

THE UNIVERSITY OF HUDDERSFIELD

FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 JULY 2016

THE UNIVERSITY OF HUDDERSFIELD
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For the year ended 31 July 2016

| <u>C O N T E N T S</u> | <u>P A G E S</u> |
|--|-------------------------|
| Professional advisors | 2 |
| Report of the University Council: Operating and Financial Review | 3 |
| Statement of Corporate Governance and Internal Control | 19 |
| Independent auditor's report | 26 |
| Statement of principal accounting policies | 27 |
| Consolidated statement of comprehensive income and expenditure | 32 |
| Consolidated statement of changes in reserves | 33 |
| Consolidated and University balance sheet | 34 |
| Consolidated statement of cash flows | 35 |
| Notes to the accounts | 36 |

THE UNIVERSITY OF HUDDERSFIELD
FINANCIAL STATEMENTS
For the year ended 31 July 2016

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OPERATING AND FINANCIAL REVIEW

The University Council of the University of Huddersfield hereby submits its twenty fourth annual report together with the audited financial statements for the year ended 31 July 2016. The Financial Statements comprise the consolidated results for the University and its subsidiary undertakings. The principal wholly owned subsidiary is The University of Huddersfield Enterprises Limited, which has continued to trade satisfactorily during the year. The purpose of this company is to conduct those commercial activities of the University which are not compatible with the University's charitable status and may be subject to corporation tax on profits generated. The profits of the company are paid by deed of covenant to the University annually. The University's other wholly owned trading subsidiary, Huddersfield Enterprise and Innovation Centre Limited, which houses the 3M Buckley Innovation Centre (3M BIC), has continued to trade during this period.

CONSTITUTION AND POWERS

The University of Huddersfield is an exempt charity within the meaning of Schedule 3 of the Charities Act 2011. The Trustees are the people who serve on the governing body of a charity. For our purposes, the Trustees are known as Members of the University Council in accordance with our Instrument and Articles of Government.

The University's revised Articles of Government were adopted by the University Council on 22 February 2012.

The Vice-Chancellor is the Chief Executive of the University.

PUBLIC BENEFIT STATEMENT

The Charities Act 2011 introduced the requirement for Council Members to demonstrate explicitly that the main activities of the University are in furtherance of its charitable purposes which are for the public benefit. The University Council has complied with its duty under the Charities Act 2011 to have due regard to public benefit guidance published by the Charity Commission, which is available directly to Members.

This guidance states that the two key principles of public benefit are that:

- there must be an identifiable benefit or benefits; and
- benefits must be to the public or section of the public.

The University's principal aim is the advancement of education.

The University of Huddersfield's roots go back 175 years to the Huddersfield Scientific and Mechanic Institute. Throughout its history the University has been committed to meeting the needs and aspirations of its students. This remains our key focus. Our long term objective is to embed knowledge exchange activity, drawing on excellence in learning and teaching and research.

We are a successful, popular and innovative modern University that offers a wide range of education, training and research facilities and we are proud of our achievements. The University of Huddersfield has a student population approaching 23,000 undertaking a wide range of courses covering the wealth creating, cultural and social welfare aspects of our economy.

THE UNIVERSITY OF HUDDERSFIELD
REPORT OF THE UNIVERSITY COUNCIL (continued)

Vision

To be an inspiring, innovative University of international renown.

Mission

To deliver an accessible and inspirational learning experience; to undertake pioneering research and professional practice; and to engage fully with employers and the community.

Stakeholder Expectations

Our students can expect:

- an education that challenges and creates excellent career opportunities;
- to learn from staff at the leading edge of knowledge and application; and
- high quality physical and supportive learning environments.

Our partners can expect:

- a responsive and flexible University that delivers high quality work efficiently and effectively;
- to deal with leading experts in their field; and
- high quality and fit for purpose facilities.

Strategic Aims

A strategic plan for the period 2013-2018 was approved in July 2013.

Our strategic aims are:

- to inspire our students to attain the highest academic and professional standards;
- to inspire our students to enjoy an outstanding University experience;
- to inspire employable and enterprising graduates;
- to increase the number of our research active staff and the quality of their outputs;
- to increase the quantity and quality of our postgraduate research student community;
- to increase the quality and range of our external research, enterprise and innovation income;
- to become an increasingly popular destination of choice for world class international students;
- to ensure our international students have an inspiring world class student experience; and
- to become ranked as an outstanding international University.

We achieve our aims through developing and empowering our staff, financial sustainability and improving our efficiency and effectiveness. Our achievement is measured against a number of Key Performance Indicators which are underpinned by specific targets.

Achievement of Objectives

Inspirational Teaching

All subjects inspected by the Quality Assurance Agency for Higher Education (QAA) since 2000 have achieved the highest teaching quality rating available.

This year we increased the proportion of students gaining first and upper second class degrees. In the summer of 2016, students completing their degrees again achieved levels of 'good degrees' (1/2i classifications) higher than the previous year, rising by almost five percentage points.

THE UNIVERSITY OF HUDDERSFIELD **REPORT OF THE UNIVERSITY COUNCIL (continued)**

The University submitted applications to the National Teaching Fellowship awards, and is awaiting the outcomes of this competition, as the timing of the awards has been delayed as a result of changes to the HEA funding model. Results will be announced in November 2016.

The University's achievement of 100% professional recognition for all colleagues with substantive teaching roles, through Fellowship of the Higher Education Academy, continues to be unique amongst UK universities.

In the National Student Survey, the University reported strong outcomes on the three Teaching Excellence Framework Measures. Outcomes were above average for the sector. We scored 87% for teaching quality, 79% (up 3% on last year) for assessment and feedback and 84% for academic support. The following subjects had overall satisfaction scores above 95%: Primary Education, Drama and Theatre Studies, Midwifery, Physiotherapy, History, Product Design and Hospitality Management.

The score across the institution for the five questions on Assessment and Feedback ranks Huddersfield joint 3rd out of English mainstream (£100m+) universities.

We endeavour to equip our graduates with the life-skills and behaviours necessary to be citizens and members of society. From September 2012, all students entering undergraduate courses of more than one year's duration have had the opportunity to experience significant work related experience in their studies and this is now being enhanced with a further emphasis on enterprising skills in all areas. The most recently published 'positive outcomes' figure for Huddersfield graduates in employment or further study six months after graduation (based on those graduating mainly in the summer of 2015) at just under 95%, places Huddersfield in the top 30% of English mainstream universities.

Student Opportunities

The University places the needs of its students first. We are proud of our record in widening access to higher education and have one of the 20 most socially inclusive student populations in England. This is combined with high levels of student achievement and success in graduate employment. The University is committed to its local community and actively to take education to students in order to widen participation, as well as delivering excellence in teaching and enhancing student success. Our 2017/18 Access Agreement was approved by the Office for Fair Access (OFFA) without revision.

The University has performed well in terms of recruiting from low-income groups and local ethnic-minority communities. Since the publication of the first set of HEFCE Performance Indicators for widening participation in 1999 the University has performed above the national benchmarks in the all-England averages and the average for universities in Yorkshire. For example, throughout the last five years, the University has recruited a higher percentage of young full-time undergraduate entrants from state schools than any other University in Yorkshire. Despite sector-wide growth in these areas, further improvement has been achieved with the result that we continue to exceed the benchmarks. For example, over 45% of our home and EU first year students come from the lowest socio-economic groups.

We recognise that some sections of society perceive that there are entry barriers to higher education, for instance based upon price. We work hard to raise aspirations and awareness of HE amongst those currently under-represented and in 2015/16 we carried out over 760 visits to schools, colleges and community groups, reaching around 23,000 learners. We also provide role models and advice through our Student Ambassador Scheme. We give all of our Post Graduate Research students the most comprehensive guide to alternative funding sources currently available in the UK.

In 2015/16, we distributed £314k in discretionary bursaries to 684 students and University Scholarships to 1,051 students amounting to £3.15m. We also awarded Access to Learning Funds of over £273k to 445 students. 90% of those eligible took a tuition fee loan from the Student Loan Company.

Student Support

The University's Wellbeing Service has supported a total of 2,683 students who have sought and gained the support they required, many of whom could otherwise have withdrawn. We have offered in excess of 5,000 one-to-one contacts as well as group work and events across the campus. Many of these students are using the support groups and workshops with over 400 attendances within the year.

THE UNIVERSITY OF HUDDERSFIELD
REPORT OF THE UNIVERSITY COUNCIL (continued)

The Counselling Service supported 291 students, with a further 1,359 students being seen by a wellbeing adviser. This included 507 students who were seen in an urgent or emergency capacity with 381 students needing specific support provided by our mental health advisers. The instant and open access side of the Wellbeing Service has seen our daily drop-in support 328 students, and our Back on Track service provide support to 601 students who were having difficulties engaging with their studies or whose attendance was poor.

The University has over the years made a commitment to supporting care leavers with 104 students supported this year. This increase is in no small part due to having allocated staff to those recognised as care leavers and vulnerable adults. The University is the first in the UK to offer a mentoring programme for care leavers where the mentors are drawn from the institution's Vice Chancellorate and Senior Management Group. This is going from strength to strength and is appreciated by both care leavers and our senior management team.

During the year, 2,832 disabled students were supported by Disability Services, receiving support ranging from dyslexia tuition and BSL interpretation, to students with multiple disabilities. The level of complexity is increasing significantly, requiring increased expertise and judgement on the part of the disability advice team. The service has been subject to a 70.26% increase in students with Mental Health issues as a disability since the academic year 2012/13. Government cuts to Disabled Student Allowance have created a significant impact on students and the Service. However, the University's strategy of defraying many of those cuts by providing support from internal funds is making a huge positive benefit to our disabled student population.

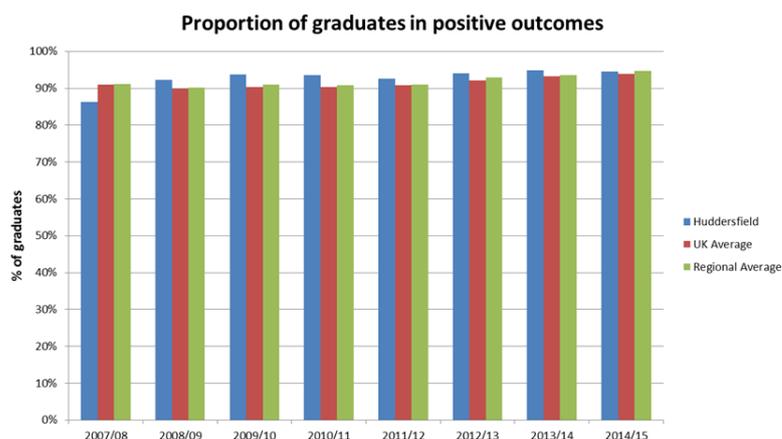
We have run many events across the year highlighting support needs and these have all been well-received and attended. Alongside this, the wellbeing and disability service has dealt with over 4,000 initial enquiries for assistance for the first half of the year, as this has now become embedded within the iPoint team. The second half of the year has seen the service support over 2,000 students with quick queries at our help desk.

Employable and Enterprising Graduates

The University is continuing to build upon its already strong track record for ensuring that our graduates are career-focussed and job-ready. The Careers and Employability Service supported a total of 3,092 students individually in the 2015/16 academic year, with a further 353 attending our central workshop, and international student workshop, programmes.

Roll-out of our nationally-acclaimed *EmployableME* initiative has given our services greater reach and made our resources more scalable than ever, enabling us to meet unprecedented levels of demand. Our self-directed career learning platform *MyCareer* is now fully embedded and accessible in Unilearn and between August 2015 and July 2016 recorded over 30,000 unique interactions by students.

Latest figures show, six months after graduation, that 94.5% of our graduates are in employment and/or further study. The graph below demonstrates that we remain ahead of the sector average for producing employable graduates. This is no doubt supported by the Careers and Employability Service employer engagement strategy which saw 66 top graduate recruiters exhibit at our Grad Jobs Fair in Autumn 2015, including Sky, Marks and Spencer, Plusnet and IBM, at an event attended by over 1,500 students and graduates. In addition, 43 of our 2015 graduates gained an internship through the Huddersfield Graduate Programme, a scheme part-funded by Santander and aimed at supporting SMEs to recruit from the University.



Innovative Research Excellence and Enterprise

The University achieved outstanding results in the most recent national assessment of research quality – the HEFCE Research Excellence Framework (REF2014). The leap of 25 places in research power was recognised by the *Times Higher Education's Table of Excellence* as the third highest of the 154 higher education institutions in the UK. In total, the University submitted 232.7 FTE academic staff across 13 Units of Assessment including Allied Health, Chemistry, Biological Sciences, Physics, General Engineering, Computer Science and Informatics, Social Work and Social Policy, Music, History, English Language and Literature, Education, Business and Management Studies, Art and Design History. This represented the University's biggest ever submission and was more than double the number of staff submitted to the Research Assessment Exercise in 2008. Results showed a 150% increase in research which was recognised as "world leading" and a five-fold increase in the number of researchers producing work at this highest level of attainment.

Building on REF2014, we have reviewed our research strategy and renewed our commitment to grow our portfolio of high quality research, particularly in areas of multidisciplinary research which are expected to impact global, national and regional challenges. Preparations are in place for the next REF which is expected to be submitted in 2020.

Our postgraduate research student population continues to grow year on year and we currently have approximately 1,300 students registered. We strongly endorse the principles of the national Concordats for the Career Development of Researchers, Research Integrity, and Public Engagement with Research to provide an exceptional environment for research and for the development of researchers and research careers.

The University recruits new academic staff to support the continued growth in strategically important research programmes and we currently have over 100 professors. Over the past year, we have achieved some major research and enterprise successes which include :

- Securing Institutional Bronze Award for Athena Swan – an essential award which recognises our commitment to advancing the careers of women in science, technology, engineering, maths and medicine (STEMM) employment in higher education and research.
- Engagement in Digital Catapult North / Digital Health Enterprise Zone linking academia into primarily startups and small businesses in the creative and technology sectors – with specific emphasis in health.
- MedTech Catalyst – we are a key partner in this project developing Medical Technology Innovation in the Leeds City Region, establishing a sustainable community of academic, industry and clinical partners that are connected and committed to working in partnership to deliver a strong local economy and patient benefits.
- Securing from EPSRC funding of £6.5m towards a Future Metrology Hub with matching funding from key industrial partners, including NPL.
- Securing a £1m Biomarker and Stem Cell Doctoral Training and Research Centre.
- Securing the University's first EPSRC Doctoral Training Programme in materials (£0.5m).
- £0.5m award for a funded Royal Academy of Engineering Chair for Professor Xiang Jiang in partnership with Renishaw.
- Securing £0.7m NIHR funding for research into improving the sexual health of people with serious mental illness.
- Continued development of the collaboration partnership with NPL for a national research and innovation centre for surface metrology.
- Providing business mentoring support for >120 student and graduate start-up companies within the Duke of York Young Entrepreneurs' Centre.
- Growth in the patent and licence portfolio of the University, with several spin-outs in preparation.

Our research covers a spectrum from 'blue skies' to user-inspired and applied research where outputs are close to end-user needs and are adopted in new products, services and policy. Given the nature of our University research portfolio, which encompasses professional and vocational research, beneficiaries of our research and knowledge transfer (KT) activity are wide ranging. Much of our research and KT activity has 'beneficiary' involvement from the outset through partnership or direct funding of the research. For example, organisations include:

- Multinational companies e.g. 3M, Rolls Royce, Agilent, Renishaw, Taylor Hobson (Ametek), Borg Warner, Weir Group plc.

THE UNIVERSITY OF HUDDERSFIELD
REPORT OF THE UNIVERSITY COUNCIL (continued)

- Regional companies e.g., HR Blowers, Andel, Cummins Turbo Technologies, Reliance Precision, Paxman Coolers, Kromek, Severn Unival, Blackhall Engineering.
- Charities and NGO's e.g. NSPCC, Woundcare4heroes, Key to Freedom and the Women's Interlink Foundation.
- Public sector organisations e.g. Rail Standards and Safety Board (RSSB), UNICEF, National Physical Laboratory (NPL), NHS, and Food and Environment Research Agency (FERA).
- Museums and galleries e.g. Royal Armouries, Yorkshire Sculpture Park and Barbara Hepworth Gallery.

The 3M BIC continues to be a primary route for business engagement, promoting the University's research capability with an increasing number of research partnerships and collaborations being established, especially with local SMEs. We have extended our business support networks and launched a professional services network associated with our innovation programme. In addition, we are working with the Northern Automotive Alliance, UK Trade & Investment, the EEF (the Manufacturer's Organisation) and Mid-Yorkshire Chamber of Commerce to support our network of companies

Knowledge Transfer activities generally have clearly defined beneficiaries and the benefits quantified in some way. The Knowledge Transfer Partnership programme (KTP) funded by Innovate UK (IUK) is an excellent scheme for fostering relationships between academia and industry. Our KTP with Weir Valves and Control Ltd, (which is part of Weir Group PLC) was shortlisted for the 2015 Best Impact Award at Innovate UK's 'Best of the Best Awards'. Over the past year, we have consistently been in the UK top 10 of KTP providers and are approaching our 100th award.

In terms of regional engagement, the Vice-Chancellor concluded his membership of the LEP Board and Chair of its Business Innovation and Growth Panel during the year. The Director of Research and Enterprise joined the Board of the Northern Automotive Alliance, became chair of the Yorkshire Universities KT Directors group and was invited in February 2016 to be a panel member at the Northern Powerhouse Conference.

Private benefit arising from commercially funded research or knowledge exchange activity is incidental to our principal aims. The arrangements for the diversion of any revenue arising from the successful exploitation of knowledge and expertise are set out in the University's policy on Intellectual Property.

Detriment or Harm

A principle of public benefit is that benefits must be balanced against any detriment or harm. We have considered this issue and we have not identified anything to report. None of our research activity falls into areas such as "live" animal testing or non-ethical research.

Contribution to economic, social and cultural development

The University has a history of close involvement with industry, business and its cultural community. The extent of that involvement is probably best illustrated by the fact that in terms of headcount we are in the top 10 HEIs in the UK for sandwich course placements and from DLHE data we estimate that 65% of our graduates are retained in the Yorkshire and Humber region.

The University connects with the world outside the campus, with links to a broad range of external organisations and professional bodies. More than 40 professional bodies accredit our provision. Our connections help us to keep our courses relevant to the world of work and ensure our students have good employability skills. Recent additions to the curriculum include MSc in Logistics and Supply Chain Management through the Chartered Institute of Procurement and Supply, and BA in Popular Music Production through the Joint Audio Media Education and Support UK trade association.

We are the 3rd largest employer in Huddersfield and it is estimated that we are responsible for more than £300M in direct and indirect contributions to the local economy per annum. Approximately 18% of our student population are from the EU or overseas and are contributing overseas investment and spend in our regional economy.

We make major contributions to our community in terms of fashion, art, drama, media and music. We run the Huddersfield Literature Festival, we are a key sponsor and supporter of the Huddersfield Contemporary Music Festival and curated an exhibition of sculpture at the Huddersfield Art Gallery as part of the on-going ROTOR project. A highlight for this year has been the design of apparel by our fashion students for manufacture by badly-abused women in India, the Key to Freedom project supported by the Duchess of York, which facilitates longer term economic independence.

THE UNIVERSITY OF HUDDERSFIELD
REPORT OF THE UNIVERSITY COUNCIL (continued)

The Vice-Chancellor is a member of the Board of the Peter Jones Foundation, which works to establish a real way to support children's futures and to inspire a culture of enterprise and entrepreneurialism in Britain.

International Renown

The University experienced marginal growth in its international student numbers and income was again healthy. This is against an increasingly competitive marketplace where the numbers of new international students coming to the UK actually fell for the first time.

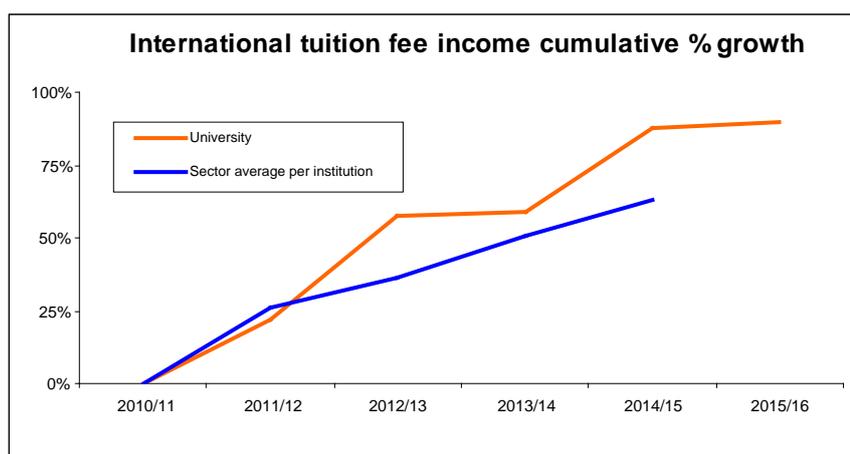
Almost a fifth of our students are now non-UK students and we also have a continually growing international staff base, which helps us in international league tables.

We were again placed in the QS and Times World University Rankings and featured for the first time in the QS Top 200 Universities for Graduate Employability in the world.

This is particularly pleasing and a positive indication of our growing international reputation, and may help us to counter some of the political negatives.

However, Brexit and the generally negative immigration rhetoric are unlikely to have a positive impact on the attractiveness of the UK as an international student destination.

Under Santander scholarships 50 of our students, including undergraduates and postgraduate, were able to undertake short international study trips to our international partner universities, including Montreal, Pennsylvania, Madrid, Barcelona and Tsinghua.



In the past year we have held alumni events in China and Malaysia and have appointed a new University Representative for Malaysia.

Enhancing our standing, Developing our identity and Raising our profile

Our staff, students and alumni are influential across the globe in their chosen fields. Our marketing and communications activity aims to maintain the University's reputation to ensure that alumni can remain proud of their association with Huddersfield, and to raise our profile with new partners to open up new possibilities for collaboration. To achieve this, we seek to ensure that those who commission research or business support are aware of the knowledge and skills that are available through working in partnership with the University. Another key focus is our work with those who may advise students about their choice of University. Our profile raising work includes media relations, social media activity, holding a range of events on campus and inviting key influencers into the University to see the work we do.

THE UNIVERSITY OF HUDDERSFIELD
REPORT OF THE UNIVERSITY COUNCIL (continued)

Equal Opportunities and Employment of Disabled Persons

The University is committed to ensuring equality of opportunity for all who learn and work here. We respect and value positively differences in race, gender, sexual orientation, disability, religion or belief and age, etc. We strive vigorously to remove conditions which place people at a disadvantage and we will actively combat bigotry. This policy is resourced, implemented and monitored on a planned basis. The University's Equal Opportunities Policy and Diversity Statement is published on our website.

The University considers all applications from disabled persons, bearing in mind the aptitudes of the individuals concerned. Where an existing employee becomes disabled, every effort is made to ensure that employment with the University continues. The University's policy is to provide training, career development and opportunities for promotion which are, as far as possible, identical to those for other employees.

Disability Statement

The University seeks to achieve the objectives set down in the Equality Act 2010. The University has been awarded the Disability Symbol. This is in recognition by Jobcentre Plus that we have agreed to take action to meet five commitments regarding the employment, retention, training and career development of disabled employees.

Environmental and Social Sustainability

The University continues its commitment to principles of Sustainable Development and Environmental protection.

The University continues to implement its Environmental Policies and work with its partners to ensure that all facets of Sustainable Development are accounted for in its activities.

Energy and Carbon

The Estates Carbon reduction budget has continued to be utilised for energy intervention projects including major LED replacement schemes in the Library and Harold Wilson building.

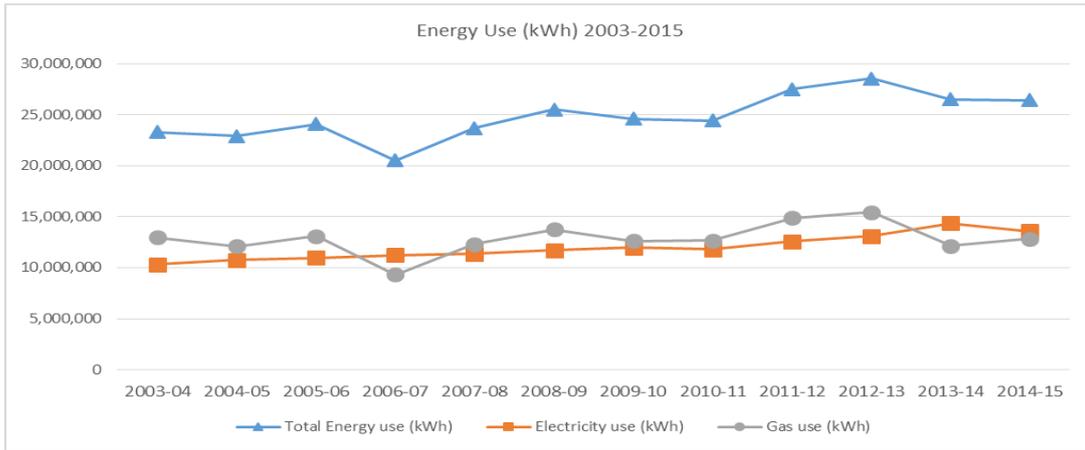
Smaller scale LED replacement projects have also taken place in the Sir Patrick Stewart Building, Canalside East, Queen Street Studios, Joseph Priestley Building and the Technology Building.

Projects are underway in the Bronte, Harold Wilson and Schwann Buildings to undertake energy surveys and identify energy reductions through the reprogramming of the Building Energy Management Systems. These surveys are being undertaken in conjunction with the recent installation of new, more efficient air handling systems within the buildings and should see significant energy savings.

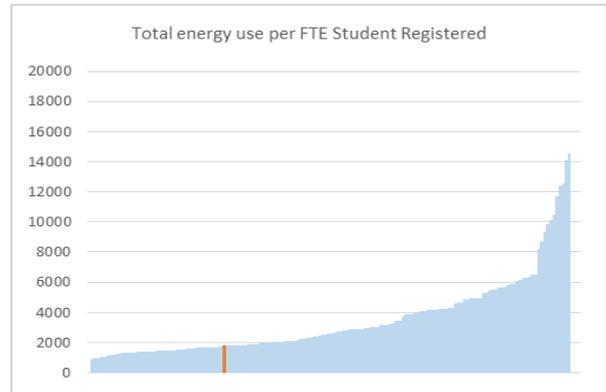
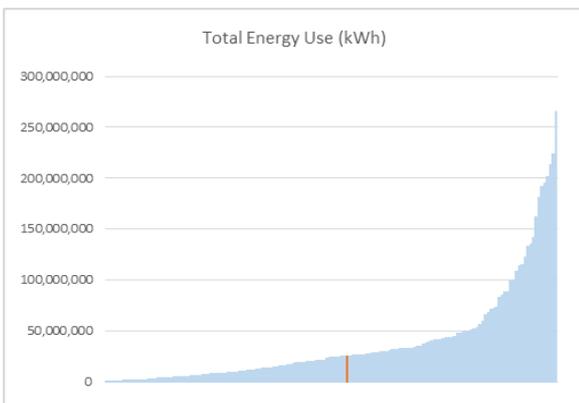
The upward trend in energy consumption and carbon emissions has begun to slow despite the size of the campus increasing as new buildings and refurbishments come into use. The challenge, as the campus develops and increases in size, is to improve the performance of existing buildings and ensure new buildings are built to minimise their impact on the environment.

To this end the new Oastler building is being built to EPC A rating and BREEAM Excellent as will future new buildings. Refurbishments will also be constructed to high environmental standards and integrate new technologies to minimise energy consumption.

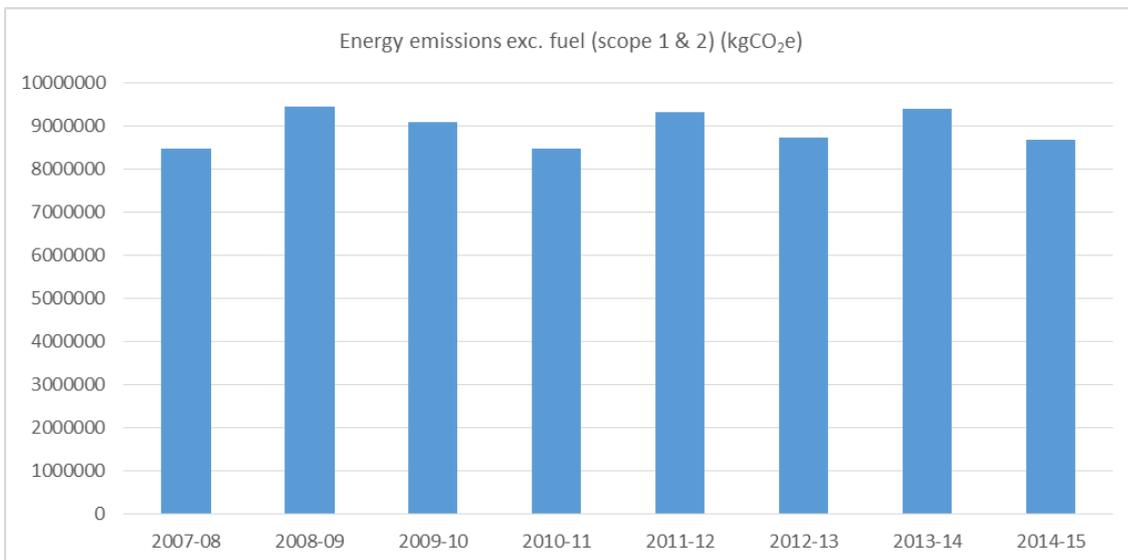
THE UNIVERSITY OF HUDDERSFIELD
REPORT OF THE UNIVERSITY COUNCIL (continued)



The University sits at the top of the third quartile for Total Energy use in non-residential buildings and towards the top of the second quartile for Total Energy use per FTE student registered.

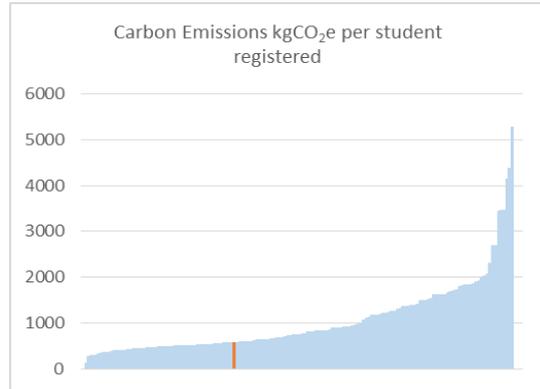
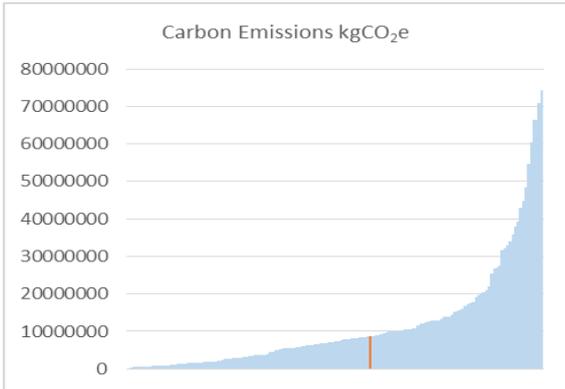


Carbon Emissions have decreased by 7.5% between 2013/14 and 2014/15 as a benefit of the reduction in electricity use shown above.



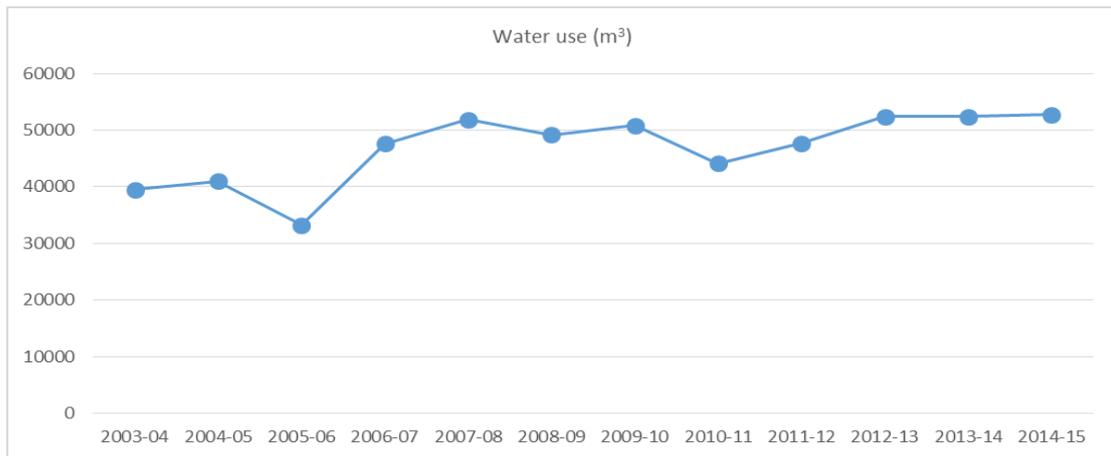
THE UNIVERSITY OF HUDDERSFIELD
REPORT OF THE UNIVERSITY COUNCIL (continued)

The University is positioned in the third quartile for Carbon Emissions in Non-Residential buildings and in the second for Carbon Emissions per FTE Student enrolled.

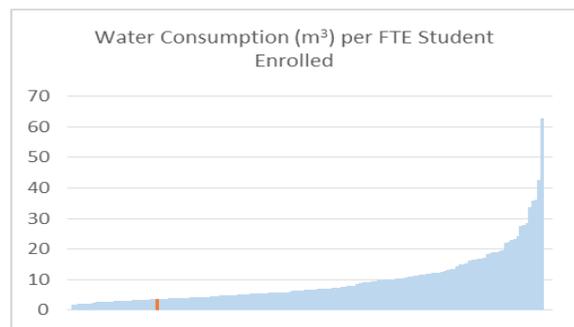
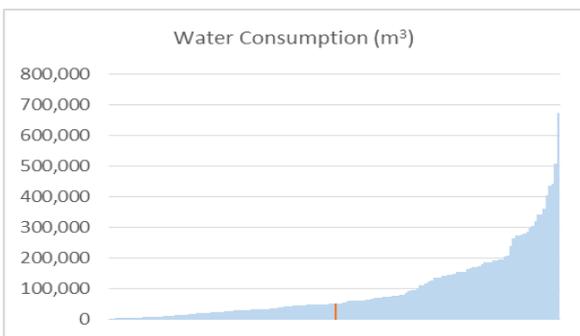


Water

Water use has stabilised over the last three years and the University continues to implement water conservation measures when undertaking renovations and installation within new buildings. The University has two grey-water harvesting schemes in the Business School and the Creative Arts Buildings and has installed a green roof on the new Student Central building to aid water attenuation and reduce drainage requirements.

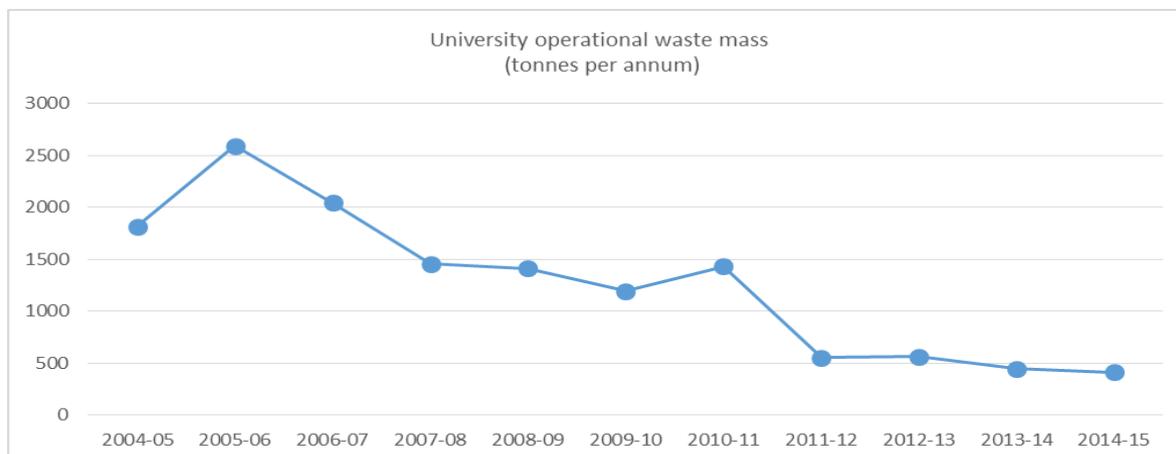


The University has maintained similar performance in comparison to its peers and the previous year with total consumption in the second quartile and water consumption per student in the first quartile.



Waste

The University has continued its policy of waste minimisation, ensuring waste is diverted from landfill wherever feasible and seeking a high waste recovery rate. We have seen our operational waste mass reduce significantly over the past decade, from around 2,000 tonnes per annum in 2005 to 500 tonnes in 2015.



We have continued to embed waste reduction into a wide range of our activities, from phasing out paper payslips, increasing use of electronic invoicing, managing of our printed prospectus requirements, and making efforts to reuse redundant furniture and equipment by exchanging items within our internal departments.

The University has recently engaged a new waste management contractor and has built in a high level of environmental performance as one of the key requirements for the company appointed. The implementation of the new contract is expected to see increased recycling rates through establishing segregated waste streams, and processing waste at their materials recovery facility located in Huddersfield.

We have provided additional recycling facilities in external areas and are in the process of making improvements to our internal recycling schemes, to allow students and staff in all areas of campus to segregate recyclable materials at source.

Sustainability Education

The Education for Sustainable Development (ESD) Forum launched in 2012 continues to act as a resource for teaching and academic staff to incorporate Sustainable Development materials into their curriculums.

The Teaching and Learning Strategy refers to themes of sustainability, responsibility, global citizenship, interdependence of society, economic prosperity and ethical issues and it sets an objective for all students to reflect on these themes within their studies.

Sustainability Engagement and Partnership working

The University has engaged directly with the Students' Union to support where required their successful application to the Green Impact scheme and to sit on their new Sustainability Committee. The University also supports student groups constituted under the Students' Union in their activities including the Students for Sustainability with their awareness raising activities and the HarvestHud food growing society based at Storthes Hall.

The Huddersfield Active Travel Project in partnership with Sustrans, Kirklees Council and Kirklees College was completed in 2016 after four successful years which included a Sustrans active travel officer embedded on the University campus.

The University continues to engage with the Environmental Association for Universities and Colleges (EAUC) and is active within the newly formed Yorkshire and Humber group which provides opportunities for knowledge sharing and joint working.

THE UNIVERSITY OF HUDDERSFIELD
REPORT OF THE UNIVERSITY COUNCIL (continued)

The University was also a key partner in developing the Association of University Directors of Estates (AUDE) Green Scorecard with the Director of Estates taking a key role in driving through its development.

The Green Scorecard allows universities to set targets and measure progress across a number of environmental key performance indicators.

Travel

We were one of the first large organisations in Huddersfield to adopt a Travel Plan in 2007. Since its introduction there has been a positive change in the way our staff travel to campus, with a tendency for less use of vehicles and greater participation in active travel such as walking and cycling. There has been a 17% reduction in single occupancy car journeys to campus between 2007 and 2016, from 54% to now 45%.



We continue to improve our monitoring of travel to campus. During 2015-16 we collected our first comprehensive dataset on student commuting, started monitoring the carbon emissions of travel, and mapped journeys across geographical locations. The improved data will inform the next iteration of our Travel Plan expected in early 2017.

We have encouraged sustainable travel through improvements to our infrastructure, information and travel discount schemes. Since the introduction of the Travel Plan we have doubled the number of cycle parking spaces (55 in 2007, to 114 in 2016). During the same period we have also gradually reduced our car parking provision. An exercise was recently undertaken to identify, map and where necessary improve and better promote facilities for cycling and walking to campus.

We continue to offer a number of staff travel schemes, including Metrocard, First Bus passes, Cyclescheme, season ticket loans and Liftshare. Roughly 150 staff (approaching 10% of our workforce) participated in these schemes last year.

We have successfully worked with our partners Sustrans, Kirklees Council and Kirklees College to deliver the Huddersfield Active Travel Project on campus, a 4-year programme delivering engagement activities, customised cycle maps and cycle training.

Fairtrade

Our achievement of Fairtrade University status in 2009 was described as 'trailblazing for Huddersfield' by the Fairtrade Foundation, and we were central in achieving 'Fairtrade Borough' status for Kirklees in partnership with Kirklees Council. We successfully renewed our Fairtrade University status in September 2014 until 2016 and continue to support a wide range of partners in the Fairtrade Kirklees Forum.

THE UNIVERSITY OF HUDDERSFIELD
REPORT OF THE UNIVERSITY COUNCIL (continued)

Financial Performance

Accounting Policies

The University has updated its principal accounting policies following the adoption of FRS102. Those which are critical to interpretation of the results relate to accounting for our share of the West Yorkshire Pension Fund assets and liabilities under pension obligations (see note 24); a revaluation of land and buildings every 5 years which took place in 2015 and significantly increased the value of the University's assets (see note 11); and the recognition of research grant and contract income which is included to the extent that the performance conditions for their receipt of non-government revenue have been complied with and the accrual method is applied to government revenue.

Results for the year

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

| | <u>2016</u> <u>£'000</u> | <u>2015</u> <u>£'000</u> |
|---|-----------------------------|-----------------------------|
| Income | 162,599 | 152,093 |
| Expenditure | <u>(138,853)</u> | <u>(129,546)</u> |
| Surplus for the year | 23,746 | 22,547 |
| Unrealised surplus on revaluation of land and buildings | - | 35,426 |
| Actuarial (loss) in respect of pension schemes | (27,553) | (7,190) |
| Movement on endowments | <u>29</u> | <u>15</u> |
| Total comprehensive income for the year | <u>(3,778)</u> | <u>50,798</u> |

The University is pleased to record a healthy operating surplus for the year at 14.6% of total income.

Total income increased by 6.9%. A further fall in Funding Council income was offset by higher tuition fee income from UK and EU Higher Education students and an increase in research and enterprise activity.

The underlying staff cost to income ratio decreased from 54.9% to 53.9%.

Operating expenses increased by 8.2%. There were significant increases in equipment and consumables of £2.6m and student bursaries of £1.5m.

Significant balance sheet movements arose from:

- An increase in cash balances and investments of £11.0m arising from operating activities net of capital investment.
- An increase of £30.9m in the calculation of our pension liabilities (following an increase of £12.2m in the previous year).

Total balance sheet funds decreased by £3.8m or 1.7% during the year (following an increase of 12% in the previous year).

Capital Investment

Maintaining capital investment of £24.3m in 2015/16 was critical to our recruitment of students, their experience whilst they are with us and the delivery of inspirational teaching and learning which is one of the University's key strategic objectives. That investment is funded through our own resources by retaining sufficient surpluses to generate the cash required.

Cash Flow

The consolidated cashflow statement shows an increase in cash balances of £33.7m before capital expenditure (net of grants received) which was largely the result of cash generated from operating activities. Liquidity at the year end represented 335 days of expenditure, compared with a sector average of 132 days for 2014/15.

The University has a target for generating sufficient cash to fund its estates and other strategic objectives which was achieved in 2015/16. Our strategy is to pay for estate developments out of current earnings and only to borrow when accelerating the estate strategy would contribute to the achievement of our overall strategic aims.

Our surplus cash is invested at low to medium risk and for capital growth rather than income.

Financial Outlook and Liquidity

The University's financial forecast for the period to July 2019 demonstrates the sustainability of our strategy to retain sufficient surpluses to invest in improving the student experience; at the same time as maintaining liquidity and managing risks to our future financial strength. Over several years, we have retained an additional contingency primarily by generating income growth and containing costs, so that adverse economic conditions can be managed without endangering our underlying surplus. Key Financial Indicators are the level of operating surplus as a percentage of income and staff costs as a percentage of income, the control of which is key to delivering the cash for our strategic needs.

Going Concern

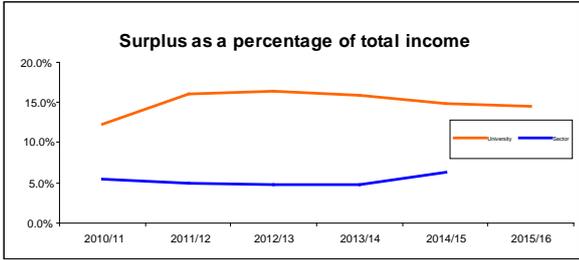
The University has a reasonable expectation that there will be adequate resources to continue in operational existence for the foreseeable future. The Financial Forecast submitted to HEFCE in July 2016, demonstrates surpluses in each year to 2018/19, with strong cash balances despite incurring significant capital expenditure, and no debt requirement, based on a conservative set of assumptions for future income and expenditure.

Financial Sustainability

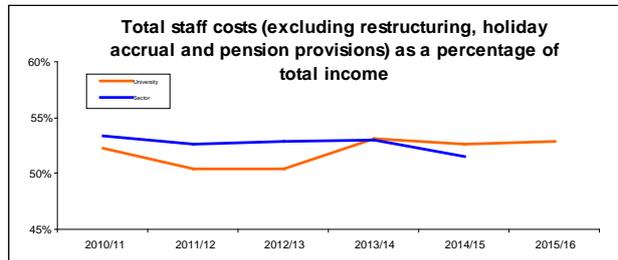
Three of our University KPIs relate directly to financial performance. The following ratios represent some of the Key Financial Indicators which are recognised across the Higher Education Sector and can indicate the financial health of a University relative to its peers. They are shown for the University against the latest published figures for the sector. The University's aim is to be in the upper quartile against each indicator when these statistics are published.

**THE UNIVERSITY OF HUDDERSFIELD
REPORT OF THE UNIVERSITY COUNCIL (continued)**

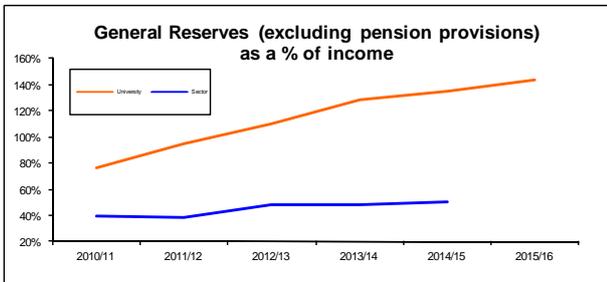
Comparative results (excluding the impact of pensions under FRS102) for the last 5 years show the following trends:



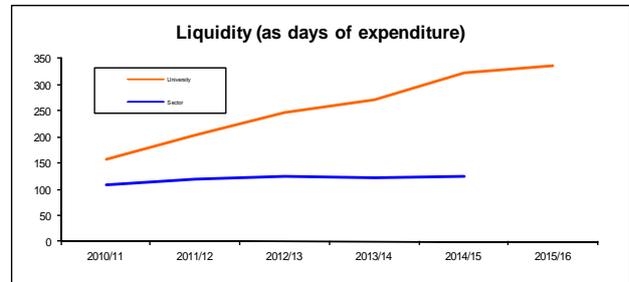
The University's surplus continues to be higher than the sector average.



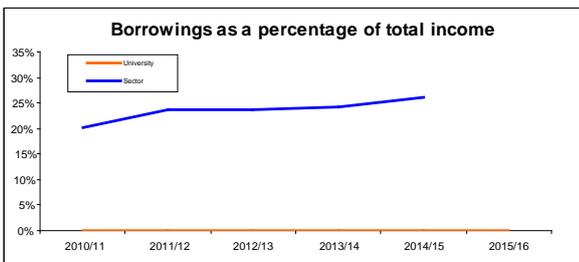
The University's core staffing cost as a % of income is now above the sector average.



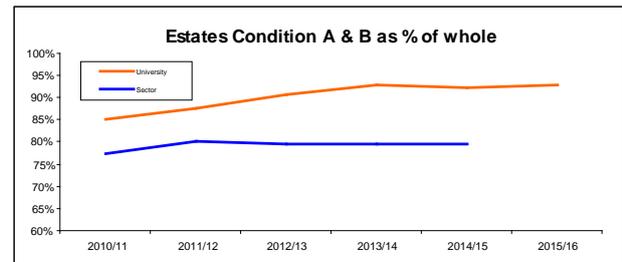
The University's reserves are well above the average for the sector.



The University generates sufficient cash to meet its strategic needs and its liquid reserves are higher than the sector average.



The University repaid its outstanding loans in April 2011.



Over 90% of the University's estate is now classified as "new or sound", demonstrating our continuing commitment to maintain the best facilities for our students.

The University is financially strong and is generating sufficient cash to meet its strategic objectives without borrowings.

THE UNIVERSITY OF HUDDERSFIELD
REPORT OF THE UNIVERSITY COUNCIL (continued)

Key Risks

Our risk management processes continue to identify and manage the major strategic and financial risks to the University. These can be broadly categorised as follows:

- cuts in government funding for HE teaching and our vulnerability to NHS income streams;
- the open market competitive environment for the recruitment of home, EU and overseas students;
- our ability to recover the full economic cost of our key activities;
- cash limited research funding and its allocation;
- pay and pension costs increasing at a faster pace than our income; and
- the effect of Brexit.

Our response to these risks has been:

- to create an economic contingency reserve by generating growth, particularly of international tuition fee income;
- to reduce our staff cost to income ratio by controlling expenditure in this area;
- robust scenario planning to consider the options available together with an agile decision-making environment;
- to review and refresh our course portfolio; and
- the recruitment of world class research academics.

The University continues to be diligent in protecting its financial strength, but the economic climate and changes in government policy will create challenges in the years ahead. Our operating environment is forecast to change rapidly as a consequence of reductions in public funding and the increase in tuition fees. This is against a background of increased competition, particularly for student recruitment and research funding. In the context of pay and pension pressures together with enhanced student expectations, this is a challenging environment for higher education.

Disclosure of Information to Auditors

The Council Members who held office at the date of approval of this 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 reasonably taken to be aware of any relevant audit information and to establish that the University's auditors are aware of that information.

Insurance for Officers

During the year the University maintained liability insurance for the members of the University Council.

Political and Charitable Contributions

There were no political or charitable contributions during the year.

Payment of Creditors

The University is fully committed to the prompt payment of its suppliers' bills and is accredited by the Confederation of British Industry's Prompt Payment Code. The University aims to pay bills in accordance with agreed contractual conditions or, where no such conditions exist, within 30 days of receipt of goods or services or the presentation of a valid notice, whichever is the later.

THE UNIVERSITY OF HUDDERSFIELD
REPORT OF THE UNIVERSITY COUNCIL (continued)

STATEMENT OF CORPORATE GOVERNANCE AND INTERNAL CONTROL

The University is committed to exhibiting best practice in all aspects of corporate governance. In the opinion of the Members of Council the University complies with the Higher Education Code of Governance (“the Code”) which was issued by the Committee of University Chairs (CUC) in December 2014 and has complied throughout the year ended 31 July 2016. Its purpose is to help the reader of the accounts understand how the principles of corporate governance have been applied.

The Code includes “must”, “should” and “could” statements; the University Secretary and Vice-Chair of Council conducted a gap analysis of the University’s performance against each of the Code’s provisions, which was summarised and presented to University Council at its meeting on 26 March 2015. The University requested that its internal auditors review the University’s compliance in this regard. Their report confirmed substantial assurance in that the University complied with the “must” statements in the Code. The University Secretary and Vice-Chair have subsequently completed the first annual review of compliance with the “must” statements which was presented to University Council at its meeting on 24 November 2016. In accordance with the requirements of the Code, members of the University Council confirm that the University has in place all of the primary elements and meets the requirements of the supporting “must” statements.

COUNCIL

The members who served on the Council during the year are listed in the Table below:-

| | Date of Appointment | Date of Retirement or End of Initial Term of Office | Committees Served |
|---|---------------------|---|--|
| External Members | | | |
| Mr C J Brown | 1 January 2001 | 31 July 2019 | Chair of Council Estates Development Committee Chair of Governance & Membership Committee Honorary Awards Committee Chair of Remuneration Committee |
| Mr E L F Nicholls | 1 April 1999 | 31 July 2018 | Vice-Chair of Council Audit Committee Chair of Estates Development Committee Governance & Membership Committee Honorary Awards Committee Remuneration Committee |
| Mr M Fisher | 30 March 2006 | 31 July 2018 | |
| Mrs J Harris | 16 November 2010 | 31 July 2019 | Governance & Membership Committee Honorary Awards Committee |
| Mrs V Lloyd | 3 July 2014 | 31 July 2017 | |
| Prof I Pollock | 1 August 2015 | 31 July 2018 | |
| Dr I Roscoe | 16 November 2010 | 31 July 2019 | Governance & Membership Committee Honorary Awards Committee |
| Mr B Swan | 18 October 2007 | 31 July 2016 | Audit Committee Estates Development Committee Governance & Membership Committee Honorary Awards Committee - EDC |
| Mrs H Thomson | 16 November 2010 | 31 July 2019 | Audit Committee |
| Mr J Thornton | 20 July 2006 | 31 July 2018 | Chair of Audit Committee Remuneration Committee |
| Co-opted Members | | | |
| Professor T Thornton | 1 August 2015 | Ex-officio | Estates Development Committee Governance & Membership Committee |
| Members Nominated by Senate (Teaching Staff) | | | |
| Mrs J Lane | 1 August 2015 | 31 July 2018 | |
| Professor J Playle | 1 August 2014 | 23 March 2016 | |
| Professor J Owen-Lynch | 24 March 2016 | 31 July 2018 | |
| Members Nominated by Senate (Admin Staff) | | | |
| Mrs R Allen | 1 August 2015 | 31 July 2018 | |
| Student Member | | | |
| Mr M McGougan | 3 July 2015 | 3 July 2016 | |
| Vice-Chancellor and Principal | | | |
| Professor R A Cryan | 1 January 2007 | Ex-officio | Chair of Honorary Awards Committee Estates Development Committee Governance & Membership Committee Remuneration Committee |

THE UNIVERSITY OF HUDDERSFIELD
REPORT OF THE UNIVERSITY COUNCIL (continued)

The University endeavours to conduct its business in accordance with the seven principles identified by the Committee on Standards in Public Life (selflessness, integrity, objectivity, accountability, openness, honesty and leadership) and with the Committee of University Chairs Higher Education Code of Governance.

The University is an independent corporation, established as a Higher Education Corporation under the terms of the Education Reform Act 1988 and the Further and Higher Education Act 1992. Its objects, powers and framework of governance are set out in the Instrument and Articles of Government which were adopted by the University Council on 20 December 1996. The current version of the Articles was approved by the Privy Council on 10 January 2012 and came into effect on 22 February 2012. The Articles require the University to have a Council and a Senate each with clearly defined functions and responsibilities, to oversee and manage its activities.

The University Council is the governing body, responsible for the finance, property and staffing of the University. It is specifically required to determine the educational character and mission of the University and to set its general strategic direction.

The Council has a majority of external members, chosen in line with strict criteria contained in the legislation. It is customary for the Chair of the Council to be elected from the external members. There is also provision for the appointment of co-opted members, some of whom may be members of the staff of the University and for representatives of the staff and of the student body. Members of the Council do not receive any remuneration for the work which they do for the Council.

Subject to the overall responsibility of the University Council, the Senate has responsibility for the academic affairs of the University and draws its membership entirely from the staff and the students of the University. It is particularly concerned with issues relating to the teaching and research work of the University.

The Chief Executive is the Vice-Chancellor who has responsibility to the University Council for the organisation, direction and management of the University. Under the terms of the formal Memorandum of Assurance and Accountability between the University and the Higher Education Funding Council for England, the Vice-Chancellor is the designated officer of the University and in that capacity can be summoned to appear before the Public Accounts Committee of the House of Commons.

It is the Council's responsibility to bring independent judgement to bear on issues of strategy, performance resources and standards of conduct.

The Council is provided with regular and timely information on the overall financial performance of the University together with other information such as performance against funding targets, proposed capital expenditure, quality matters and personnel-related matters such as health and safety and environmental issues.

Although the Council meets at least three times each year, much of its detailed work is initially handled by committees, in particular the Governance and Membership Committee, the Remuneration Committee and the Audit Committee. The decisions of these Committees are formally reported to the Council. A brief description of their responsibilities is set out below:

The Governance and Membership Committee makes recommendations for effective governance arrangements and the appointment of University Council and Committee members.

The Remuneration Committee's responsibilities are to review the process of the remuneration of the salaries of senior staff and to determine the salaries of the Vice-Chancellor and University Secretary.

THE UNIVERSITY OF HUDDERSFIELD
REPORT OF THE UNIVERSITY COUNCIL (continued)

The Audit Committee meets four times a year with the University's external and internal auditors in attendance. It establishes and reviews procedures for auditing the University's activities. The Committee considers detailed reports together with recommendations for the improvement of the University's systems of internal control and management's responses and implementation plan. It provides oversight of the University's risk management procedures. It also receives and considers reports from the Funding Council as they affect the University's business and monitors adherence to the regulatory requirements. Whilst senior executives attend meetings of the Audit Committee, as necessary, they are not members of the Committee. Once a year the Committee meets the internal and external auditors on their own for independent discussions.

A significant proportion of the membership of these committees consists of external and co-opted members of the Council, other than student and staff members, who are not eligible to serve on these committees, with the exception of staff members on the Governance and Membership Committee.

All Council members are able to take independent professional advice in furtherance of their duties at the University's expense. In accordance with the Articles of Government of the University, Council members have access to the University Secretary who acts as Clerk to the Council. She is responsible to the Council for ensuring that all applicable procedures and regulations are complied with. The appointment and removal of the Secretary are matters for the University Council as a whole.

Formal agendas, papers and reports are supplied to Council members in a timely manner, prior to Council meetings. Briefings on a wide-range of topics are also provided on an ad-hoc basis.

The University Council has a strong and independent non-executive element and no individual or group dominates its decision-making processes. The Council considers that each of its non-executive members is independent of management and free from any business or other relationship which could materially interfere with the exercise of their independent judgement.

There is a clear division of responsibility in that the roles of the Chair and Vice-Chancellor are separate.

As Chief Executive, the Vice-Chancellor exercises considerable influence upon the development of University strategy, the identification and planning of new developments and the shaping of the University ethos. The Deputy Vice-Chancellor, the Pro Vice-Chancellors and the senior administrative and academic officers all contribute in various ways to this aspect of the work, but the ultimate responsibility for what is done rests with the Vice-Chancellor.

The University maintains a Register of Interests of Members of the Council and the University's Senior Management Team which may be consulted by arrangement with the University Secretary. Full minutes of all meetings, except those deemed to be confidential by the University, are available from the University Secretary at The University of Huddersfield, Queensgate, Huddersfield, HD1 3DH.

INTERNAL CONTROL

As the governing body of the University, the University Council has responsibility for maintaining a sound system of internal control that supports the achievement of policies, aims and objectives, while safeguarding the public and other funds and assets for which it is responsible.

The system of internal control is designed to manage rather than to eliminate the risk of failure to achieve policies, aims and objectives; it can therefore only provide reasonable and not absolute assurance of effectiveness.

The system of internal control is based on an ongoing process designed to identify the principal risks to the achievement of policies, aims and objectives, to evaluate the nature and extent of those risks, and to manage them efficiently, effectively and economically. This process has been in place for the year ended 31 July 2016 and up to the date of approval of the financial statements and accords with HEFCE guidance.

THE UNIVERSITY OF HUDDERSFIELD
REPORT OF THE UNIVERSITY COUNCIL (continued)

The University's objectives, its internal organisation and the environment in which it operates are continually evolving and, as a result, the risks it faces are continually changing, although the current key risks (foremost of which are changes in government policy and the achievement of student recruitment targets) are likely to remain the major causes of concern. The University's internal control systems (on finance, planning, resource management etc) have enabled managers to manage and to appropriately control the risks. However, if progress is to be made in an increasingly competitive environment, then the University cannot expect to be risk-free.

The University's internal control systems and their associated procedures are aimed at:

- safeguarding the University's assets, limiting its liabilities and ensuring the appropriate use of public funds;
- facilitating effective and efficient operation of the University by enabling it to respond appropriately to significant business, operational, financial, compliance and other risks to achieving the University's objectives;
- ensuring the quality of internal and external reporting. This requires the maintenance of proper records and processes that generate a flow of timely, relevant and reliable information from within and outside the University (all of which are features of the approved University General Information Strategy); and
- ensuring compliance with applicable laws and regulations and also with internal policies with respect to the conduct of business.

The internal control system provides the framework in which the University operates. It includes:

- mechanisms for the control of activities;
- appropriate information and communication processes; and
- processes for monitoring the continuing effectiveness of the University's control of its activities.

The internal control system used to manage risk will continue:

- to be embedded within the operation of the University, forming an integral part of its culture. It should be viewed as a continuum, a constant checking of the radar for trouble ahead;
- to be capable of responding quickly to evolving risks to the University arising from factors within the University and to changes in the external environment;
- to include a reporting culture in which any failings or weaknesses in the control systems are reported to appropriate levels of management and corrective action duly taken - i.e. embedding a culture in which the second person to know about a failure is the line manager of the discoverer; and
- to be the ultimate responsibility of the Vice-Chancellor with operational responsibility devolved to the University's Senior Management Team.

As the governing body, Council has the responsibility for reviewing the effectiveness of the system of internal control. The following processes have been established:

- a) Council meets regularly to consider the plans and strategic direction of the University.
- b) Council receives feedback from the Audit Committee on matters of internal control considered and debated by the Audit Committee. Council is routinely informed and consulted on key business decisions, the risks associated with them and the proposed management approach. Systems have been established to report risk to Council more explicitly in the form of the corporate risk register and as part of the financial forecasts.
- c) Council has established the University's Senior Management Team as the University's risk committee, charged with reviewing and updating the corporate risk register. The Audit Committee provides oversight of the processes involved.
- d) The Audit Committee receives regular reports from the internal audit service, which includes its independent opinion on the adequacy and effectiveness of the University's system of internal control, together with recommendations for improvement.

THE UNIVERSITY OF HUDDERSFIELD
REPORT OF THE UNIVERSITY COUNCIL (continued)

- e) At a corporate level, risks are identified and discussed by the Senior Management Team, informed by formal and informal information flows between management, groups, committees and staff. The Senior Management Team reviews and where appropriate updates the corporate risk register. Guidance has been issued to Schools and Services which encourages their management teams to consider the key risks their areas face. The Senior Management Team explores and considers the risks identified by Schools and Services as part of the annual planning round.
- f) Risk awareness is raised through:
 - Risk being incorporated within the Management Development Programme and staff induction courses;
 - The planning and contextual documentation which is provided to Deans and Directors offering risk management guidance and being supplemented by discussions during the planning round; and
 - Deans and Directors discussing risk with their management teams during the planning round.
- g) Risks are linked to the key corporate objectives for which detailed key performance indicators have been derived.
- h) Risks have been prioritised on the basis of likelihood and impact. This assessment has been made both before and after considering the internal controls in place. The Senior Management Team has considered the risk priorities in order to distil the corporate risk register.
- i) An organisation-wide risk register is maintained. This is further informed by the risk registers completed by Schools and Services which are presented to Senior Management Team as part of the planning round.
- j) Council receives reports and updates on key risks and their management as part of routinely scheduled Council and Committee business.

The University Council's review of the effectiveness of the system of internal control is informed by the internal audit service, which operates to standards defined in the HEFCE Memorandum of Assurance and Accountability. The internal auditors submit regular reports which include their independent opinion on the adequacy and effectiveness of the University's system of internal control, with recommendations for improvement.

Council's review of the effectiveness of the system of internal control is also informed by the work of the executive managers within the institution, 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 HEFCE Assurance Service makes an annual assessment of the relative risk attaching to each institution being either "at higher risk" or "not at higher risk". This is based upon any audit work they have done in the year and upon information supplied and returns made to comply with the Audit Code of Practice. On 4 March 2016, the Assurance Service concluded that the University "is not at higher risk" and is meeting its accountability obligations set out in the Memorandum of Assurance and Accountability.

The University Council 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 Council is of the view that there is an ongoing process for identifying, evaluating and managing the University's significant risks, that it has been in place for the year ended 31 July 2016 and up to the date of approval of the annual report and accounts, that it is regularly reviewed by the University Council and that it accords with the internal control guidance for directors in the UK Corporate Code of Governance as deemed appropriate for Higher Education.

THE UNIVERSITY OF HUDDERSFIELD
REPORT OF THE UNIVERSITY COUNCIL (continued)

STATEMENT OF RESPONSIBILITIES OF THE UNIVERSITY COUNCIL

In accordance with the University's Articles of Government, the Council of the University is responsible for the administration and management of the affairs of the University and is required to present audited financial statements for each financial year.

The University Council 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 are prepared in accordance with the University's Articles of Government, the Statement of Recommended Practice on Accounting in Further and Higher Education Institutions, guidance issued by the Higher Education Funding Council for England and other relevant accounting standards. In addition, within the terms and conditions of the Memorandum of Assurance and Accountability agreed between the Higher Education Funding Council for England and the University Council, the latter, through its designated office holder, is required to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the University and of the surplus or deficit and cash flows for that year.

In preparing the financial statements, the University Council has to ensure 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 University Council is also required to prepare an Operating and Financial Review which describes what it is trying to do and how it is going about it, including the legal and administrative status of the University.

The University Council has taken reasonable steps:

- to ensure that expenditure and income are applied for the purposes intended by Parliament and that the financial transactions conform to the authorities that govern them;
- to ensure that funds from the Higher Education Funding Council for England (HEFCE) and the National College for Teaching and Leadership (NCTL) are used only for the purposes for which they have been given and in accordance with the Memorandum of Assurance and Accountability with HEFCE and any other conditions which the HEFCE or NCTL may from time to time prescribe;
- to ensure that there are appropriate financial and management controls in place to safeguard public funds and funds from other sources and to ensure that they are used properly;
- to safeguard the assets of the Group and to prevent and detect fraud and other irregularities; and
- to secure the economical, efficient and effective management of the University's resources and expenditure.

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

- clear definitions of the responsibilities of, and the authority delegated to, heads of academic and administrative departments;
- a comprehensive medium and short term planning process, supplemented by annual budgets;
- regular reviews of business risks and quarterly reviews of financial results involving variance reporting and updates of forecast outturns;
- clearly defined and formalised requirements for approval and control of expenditure, with capital expenditure being subject to formal detailed appraisal and review according to approval levels set by the University Council;
- comprehensive Financial Regulations, detailing financial controls and procedures, approved by the University Council; and
- an independent Internal Audit team whose annual programme is approved by the Audit Committee and endorsed by the University Council and whose head provides the University Council with an annual report on internal audit activity within the University and an opinion on the adequacy and effectiveness of the University's system of internal control, including internal financial control.

THE UNIVERSITY OF HUDDERSFIELD
REPORT OF THE UNIVERSITY COUNCIL (continued)

Any system of internal financial control can, however, only provide reasonable but not absolute assurance against material mis-statement or loss.

AUDITORS

A resolution to appoint Grant Thornton UK LLP as external auditor was approved at the University Council Meeting on 7 July 2016.

Mr C J Brown
Chair
24 November 2016

THE UNIVERSITY OF HUDDERSFIELD
INDEPENDENT AUDITOR'S REPORT

INDEPENDENT AUDITOR'S REPORT TO THE COUNCIL OF THE UNIVERSITY OF HUDDERSFIELD

We have audited the financial statements of the University of Huddersfield (the 'University') for the year ended 31 July 2016 which comprise the consolidated and University statement of comprehensive income, the consolidated and University statement of changes in reserves, the consolidated and University balance sheet, the consolidated statement of cash flows and the related notes. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) including FRS 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland.

This report is made solely to the University's Council, as a body, in accordance with the University's articles of government. Our audit work has been undertaken so that we might state to the University's Council those matters we are required to state to it in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the University and the University's Council as a body, for our audit work, for this report, or for the opinions we have formed.

Respective responsibilities of Council and auditor

As explained more fully in the Statement of Responsibilities of the Council set out on page 24, the Council is responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view.

We have been appointed as auditor under the Education Reform Act 1988 and report in accordance with regulations made under that Act. Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors.

Scope of the audit of the financial statements

A description of the scope of an audit of financial statements is provided on the Financial Reporting Council's website at www.frc.org.uk/auditscopeukprivate.

Opinion on financial statements

In our opinion the financial statements:

- give a true and fair view of the state of the group's and the University's affairs as at 31 July 2016 and of the group's surplus and its income and expenditure, gains and losses, changes in reserves and cash flows for the year then ended; in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been properly prepared in accordance with the Statement of Recommended Practice: Accounting for Further and Higher Education published in March 2014.

Opinion on other matters prescribed by HEFCE's Memorandum of Assurance and Accountability dated July 2016 and the funding agreement with the National College for Teaching and Leadership

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 the relevant legislation;
- funds provided by HEFCE and the National College for Teaching and Leadership have been applied in accordance with the Memorandum of Assurance and Accountability, the funding agreement with the National College for Teaching and Leadership and any other terms and conditions attached to them; and
- the requirements of HEFCE's accounts direction have been met.

Grant Thornton UK LLP
Statutory Auditor, Chartered Accountants
Leeds
November 2016

THE UNIVERSITY OF HUDDERSFIELD
STATEMENT OF PRINCIPAL ACCOUNTING POLICIES

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

Basis of preparation

These financial statements have been prepared in accordance with the Statement of Recommended Practice (SORP): Accounting for Further and Higher Education 2015 and in accordance with Financial Reporting Standard FRS102. The University is a public benefit entity and therefore has applied the relevant public benefit requirement of FRS102. The financial statements are prepared in accordance with the historical cost convention (modified by the revaluation of fixed assets).

Basis of consolidation

The consolidated financial statements include the University and all its subsidiaries for the financial year to 31 July 2016. Intra-group transactions are eliminated on consolidation. The consolidated financial statements do not include the income and expenditure of the Students' Union as the University does not exert control or dominant influence over policy decisions.

Income recognition

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

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

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

Grant funding

Government grants including Funding Council block grant and research grants are recognised as 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 as income when the University is entitled to the income and performance related conditions have been met. Income received in advance of performance related conditions being met is recognised as deferred income within creditors on the balance sheet and released to income as the conditions are met.

Foreign currency translation

Transactions denominated in foreign currencies are recorded at the rate of exchange ruling at the dates of the transactions. Monetary assets and liabilities denominated in foreign currencies are translated into sterling at year end rates and the resulting exchange differences are dealt with in the determination of income and expenditure for the financial year.

Pension schemes

Retirement benefits for most employees of the University are provided by the Teachers' Pension Scheme (TPS) the Universities Superannuation Scheme (USS) and the West Yorkshire Pension Fund (WYPF). These are defined benefit schemes which are contracted out of the State Second Pension (S2P).

THE UNIVERSITY OF HUDDERSFIELD
STATEMENT OF PRINCIPAL ACCOUNTING POLICIES (continued)

The TPS is a multi-employer defined benefit scheme which is unfunded requiring the University to pay a contribution to central government reflecting benefits earned during the year. It has not been possible to identify the share of underlying assets and liabilities belonging to individual participating employers. Therefore it has been treated as though it is a defined contribution scheme. The income and expenditure charge represents the employer contribution payable to the scheme for the accounting period.

The assets of the WYPF are measured using closing market values. WYPF liabilities are measured using the projected unit method and discounted at the current rate of return on a high quality corporate bond of equivalent term and currency to the liability. The increase in the present value of the liabilities of the scheme expected to arise from employee service in the period is charged to the operating surplus. The expected return on the scheme's assets and the increase during the period in the present value of the scheme's liabilities, arising from the passage of time, are included in pension finance costs. Actuarial gains and losses are recognised in the statement of total recognised gains and losses. Further details of the pension schemes are given in Note 24.

The assets of the USS are held in a separate trustee-administered fund. Because of the mutual nature of the scheme, the scheme's assets are not hypothecated to individual institutions and a scheme-wide contribution rate is set. The institution 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. Therefore, as required by FRS102, the University accounts for the scheme as if it were a defined contribution scheme. As a result, the amount charged to the income and expenditure account represents the contributions payable to the scheme in respect of the accounting period. Since the University has now entered into an agreement (the Recovery Plan that determines how each employer within the scheme will fund the overall deficit), the University also now recognises 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 income and expenditure account.

Enhanced pensions

The actual cost of any enhanced ongoing pension to a former member of staff is paid by the University annually. An estimate of the expected future cost of any enhancement to the ongoing pension of a former member of staff is charged in full to the University's income and expenditure account in the year that the member of staff retires. In subsequent years a charge is made to provisions in the balance sheet using the enhanced pension spreadsheet provided by the SFA.

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.

Tangible fixed assets

a. Land and buildings

The University's land and buildings are stated at cost or valuation. The University adopts a revaluation policy in relation to freehold and long leasehold land and buildings on a five year cycle. Increases in value are taken to the revaluation reserve except to the extent that they reverse revaluation losses on the same asset that were previously recognised in the income and expenditure account, in which case they are recognised in the income and expenditure account. Freehold and long leasehold land is not depreciated. Freehold and long leasehold buildings are depreciated over their expected useful economic lives to the University of 50 years for new build and 40 years for buildings revalued as at 31 July 2015. Short leasehold land is depreciated over the lives of leases. Capital additions are depreciated in full in the year of acquisition and none in the year of disposal.

The University's inherited assets from the local authority have been brought onto the balance sheet at valuation at the date of transfer with the corresponding credit taken to the revaluation reserve. The inherited assets and the related revaluation reserve have been adjusted by subsequent revaluations.

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

THE UNIVERSITY OF HUDDERSFIELD
STATEMENT OF PRINCIPAL ACCOUNTING POLICIES (continued)

Finance costs which are directly attributable to the acquisition/construction of land and buildings are not capitalised as part of the cost of those assets.

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

Buildings under construction are accounted for at cost, based on the value of architects' certificates and other direct costs incurred to 31 July. They are not depreciated until they are brought into use.

b. Equipment

Equipment costing less than £25,000 is written off to the income and expenditure account in the year of acquisition. All other equipment is capitalised at cost. Capitalised equipment is depreciated over its useful economic life as follows:

| | |
|--------------------|-------------|
| Computer equipment | Three Years |
| Motor vehicles | Four Years |
| General equipment | Seven Years |

Where equipment is acquired with the aid of specific grants it is capitalised and depreciated in accordance with the above policy, with the related grant being credited to a deferred capital grant account and released to income and expenditure account over the expected useful economic life of the related equipment.

c. Subsequent expenditure on existing fixed assets

Where significant expenditure is incurred on tangible fixed assets it is charged to the income and expenditure account in the period it is incurred, unless it meets one of the following criteria, in which case it is capitalised and depreciated on the relevant basis:

- Market value of the fixed asset has subsequently improved;
- Asset capacity increases;
- Substantial improvement in the quality of output or reduction in operating costs; and
- Significant extension of the asset's life beyond that conferred by repairs and maintenance.

Leased assets

Costs in respect of operating leases are charged to the income and expenditure account on a straight line basis over the lease term.

Investments

Fixed asset investments that are not listed on a recognised stock exchange are carried at historical cost less any provision for impairment in their value. Investments that form part of Endowment Assets are included in the balance sheet at market value. Current asset investments are included in the balance sheet at the lower of their original cost and net realisable value.

Taxation

The University is an exempt charity within the meaning of Schedule 3 of the Charities Act 2011 and is a charity within the meaning of the Finance Act 2010, Schedule 6. Accordingly, the University is potentially exempt from taxation in respect of income or capital gains received within categories covered by Paragraph 11 of CTA 2010 or section 256 of the Taxation of Chargeable Gains Act 1992, to the extent that such income or gains are applied to exclusively charitable purposes.

The University receives no similar exemption in respect of Value Added Tax and all non-recoverable Value Added Tax on purchases is included within the appropriate expenditure headings.

The University's subsidiary companies are subject to corporation tax and Value Added Tax in the same way as any commercial organisation.

THE UNIVERSITY OF HUDDERSFIELD
STATEMENT OF PRINCIPAL ACCOUNTING POLICIES (continued)

Liquid resources

Liquid resources include sums on short-term deposits with recognised banks and building societies and government securities.

Provisions

Provisions are recognised when the University has a present legal or constructive obligation as a result of a past event, it is probable that a transfer of economic benefit will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation.

Accounting for charitable donations

a. Unrestricted donations

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

b. Endowment funds

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

1. 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.
2. Restricted expendable endowments - the donor has specified a particular objective other than the purchase or construction of tangible fixed assets and the University can convert the donated sum into income.
3. 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.

c. Donations for fixed assets

Donations received to be applied to the cost of a tangible fixed asset are shown on the balance sheet as a deferred capital grant. The deferred capital grant is released to the income and expenditure account over the same estimated useful life that is used to determine the depreciation charge associated with the tangible fixed asset.

Cash flows and liquid resources

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

Liquid resources comprise assets held as readily disposable store of value. They include term deposits, government securities and loan stock held as part of the University's treasury management activities. They exclude any such assets held as endowment asset investments.

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.

Transition to 2015 SORP

The University is preparing its financial statements in accordance with FRS102 for the first time and consequently has applied the first time adoption requirements. An explanation of how the transition to 2015 SORP has affected the reported financial position, financial performance and cash flows of the consolidated results of the University is provided in note 25.

THE UNIVERSITY OF HUDDERSFIELD
STATEMENT OF PRINCIPAL ACCOUNTING POLICIES (continued)

Significant accounting estimates and judgements

Preparation of the financial statements requires management to make significant estimates and judgements. Estimates and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. The estimates and judgements that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are addressed below.

a. Estimates in pension costs

The University has obligations to pay pension benefits to certain employees who are members of the West Yorkshire Pension Fund (WYPF), a scheme accounted for as a defined benefit plan. The cost of these benefits and the present value of the obligation depend on a number of factors including: life expectancy, salary increases, asset valuations, the duration of liabilities and the discount rate on corporate bonds. Management estimates these factors, using external professional advice, in determining the net pension obligation in the balance sheet. The assumptions reflect historical experience and current trends.

The University has obligations to pay pension benefits to certain employees who are members of the Universities Superannuation Scheme (USS), a defined benefit scheme which is contracted out of the Second State Pension. The University has committed to contribute to a deficit recovery plan for the scheme and management has calculated a provision for these costs in the balance sheet. The present value of the obligation depends on a number of factors including life expectancy, salary increases, staff changes, asset valuations and the discount rate on corporate bonds. Management estimates these factors, using external professional advice, in determining the net pension obligation in the balance sheet. The assumptions reflect historical experience and current trends.

b. Estimates and judgements in depreciation

The annual depreciation charge for fixed assets is sensitive to changes in the estimated useful economic lives and residual values of the assets. Depreciation methods, useful economic lives and residual values are reviewed by management at the date of preparation of each Balance Sheet. They are amended where necessary to reflect current estimates, based on technological advancement, future investments, economic utilisation and the physical condition of the assets. The assessment of these factors requires management's judgement.

c. Judgements in classifying leases

Leases in which the University assumes substantially all the risks and rewards of ownership of the leased asset are classified as finance leases. Leases in which the University does not assume substantially all the risks and rewards of ownership of the leased asset are classified as operating leases. Management exercises judgement in classifying its leases for accounting purposes.

d. Estimates and judgements in accruals and provisions

Short term employee benefits are charged to the Statement of Comprehensive Income and Expenditure as the employee service is received. An accrual is made for the cost of paid annual leave that has not been used at the financial year-end. The accrual requires a calculation of outstanding holiday balances based on a review of holiday records of academic, administrative and other staff. The assessment of this data requires management's judgement.

e. Judgements in fixed assets

Costs incurred in relation to a tangible fixed asset, after its initial purchase or production, are capitalised to the extent that they increase the expected future benefits to the University from the asset beyond its previously assessed standard of performance. Management determine whether to capitalise fixed asset costs based on an assessment of whether they meet one of the following criteria: the market value of the fixed asset has subsequently improved; the asset's capacity increases; substantial improvement in the quality of output or reduction in operating costs; and significant extension of the asset's life beyond that conferred by repairs and maintenance. The assessment of these factors requires management's judgement. The land and buildings of the University are revalued on a five year cycle using external professional advice.

THE UNIVERSITY OF HUDDERSFIELD
For the Year ended 31 July 2016

Consolidated Statement of Comprehensive Income and Expenditure

| | Notes | Year ended 31 July 2016 | | Year ended 31 July 2015 | |
|---|-------|-------------------------|---------------------|-------------------------|---------------------|
| | | Consolidated £'000 | University £'000 | Consolidated £'000 | University £'000 |
| Income | | | | | |
| Tuition fees and education contracts | 1 | 124,283 | 124,254 | 113,619 | 113,619 |
| Funding body grants | 2 | 18,288 | 18,289 | 18,921 | 18,921 |
| Research grants and contracts | 3 | 8,448 | 7,213 | 7,075 | 6,082 |
| Other income | 4 | 9,057 | 7,504 | 10,287 | 8,173 |
| Investment income | 5 | 2,522 | 2,558 | 2,190 | 2,189 |
| Donations and endowments | 6 | 1 | 1 | 1 | 1 |
| Total income | | 162,599 | 159,819 | 152,093 | 148,985 |
| Expenditure | | | | | |
| Staff costs | 7 | 87,703 | 86,029 | 83,517 | 82,011 |
| Other operating expenses | | 42,499 | 41,401 | 39,296 | 37,698 |
| Depreciation | 11 | 6,830 | 6,804 | 5,049 | 5,031 |
| Interest and other finance costs | 8 | 1,766 | 1,766 | 1,593 | 1,593 |
| Total expenditure | 9 | 138,798 | 136,000 | 129,455 | 126,333 |
| Surplus before tax | | 23,801 | 23,819 | 22,638 | 22,652 |
| Taxation | 10 | (55) | (55) | (91) | (91) |
| Surplus for the year | | 23,746 | 23,764 | 22,547 | 22,561 |
| Unrealised surplus on revaluation of land and buildings | | - | - | 35,426 | 35,426 |
| Actuarial (loss) in respect of pension schemes | 24 | (27,553) | (27,553) | (7,190) | (7,190) |
| Movement on endowments | 18 | 29 | 29 | 15 | 15 |
| Total comprehensive income for the year | | (3,778) | (3,760) | 50,798 | 50,812 |
| Represented by: | | | | | |
| Endowment comprehensive income for the year | | 29 | 29 | 15 | 15 |
| Restricted comprehensive income for the year | | 245 | 263 | 1 | 10 |
| Unrestricted comprehensive income for the year | | (2,381) | (2,381) | 16,042 | 16,047 |
| Revaluation reserve comprehensive income for the year | | (1,671) | (1,671) | 34,740 | 34,740 |
| Attributable to the University | | (3,778) | (3,760) | 50,798 | 50,812 |

All items of income and expenditure relate to continuing activities

Consolidated Statement of Changes in Reserves

| Consolidated | Income and expenditure account | | Unrestricted £'000 | Revaluation reserve £'000 | Total £'000 |
|--|--------------------------------|---------------------|-----------------------|---------------------------------|----------------|
| | Endowment £'000 | Restricted £'000 | | | |
| Balance at 1 August 2014 | 2,456 | - | 134,878 | 37,246 | 174,580 |
| Surplus/(deficit) from the income and expenditure statement | - | 1 | 22,546 | - | 22,547 |
| Other comprehensive income | - | - | (7,190) | - | (7,190) |
| Surplus on revaluation | - | - | - | 35,426 | 35,426 |
| Transfers between revaluation and income and expenditure reserve | - | - | 686 | (686) | - |
| Endowment funding | 15 | - | - | - | 15 |
| Total comprehensive income for the year | 15 | 1 | 16,042 | 34,740 | 50,798 |
| Balance at 1 August 2015 | 2,471 | 1 | 150,920 | 71,986 | 225,378 |
| Surplus/(deficit) from the income and expenditure statement | - | 245 | 23,501 | - | 23,746 |
| Other comprehensive income | - | - | (27,553) | - | (27,553) |
| Transfers between revaluation and income and expenditure reserve | - | - | 1,671 | (1,671) | - |
| Endowment funding | 29 | - | - | - | 29 |
| Total comprehensive income for the year | 29 | 245 | (2,381) | (1,671) | (3,778) |
| Balance at 31 July 2016 | 2,500 | 246 | 148,539 | 70,315 | 221,600 |
| University | | | | | |
| | | | | | |
| Balance at 1 August 2014 | 2,456 | - | 135,676 | 37,246 | 175,378 |
| Surplus/(deficit) from the income and expenditure statement | - | 10 | 22,551 | - | 22,561 |
| Other comprehensive income | - | - | (7,190) | - | (7,190) |
| Surplus on revaluation | - | - | - | 35,426 | 35,426 |
| Transfers between revaluation and income and expenditure reserve | - | - | 686 | (686) | - |
| Endowment funding | 15 | - | - | - | 15 |
| Total comprehensive income for the year | 15 | 10 | 16,047 | 34,740 | 50,812 |
| Balance at 1 August 2015 | 2,471 | 10 | 151,723 | 71,986 | 226,190 |
| Surplus/(deficit) from the income and expenditure statement | - | 263 | 23,501 | - | 23,764 |
| Other comprehensive income | - | - | (27,553) | - | (27,553) |
| Transfers between revaluation and income and expenditure reserve | - | - | 1,671 | (1,671) | - |
| Endowment funding | 29 | - | - | - | 29 |
| Total comprehensive income for the year | 29 | 263 | (2,381) | (1,671) | (3,760) |
| Balance at 31 July 2016 | 2,500 | 273 | 149,342 | 70,315 | 222,430 |

THE UNIVERSITY OF HUDDERSFIELD
For the Year ended 31 July 2016

Consolidated and University Balance Sheet

| | Notes | As at 31 July 2016 | | As at 31 July 2015 | |
|---|-------|--------------------|----------------|--------------------|------------|
| | | Consolidated | University | Consolidated | University |
| | | £'000 | £'000 | £'000 | £'000 |
| Non-current assets | | | | | |
| Fixed assets | 11 | 219,155 | 219,020 | 201,666 | 201,649 |
| Investments | 12 | 32 | 82 | 32 | 82 |
| | | 219,187 | 219,102 | 201,698 | 201,731 |
| Current assets | | | | | |
| Trade and other receivables | 13 | 23,618 | 24,096 | 20,302 | 20,650 |
| Investments | 14 | 42,209 | 42,209 | 20,667 | 20,667 |
| Cash and cash equivalents | 19 | 79,130 | 79,028 | 89,688 | 89,645 |
| | | 144,957 | 145,333 | 130,657 | 130,962 |
| Less: Creditors: amounts falling due within one year | 15 | (34,515) | (33,976) | (32,198) | (31,724) |
| Net current assets | | 110,442 | 111,357 | 98,459 | 99,238 |
| Total assets less current liabilities | | 329,629 | 330,459 | 300,157 | 300,969 |
| Creditors: amounts falling due after more than one year | 16 | (25,088) | (25,088) | (22,722) | (22,722) |
| Provisions | | | | | |
| Pension provisions | 17 | (82,941) | (82,941) | (52,057) | (52,057) |
| Total net assets | | 221,600 | 222,430 | 225,378 | 226,190 |
| Restricted Reserves | | | | | |
| Income and expenditure reserve - endowment reserve | 18 | 2,500 | 2,500 | 2,471 | 2,471 |
| Income and expenditure reserve - restricted reserve | | 246 | 273 | 1 | 10 |
| Unrestricted Reserves | | | | | |
| Income and expenditure reserve - unrestricted | | 148,539 | 149,342 | 150,920 | 151,723 |
| Revaluation reserve | | 70,315 | 70,315 | 71,986 | 71,986 |
| Total Reserves | | 221,600 | 222,430 | 225,378 | 226,190 |

The financial statements on pages 27 to 52 were approved by the University Council on 24 November 2016 and were signed on its behalf by:

PROFESSOR R A CRYAN
Vice-Chancellor

MR C J BROWN
Chair

THE UNIVERSITY OF HUDDERSFIELD
For the Year ended 31 July 2016

Consolidated Statement of Cash Flows

| | Notes | 31 July 2016 £'000 | 31 July 2015 £'000 |
|---|-------|-----------------------|-----------------------|
| Cash flow from operating activities | | | |
| Surplus for the year | | 23,746 | 22,547 |
| Adjustment for non-cash items | | | |
| Depreciation | 11 | 6,830 | 5,049 |
| Write down on revaluation | | - | 742 |
| (Increase) in debtors | | (3,305) | (3,698) |
| (Decrease)/increase in creditors | | (2,220) | 3,161 |
| Increase in pension provision | | 3,331 | 3,659 |
| Adjustment for investing or financing activities | | | |
| Investment income | 5 | (2,521) | (2,187) |
| Interest payable | 8 | 18 | 18 |
| Endowment income | | (1) | (1) |
| Capital grant income | | (1,450) | (1,104) |
| Net cash inflow from operating activities | | 24,428 | 28,186 |
| Cash flows from investing activities | | | |
| Proceeds from sales of fixed assets | 11 | - | 55 |
| Capital grant receipts | | 6,490 | 3,106 |
| Withdrawal of deposits | | (21,514) | (6,139) |
| Investment income | | 2,750 | 2,600 |
| Payments made to acquire fixed assets | | (22,714) | (10,066) |
| New deposits | | 1 | 1 |
| | | (34,987) | (10,443) |
| Cash flows from financing activities | | | |
| Interest paid | | - | - |
| Endowment cash received | | 1 | 1 |
| | | 1 | 1 |
| (Decrease)/increase in cash and cash equivalents in the year | | (10,558) | 17,744 |
| Cash and cash equivalents at beginning of the year | 19 | 89,688 | 71,944 |
| Cash and cash equivalents at end of the year | 19 | 79,130 | 89,688 |

THE UNIVERSITY OF HUDDERSFIELD
For the Year ended 31 July 2016
NOTES TO THE FINANCIAL STATEMENTS

Notes to the Accounts

| | Notes | Year Ended 31 July 2016 | | Year Ended 31 July 2015 | |
|---|-------|-------------------------|---------------------|-------------------------|---------------------|
| | | Consolidated £'000 | University £'000 | Consolidated £'000 | University £'000 |
| 1 Tuition fees and education contracts | | | | | |
| Full-time home and EU students | | 84,047 | 84,047 | 73,459 | 73,459 |
| Full-time international students | | 20,390 | 20,390 | 20,166 | 20,166 |
| Part-time students | | 2,792 | 2,792 | 2,586 | 2,586 |
| NHS Workforce Development Confederation Contracts | | 12,691 | 12,691 | 12,422 | 12,422 |
| Research Training Support Grant | | 320 | 320 | 354 | 354 |
| Educational Contracts | | 2,723 | 2,723 | 3,159 | 3,159 |
| Non Credit Bearing Course Fees | | 1,320 | 1,291 | 1,473 | 1,473 |
| | | 124,283 | 124,254 | 113,619 | 113,619 |
| 2 Funding body grants | | | | | |
| Recurrent grant | | | | | |
| Higher Education Funding Council | | 15,609 | 15,609 | 16,229 | 16,229 |
| Specific grants | | | | | |
| Higher Education Innovation Fund | | 946 | 946 | 1,198 | 1,198 |
| Higher Education Other | | 157 | 158 | 5 | 5 |
| National College for Teaching and Leadership | | 156 | 156 | 149 | 149 |
| Capital grant | | 1,420 | 1,420 | 1,340 | 1,340 |
| | | 18,288 | 18,289 | 18,921 | 18,921 |
| 3 Research grants and contracts | | | | | |
| Research councils | | 2,995 | 2,995 | 2,322 | 2,322 |
| Research charities | | 548 | 544 | 455 | 454 |
| Government (UK and overseas) | | 2,833 | 2,802 | 2,765 | 2,765 |
| Industry and commerce | | 1,668 | 490 | 1,193 | 243 |
| Other | | 404 | 382 | 340 | 298 |
| | | 8,448 | 7,213 | 7,075 | 6,082 |
| 4 Other income | | | | | |
| Other services rendered | | 4,323 | 2,869 | 5,148 | 2,845 |
| Residences, catering and conferences | | 1,292 | 1,220 | 1,233 | 1,156 |
| Other capital grants | | 410 | 410 | 1,102 | 1,094 |
| Other income | | 3,032 | 3,005 | 2,804 | 3,078 |
| | | 9,057 | 7,504 | 10,287 | 8,173 |
| 5 Investment income | | | | | |
| Investment income on endowments | 18 | 1 | 1 | 3 | 3 |
| Investment income | | 2,520 | 2,520 | 2,186 | 2,186 |
| Other investment income | | 1 | 37 | 1 | - |
| | | 2,522 | 2,558 | 2,190 | 2,189 |
| 6 Donations and endowments | | | | | |
| New endowments | 18 | 1 | 1 | 1 | 1 |
| Donations with restrictions | | - | - | - | - |
| Unrestricted donations | | - | - | - | - |
| | | 1 | 1 | 1 | 1 |

THE UNIVERSITY OF HUDDERSFIELD
For the Year ended 31 July 2016
NOTES TO THE FINANCIAL STATEMENTS (continued)

| | Year Ended 31 July 2016 | | Year Ended 31 July 2015 | |
|-------------------------------|----------------------------|---------------------|----------------------------|---------------------|
| | Consolidated £'000 | University £'000 | Consolidated £'000 | University £'000 |
| 7 Staff costs | | | | |
| Salaries | 69,285 | 67,896 | 66,362 | 65,031 |
| Social security costs | 6,179 | 6,080 | 5,394 | 5,311 |
| Movement on USS provision | (107) | (107) | 1,293 | 1,293 |
| Other pension costs | 11,528 | 11,432 | 9,676 | 9,586 |
| | 86,885 | 85,301 | 82,725 | 81,221 |
| Contracted Out Staffing Costs | 818 | 728 | 792 | 790 |
| Total | 87,703 | 86,029 | 83,517 | 82,011 |

| | Year Ended 31 July 2016 | Year Ended 31 July 2015 |
|------------------------------------|----------------------------|----------------------------|
| Emoluments of the Vice-Chancellor: | £ | £ |
| Salary | 311,190 | 292,330 |
| Benefits | - | - |
| Pension contributions to USS | 53,374 | 45,264 |
| | 364,564 | 337,594 |

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

| | No. | No. |
|----------------------|-----------|----------|
| £100,000 to £109,999 | 2 | 1 |
| £110,000 to £119,999 | 2 | 2 |
| £120,000 to £129,999 | 3 | 3 |
| £130,000 to £139,999 | 2 | - |
| £140,000 to £149,999 | - | - |
| £150,000 to £159,999 | 1 | 1 |
| | 10 | 7 |

| Average staff full time equivalent (FTE) staff by major category : | FTE | FTE |
|--|--------------|--------------|
| Teaching departments | 1,097 | 1,049 |
| Teaching support services | 224 | 215 |
| Administration and central services | 173 | 162 |
| Premises | 171 | 172 |
| Other | 93 | 70 |
| | 1,758 | 1,668 |

THE UNIVERSITY OF HUDDERSFIELD
For the Year ended 31 July 2016
NOTES TO THE FINANCIAL STATEMENTS (continued)

Key management personnel

Key management personnel are those persons having authority and responsibility for planning, directing and controlling the activities of the University. Staff costs include compensation paid to key management personnel.

| | Year Ended 31 July 2016 | Year Ended 31 July 2015 |
|---------------------------------------|----------------------------|----------------------------|
| | £'000 | £'000 |
| Key management personnel compensation | 1,652 | 1,422 |

Council Members

No Council Members have received any remuneration/waived payments from the University during the year (2014/15 – None).

The total expenses paid to or on behalf of 15 Council members was £338 (2014/15 - £347 to 15 Council members). This represents travel and subsistence expenses incurred in attending Council, Committee meetings and Charity events in their official capacity.

| Notes | Year Ended 31 July 2016 | | Year Ended 31 July 2015 | |
|---|-------------------------|---------------------|-------------------------|---------------------|
| | Consolidated £'000 | University £'000 | Consolidated £'000 | University £'000 |
| 8 Interest and other finance costs | | | | |
| Other Interest | 18 | 18 | 18 | 18 |
| Net charge on pension scheme | 1,748 | 1,748 | 1,575 | 1,575 |
| | 1,766 | 1,766 | 1,593 | 1,593 |

9 Analysis of total expenditure by activity

| | | | | |
|--|----------------|----------------|---------|---------|
| Academic and related expenditure | 62,153 | 62,011 | 58,296 | 57,989 |
| Academic Services | 21,182 | 21,182 | 21,245 | 21,245 |
| Administration and central services | 23,711 | 23,854 | 20,244 | 20,244 |
| Premises (including service concession cost) | 16,924 | 16,920 | 16,317 | 16,314 |
| Residences, catering and conferences | 1,390 | 1,330 | 1,382 | 1,336 |
| Research grants and contracts | 7,289 | 6,453 | 5,389 | 4,759 |
| Other expenses | 6,149 | 4,250 | 6,582 | 4,446 |
| | 138,798 | 136,000 | 129,455 | 126,333 |

Other operating expenses include:

| | | |
|---|----|----|
| External auditors remuneration in respect of audit services | 51 | 50 |
| External auditors remuneration in respect of non-audit services | 7 | 26 |

10 Taxation

Recognised in the statement of comprehensive income

| | | |
|--------------------------|-----------|-----------|
| Current tax | | |
| RDEC grant tax paid | 55 | 91 |
| Total tax expense | 55 | 91 |

THE UNIVERSITY OF HUDDERSFIELD
For the Year ended 31 July 2016
NOTES TO THE FINANCIAL STATEMENTS (continued)

11 Fixed Assets

| | Freehold Land and Buildings £'000 | Leasehold Land and Buildings £'000 | Fixtures, Fittings and Equipment £'000 | Assets in the Course of Construction £'000 | Total £'000 |
|---------------------------------------|--|---|---|---|----------------|
| Consolidated | | | | | |
| Cost or valuation | | | | | |
| At 1 August 2015 | 193,858 | 1,780 | 15,954 | 2,511 | 214,103 |
| Additions | 6,431 | - | 4,900 | 12,988 | 24,319 |
| Transfers | 1,563 | (890) | 1,070 | (1,743) | - |
| Disposals | - | - | (857) | - | (857) |
| At 31 July 2016 | 201,852 | 890 | 21,067 | 13,756 | 237,565 |
| Consisting of valuation as at: | | | | | |
| 31 July 2016 | - | - | - | - | - |
| Cost | 201,182 | 890 | 21,067 | 13,756 | 237,565 |
| | 201,852 | 890 | 21,067 | 13,756 | 237,565 |
| Depreciation | | | | | |
| At 1 August 2015 | - | 23 | 12,414 | - | 12,437 |
| Charge for the year | 4,707 | 11 | 2,112 | - | 6,830 |
| Disposals | - | - | (857) | - | (857) |
| At 31 July 2016 | 4,707 | 34 | 13,669 | - | 18,410 |
| Net book value | | | | | |
| At 31 July 2016 | 197,145 | 856 | 7,398 | 13,756 | 219,155 |
| At 31 July 2015 | 193,858 | 1,757 | 3,540 | 2,511 | 201,666 |
| | 197,145 | 856 | 7,398 | 13,756 | 219,155 |
| University | | | | | |
| Cost and valuation | | | | | |
| At 1 August 2015 | 193,858 | 1,780 | 15,875 | 2,511 | 214,024 |
| Additions | 6,431 | - | 4,756 | 12,988 | 24,175 |
| Transfers | 1,563 | (890) | 1,070 | (1,743) | - |
| Disposals | - | - | (857) | - | (857) |
| At 31 July 2016 | 201,852 | 890 | 20,844 | 13,756 | 237,342 |
| Consisting of valuation as at: | | | | | |
| 31 July 2016 | - | - | - | - | - |
| Cost | 201,852 | 890 | 20,844 | 13,756 | 237,342 |
| | 201,852 | 890 | 20,844 | 13,756 | 237,342 |
| Depreciation | | | | | |
| At 1 August 2015 | - | 23 | 12,352 | - | 12,375 |
| Charge for year | 4,707 | 11 | 2,086 | - | 6,804 |
| Disposals | - | - | (857) | - | (857) |
| At 31 July 2016 | 4,707 | 34 | 13,581 | - | 18,322 |
| Net book value | | | | | |
| At 31 July 2016 | 197,145 | 856 | 7,263 | 13,756 | 219,020 |
| At 31 July 2015 | 193,858 | 1,757 | 3,523 | 2,511 | 201,649 |
| | 197,145 | 856 | 7,263 | 13,756 | 219,020 |

At 31 July 2016, freehold land and buildings included £9.2m (2015 - £9.1m) in respect of freehold land and is not depreciated.

Within tangible fixed assets at 31 July 2016 there were £13.7m (2015 - £1.5m) of assets under construction, which are not being depreciated.

The freehold and long leasehold land and buildings of the Group and the University were revalued as at 31 July 2015 by GVA Grimley, Chartered Surveyors at depreciated replacement cost for existing use, open market value for existing use or open market value with vacant possession. (This is in accordance with the RICS Appraisal and Valuation Manual).

Buildings with a cost or valuation of £88.7m and a net book value of £78.3m have been partially funded from Treasury sources. A repayment of funding would only occur in exceptional circumstances.

THE UNIVERSITY OF HUDDERSFIELD
For the Year ended 31 July 2016
NOTES TO THE FINANCIAL STATEMENTS (continued)

12 Non-Current Investments

| | Subsidiary companies | Other investments | Total |
|---------------------|-------------------------|----------------------|-----------|
| | £'000 | £'000 | £'000 |
| Consolidated | | | |
| At 1 August 2015 | - | 32 | 32 |
| At 31 July 2016 | - | 32 | 32 |
| University | | | |
| At 1 August 2015 | 50 | 32 | 82 |
| At 31 July 2016 | 50 | 32 | 82 |

13 Trade and other receivables

| | Year Ended 31 July 2016 | | Year Ended 31 July 2015 | |
|---------------------------------------|-------------------------|---------------------|-------------------------|---------------------|
| | Consolidated £'000 | University £'000 | Consolidated £'000 | University £'000 |
| Amounts falling due within one year: | | | | |
| Other trade receivables | 9,962 | 8,927 | 2,666 | 2,002 |
| Other receivables | 177 | 173 | 156 | 152 |
| Prepayments and accrued income | 13,479 | 13,256 | 17,480 | 17,506 |
| Amounts due from subsidiary companies | - | 1,740 | - | 990 |
| | 23,618 | 24,096 | 20,302 | 20,650 |

14 Current Investments

| | Year Ended 31 July 2016 | | Year Ended 31 July 2015 | |
|---------------------|-------------------------|---------------------|-------------------------|---------------------|
| | Consolidated £'000 | University £'000 | Consolidated £'000 | University £'000 |
| Short term deposits | 42,209 | 42,209 | 20,667 | 20,667 |
| | 42,209 | 42,209 | 20,667 | 20,667 |

Deposits are held with investment managers, Cazenove, HSBC and Funding Circle, with more than 24 hours but less than 12 months maturity at the balance sheet date. The market value of investments held at 31 July 2016 was £44,377k. (2015: £21,327k)

15 Creditors : amounts falling due within one year

| | Year Ended 31 July 2016 | | Year Ended 31 July 2015 | |
|--|-------------------------|---------------------|-------------------------|---------------------|
| | Consolidated £'000 | University £'000 | Consolidated £'000 | University £'000 |
| Payments received in advance | 17,235 | 16,774 | 16,989 | 16,857 |
| Trade creditors | 2,462 | 2,458 | 1,836 | 1,847 |
| Social security and other taxation payable | 506 | 525 | 380 | 380 |
| Accruals and deferred income | 14,271 | 14,212 | 12,910 | 12,589 |
| Other creditors | 41 | 7 | 83 | 51 |
| | 34,515 | 33,976 | 32,198 | 31,724 |

THE UNIVERSITY OF HUDDERSFIELD
For the Year ended 31 July 2016
NOTES TO THE FINANCIAL STATEMENTS (continued)

16 Creditors : amounts falling due after more than one year

| | Year Ended 31 July 2016 | | Year Ended 31 July 2015 | |
|-----------------|-------------------------|---------------------|-------------------------|---------------------|
| | Consolidated £'000 | University £'000 | Consolidated £'000 | University £'000 |
| Deferred income | 25,088 | 25,088 | 22,722 | 22,722 |
| | 25,088 | 25,088 | 22,722 | 22,722 |

17 Provisions for liabilities

Consolidated and University

| | Obligation to fund deficit on USS Pension £'000 | Pension enhancements on termination £'000 | Defined Benefit Obligations £'000 | Total Pensions Provisions £'000 |
|---|--|--|---|--|
| At 1 August 2015 | 2,365 | 246 | 49,446 | 52,057 |
| Utilised in year | (107) | - | - | (107) |
| Transfer from income and expenditure | 42 | 14 | 30,935 | 30,991 |
| At 31 July 2016 | 2,300 | 260 | 80,381 | 82,941 |

Pension enhancement

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

| | Consolidated |
|---------------|--------------|
| Discount rate | 3.9% |
| Inflation | 2.4% |

USS deficit

The obligation to fund the past deficit on the Universities Superannuation Scheme (USS) arising 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 payments over the period of the contracted obligation in assessing the value of this provision.

THE UNIVERSITY OF HUDDERSFIELD
For the Year ended 31 July 2016
NOTES TO THE FINANCIAL STATEMENTS (continued)

18 Endowment Reserves

Restricted net assets relating to endowments are as follows:

| | Restricted permanent endowments £'000 | Expendable endowments £'000 | 2016 Total £'000 | 2015 Total £'000 |
|--|--|-----------------------------------|------------------------|------------------------|
| Balances at 1 August 2015 | | | | |
| Capital | 2,231 | 230 | 2,461 | 2,446 |
| Accumulated Income | 10 | - | 10 | 10 |
| | 2,241 | 230 | 2,471 | 2,456 |
| | | | | |
| New endowments | - | 1 | 1 | 1 |
| Investment income | 26 | 3 | 29 | 17 |
| Expenditure | - | (1) | (1) | (3) |
| | | | | |
| Total endowment comprehensive income for the year | 26 | 3 | 29 | 15 |
| | | | | |
| At 31 July 2016 | 2,267 | 233 | 2,500 | 2,471 |
| | | | | |
| Represented by: | | | | |
| Capital | 2,231 | 233 | 2,464 | 2,446 |
| Accumulated | 36 | - | 36 | 25 |
| | 2,267 | 233 | 2,500 | 2,471 |
| | | | | |
| Analysis by type of purpose: | | | | |
| Scholarships and bursaries | 145 | - | 145 | 143 |
| Research support | 2,059 | - | 2,059 | 2,035 |
| Prize funds | 63 | 233 | 296 | 293 |
| | 2,267 | 233 | 2,500 | 2,471 |
| | | | | |
| Analysis by asset | | | | |
| Accrued income | | | 1,000 | 1,200 |
| Cash & cash equivalents | | | 1,500 | 1,271 |
| | | | 2,500 | 2,471 |

THE UNIVERSITY OF HUDDERSFIELD
For the Year ended 31 July 2016
NOTES TO THE FINANCIAL STATEMENTS (continued)

19 Cash and cash equivalents

| Notes | At 1 August 2015 | Cash Flows | At 31 July 2016 |
|---------------------------|---------------------|-----------------|--------------------|
| | £'000 | £'000 | £'000 |
| Consolidated | | | |
| Cash and cash equivalents | 89,688 | (10,558) | 79,130 |
| | 89,688 | (10,558) | 79,130 |

20 Capital and other commitments

| | Year Ended 31 July 2016 | | Year Ended 31 July 2015 | |
|----------------------------|-------------------------|---------------|-------------------------|------------|
| | Consolidated | University | Consolidated | University |
| | £'000 | £'000 | £'000 | £'000 |
| Commitments contracted for | 15,523 | 15,523 | 4,836 | 4,836 |

21 Contingent liabilities

There are no contingent liabilities. (2015 : Nil)

The University has given written undertakings to support the subsidiary companies for up to twelve months from the date of approval of these financial statements.

22 Lease Obligations

Total rentals payable under operating leases:

| | Year Ended 31 July 2016 | Year Ended 31 July 2015 |
|--|----------------------------|----------------------------|
| | £'000 | £'000 |
| Payable during the year | 63 | 46 |
| Future minimum lease payments due: | | |
| Not later than 1 year | 54 | 44 |
| Later than 1 year and not later than 5 years | 24 | 31 |
| Later than 5 years | - | - |
| Total lease payments due | 78 | 75 |

THE UNIVERSITY OF HUDDERSFIELD
For the Year ended 31 July 2016
NOTES TO THE FINANCIAL STATEMENTS (continued)

23 Subsidiary undertakings

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

| Company | Principal Activity | Status |
|--|--|---------------|
| The University of Huddersfield Enterprises Ltd (UHEL) | Commercial research, conference and related commercial facilities | 100% owned |
| The University of Huddersfield Innovation Centre Ltd (HEICL) | Facilities management, research collaboration and business development | 100% owned |
| The University of Huddersfield Properties Ltd (UHPL) | Dormant company | 100% owned |
| Wetlands & Natural Resources Development Ltd (WNRDL) | Dormant company | 100% owned |
| JRC Management Ltd | Management of residential flats | 100% owned |

24 Pensions and Other Obligations

The University's employees belong to three principal pension schemes: the Teachers' Pension Scheme, the Universities Superannuation Scheme and the West Yorkshire Pension Fund. The total pension cost for the year was £11,421,000 (2015 : £10,969,000).

Teachers' Pension Scheme (TPS)

The TPS is an unfunded defined benefit scheme. Contributions made on a pay as you go basis are credited to the Exchequer under arrangements governed by the Superannuation Act 1972. A notional asset value is ascribed to the Scheme for the purpose of determining contribution rates.

The pension cost is assessed periodically in accordance with the advice of the government actuary. The assumptions and other data that have the most significant effect on the determination of the contribution levels are:

| | |
|---|----------------------|
| Latest actuarial valuation | 31 March 2004 |
| Actuarial method | Prospective benefits |
| Investment return per annum | 6.5% |
| Salary scale increases per annum | 5.0% |
| Notional value of assets at date of last valuation | £162,650 million |
| Proportion of members' accrued benefits covered by the notional value of the assets | 98.88% |

Following the implementation of Teacher's Pension (Employers' Supplementary contributions) Regulations 2000, the Government Actuary carried out a further review on the level of employer contributions.

For the period from 1 August 2015 to 31 July 2016 the contribution rates were 14.1% for employers and banded contributions of 7.4% to 11.7% for employees. The pensions' charge recorded by the University during the accounting period was equal to the contributions payable, taking into account benefit improvements subsequent to the valuation and the spreading of surplus over future service lives of employees. An appropriate provision in respect of unfunded pensioners' benefits is included in provisions.

The TPS is a multi-employer scheme where the share of assets and liabilities applicable to each employer is not identified. The University will therefore account for its pension costs on a defined contribution basis.

THE UNIVERSITY OF HUDDERSFIELD
For the Year ended 31 July 2016
NOTES TO THE FINANCIAL STATEMENTS (continued)

Universities Superannuation Scheme (USS)

Significant accounting policies

The University participates in the Universities Superannuation Scheme (the scheme). The scheme was a defined benefit only pension scheme until 31 March 2016 which was contracted out of the State Second Pension (S2P). The assets of the scheme are held in a separate trustee-administered fund. Because of the mutual nature of the scheme, the scheme's assets are not hypothecated 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 and therefore, as required by Section 28 of FRS 102 "Employee benefits", accounts for the scheme as if it were a defined contribution scheme. As a result, the amount charged to the income and expenditure account represents the contributions payable to the scheme in respect of the accounting period. Since the University has now entered into an agreement (the Recovery Plan that determines how each employer within the scheme will fund the overall deficit), the University also now recognises 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 income and expenditure account.

FRS 102 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 that provided by USS. The accounting for a multi-employer scheme where the employer has entered into an agreement with a scheme that determines how the employer will fund a deficit results in 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 the income and expenditure account. The directors of the scheme are satisfied that the scheme provided by USS meets the definition of a multi-employer scheme and has therefore recognised the discounted fair value of the contractual contributions under the funding plan which existed at the date of approving the financial statements.

Pensions Costs

The total cost charged to the profit and loss account is £952k (2015: £2,238k).

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

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

The 2014 valuation was the third valuation for USS under the scheme-specific funding regime introduced by the Pensions Act 2004, which requires schemes to adopt a statutory funding objective, which is to have sufficient and appropriate assets to cover their technical provisions. At the valuation date, the value of the assets of the scheme was £41.6 billion and the value of the scheme's technical provisions was £46.9 billion indicating a shortfall of £5.3 billion. The assets therefore were sufficient to cover 89% of the benefits which had accrued to members after allowing for expected future increases in earnings.

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

| | 2016 | 2015 |
|---------------------------|-------------|--|
| Discount rate | 3.6% | 3.3% |
| Pensionable salary growth | n/a | 3.5% in the first year and 4.0% thereafter |
| Pension increases (CPI) | 2.2% | 2.2% |

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

Male members' mortality 98% of S1NA ["light"] YoB tables - No age rating
 Female members' mortality 99% of S1NA ["light"] YoB tables - Rated down 1 year

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

| | | |
|-----------------------------------|-------------|-------------|
| | 2016 | 2015 |
| Males currently aged 65 (years) | 24.3 | 24.2 |
| Females currently aged 65 (years) | 26.5 | 26.4 |
| Males currently aged 45 (years) | 26.4 | 26.3 |
| Females currently aged 45 (years) | 28.8 | 28.7 |
| | 2016 | 2015 |
| Scheme assets | £49.8bn | £49.1bn |
| Total scheme liabilities | £58.3bn | £60.2bn |
| FRS 102 total scheme deficit | £8.5bn | £11.1bn |
| FRS 102 total funding level | 85% | 82% |

THE UNIVERSITY OF HUDDERSFIELD
For the Year ended 31 July 2016
NOTES TO THE FINANCIAL STATEMENTS (continued)

West Yorkshire Pension Fund (WYPF)

The University operates a final salary defined benefit pension scheme that non-academic employees can participate in, called the West Yorkshire Pension Fund (WYPF). The scheme is externally funded and is contracted out of the State Second Pension (S2P) of pension provision.

The last formal triennial actuarial valuation of the scheme was performed as at 31 March 2013 updated to 31 July 2016 by a professionally qualified actuary.

During the accounting period, the University paid contributions to the pension scheme at the rate of 11.5% of pensionable salaries.

Assumptions

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

| | At 31 July 2016 | At 31 July 2015 |
|--|--------------------|--------------------|
| Price Inflation (RPI) | 2.9% | 3.2% |
| Price Inflation (CPI) | 1.8% | 2.1% |
| Rate of increase in salaries | 3.3% | 3.6% |
| Rate of increase of pensions in payment for WYPF members | 1.8% | 2.1% |
| Discount rate | 2.4% | 3.6% |

The most significant non-financial assumption is the assumed level of longevity. The table below shows the life expectancy assumptions used in the accounting assessments based on the life expectancy of male and female members at age 65.

| | Pensioner | Non-pensioner (currently aged 45) | Pensioner | Non-pensioner (currently aged 45) |
|-----------------|-----------|--------------------------------------|-----------|--------------------------------------|
| At 31 July 2015 | 22.6 | 24.8 | 25.5 | 27.8 |
| At 31 July 2016 | 22.7 | 24.9 | 25.6 | 28.0 |

Scheme assets and expected rate of return for WYPF

The expected return on assets has been derived as the weighted average of the expected returns from each of the main asset classes (i.e. equities and bonds). The expected return for each asset class reflects a combination of historical performance analysis, the forward looking views of the financial markets (as suggested by the yields available) and the views of investment organisations.

The assets in the scheme were:

| | 31 July 2016 £'000 | Fair value as at 31 July 2015 £'000 | 31 July 2014 £'000 |
|------------------|-----------------------|---|-----------------------|
| Equities | 8,819 | 8,316 | 7,870 |
| Government bonds | 1,315 | 1,139 | 1,079 |
| Other Bonds | 493 | 504 | 545 |
| Property | 564 | 493 | 346 |
| Cash | 164 | 164 | 409 |
| Other | 388 | 340 | 231 |
| | <u>11,743</u> | <u>10,956</u> | <u>10,480</u> |

The tables below include disclosures for the WYPF

| | Year Ended 31 July 2016 £'000 | Year Ended 31 July 2015 £'000 |
|---|-------------------------------------|-------------------------------------|
| Analysis of the amount shown in the balance sheet for WYPF | | |
| Scheme assets | 146,937 | 129,976 |
| Scheme liabilities | <u>(227,318)</u> | <u>(179,422)</u> |
| Deficit in the scheme - net pension liability | <u>(80,381)</u> | <u>(49,446)</u> |
| Recorded within pension provisions | | |
| Current service cost | (1,676) | (725) |
| Past service costs | - | (74) |
| Total operating charge | <u>(1,676)</u> | <u>(799)</u> |

THE UNIVERSITY OF HUDDERSFIELD
For the Year ended 31 July 2016
NOTES TO THE FINANCIAL STATEMENTS (continued)

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

| | | |
|---|----------------|----------------|
| Interest cost | (6,423) | (6,389) |
| Expected return on assets | 4,717 | 4,834 |
| Net charge to other finance income | (1,706) | (1,555) |

Analysis of other comprehensive income for WYPF

| | | |
|--|-----------------|----------------|
| Gain on assets | 10,183 | 6,154 |
| Experience loss on liabilities | (37,736) | (13,344) |
| Total other comprehensive income before deduction for tax | (27,553) | (7,190) |

History of experience gains and losses - WYPF

| | 31 July 2016 | 31 July 2015 | Year to 31 July 2014 | 31 July 2013 | 31 July 2012 |
|--|-----------------|-----------------|--------------------------------------|-----------------|--------------------------------------|
| Difference between actual and expected return on scheme assets: | | | | | |
| Amount (£000) | 10,183 | 6,154 | (2,280) | 10,585 | (4,280) |
| % of assets at end of year | 8 | 5 | 2 | 10 | 5 |
| Experience (gains)/losses on scheme liabilities: | | | | | |
| Amount (£000) | (37,736) | (13,344) | 13,748 | (304) | (14,763) |
| % of liabilities at end of year | 17 | 7 | 9 | - | 10 |
| | | | At 31 July 2016 £'000 | | At 31 July 2015 £'000 |

Cumulative actuarial loss recognised as other comprehensive income for WYPF

| | | |
|---|-----------|-----------|
| Cumulative actuarial losses recognised at the start of the year | 129,976 | 116,768 |
| Cumulative actuarial losses recognised at the end of the year | (179,422) | (156,670) |

Analysis of movement in surplus/(deficit) for WYPF

| | | |
|--|-----------------|-----------------|
| Deficit at beginning of year | (49,446) | (39,902) |
| Contributions or benefits paid by the University | 4,167 | 4,020 |
| Current service cost | (5,843) | (4,745) |
| Past service cost | - | (74) |
| Other finance charge | (1,706) | (1,555) |
| Gain recognised in other comprehensive income | (27,553) | (7,190) |
| Deficit at end of year | (80,381) | (49,446) |

**At 31 July
2016
£'000**

**At 31 July
2015
£'000**

Analysis of movement in the present value of WYPF

| | | |
|--|----------------|----------------|
| Present value of liabilities at the start of the year | 179,422 | 156,670 |
| Current service cost (net of member contributions) | 5,843 | 4,745 |
| Past service cost | - | 74 |
| recorded within other Comprehensive Income | 5,639 | 5,809 |
| Actual member contributions (including notional contributions) | 1,938 | 1,801 |
| Actuarial loss/(gain) | 37,736 | 13,344 |
| Actual benefit payments | (3,260) | (3,021) |
| Present value of liabilities at the end of the year | 227,318 | 179,422 |

**At 31 July
2016
£'000**

**At 31 July
2015
£'000**

Analysis of movement in the fair value of scheme assets

| | | |
|--|----------------|----------------|
| Fair value of assets at the start of the year | 129,976 | 116,768 |
| Expected return on assets | 4,717 | 4,834 |
| Actuarial gain on assets | 10,183 | 6,154 |
| Actual contributions paid by University | 4,167 | 4,020 |
| Actual member contributions (including notional contributions) | 1,938 | 1,801 |
| Actual benefit payments | (4,044) | (3,601) |
| Fair value of scheme assets at the end of the year | 146,937 | 129,976 |

THE UNIVERSITY OF HUDDERSFIELD
For the Year ended 31 July 2016
NOTES TO THE FINANCIAL STATEMENTS (continued)

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

| | At 31 July 2016 £'000 | At 31 July 2015 £'000 |
|---------------------------------------|--------------------------------------|--------------------------------------|
| Actual return on Scheme assets | | |
| Expected return on Scheme assets | 10,183 | 6,154 |
| Asset gain/(loss) | <u>(37,736)</u> | <u>(13,344)</u> |
| | <u>(27,553)</u> | <u>(7,190)</u> |

Estimated contributions for WYPF in the Financial Year 2016-2017 are £4.3m.

25 Transitions to FRS102 and the 2015 SORP

As explained in the accounting policies, these are the University's first financial statements prepared in accordance with FRS 102 and the SORP. The accounting policies set out on page 27 - 31 have been applied in preparing the financial statements for the year ended 2016, the comparative information presented in these financial statements for the year ended 2015 and in the preparation of an opening FRS 102 Statement of Financial Position at 1 August 2014. In preparing its FRS 102, SORP based Statement of Financial Position, the University has adjusted amounts reported previously in financial statements prepared in accordance with its old basis of accounting (2007 SORP). An explanation of how the transition to FRS 102 and the SORP has affected the University's financial position, financial performance and cash flows is set out in the following tables.

THE UNIVERSITY OF HUDDERSFIELD
For the Year ended 31 July 2016
NOTES TO THE FINANCIAL STATEMENTS (continued)

| Consolidated | Notes | 1 August 2014 | | | 31 July 2015 | | |
|--|-------|-----------------------|--|-----------------------|-----------------------|--|-----------------------|
| | | 2007 SORP £'000 | Effect of transition to 2015 SORP £'000 | 2015 SORP £'000 | 2007 SORP £'000 | Effect of transition to 2015 SORP £'000 | 2015 SORP £'000 |
| Non-current assets | | | | | | | |
| Fixed Assets | | 162,190 | - | 162,190 | 201,666 | - | 201,666 |
| Investments | | 32 | - | 32 | 32 | - | 32 |
| | | <u>162,222</u> | <u>-</u> | <u>162,222</u> | <u>201,698</u> | <u>-</u> | <u>201,698</u> |
| Endowment assets | a | 2,456 | (2,456) | - | 2,471 | (2,471) | - |
| Current assets | | | | | | | |
| Trade and other receivables | b | 15,094 | 1,400 | 16,494 | 18,977 | 1,325 | 20,302 |
| Investments | | 14,514 | - | 14,514 | 20,667 | - | 20,667 |
| Cash and cash equivalents | c | 70,888 | 1,056 | 71,944 | 88,418 | 1,270 | 89,688 |
| | | <u>100,496</u> | <u>2,456</u> | <u>102,952</u> | <u>128,062</u> | <u>2,595</u> | <u>130,657</u> |
| Less: Creditors: amounts falling Due within one year | d | <u>(23,498)</u> | <u>(3,736)</u> | <u>(27,234)</u> | <u>(27,178)</u> | <u>(5,020)</u> | <u>(32,198)</u> |
| Net current (liabilities)/assets | | <u>76,998</u> | <u>(1,280)</u> | <u>75,718</u> | <u>100,884</u> | <u>(2,425)</u> | <u>98,459</u> |
| Total assets less current liabilities | | 241,676 | (3,736) | 237,940 | 305,053 | (4,896) | 300,157 |
| Creditors: amounts falling due after more than one year | e | - | (22,152) | (22,152) | - | (22,722) | (22,722) |
| Provision | | | | | | | |
| Pension liability | f | (39,902) | 1,627 | (38,275) | (49,446) | (2,611) | (52,057) |
| Other liability | | (255) | 255 | - | (246) | 246 | - |
| Total net assets | | <u>201,519</u> | <u>(24,006)</u> | <u>177,513</u> | <u>255,361</u> | <u>(29,983)</u> | <u>225,378</u> |
| Deferred capital grants | g | 23,214 | (23,214) | - | 24,513 | (24,513) | - |
| Restricted Reserves | | | | | | | |
| Income and expenditure reserve – endowment reserve | | 2,456 | - | 2,456 | 2,471 | - | 2,471 |
| Income and expenditure reserve – restricted reserve | | - | - | - | - | 1 | 1 |
| Unrestricted Reserves | | | | | | | |
| Income and expenditure reserve – unrestricted | | 138,603 | (792) | 137,811 | 156,391 | (5,471) | 150,920 |
| Revaluation reserve | | 37,246 | - | 37,246 | 71,986 | - | 71,986 |
| Total Reserves | | <u>201,519</u> | <u>(24,006)</u> | <u>177,513</u> | <u>255,361</u> | <u>(29,983)</u> | <u>225,378</u> |

Notes

- Under FRS 102 endowments are now presented for each class of asset and not as a separate category. Endowment assets of £2,471k have therefore been reclassified as trade and other receivables £1,200k and cash £1,271k.
- FRS102 allows a choice in accounting policy between the accruals method and performance model for the treatment of government grants. The University has chosen to continue with the accruals method. For all other grants the performance model has to be applied. Non-government revenue grant income is now recognised according to milestones which results in additional trade and other receivables of £125k. In addition, endowment assets of £1,200k are now also included under this heading (see note a above).
- Reclassified endowment assets of £1,270k are now included under the heading of cash and cash equivalents (see note a above).
- Increased short-term creditors due within one year are comprised of three separate elements: Deferred capital grants are now allocated between creditors due within one year and due after more than one year. The element relating to within one year is £1,121k. An increase in the accrual for holiday entitlement not taken at the year-end is calculated at £1,100k and non-government grant income not released due to performance milestones not yet being achieved is £125k.
- A proportion of the deferred capital grants are now shown as creditors due after more than one year at £22,722k.
- A provision is made for a change in the University's share of USS pension liabilities of £1,314k and WYPF liabilities of £1,051k together with the reclassification of an enhanced pension provision of £246k.
- Deferred capital grants are reclassified as creditors (see notes d and e above). Under the accruals method, unamortised capital grants are no longer shown at the bottom of the balance sheet, but held as deferred income within creditors.

THE UNIVERSITY OF HUDDERSFIELD
For the Year ended 31 July 2016
NOTES TO THE FINANCIAL STATEMENTS (continued)

| University | Notes | 2007 SORP £'000 | 1 August 2014 Effect of transition to 2015 SORP £'000 | 2015 SORP £'000 | 2007 SORP £'000 | 31 July 2015 Effect of transition to 2015 SORP £'000 | 2015 SORP £'000 |
|--|-------|-----------------------|---|-----------------------|-----------------------|--|-----------------------|
| Non-current assets | | | | | | | |
| Fixed Assets | | 162,154 | - | 162,154 | 201,648 | 1 | 201,649 |
| Investments | | 82 | - | 82 | 82 | - | 82 |
| | | <u>162,236</u> | <u>-</u> | <u>162,236</u> | <u>201,730</u> | <u>1</u> | <u>201,731</u> |
| Endowment assets | a | 2,456 | (2,456) | - | 2,471 | (2,471) | - |
| Current assets | | | | | | | |
| Trade and other receivables | b | 15,741 | 1,400 | 17,141 | 19,329 | 1,321 | 20,650 |
| Investments | | 14,514 | - | 14,514 | 20,667 | - | 20,667 |
| Cash and cash equivalents | c | 70,765 | 1,056 | 71,821 | 88,374 | 1,271 | 89,645 |
| | | <u>101,020</u> | <u>2,456</u> | <u>103,476</u> | <u>128,370</u> | <u>2,592</u> | <u>130,962</u> |
| Less: Creditors: amounts falling Due within one year | d | <u>(23,246)</u> | <u>(3,736)</u> | <u>(26,982)</u> | <u>(26,715)</u> | <u>(5,009)</u> | <u>(31,724)</u> |
| Net current (liabilities)/assets | | <u>77,774</u> | <u>(1,280)</u> | <u>76,494</u> | <u>101,655</u> | <u>(2,417)</u> | <u>99,238</u> |
| Total assets less current liabilities | | 242,466 | (3,736) | 238,730 | 305,856 | (4,887) | 300,969 |
| Creditors: amounts falling due after more than one year | e | - | (22,144) | (22,144) | - | (22,722) | (22,722) |
| Provision | | | | | | | |
| Pension liability | f | (39,902) | 1,627 | (38,275) | (49,446) | (2,611) | (52,057) |
| Other liability | | (255) | 255 | - | (246) | 246 | - |
| Total net assets | | <u>202,309</u> | <u>(23,998)</u> | <u>178,311</u> | <u>256,164</u> | <u>(29,974)</u> | <u>226,190</u> |
| Deferred capital grants | g | 23,206 | (23,206) | - | 24,513 | (24,513) | - |
| Restricted Reserves | | | | | | | |
| Income and expenditure reserve – endowment reserve | | 2,456 | - | 2,456 | 2,471 | - | 2,471 |
| Income and expenditure reserve – restricted reserve | | - | - | - | - | 10 | 10 |
| Unrestricted Reserves | | | | | | | |
| Income and expenditure reserve – unrestricted | | 139,401 | (792) | 138,609 | 157,194 | (5,471) | 151,723 |
| Revaluation reserve | | 37,246 | - | 37,246 | 71,986 | - | 71,986 |
| Total Reserves | | <u>202,309</u> | <u>(23,998)</u> | <u>178,311</u> | <u>256,164</u> | <u>(29,974)</u> | <u>226,190</u> |

THE UNIVERSITY OF HUDDERSFIELD
For the Year ended 31 July 2016
NOTES TO THE FINANCIAL STATEMENTS (continued)

25 Transition to FRS102 and the 2015 SORP (continued)

| Consolidated | Notes | 2007 SORP £'000 | STRFL Items* £'000 | Effect of transition to 2015 SORP £'000 | 2015 SORP |
|---|--------------|----------------------------|-----------------------------------|--|------------------|
| Income | | | | | |
| Tuition fees and education contracts | | 113,619 | - | - | 113,619 |
| Funding body grants | | 18,921 | - | - | 18,921 |
| Research grants and contracts | | 7,074 | - | 1 | 7,075 |
| Other income | a | 9,620 | - | 667 | 10,287 |
| Investment income | b | 3,392 | - | (1,202) | 2,190 |
| Donations and endowments | | - | - | 1 | 1 |
| Total income | | 152,626 | - | (533) | 152,093 |
| Expenditure | | | | | |
| Staff costs | c | 80,949 | - | 2,568 | 83,517 |
| Other operating expenses | | 39,296 | - | - | 39,296 |
| Depreciation | | 5,049 | - | - | 5,049 |
| Interest and other finance costs | d | 18 | - | 1,575 | 1,593 |
| Total expenditure | | 125,312 | - | 4,143 | 129,455 |
| Surplus before tax | | 27,314 | - | (4,676) | 22,638 |
| Taxation | | (91) | - | - | (91) |
| Surplus after tax | | 27,223 | - | (4,676) | 22,547 |
| Unrealised surplus on revaluation of land and buildings | | - | 35,426 | - | 35,426 |
| Actuarial (loss)/gain in respect of pension schemes | | - | (10,122) | 2,932 | (7,190) |
| Movements on endowments | | - | 15 | - | 15 |
| Total comprehensive income for the year | | 27,223 | 25,319 | (1,744) | 50,798 |

Notes

- A Heritage Lottery grant of £667k was released earlier than previously in accordance with performance milestones following the establishment of suitable accommodation to house a Holocaust Heritage and Learning Centre for the North.
- FRS102 changes the basis for calculating interest on WYPF scheme assets from an 'expected asset return' to a 'discount rate'. The expected return on assets under the WYPF is assumed at a discount rate of 3.6% rather than an expected return of 6.6%. The net effect of the revised return on assets less interest on pension liabilities is to change a net interest receivable value of £1,202k to a financing cost of £1,555k.
- Staffing costs increase due to three separate elements. The provision for USS liabilities rises by £1,294k as a result of a new funding plan to address past service deficits, the holiday accrual increases by £1,100k following a review of outstanding leave entitlement at 31 July 2015 for all University staff, and a change in the WYPF current and past service charge less employer contributions results in a net movement of £174k.
- WYPF finance costs of £1,555k (see note b above) represent the interest on the present value of the defined benefit obligation (liabilities) and interest on the net changes in those liabilities over the period, calculated using the discount rate at the start of the period. A USS charge of £20k is also included representing the adjustment to arrive at the correct closing provision where actual contributions differ from past expectations.

THE UNIVERSITY OF HUDDERSFIELD
For the Year ended 31 July 2016
NOTES TO THE FINANCIAL STATEMENTS (continued)

25 Transition to FRS102 and the 2015 SORP (continued)

| University | Notes | 2007 SORP £'000 | STRFL Items* £'000 | Effect of transition to 2015 SORP £'000 | 2015 SORP |
|---|-------|--------------------|--------------------------|---|----------------|
| Income | | | | | |
| Tuition fees and education contracts | | 113,619 | - | - | 113,619 |
| Funding body grants | | 18,921 | - | - | 18,921 |
| Research grants and contracts | | 6,062 | - | 10 | 6,072 |
| Other income | a | 7,506 | - | 667 | 8,173 |
| Investment income | b | 3,392 | - | (1,203) | 2,189 |
| Donations and endowments | | - | - | 1 | 1 |
| Total income | | 149,510 | - | (525) | 148,985 |
| Expenditure | | | | | |
| Staff costs | c | 79,443 | - | 2,568 | 82,011 |
| Other operating expenses | | 37,698 | - | - | 37,698 |
| Depreciation | | 5,031 | - | - | 5,031 |
| Interest and other finance costs | d | 18 | - | 1,575 | 1,593 |
| Total expenditure | | 129,190 | - | 4,143 | 126,333 |
| Surplus before tax | | 27,320 | - | (4,668) | 22,562 |
| Taxation | | (91) | - | - | (91) |
| Surplus after tax | | 27,229 | - | (4,668) | 22,561 |
| Unrealised surplus on revaluation of land and buildings | | - | 35,426 | - | 35,426 |
| Actuarial (loss)/gain in respect of pension schemes | | - | (10,122) | 2,932 | (7,190) |
| Movements on endowments | | - | 15 | - | 15 |
| Total comprehensive income for the year | | 27,229 | 25,319 | (1,736) | 50,812 |