holders. The Remuneration Committee has adopted, by working in accordance with, the Committee of University Chairs' ('CUC') code on 'The Higher Education Senior Staff Remuneration.

Its terms of reference are reviewed annually by the Board of Governors at their first meeting in the academic year. The Remuneration Committee is required to produce an annual remuneration report to the Governing Body which must provide sufficient assurance to the Governing Body that the Remuneration Committee has effectively discharged its responsibilities. The University also is required to publish an annual remuneration statement. Further, 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 University is provided on page 58.

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 each 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 the 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

This statement of control relates to the University's arrangements for the prevention and detection of corruption, fraud, bribery and other irregularities.

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 relevant Terms and conditions of funding for higher education institutions between the Office for Students and institutions.

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 2019 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 its 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
- its Audit Committee receives regular reports from the University's Internal Auditor, PricewaterhouseCoopers LLP, 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. PricewaterhouseCoopers LLP's annual opinion for 2018-19 concluded (based on the risk appetite and the internal audit plan agreed with the University) that the University had adequate and effective 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; further in relation to internal control, its work did not highlight any critical or high risk findings; 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 University and the separate University Group risk registers 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's 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.

The Governing Body acknowledges that it is responsible for ensuring that a sound system of internal control is maintained, and that it has reviewed the effectiveness of these arrangements during the relevant period.

Signed on behalf of the Board by:

The Rt Reverend Bishop N McCulloch KCVO
 Chair of the Board of Governors
 19 November 2019

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 to include a statement on 'corporate governance' and 'internal control' therein with a statement of 'responsibilities of the governing body'. 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 required legislation, the 2015 Statement of Recommended Practice; Accounting for Further and Higher Education and other relevant standards.

Within the terms of the OfS's Regulatory Framework for higher education in England (first issued 28 February 2018 and fully in force on 1 August 2019) constituted under section 75 of the Higher Education and Research Act 2017 which replaced the previous regulatory framework for higher education in England which operated under part 2 of the Further and Higher Education Act 1992 and part 3 of the Higher Education Act 2004, the University's ongoing conditions of registration, the OfS's Terms and conditions of funding 2019-20 (OfS 2019.12) made under section 41 of the Higher Education and Research Act 2017 and the OfS's Regulatory advice 9: Accounts direction – guidance on preparing and publishing financial statements (OfS 2018.26) informed by the OfS's Accounts direction for accounting periods beginning on or after 1 August 2019 (OfS 2019.XX), 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 the Financial Statements are not materially mis-stated and that the requirement of the relevant Accounts direction and applicable statutory requirements have been met.

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 grant and fee income are used only for activities that are eligible for funding under the terms therein and the Higher Education and Research Act 2017, 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
19 November 2019

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') and its subsidiaries (the 'Group') for the year ended 31 July 2019 which comprise the consolidated and University Statement of Comprehensive Income, the consolidated and University Statement of Changes in Reserves, the consolidated and University Statement of Financial Position, the consolidated 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) and the Statement of Recommended Practice – Accounting for Further and Higher Education.

In our opinion, the financial statements:

- give a true and fair view of the state of the Group's and University's affairs as at 31 July 2019 and of the Group's and University's income and expenditure, gains and losses, changes in reserves and cash flows for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- 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 Group and 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 Group's and 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 (OfS) Regulatory Advice 9: Accounts Direction

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 the OfS and Research England have been applied in accordance with the relevant terms and conditions.
- The requirements of the OfS's Accounts Direction have been met.

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 42, 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 Group's and 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 Group or 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. 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 2019

1. General information

The University of Bolton is registered with the Office for Students in England. The address of the registered office is: Deane Road, Bolton, BL3 5AB.

2. Statement of compliance

The Consolidated and University financial statements have been prepared in accordance with United Kingdom Accounting Standards, including Financial Reporting Standard 102 (FRS 102) and the Statement of Recommended Practice (SORP): Accounting for Further and Higher Education issued in 2015. They have also been prepared in accordance with the 'carried forward' powers and duties of previous legislation (Further and Higher Education Act 1992 and the Higher Education Act 2004) and the new powers of the Higher Education and Research Act 2017 during the transition period to 31 July 2019, the Royal Charter, the Accounts Direction issued by the Office for Students (OfS), the Terms and conditions of funding for higher education Institutions issued by the Office for Students and the Terms and conditions of Research England Grant.

The University is a public benefit entity and therefore has applied the relevant public benefit requirement of the applicable UK laws and accounting standards.

3. Basis of preparation

The Consolidated and University financial statements have been prepared under the historical cost convention (modified by the revaluation of certain financial assets and liabilities at fair value).

The University's activities, together with the factors likely to affect its future development, performance and position, are set out in the annual report which forms part of the Board of Governors' Report. The Board of Governors' Report also describes the financial position of the University, its cash flows, liquidity position and borrowing facilities. The Board of Governors has a reasonable expectation that the University has adequate resources to continue in operational existence for the foreseeable future. Thus it continues to adopt the going concern basis of accounting in preparing the annual financial statements.

The financial statements are prepared in sterling which is the functional currency of the group and rounded to the nearest £'000.

4. Exemptions under FRS 102

The University has taken the exemption under section 3.3 of the SORP (1.12(b) of FRS 102) to not produce a cash flow statement for the University in its separate financial statements.

5. Basis of consolidation

The consolidated financial statements include the financial statements of the University and all its subsidiaries for the financial year to 31 July 2019.

The results of subsidiaries acquired or disposed of during the period are included in the consolidated statement of comprehensive income from the date of acquisition or up to the date of disposal. Intra-group transactions are eliminated on consolidation.

Gains or losses on any intra-group transactions are eliminated in full. Amounts in relation to debts and claims between undertakings included in the consolidation are also eliminated. Normal trading transactions that are not settled by the balance sheet date are included as current assets or liabilities. Any gains or losses are included in the carrying amount of assets of either entity, the part relating to the University's share is eliminated.

The consolidated financial statements do not include the Students' Union as the University does not exert control or 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.

Statement of Principal Accounting Policies (continued)

6. Income recognition

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

Tuition fee income is stated gross of any expenditure which is not a discount and credited to the Consolidated Statement of Comprehensive Income 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. Education contracts are recognised when the University is entitled to the income, which is the period in which students are studying, or where relevant, when performance conditions have been met.

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 in the Statement of Financial Position 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 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.

Donations of tangible assets are included within income. The income recognised is valued using a reasonable estimate of their gross value or the amount actually realised.

Donated tangible assets are valued and accounted for as tangible assets under the appropriate asset category.

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.

Statement of Principal Accounting Policies (continued)

7. 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 2019. 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.

Multi-employer schemes

Where the University is unable to identify its share of the underlying assets and liabilities in a multi-employer scheme on a reasonable and consistent basis, it accounts as if the scheme were a defined contribution scheme. Where the University has entered into an agreement with such a multi-employer scheme that determines how the University will contribute to a deficit recovery plan, the University recognizes a liability for the contributions payable that arise from the agreement, to the extent that they relate to the deficit, and the resulting expense is recognised in expenditure.

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 net liability is recognised in the balance sheet in respect of each scheme and is the present value of the defined benefit obligation at the reporting date less the fair value of the plan assets at the reporting date.

The group should recognise a liability for its obligations under defined benefit plans net of plan assets. This net defined benefit liability is measured as the estimated amount of benefit that employees have earned in return for their service in the current and prior periods, discounted to determine its present value, less the fair value (at bid price) of plan assets. The calculation is performed by a qualified actuary using the projected unit credit method. Where the calculation results in a net asset, recognition of the asset is limited to the extent to which the University is able to recover the surplus either through reduced contributions in the future or through refunds from the plan.

Annually the University engages independent actuaries to calculate the obligation for each scheme. The present value is determined by discounting the estimated future payments at a discount rate based on market yields on high quality corporate bonds denominated in sterling with terms approximating to the estimated period of the future payments. The fair value of a scheme's assets is measured in accordance with the FRS 102 fair value hierarchy and in accordance with the University's policy for similarly held assets. This includes the use of appropriate valuation techniques. Actuarial gains and losses arising from experience adjustments and changes in actuarial assumptions are charged or credited to other comprehensive income. These amounts together with the return on plan assets, less amounts included in net interest, are disclosed as actuarial gains and losses. The cost of the defined benefit plan, recognised in expenditure as staff costs, except where included in the cost of an asset, comprises the increase in pension benefit liability arising from employee service during the period and the cost of plan introductions, benefit changes, curtailments, and settlements. The net interest cost is calculated by applying the discount rate to the net liability. This cost is recognised in expenditure as a finance cost.

Further detail is provided on the specific pension schemes in note 27 to the accounts.

Statement of Principal Accounting Policies (continued)

8. 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.

9. 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.

10. 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.

11. Foreign currency

Transactions in foreign currencies are translated to the respective functional currencies of the group entities at the foreign exchange rate ruling at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies at the reporting 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.

12. Tangible 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 capitalised at cost on initial recognition.

After initial recognition land and buildings are measured using the revaluation model. Under the revaluation model, assets are revalued to fair value with movements recognised in other comprehensive income. 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.

Depreciation methods, useful lives and residual values are reviewed at the date of preparation of each Statement of Financial Position.

Statement of Principal Accounting Policies (continued)

Equipment

Equipment is capitalised at cost on initial recognition and then subsequently at cost less accumulated depreciation and accumulated impairment losses.

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 Statement of Financial Position.

Impairment

A review for impairment of property, plant and equipment is carried out if events or changes in circumstances indicate that the carrying amount of the property, plant and equipment may not be recoverable.

Borrowing costs

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

Assets held for sale

Tangible fixed assets are transferred to current assets and are held at their estimated sales value, if their carrying value will be recovered via a sale transaction rather than continuing use. This condition is regarded as met only when the sale is highly probable and the asset is available for immediate sale in its present condition. Management must be committed to the sale which should be expected to qualify for recognition as a completed sale within one year from the date of classification.

13. Intangible assets and goodwill

Intangible assets are initially recognised at cost and amortise over useful economic life of no more than 3 years. Adjustments may be made to the asset value should a business combination occur. At each reporting date the University will assess whether there is any indication of impairment. If such indication exists, the recoverable amount of the asset is determined which is the higher of its fair value less costs to sell and its value in use. An impairment loss is recognised where the carrying amount exceeds the recoverable amount. If such indication exists, an impairment loss will be recognised.

14. 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 separate financial statement.

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

15. Stock

Stock is held at the lower of cost and net realisable value, and is measured using the first in first methodology.

Statement of Principal Accounting Policies (continued)

16. 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 (maturity being less than three months from the placement date), highly liquid investments that are readily convertible to known amounts of cash with insignificant risk of change in value.

17. 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 Statement of Financial Position but are disclosed in the notes.

18. Taxation

The University and its wholly owned subsidiary, Bolton College are exempt charities within the meaning of Part 3 of the Charities Act 2011. They are therefore charities within the meaning of Para 1 of schedule 6 to the Finance Act 2010 and accordingly, the University and Bolton College are 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.

Another wholly owned subsidiary of the University, Lancashire Outdoor Activities Initiative is a registered charity and as such, benefits from Corporation Tax exemption on its charitable activities.

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

The University's other subsidiary companies are subject to Corporation Tax and VAT in the same way as any commercial organisation. However, no provision has been made for deferred tax on the grounds that the taxable profits of the subsidiary companies are gift-aided back to its charitable parent.

19. Financial Instruments

The University has elected to adopt Sections 11 and 12 of FRS 102 in respect of the recognition, measurement, and disclosure of financial instruments. Financial assets and liabilities are recognised when the University becomes party to the contractual provision of the instrument and they are classified according to the substance of the contractual arrangements entered into. All of the University's financial instruments are classified as 'basic' in accordance with section 11 of FRS102.

A financial asset and a financial liability are offset only when there is a legally enforceable right to set off the recognised amounts and an intention either to settle on a net basis, or to realise the asset and settle the liability simultaneously.

Statement of Principal Accounting Policies (continued)

Financial assets

Basic financial assets include trade and other receivables, cash and cash equivalents, and investments in commercial paper (i.e. deposits and bonds). These assets are initially recognised at transaction price unless the arrangement constitutes a financing transaction, where the transaction is measured at the present value of the future receipts discounted at a market rate of interest. Such assets are subsequently carried at amortised cost using the effective interest rate method. Financial assets are assessed for indicators of impairment at each reporting date. If there is objective evidence of impairment, an impairment loss is recognised in the statement of comprehensive income.

For financial assets carried at amortised cost the impairment loss is the difference between the carrying amount of the asset and the present value of the estimated future cash flows, discounted at the asset's original effective interest rate.

Other financial assets, including investments in equity instruments which are not subsidiaries, associates, or joint ventures are initially measured at fair value, which is typically the transaction price. These assets are subsequently carried at fair value and changes in fair value at the reporting date are recognised in the statement of comprehensive income. Where the investment in equity instruments are not publicly traded and where the fair value cannot be reliably measured the assets are measured at cost less impairment.

Financial assets are de-recognised when the contractual rights to the cash flows from the asset expire or are settled or substantially all of the risks and rewards of the ownership of the asset are transferred to another party.

Financial liabilities

Basic financial liabilities include trade and other payables, bank loans, and intra-group loans. These liabilities are initially recognised at transaction price unless the arrangement constitutes a financing transaction, where the debt instrument is measured at the present value of the future payments discounted at a market rate of interest. Debt instruments are subsequently carried at amortised cost using the effective interest rate method.

Fees paid on the establishment of loan facilities are recognised as transaction costs of the loan to the extent that it is probable that some or all of the facility will be drawn down.

Trade payables are obligations to pay for goods and services that have been acquired in the ordinary course of business from suppliers. Accounts payable are classified as current liabilities if payment is due within one year or less. If not, they are presented as non-current liabilities. Trade payables are recognised initially at transaction price and subsequently measured at amortised cost using the effective interest rate method.

Financial liabilities are de-recognised when the liability is discharged, cancelled, or expires.

20. 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.

21. Significant estimates and judgements

The preparation of the University's financial statements requires management to make judgements, estimates, and assumptions that affect the application of accounting policies and reported amounts of assets and liabilities, income, and expenses. These judgements, estimates, and associated assumptions are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. The resulting accounting estimates will, by definition, seldom equal the related actual results.

Management consider the areas set out below to be those where significant accounting judgements have been applied and the resulting estimates and assumptions may lead to adjustments to the future carrying amounts of assets and liabilities:

Income recognition - Judgement is applied in determining the value and timing of certain income items to be recognised in the financial statements. This includes determining when performance related conditions have been met, and determining the revenues associated with partially delivered courses and training where the activities have not been fully completed at the reporting date.

Statement of Principal Accounting Policies (continued)

Useful lives of property, plant and equipment - Property, plant and equipment represent a significant proportion of the University's total assets. Therefore, the estimated useful lives can have a significant impact on the depreciation charged and the University's reported performance. Useful lives are determined at the time the asset is acquired and reviewed regularly for appropriateness. The lives are based on historical experience with similar assets as well as anticipation of future events. Details of the carrying values of property, plant and equipment are shown in note 11.

Recoverability of debtors - The provision for doubtful debts is based on our estimate of the expected recoverability of those debts. Assumptions are made based on the level of debtors which have defaulted historically, coupled with current economic knowledge. The provision is based on the current situation of the customer, the age profile of the debt and the nature of the amount due.

Retirement benefit obligations - The cost of defined benefit pension plans are determined using actuarial valuations. The actuarial valuation involves making assumptions about discount rates, future salary increases, mortality rates and future pension increases. Due to the complexity of the valuation, the underlying assumptions and the long term nature of these plans, such estimates are subject to significant uncertainty. Further details are given in note 27.

Management are satisfied that Universities Superannuation Scheme meets the definition of a multi-employer scheme and has therefore recognised the discounted fair value of the contractual contributions under the funding plan in existence at the date of approving the financial statements.

As the University is contractually bound to make deficit recovery payments to USS, this is recognised as a liability on the balance sheet. The provision is currently based on the USS deficit recovery plan agreed after the 2017 actuarial valuation, which defines the deficit payment required as a percentage of future salaries until 2035. These contributions will be reassessed within each triennial valuation of the scheme. The provision is based on management's estimate of expected future salary inflations, changes in staff numbers and the prevailing rate of discount. Further details are set out in note 27.

Provisions – Management apply judgements to arrive at the best estimate for any obligation require. The amount recognised as a provision is management's best estimate of the present value of the amount required to settle the obligation.

The University of Bolton Group
Consolidated and University Statement of Comprehensive Income
Year Ended 31 July 2019

	Notes	Year ended 31 July 2019		Year ended 31 July 2018	
		Consolidated	University	Consolidated	University
		£'000	£'000	£'000	£'000
Income					
Tuition fees and education contracts	1	54,122	50,384	44,395	44,395
Funding body grants	2	24,645	4,324	4,316	4,316
Research grants and contracts	3	444	444	405	405
Other income	4	6,747	5,826	3,933	3,933
Investment income	5	87	87	60	60
Donations and endowments	6	23	13	18	18
Total income		86,068	61,078	53,127	53,127
Expenditure					
Staff costs	7	49,448	32,872	29,834	29,834
Fundamental restructuring costs	7,9	49	45	539	539
Other operating expenses		31,647	24,721	20,024	20,024
Depreciation	11	5,062	3,505	3,339	3,339
Interest and other finance costs	8	1,152	295	443	443
Total expenditure	9	87,358	61,438	54,179	54,179
Surplus/(deficit) before other gains/(losses) and share of surplus/(deficit) of joint ventures and associates:		(1,290)	(360)	(1,052)	(1,052)
(Loss) on disposal of tangible assets	11	(2,619)	(2,610)	-	-
Net Assets Transferred	12	(5,380)	-	-	-
Impairment of tangible fixed assets	11	(202)	-	-	-
Surplus / (Deficit) before tax		(9,491)	(2,970)	(1,052)	(1,052)
Taxation		-	-	-	-
Surplus / (Deficit) for the year		(9,491)	(2,970)	(1,052)	(1,052)
Other comprehensive income					
Unrealised surplus on revaluation of tangible assets	11	4,617	163	-	-
Actuarial (loss)/gain in respect of pension schemes	27	(8,791)	(5,568)	6,871	6,871
Total comprehensive income for the year		(13,665)	(8,375)	5,819	5,819
Represented by:					
Endowment comprehensive income for the year		1	1	1	1
Restricted comprehensive income for the year		11	1	1	1
Unrestricted comprehensive income for the year		(14,553)	(4,799)	8,300	8,300
Revaluation reserve comprehensive income for the year		876	(3,578)	(2,483)	(2,483)
Attributable to the Institution		(13,665)	(8,375)	5,819	5,819
Attributable to the non-controlling interest		-	-	-	-
		(13,665)	(8,375)	5,819	5,819
Surplus for the year attributable to:					
Non-controlling interest		-	-	-	-
University		(9,491)	(2,970)	(1,052)	(1,052)

All items of income and expenditure relate to continuing activities.

The accompanying notes and policies on pages 57 to 79 form part of these financial statements.

The University of Bolton Group
Consolidated and University Statement of Changes in Reserves
Year ended 31 July 2019

Consolidated	Income and expenditure reserve			Revaluation reserve	Total
	Endowment £'000	Restricted £'000	Unrestricted £'000	£'000	£'000
Balance at 1 August 2017	197	83	15,785	36,518	52,583
Surplus/(deficit) for the year	1	1	(1,054)	-	(1,052)
Other comprehensive income	-	-	6,871	-	6,871
Transfers between revaluation and income and expenditure reserve	-	-	2,483	(2,483)	-
Release of endowment and restricted capital funds spent in year	-	-	-	-	-
Total comprehensive income for the year	1	1	8,300	(2,483)	5,819
Balance at 1 August 2018	198	84	24,085	34,035	58,402
Surplus/(deficit) for the year	1	11	(9,503)	-	(9,491)
Other comprehensive income	-	-	(8,791)	4,617	(4,174)
Transfers between revaluation and income and expenditure reserve	-	-	3,741	(3,741)	-
Release of endowment and restricted capital funds spent in year	-	-	-	-	-
Total comprehensive income for the year	1	11	(14,553)	876	(13,665)
Balance at 31 July 2019	199	95	9,532	34,911	44,737

University	Income and expenditure reserve			Revaluation reserve	Total
	Endowment £'000	Restricted £'000	Unrestricted £'000	£'000	£'000
Balance at 1 August 2017	197	83	15,785	36,518	52,583
Surplus/(deficit) for the year	1	1	(1,054)	-	(1,052)
Other comprehensive income	-	-	6,871	-	6,871
Transfers between revaluation and income and expenditure reserve	-	-	2,483	(2,483)	-
Release of endowment and restricted capital funds spent in year	-	-	-	-	-
Total comprehensive income for the year	1	1	8,300	(2,483)	5,819
Balance at 1 August 2018	198	84	24,085	34,035	58,402
Surplus/(deficit) for the year	1	1	(2,972)	-	(2,970)
Other comprehensive income	-	-	(5,568)	163	(5,405)
Transfers between revaluation and income and expenditure reserve	-	-	3,741	(3,741)	-
Release of endowment and restricted capital funds spent in year	-	-	-	-	-
Total comprehensive income for the year	1	1	(4,799)	(3,578)	(8,375)
Balance at 31 July 2019	199	85	19,286	30,457	50,027

The University of Bolton Group
Consolidated and University Statement of Financial Position

	Notes	As at 31 July 2019		As at 31 July 2018	
		Consolidated £'000	University £'000	Consolidated £'000	University £'000
Non-current assets					
Intangible assets	10	152	-	-	-
Tangible assets	11	126,451	71,384	83,404	83,404
Investments	12	656	550	-	-
		127,259	71,934	83,404	83,404
Current assets					
Stock	13	21	-	-	-
Debtors > 1 year	14	5,707	5,707	-	-
Trade and other receivables	15	5,171	3,683	3,077	3,077
Cash and cash equivalents	22	20,759	19,354	14,871	14,871
		31,658	28,744	17,948	17,948
Less: Creditors; amounts falling due within one year	16	(16,836)	(13,342)	(13,501)	(13,501)
Net current (liabilities)/assets		14,822	15,402	4,447	4,447
Total assets less current liabilities		142,081	87,336	87,851	87,851
Creditors: amounts falling due after more than one year	17	(63,739)	(17,657)	(17,383)	(17,383)
Provisions					
Pension provisions	19, 27	(33,559)	(19,606)	(11,997)	(11,997)
Other provisions	19	(46)	(46)	(69)	(69)
Total net assets		44,737	50,027	58,402	58,402
Restricted Reserves					
Income and expenditure reserve - endowment reserve	20	199	199	198	198
Income and expenditure reserve - restricted reserve	21	95	85	84	84
Unrestricted Reserves					
Income and expenditure reserve - unrestricted		9,532	19,286	24,085	24,085
Revaluation reserve		34,911	30,457	34,035	34,035
		44,737	50,027	58,402	58,402
Non-controlling interest		-	-	-	-
Total Reserves		44,737	50,027	58,402	58,402

The Financial Statements were approved by the Board of Governors on 19 November 2019 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

The University of Bolton Group
Consolidated Statement of Cash Flows
Year ended 31 July 2019

	Notes	Year ended 31 July 2019 £'000	Year ended 31 July 2018 £'000
Cash flow from operating activities			
Surplus for the year before tax		(9,491)	(1,052)
Adjustment for non-cash items			
Depreciation	11	5,062	3,339
Impairment of assets	11	202	-
Decrease/(increase) in stock	13	8	-
Decrease/(increase) in debtors	15	12	(1,832)
Increase/(decrease) in creditors	16	(836)	1,675
Increase/(decrease) in pension provision	19	3,366	1,410
(Decrease)/increase in other provisions	19	(23)	(207)
Adjustment for investing or financing activities			
Investment income	5	(87)	(58)
Interest payable	8	658	20
Endowment income	5	(13)	(2)
(Gain)/loss on the sale of tangible assets	11	2,619	(3)
Net Assets Transferred		5,380	-
Capital grant income		(1,732)	(825)
Cash flows from operating activities		5,125	2,465
Taxation		-	-
Net cash inflow from operating activities		5,125	2,465
Cash flows from investing activities			
Proceeds from sales of tangible assets		3,001	1,227
Capital grants receipts		884	246
Non-current investment disposal		1,597	-
Investment income		100	96
Payments made to acquire tangible assets		(2,973)	(5,025)
Payments made to acquire intangible assets		(152)	-
Non-current investment acquisitions		(655)	-
		1,802	(3,456)
Cash flows from financing activities			
Interest paid		(656)	-
Interest element of finance lease and service concession payments		(2)	(20)
Repayments of amounts borrowed		(373)	-
Capital element of finance lease and service concession payments		(8)	(1,150)
		(1,039)	(1,170)
(Decrease)/increase in cash and cash equivalents in the year		5,888	(2,161)
Cash and cash equivalents at beginning of the year	22	14,871	17,032
Exchange losses on cash and cash equivalents		-	-
Cash and cash equivalents at end of the year	22	20,759	14,871

Notes to the financial statements

	Notes	Year Ended 31 July 2019		Year Ended 31 July 2018	
		Consolidated £'000	University £'000	Consolidated £'000	University £'000
1 Tuition fees and education contracts					
Full-time home and EU students		40,268	40,065	35,459	35,459
Full-time international students		4,662	4,662	3,711	3,711
Part-time students		9,192	5,657	5,225	5,225
		54,122	50,384	44,395	44,395
2 Funding body grants					
Recurrent grant					
Office for Students		2,907	2,766	3,335	3,335
Research England		476	476	-	-
Education and Skills Funding Agency		18,524	-	40	40
Capital grant		834	834	725	725
Specific grants					
Education and Skills Funding Agency		870	-	-	-
Capital grant		1,034	248	216	216
		24,645	4,324	4,316	4,316
3 Research grants and contracts					
Research councils			-	15	15
Research charities		17	17	18	18
Government (UK and overseas)		253	253	242	242
Industry and commerce		155	155	128	128
Other		19	19	2	2
		444	444	405	405
4 Other income					
Residences, catering and conferences		1,674	1,566	1,513	1,513
Other revenue grants		431	49	48	48
Other capital grants		112	100	100	100
Other income		4,530	4,111	2,272	2,272
		6,747	5,826	3,933	3,933
5 Investment income					
Investment income on endowments	20	1	1	1	1
Investment income on restricted reserves	21	1	1	1	1
Other investment income		85	85	58	58
		87	87	60	60
6 Donations and endowments					
Unrestricted donations		23	13	18	18
		23	13	18	18

Notes to the financial statements (continued)

	Year Ended 2019		Year Ended 2018	
	Consolidated	University	Consolidated	University
	£'000	£'000	£'000	£'000
7 Staff costs				
Staff Costs :				
Salaries	36,466	24,322	22,528	22,528
Social security costs	3,603	2,611	2,409	2,409
Movement on LGPS / USS provision	3,251	1,925	1,167	1,167
Other pension costs	6,128	4,014	3,730	3,730
Sub-total	49,448	32,872	29,834	29,834
Restructuring costs	49	45	539	539
Total	49,497	32,917	30,373	30,373

A further breakdown of pension costs has been included in note 27.

Fundamental restructuring costs

Charges to the Consolidated Statement of Comprehensive Income and Expenditure totalled £49,000 for 7 people (2017-18: £539,000, 31 people).

Charges to the University's Statement of Comprehensive Income and Expenditure totalled £45,000 for 5 people (2017-18: £539,000, 31 people).

All severance payments including compensation for loss of office in respect of higher paid staff are approved by the University's Remuneration Committee.

Emoluments of the President and Vice-Chancellor:	30-Jul-19	31-Jul-18
	£	£
Basic salary	261,409	256,284
Pension contributions and payments in lieu of contributions	37,856	37,114
Other taxable benefits:		
Healthcare	2,171	2,129
	301,436	295,527

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 the Chair, the Deputy Chair and Chair of Audit. The Remuneration Committee is a decision making sub-committee with delegated authority from the University's Governing Body to review and determine the salaries and other emoluments, conditions of service and, where appropriate, severance payments, of all designated senior post holders, which include the statutory roles of Vice Chancellor and Clerk to the Board of Governors.

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 is of the view that the financial year 2018-19 has not been easy for the whole HE sector however the President and Vice Chancellor had once again calmly steered the University through some choppy waters. He has splendidly enabled the University to receive well-deserved accolades locally, regionally and nationally for its performance – not least in providing 'value for money' overall for its students especially in terms of staff teaching and student experience.

In summary the University under the President and Vice Chancellor's stewardship has, amongst other things, achieved:

- continued strong financial performance as more or less forecasted with yet again no requirement for the University to borrow.
- buoyant home undergraduate recruitment – approximately 12% up on the previous intake.
- continued commitment to achieve better institutional retention in the context of the socio-economic pressures on many of the Bolton students.

Notes to the financial statements (continued)

- the implementation of an agreed strategy of having firmly in place a successful pan-institutional approach to student employability led by a newly created post and the holder, with considerable business and employability experience, to be joined by 6 new staff appointed to help graduates to get jobs following the successful completion of their degree courses.
- remarkable NSS student scores during the year under review, placing the University of Bolton firmly in the top half of the sector; noting, in particular, the Student Satisfaction, with teaching, had reached an all-time high (top 5 in the UK).
- a stable year with regard to estates planning and management; noting the award, after much hard and well-judged work, of a £10m capital grant from the GM Combined Authority towards the cost of the Bolton College of Medical Sciences.
- the continued growth of the University Group - to include the Anderton Centre and other potential acquisitions as regularly reported to Governors - as part of the wilful institution building strategy, fully endorsed by the Board of Governors.
- appropriate resourcing of the senior management team to provide the institution with unique and relevant skill sets able to rise to challenges emphasised by the Board of Governors.
- another remarkable year of fund raising – as evidenced in his report to Governors at each meeting - to build up the good reputation of the University beyond just the local context.
- a strengthening of the University's off-campus activity across the UK, noting the partnership with Bury Council in currently developing a new centre for the University in that town; the potential new campus base in Manchester with a prestigious London partner; the new central London satellite campus academic centre, in partnership with Regents Group; and the acquiring of a University office in the heart of Westminster.
- massive strides in relation to public relations, including a great increase in social media hits, to enhance the branding of the University.

Members of the Governing Body recognise that in exercising their proper duties of care for the wellbeing of the institution, the Governing Body also has a proper role in caring appropriately for the health and wellbeing of the President and Vice Chancellor – not least in order that he may continue to function fully and to the benefit of the University. Given the examples of vexatious harassment that had dismayed the Board and caused concerns for the President and Vice Chancellor and his family during the year under review, it was considered it was to the credit of the President and Vice Chancellor, and his resilience, that his performance and delivery had been as strong as ever.

The Governing Body has concluded that the President and Vice Chancellor deserved much personal credit for his commitment and success in raising the profile of the institution and for strengthening his own influence in key areas that ultimately benefit the University.

The Governing Body noted that its Remuneration Committee – comprising of Independent Governors only – had been mindful again at their annual meeting held on the 25 September 2019 of the external pressure for institutional pay restraint irrespective of performance; the Committee's members had therefore agreed that there should be no salary increase for the President & Vice Chancellor save for the national pay award (2018/19) of 1.8% for all staff, if that is to be implemented in due course, once the financial position of the institution has been ensured.

Members of the Remuneration Committee had been clear that the fact that no performance related bonus had been awarded was no reflection on the actual performance of the President and Vice Chancellor.

Members had also requested it be noted that as a result of a valuation of the Teachers' Pension Scheme ('TPS'), the Government had determined under Pensions legislation, the employer contribution rate should increase to 23.68% of contributory pay (an increase of 7.20% from the previous rate) with effect from 1st September 2019. This would affect the employer contributions paid by the University to all members of the University community in the TPS. Therefore as an employer, the University was required to increase its employer contributions to all categories of such staff's pension by 7%; noting this group of staff included the President and Vice Chancellor.

Members of the Remuneration Committee had been aware that the University was committed to providing all employees access to an appropriate pension scheme to help them save for their retirement as well as offering additional benefits to support both them and their families. A number of HEIs were paying salary in lieu of pension contributions to heads of institution as a result of their personal pension and tax circumstances. In 2016 the Remuneration Committee had resolved that effective from 1st June 2016 the President and Vice Chancellor would receive a non-consolidated 'Pension Allowance' - on top of his basic salary - in lieu of employers' Teachers' Pension Scheme (TPS) pension contributions. The President and Vice Chancellor was currently one of two employees at the University who have an approved 'Pension Allowance'. This 'Pension Allowance' was cost neutral to the University and would be subject to change to reflect any change in employers' National Insurance Contributions (NIC) and/or TPS employer contributions.

Therefore as a result of the TPS scheme's determination to increase an employer's contribution rate to 23.68%, the University accordingly had no choice but to uplift the 'Pension Allowance' paid to the President and Vice Chancellor effective from 1st September 2019 as this was a contractual benefit to which the President and Vice Chancellor, like all other staff employed with a TPS benefit, was entitled; the monthly 'Pension Allowance' to the President and Vice Chancellor therefore had to be increased from £3,154.67 per month to £4,532.93 per month (an increase of £1,378.26 per month). Members of the Remuneration Committee had been anxious to indicate that this was something which was out of the hands of the Remuneration Committee and which should not be subsequently 'misrepresented' as an additional pay award and/or basic salary increase agreed and approved by the Remuneration Committee.

Notes to the financial statements (continued)

Salary Ratios

	2018-19	2017-18
Ratio of the President and Vice Chancellor's salary to median salary	7.1	7.2
Ratio of the President and Vice Chancellor's earnings to median earnings	6.9	7.1

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

Basic salary per annum	31 July 2019		31 July 2018	
	Consolidated	University	Consolidated	University
	No.	No.	No.	No.
£100,000 - £104,999	-	-	-	-
£105,000 - £109,999	-	-	-	-
£110,000 - £114,999	-	-	-	-
£115,000 - £119,999	-	-	-	-
£120,000 - £124,999	1	1	1	1
£125,000 - £129,999	1	1	-	-
£130,000 - £134,999	3	2	2	2
£135,000 - £139,999	-	-	-	-
£140,000 - £144,999	-	-	-	-
£145,000 - £149,999	-	-	-	-
£150,000 - £154,999	-	-	1	1
£155,000 - £159,999	-	-	-	-
	1	1	-	-
	6	5	4	4

Average staff numbers by major category :

	31 July 2019		31 July 2018	
	Consolidated	University	Consolidated	University
	No.	No.	No.	No.
Academic	451	286	285	285
Management & specialist	23	9	8	8
Support	593	299	277	277
Total number of staff	1,067	594	570	570

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

Key management personnel compensation	31 July 2019		31 July 2018	
	Consolidated	University	Consolidated	University
	£'000	£'000	£'000	£'000
	1,088	912	896	896
	1,088	912	896	896

Notes to the financial statements (continued)

	Notes	Year Ended 31 July 2019		Year Ended 31 July 2018	
		Consolidated	University	Consolidated	University
		£'000	£'000	£'000	£'000
8 Interest and other finance costs					
Finance lease interest		658	-	20	20
Net cost on pension scheme	27	494	295	423	423
		1,152	295	443	443

	Year Ended 31 July 2019		Year Ended 31 July 2018		
	Consolidated	University	Consolidated	University	
	£'000	£'000	£'000	£'000	
9 Analysis of total expenditure by activity					
Academic and related expenditure		55,559	41,569	36,424	36,424
Administration and central services		14,550	6,877	5,753	5,753
Premises (including service concession cost)		10,984	7,929	7,510	7,510
Residences, catering and conferences		2,491	2,466	2,564	2,564
Research grants and contracts		348	348	334	334
Other expenses		3,426	2,249	1,594	1,594
		87,358	61,438	54,179	54,179
Other operating expenses include:					
Operating lease rentals - other		500	423	92	92
Restructuring costs		49	45	539	539
External auditors remuneration in respect of audit services		63	33	31	31
Other non-audit services		6	5	1	1

10 Intangible assets

Software

	Year ended 31 July 2019	
	Consolidated	University
	£'000	£'000
Opening balance	-	-
Additions in the year	152	-
Amortisation charge for the year	-	-
Closing balance	152	-

Bolton College has created an Intangible Asset - having significantly invested in the development of a pioneering Chatbot called Ada. With ambitions to commercialise Ada, the College has signed a NDA with a multi-national PLC to develop and market Ada further within all spheres of Education nationally and internationally. Ada earned a top prize for the most effective use of technology at the AOC Beacon Awards in March 2019. Bolton College is one of the first UK colleges to have introduced a Chatbot which uses artificial intelligence to answer more than 1,000 queries each day from students and staff. Ada has increased learner retention, reduced teacher workload and bureaucracy, increased mental wellbeing and enhanced support for visually impaired students.

Notes to the financial statements (continued)

11 Fixed Assets

Consolidated	Freehold Land and Buildings	Leasehold Land and Buildings	Fixtures, Fittings and Equipment	Assets in the Course of Construction	Total
	£'000	£'000	£'000	£'000	£'000
Cost or valuation					
At 1 August 2018	55,538	35,552	17,674	298	109,062
Transfer on acquisition of subsidiaries	-	-	479	-	479
Additions	47,773	2,268	3,627	1,063	54,731
Transfers	169	-	129	(298)	-
Surplus on revaluation	3,342	-	-	-	3,342
Disposals	(1,250)	(11,772)	(671)	-	(13,693)
At 31 July 2019	105,572	26,048	21,238	1,063	153,921
Consisting of valuation as at:					
31 July 2019	22,816	10,955	-	-	33,771
Cost	82,756	15,093	21,238	1,063	120,150
	105,572	26,048	21,238	1,063	153,921
Depreciation					
At 1 August 2018	7,359	2,756	15,543	-	25,658
Transfer on acquisition of subsidiaries	-	-	255	-	255
Charge for the year	2,973	878	1,211	-	5,062
Written back on revaluation	(910)	-	-	-	(910)
Disposals	-	(1,972)	(623)	-	(2,595)
At 31 July 2019	9,422	1,662	16,386	-	27,470
Carrying amount					
At 31 July 2019	96,150	24,386	4,852	1,063	126,451
At 31 July 2018	48,179	32,796	2,131	298	83,404

Included within land and buildings is land valued at £10m (2018: £11.3m) freehold which is not depreciated.

The land and buildings at Bolton College were revalued as at 31 July 2019 - with Land valued at £1,640k and Buildings at £48,840k. After taking into consideration consolidation adjustments, the net impairment charged to the Statement of Comprehensive Income is £202k and net surplus on revaluation charged to Other Comprehensive Income of £4,454k. The valuation was carried out by M J Scholey, BSc MRICS on 8th July 2019.

The exchange of contracts for the sale of the Orlando Halls of Residence, has resulted in a gain of £163k that will not be realised until the sale is completed on 31 October 2020.

Notes to the financial statements (continued)

11. Fixed Assets (continued)

University	Freehold Land and Buildings	Leasehold Land and Buildings	Fixtures, Fittings and Equipment	Assets in the Course of Construction	Total
	£'000	£'000	£'000	£'000	£'000
Cost and valuation					
At 1 August 2018	55,538	35,552	17,674	298	109,062
Additions	635	-	873	1,063	2,571
Transfers	169	-	129	(298)	-
Disposals	(1,250)	(11,772)	(658)	-	(13,680)
At 31 July 2019	55,092	23,780	18,018	1,063	97,953
Consisting of valuation as at:					
31 July 2019	19,474	10,955	-	-	30,429
Cost	35,618	12,825	18,018	1,063	67,524
	55,092	23,780	18,018	1,063	97,953
Depreciation					
At 1 August 2018	7,359	2,756	15,543	-	25,658
Charge for the year	2,063	794	648	-	3,505
Disposals	-	(1,972)	(622)	-	(2,594)
At : At 31 July 2019	9,422	1,578	15,569	-	26,569
Carrying amount					
At 31 July 2019	45,670	22,202	2,449	1,063	71,384
At 31 July 2018	48,179	32,796	2,131	298	83,404

Included within land and buildings is land valued at £8.4m (2018: £11.3m) freehold which is not depreciated.

A full valuation of the University's Farnworth campus, and the public realm area at Deane Road was carried out on 31st July 2016 by Eddisons Chartered Surveyors.

During the year the University disposed of their Hollins Halls of Residence generating a loss charged to the Statement of Comprehensive Income of £2,535k. As the asset had previously been revalued, the revaluation balance of £2,480k has been released to Other Comprehensive Income, generating a historical cost loss of £55k.

The exchange of contracts for the sale of the Orlando Halls of Residence, has resulted in a gain of £163k that will not be realised until the sale is completed on 31 October 2020.

Notes to the financial statements (continued)

12 Non-Current Investments

	Year ended 31 July 2019		Year ended 31 July 2018	
	Consolidated	University	Consolidated	University
	£'000	£'000	£'000	£'000
Investment in associates	-	-	-	-
Investment in subsidiaries	-	-	-	-
Other investments (a)	656	550	-	-
	656	550	-	-

(a) Other investments

	Year ended 31 July 2019		Year ended 31 July 2018	
	Consolidated	University	Consolidated	University
	£'000	£'000	£'000	£'000
At 1 August 2018	-	-	-	-
Additions	656	550	-	-
At 31 July 2019	656	550	-	-

Other investments consist of:

At cost less impairment:

Trust Fund Investments	1	-	-	-
Long Term Cash Deposits	105	-	-	-
UoB Bolton College Account Deed	550	550	-	-
	656	550	-	-

Subsidiary and Associate undertakings above are shown as having a 'nil' cost of investment. In each case these are companies limited by guarantee ('CLG'), or are an associate of another entity within the group (indirect).

Subsidiaries

Bolton College FEC

On 1st August 2018 the trade and assets of the old Bolton College were transferred into a new company limited by guarantee ('CLG'), Bolton College FEC, of which, the University is the sole member.

Lancashire Outdoor Activities Initiative and Anderton Centre – LOAI

On 28th March 2019 the University became the sole member of Lancashire Outdoor Activities Initiative, a registered charity and company limited by guarantee, and their wholly owned subsidiary company, Anderton Centre – LOAI Limited.

The two entities are fully consolidated in the Group. The trade and fair value of the net assets transferred were recognised as follows:

Net Assets Transferred

	£,000
Bolton College FEC	(5,599)
Lancashire Outdoor Activities Initiative and Anderton Centre - LOAI	219
	5,380

Notes to the financial statements (continued)

Associates

Bolton UTC

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 1/3 of the 2018-19 operating deficit of £417k, namely £139k; (2017-18 £451k and £150k respectively) and of the Net Liabilities of £187k, namely £62k (2017-18 Net Assets of £319k and £106k 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.

Alliance Learning

Alliance Learning is a company limited by guarantee. The liability is limited to £5 per member; one of the three Subscribers is the University of Bolton.

Under the equity method of accounting for associates the University's interest in the Alliance Learning would amount to 1/3 of the 2018-19 operating deficit of £36k, namely £12k; (2017-18 £nil and £nil respectively) and of the Net Liabilities of £20k, namely £7k (2017-18 £nil and £nil respectively). The University does not consider these to be material so that Alliance Learning has not been treated as an Associate in the Financial Statements.

12 Non-Current Investments (continued)

Details of investments in which the consolidated and University (unless indicated) hold 20% or more of the membership / nominal value of any class of share capital are as follows:

Company	Description	Group Holding	Holding	Registered office
Bolton College (CLG)	Provision of further education	100%	Membership	Deane Road, Bolton, BL3 5BG
Lancashire Outdoor Activities Initiative (CLG)	Provision of education in Outdoor Activities	100%	Membership	Deane Road, Bolton, BL3 5BG
Anderton Centre -LOAI Limited (Indirect)	Provision of education in Outdoor Activities	100%	Ordinary Shares	Deane Road, Bolton, BL3 5BG
Bolton UTC (CLG)	Technical and vocational education for 14-19 year olds	33.33%	Membership	Dean Road, Bolton, BL3 5AB
Alliance Learning	Promote and advance education and training	33.33%	Membership	The Hurst Building, Horwich Business Park, Chorley New Road, Horwich, BL6 5UE
Alliance Learning Training Limited (Indirect)	Promote and advance education and training	33.33%	Ordinary shares	The Hurst Building, Horwich Business Park, Chorley New Road, Horwich, BL6 5UE
Bolton Training Group (Indirect)	Dormant	33.33%	Ordinary shares	The Hurst Building, Horwich Business Park, Chorley New Road, Horwich, BL6 5UE
BTG (Training Services Limited (Indirect)	Dormant	33.33%	Ordinary shares	The Hurst Building, Horwich Business Park, Chorley New Road, Horwich, BL6 5UE
Rivington College Limited (Indirect)	Promote and advance education and training	33.33%	Ordinary shares	The Hurst Building, Horwich Business Park, Chorley New Road, Horwich, BL6 5UE
UOB Services Limited	Provision of catering services	100%	Ordinary shares	Dean Road, Bolton, BL3 5AB

Certain subsidiary and associate undertakings above are shown as having nil cost of investment. In each case these are limited by guarantee ('CLG'), or a subsidiary of another entity within the group (indirect). Where applicable, the 'group holding' is equivalent to the proportion of voting rights and shares held. The associated companies, where the University has less than 50% control, are accounted for using the equity method.

All the subsidiary and associate undertakings are incorporated in England and Wales.

Notes to the financial statements (continued)

13 Stock

	Year ended 31 July 2019		Year ended 31 July 2018	
	Consolidated	University	Consolidated	University
	£'000	£'000	£'000	£'000
General consumables	21	-	-	-
	<u>21</u>	<u>-</u>	<u>-</u>	<u>-</u>

14 Debtors > 1 year

	Year ended 31 July 2019		Year ended 31 July 2018	
	Consolidated	University	Consolidated	University
	£'000	£'000	£'000	£'000
Other receivables	5,707	5,707	-	-
	<u>5,707</u>	<u>5,707</u>	<u>-</u>	<u>-</u>

On the 2nd July 2019, the University exchanged contracts on their Orlando Halls of Residence. Completion of the sale is scheduled for 31 October 2020. In the meantime, the University will no longer benefit from the rewards of ownership, and therefore, the asset has been disposed.

15 Trade and other receivables

	Year ended 31 July 2019		Year ended 31 July 2018	
	Consolidated	University	Consolidated	University
	£'000	£'000	£'000	£'000
Amounts falling due within one year:				
Grants receivables	98	98	45	45
Other trade receivables	3,677	2,623	2,368	2,368
Other receivables	264	72	65	65
Prepayments and accrued income	1,132	890	599	599
	<u>5,171</u>	<u>3,683</u>	<u>3,077</u>	<u>3,077</u>

Consolidated financial instrument assets held at amortised cost comprise: trade receivables, grants, other receivables: £4,038,000 (2017-18 - £2,475,000).

Consolidated financial instrument assets held at fair value comprise: other receivables greater than one year (note 14): £5,707,000 (2017-18 - £nil).

University financial instrument assets held at amortised cost comprise: trade receivables, grants, other receivables: £2,793,000 (2017-18 - £2,475,000).

University financial instrument assets held at fair value comprise: other receivables greater than one year (note 14): £5,707,000 (2017-18 - £nil).

16 Creditors : amounts falling due within one year

	Year ended 31 July 2019		Year ended 31 July 2018	
	Consolidated	University	Consolidated	University
	£'000	£'000	£'000	£'000
Secured loans	391	-	-	-
Obligations under finance leases	24	-	-	-
Trade payables	2,959	2,142	1,223	1,223
Social security and other taxation payable	985	719	682	682
Accruals and deferred income	12,477	10,481	11,596	11,596
	<u>16,836</u>	<u>13,342</u>	<u>13,501</u>	<u>13,501</u>

Notes to the financial statements (continued)

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 2019		Year ended 31 July 2018	
	Consolidated	University	Consolidated	University
	£'000	£'000	£'000	£'000
Research grants received on account	<u>1,049</u>	<u>1,049</u>	<u>1,667</u>	<u>1,667</u>
	<u>1,049</u>	<u>1,049</u>	<u>1,667</u>	<u>1,667</u>

Consolidated financial instrument liabilities comprise: Obligations under finance leases, trade payables, accruals £9,451,000 (2017-18 - £6,617,000).

University financial instrument liabilities comprise: Obligations under finance leases, trade payables, accruals £7,278,000 (2017-18 - £6,617,000).

17 Creditors : amounts falling due after more than one year

	Year ended 31 July 2019		Year ended 31 July 2018	
	Consolidated	University	Consolidated	University
	£'000	£'000	£'000	£'000
Deferred income	54,143	17,657	17,383	17,383
Obligations under finance lease	39	-	-	-
Secured loans	9,557	-	-	-
	<u>63,739</u>	<u>17,657</u>	<u>17,383</u>	<u>17,383</u>
Analysis of Deferred Capital Grants as :				
Due within one year (Note 15)	2,186	934	825	825
Due between one and two years	2,186	934	825	825
Due between two and five years	6,558	2,802	2,992	2,992
Due in five years or more	45,399	13,921	13,566	13,566
Due after more than one year	54,143	17,657	17,383	17,383
Total Deferred Capital Grants	<u>56,329</u>	<u>18,591</u>	<u>18,208</u>	<u>18,208</u>
Analysis of Obligations under finance lease as :				
Due within one year (Note 15)	24	-	-	-
Due between one and two years	24	-	-	-
Due between two and five years	15	-	-	-
Due in five years or more	-	-	-	-
Due after more than one year	39	-	-	-
Total Deferred Capital Grants	<u>63</u>	<u>-</u>	<u>-</u>	<u>-</u>

Consolidated financial instrument liabilities comprise: Obligations under finance leases, trade payables, accruals £9,596,000 (2017-18 - £nil).

Notes to the financial statements (continued)

18 Loans	Year ended 31 July 2019		Year ended 31 July 2018	
	Consolidated £'000	University £'000	Consolidated £'000	University £'000
Analysis of secured and unsecured loans:				
Due within one year or on demand (Note 16)	391	-	-	-
Due between one and two years	415	-	-	-
Due between two and five years	1,376	-	-	-
Due in five years or more	7,766	-	-	-
Due after more than one year	9,557	-	-	-
Total secured and unsecured loans	9,948	-	-	-
Secured loans repayable by 2035	9,948	-	-	-
	9,948	-	-	-

Lender	Amount £'000	Term	Interest rate %	Borrower
Barclays Bank PLC	8,187	2035	7.35	Subsidiary
Barclays Bank PLC	1,761	2035	1.50	Subsidiary
Total	9,948			

19 Provisions for liabilities

Consolidated	Obligation to fund deficit on USS Pension £'000	Pension enhancements on termination £'000	Defined Benefit Obligations (Note 27) £'000	Total Pensions Provisions £'000	Other £'000	Total Other £'000
At 1 August 2018	178	2,188	9,631	11,997	69	69
Utilised in year	(120)	(378)	(2,950)	(3,448)	(23)	(23)
Additions in 2018/19	448	3,138	21,424	25,010	-	-
Unused amounts reversed in 2018/19	-	-	-	-	-	-
At 31 July 2019	506	4,948	28,105	33,559	46	46

University	Obligation to fund deficit on USS Pension £'000	Pension enhancement on termination £'000	Defined Benefit Obligations (Note 27) £'000	Total Pensions Provisions £'000	Other £'000	Total Other £'000
At 1 August 2018	178	2,188	9,631	11,997	69	69
Utilised in year	(120)	(178)	(1,771)	(2,069)	(23)	(23)
Additions in 2018/19	448	62	9,168	9,678	-	-
At 31 July 2019	506	2,072	17,028	19,606	46	46

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:

Net Interest Rate	2.3%
Inflation rate	1.3%

Notes to the financial statements (continued)

Restricted net assets relating to endowments are as follows:

20 Endowment Reserves

Consolidated and University	Restricted permanent endowments	Expendable endowments	2019 Total	2018 Total
	£'000	£'000	£'000	£'000
Balances at 1 August 2018				
Capital	67	45	112	112
Accumulated income	77	9	86	85
	144	54	198	197
Investment income	1	-	1	1
Total endowment comprehensive income for the year	1	-	1	1
At 31 July 2019	145	54	199	198
Represented by:				
Capital	67	45	112	112
Accumulated income	78	9	87	86
	145	54	199	198
Analysis by type of purpose:				
Prize funds	93	-	93	92
General	52	54	106	106
	145	54	199	198
Analysis by asset				
Cash & cash equivalents			199	198
			199	198

Notes to the financial statements (continued)

Reserves with restrictions are as follows:

21 Restricted Reserves

Reserves with restrictions are as follows:

Consolidated	Donations	2019 Total	2018 Total
	£'000	£'000	£'000
Balances at 1 August 2018	84	84	83
Investment income	11	11	1
Total restricted comprehensive income for the year	11	11	1
At 31 July 2019	95	95	84

Analysis of other restricted funds /donations by type of purpose:	2019 Total	2018 Total
	£'000	£'000
Scholarships and bursaries	12	12
Research support	40	39
Prize funds	1	1
General	42	32
	95	84

University	Donations	2019 Total	2018 Total
	£'000	£'000	£'000
Balances at 1 August 2018	84	84	83
Investment income	1	1	1
Total restricted comprehensive income for the year	1	1	1
At 31 July 2019	85	85	84

Analysis of other restricted funds /donations by type of purpose:	2019 Total	2018 Total
	£'000	£'000
Scholarships and bursaries	12	12
Research support	40	39
Prize funds	1	1
General	32	32
	85	84

22 Cash and cash equivalents

Consolidated	Notes	At 1st August 2018	Cash Flows	At 31st July 2019
		£'000	£'000	£'000
Cash and cash equivalents		14,871	5,888	20,759
		14,871	5,888	20,759

University		At 1st August 2018	Cash Flows	At 31st July 2019
		£'000	£'000	£'000
Cash and cash equivalents		14,871	4,483	19,354
		14,871	4,483	19,354

Notes to the financial statements (continued)

23 Analysis of reserves

	Year Ended 31 July 2019		Year Ended 31 July 2018	
	Consolidated £'000	University £'000	Consolidated £'000	University £'000
Income and Expenditure Reserve	38,143	36,820	33,894	33,894
Pension Reserve Local Government Pension Scheme	(28,105)	(17,028)	(9,631)	(9,631)
USS Pension	(506)	(506)	(178)	(178)
	<u>9,532</u>	<u>19,286</u>	<u>24,085</u>	<u>24,085</u>
Restricted Reserves	294	284	282	282
	<u>9,826</u>	<u>19,570</u>	<u>24,367</u>	<u>24,367</u>
Revaluation Reserve	34,911	30,457	34,035	34,035
	<u>44,737</u>	<u>50,027</u>	<u>58,402</u>	<u>58,402</u>

24 Capital and other commitments

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

	Year ended 31 July 2019		Year ended 31 July 2018	
	Consolidated £'000	University £'000	Consolidated £'000	University £'000
Capital commitments	-	-	368	368
	<u>-</u>	<u>-</u>	<u>368</u>	<u>368</u>

25 Lease obligations

Total rentals payable under operating leases:

Consolidated and University	31 July 2019		Total £'000	31 July 2018	
	Land and Buildings £'000	Other leases £'000		£'000	£'000
Payable during the year	319	104	423		92
Future minimum lease payments due:					
Not later than 1 year	270	6	276		20
Later than 1 year and not later than 5 years	2,116	6	2,122		-
Later than 5 years	3,601	-	3,601		-
Total lease payments due	<u>5,987</u>	<u>12</u>	<u>5,999</u>		<u>20</u>

26. Events after the reporting period

The University participates in the Universities Superannuation Scheme (note 27). 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.

At the time of preparing the Financial Statements, the latest actuarial valuation available was prepared to 31 March 2017. The value of the assets of the scheme was £60.0 billion and the value of the scheme's technical provisions was £67.5 billion indicating a shortfall of £7.6 billion and funding ratio of 89%. When compared to the 2014 actuarial valuation, the shortfall had increased by £2.2 billion and resulted in an increased cost charged to the Statement of Comprehensive Income of £444,000 (2017-18 - £61,000).

Notes to the financial statements (continued)

Over the course of 2018, stakeholders on the Joint Negotiating Committee – UUK and UCU – appointed a panel to review the 2017 valuation and this resulted in a number of recommendations being made. These recommendations would (by their very nature) require employers to take on more risks in funding the scheme than they had indicated they were willing to accept for the 2017 valuation. Furthermore, the panel's report did not quantify the additional risks involved – or how they might be supported. As the statutory deadline for completing the 2017 valuation had already passed by this point, the most appropriate way for the Trustee to address such fundamental developments properly was to embark on a new valuation process – as at 31 March 2018.

Since the year end, following the completion of the 2018 actuarial valuation, a new deficit recovery plan has been agreed. As at 31 July 2019 and with all other assumptions used to calculate the provision unchanged, this would have resulted in a revised provision of £296,304, a decrease of £210,117 from the current year end provision. The value of the assets of the scheme was £63.7 billion and the value of the scheme's technical provisions was £67.3 billion indicating a shortfall of £3.6 billion and funding ratio of 95%.

27. 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:

	Year Ended 31 July 2019		Year Ended 31 July 2018	
	Consolidated £'000	University £'000	Consolidated £'000	University £'000
TPS Contributions Paid	2,893	2,139	1,953	1,953
GMPF Charge to the Income and Expenditure Account	5,679	3,293	2,849	2,849
USS Charge to the Income and Expenditure Account	445	445	61	61
Enhanced Pension Provision	383	62	34	34
Total Pension Cost (Note 7)	<u>9,400</u>	<u>5,939</u>	<u>4,897</u>	<u>4,897</u>

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 Public Service Pensions Act 2013 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.

Notes to the financial statements (continued)

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 £15.0 billion;
- an employer cost cap of 10.9% of pensionable pay;
- actuarial assessments are undertaken in intervening years between formal valuations for financial reporting purposes, using updated membership data

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 £2,139,000 (2017-18: £1,952,000).

Employer contribution rates are to rise from October 2019 from 16.4% to 23.68% of pensionable pay;

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 the Universities Superannuation Scheme meets the definition of a multi-employer scheme and has therefore recognised the discounted fair value of the contractual contributions under the recovery plan in existence at the date of approving the financial statements.

The total cost charged to the Statement of Comprehensive Income was £445,000 (2017-18 - £61,000).

Notes to the financial statements (continued)

The latest available complete actuarial valuation of the Retirement Income Builder section of the Scheme is at 31 March 2017 (“the valuation date”), which was carried out using the projected unit method. A valuation as at 31 March 2018 is underway but not yet complete.

The 2017 valuation was the fourth valuation for the scheme 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 £60.0 billion and the value of the scheme’s technical provisions was £67.5 billion indicating a shortfall of £7.6 billion and funding ratio of 89%.

The key financial assumptions used in the 2017 valuation are described below. More detail is set out in the Statement of Funding Principles.

Pensions increase (CPI) Term dependent rates in line with the difference between the Fixed Interest and Index Linked yield curve, less 1.3% pa

Discount rate (forward rates) Years 1 -10: CPI – 0.53% reducing linearly to CPI – 1.32%

Years 11-20: CPI + 2.56% reducing linearly to CPI + 1.7% by year 21

Years 21 +: CPI + 1.7%

The main demographic assumption used relates to the mortality assumptions. These assumptions are based on 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: -

	2017 Valuation
Mortality base table	Pre-retirement : 71% of AMC00 (duration 0) for males and 112% of AFC00 (duration 0) for females Post-retirement : 96.5% of SAPS S1NMA “light” for males and 101.3% of RFV00 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

The current life expectancies on retirement at age 65 are:

	2019	2018
Males currently aged 65 (years)	24.6	24.5
Females currently aged 65 (years)	26.1	26.0
Males currently aged 45 (years)	26.6	26.5
Females currently aged 45 (years)	27.9	27.8

A new deficit recovery plan was put into place as part of the 2017 valuation, which requires payment of 5% of salaries over the period 1 April 2020 to 30 June 2034. The 2019 pension liability provision reflects this plan. The provision figures have been produced using the following assumptions as at March 2018 and 2019.

	2019	2018
Discount Rate	2.44%	2.64%
Pensionable salary growth	n/a	n/a
Pension Increases (CPI)	2.11%	2.02%

Notes to the financial statements (continued)

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 and College's share of its assets and liabilities as at 31 July 2019.

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 2019 were:

	2018-19	2017-18
Rate of Increase in Pension	2.4%	2.4%
Rate of Increase in Salaries	3.2%	3.2%
Discount Rate	2.1%	2.8%
Inflation Assumption	2.4%	2.4%

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

	Males	Females
	Years	Years
Mortality Assumptions		
Current Pensioners	20.6	23.1
Future Pensioners	22.0	24.8

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

	Year Ended 31 July 2019		Year Ended 31 July 2018	
	Consolidated £'000	University £'000	Consolidated £'000	University £'000
Equities	78,913	49,894	46,196	46,196
Bonds	16,011	10,123	10,870	10,870
Property	9,149	5,785	4,756	4,756
Cash	10,293	6,508	6,114	6,114
	114,366	72,310	67,936	67,936

Notes to the financial statements (continued)

Changes in the Fair Value of Plan Assets Defined Benefit Obligation and Net Liability for Year end 31 July 2019

Period Ended 31 July 2019

Consolidated	Assets £'000	Obligations £'000	Net (Liability) / Asset £'000
Fair Value of Plan Assets	67,936	-	67,936
Present Value of Funded Liabilities	-	77,453	(77,453)
Present Value of Unfunded Liabilities	-	114	(114)
Opening Position as at 31 July 2018	67,936	77,567	(9,631)
Service Cost			
Tranfer of Assets and Obligations	39,388	46,136	(6,748)
Current Service Cost	-	4,658	(4,658)
Past Service Costs (including curtailments)	-	845	(845)
Total Service Costs	39,388	51,639	(12,251)
Net Interest			
Interest Income on plan assets	3,016	-	3,016
Interest cost on defined benefit obligation	-	3,507	(3,507)
Total Net Interest	3,016	3,507	(491)
Total defined benefit cost recognised in Surplus or (Deficit)	42,404	55,146	(12,742)
Plan participants' contributions	829	829	-
Employer contributions	2,950	-	2,950
Contributions in respect of defined benefits	9	-	9
Benefits paid	(3,068)	(3,068)	-
Unfunded benefits paid	(9)	(9)	-
Expected Closing Position	111,051	130,465	(19,414)
Remeasurements			
Changes in demographic assumptions	-	(7,350)	7,350
Changes in financial assumptions	-	19,351	(19,351)
Other Experience	-	5	(5)
Return on assets excluding amounts in net interest	3,215	-	3,215
Total Remeasurement recognised in Other Comprehensive Income	3,215	12,006	(8,791)
Fair Value of Plan Assets	114,266		114,266
Present Value of Funded Liabilities	-	142,360	(142,360)
Present Value of Unfunded Liabilities	-	111	(111)
Closing Position as at 31 July 2019	114,266	142,471	(28,205)

Notes to the financial statements (continued)

Period Ended 31 July 2019

University	Assets £'000	Obligations £'000	Net (Liability) / Asset £'000
Fair Value of Plan Assets	67,936	-	67,936
Present Value of Funded Liabilities	-	77,453	(77,453)
Present Value of Unfunded Liabilities	-	114	(114)
Opening Position as at 31 July 2018	67,936	77,567	(9,631)
Service Cost			
Current Service Cost	-	2,809	(2,809)
Past Service Costs (including curtailments)	-	509	(509)
Total Service Costs	-	3,318	(3,318)
Net Interest			
Interest Income on plan assets	1,907	-	1,907
Interest cost on defined benefit obligation	-	2,198	(2,198)
Total Net Interest	1,907	2,198	(291)
Total defined benefit cost recognised in Surplus or (Deficit)	1,907	5,516	(3,609)
Plan participants' contributions	523	523	-
Employer contributions	1,771	-	1,771
Contributions in respect of defined benefits	9	-	9
Benefits paid	(1,860)	(1,860)	-
Unfunded benefits paid	(9)	(9)	-
Expected Closing Position	70,277	81,737	(11,460)
Remeasurements			
Changes in demographic assumptions	-	(4,630)	4,630
Changes in financial assumptions	-	12,226	(12,226)
Other Experience	-	5	(5)
Return on assets excluding amounts in net interest	2,033	-	2,033
Total Remeasurement recognised in Other Comprehensive Income	2,033	7,601	(5,568)
Fair Value of Plan Assets	72,310	-	72,310
Present Value of Funded Liabilities	-	89,227	(89,227)
Present Value of Unfunded Liabilities	-	111	(111)
Closing Position as at 31 July 2019	72,310	89,338	(17,028)

The estimated value of employer contributions for the year ended 31 July 2020 is Group £2,918,000, University £1,771,000

Notes to the financial statements (continued)

28. Related Party Transactions

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 £225,000 (grant) and £4,017 (other transactions) (2017-18, £249,000 and £3,993 respectively). There were no amounts due to the Students' Union at 31 July 2019 (2017-18, nil).

The University has taken advantage of the exemption within FRS 102 and has not disclosed transactions with other group entities where it holds 100% of the voting rights. Included within the financial statements are the following transactions with related parties:

Transactions with Related Parties

Organisation	2018-19				2017-18			
	Income £'000	Expenditure £'000	Receivables outstanding at 31 July 2019 £'000	Payables outstanding at 31 July 2019 £'000	Income £'000	Expenditure £'000	Receivables outstanding at 31 July 2018 £'000	Payables outstanding at 31 July 2018 £'000
Bolton UTC	257	150	3	0	270	50	40	0
Bolton Lads and Girls Club	12	54	0	12	72	51	0	12
Bolton Middlebrook Leisure Trust (Bolton Arena)	0	0	0	0	0	10	0	0
Octagon Theatre Trust	2	169	0	27	0	177	0	66
Alliance Learning	0	67	0	59	0	29	0	39
Centre for Islamic Finance	0	201	0	19	0	172	0	19
Pennine Telecom Limited	0	108	0	6	0	21	0	0
Mill Hall Consultancy	0	14	0	0	0	0	0	0
Result Strategic Marketing Ltd	0	1,565	0	192	0	0	0	0

Bolton UTC (Company Limited by Guarantee (08292380) & Exempt Charity)

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 Lads and Girls Club (Company Limited by Guarantee (03109525) & Registered Charity)

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) (Company Limited by Guarantee (04165498) & Registered Charity)

One member of the Board of Governors is a Trustees / Directors of Bolton Middlebrook Leisure Trust.

Notes to the financial statements (continued)

Octagon Theatre (Company Limited by Guarantee (00882226) & Registered Charity)

One senior employee of the University, and subsequently Bolton College, 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 (Company Limited by Guarantee (01619564) & Registered Charity)

The University is a subscriber to the memorandum of Alliance Learning. In addition, two senior employees of the University are Trustees / Directors of Alliance Learning, one as the University nominee and the other in an independent capacity. Support and services are exchanged between the University and Alliance Learning.

Centre for Islamic Finance (Company Limited by Guarantee (07941410))

The spouse of one of the Board of Governors and two senior employees 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 (Company Limited by Shares (05652829))

An independent member (nominated by Bolton College) of the University's Board of Governors is a director of Pennine Telecom Limited.

Result Strategic Marketing Ltd (Company Limited by Shares (03367027))

The Managing Director of RSM is undertaking a role in the University by virtue of a contract for support and services between the University and Result Strategic Marketing Ltd.

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

The total expenses paid to or on behalf of 2 board members was £751 (2017-18 - £990 to 2 board members). This represents travel and subsistence expenses incurred in attending Board, Committee meetings and Charity events in their official capacity.