

University of Suffolk Ltd
(formerly University Campus Suffolk Ltd)








Annual report and financial statements
for the year ended 31 July 2016

Registered number: 05078498

University of Suffolk Ltd

Annual report for the year ended 31 July 2016

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University of Suffolk Ltd

Directors and advisors

Directors

Professor W Pope (Chair)
Professor M Abdel-Maguid
Mr J Bambridge (resigned 30 June 2016)
Dr J Barnes (appointed 3 February 2016)
Ms D Cadman
Professor P Cavenagh (resigned 31 July 2016)

Mr P Clement (resigned 31 July 2016)

Company Secretary

Ms C A M Edey (Deputy Chair)
Mr D Edwards (Senior Independent Director)

Registered office

Miss R Gilbey (appointed 5 July 2016)
Ms F Hotston Moore
Mr P Lister (Vice-Chancellor)

Independent auditors

KPMG LLP
Botanic House
100 Hills Road
Cambridge
CB2 1AR

Bankers

Barclays Bank plc
1 Princes Street
Ipswich
Suffolk
IP1 1PB

Solicitors

Mills & Reeve LLP
1 St James Court

University of Suffolk Ltd

[REDACTED]

Campus Suffolk Ltd) for the year ended 31 July 2016.

Business review and principal activities

The principal activity of the company for the year under review was that of higher education,

[REDACTED]

		<u>2015/16</u>	<u>2016/17</u> (forecast)
HEFCE FTEs	3,173	3,335	3,344
OTHER FTEs	880	883	883

[REDACTED]

University of Suffolk Ltd

Strategic report for the year ended 31 July 2016

Against the backdrop of continuing changes in the market for higher education, the University continues to maintain its successful track record of delivery under its NHS and Social Work teaching contracts, which include both pre-registration and post-registration education and training. Maintaining and increasing both the quality of its delivery and its commission

volumes with its NHS partners remains a high priority for the University. In addition, the institution actively seeks to diversify its income streams, particularly from research, enterprise and consultancy activities. Total income from these sources was £615,116 (2015: £619,101)

in

	2016 £'000	2015 £'000
Total income	37,384	35,479
	173	(3,099)
	0.5%	(8.7%)
	520	3,459
	(277)	(2,277)
as a	(0.7%)	(8.7%)

University of Suffolk Ltd

Strategic report for the year ended 31 July 2016

	2016	2015
	£'000	£'000
Proportion of income generated from:		
• HEFCE Grants	9%	10%
• Education Contracts	21%	23%
	63%	61%
	1%	0%
	6%	6%

	2016	2015
	£'000	£'000
Total balance sheet funds	8,476	9,821

The increase in Total Balance Sheet Funds from £8,476 (2015: £9,821) is largely due to the following factors:

- [Redacted]
- [Redacted]
- [Redacted]
- [Redacted]
- [Redacted]
- [Redacted]
- [Redacted]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

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[REDACTED]

[REDACTED] with

[REDACTED]

[REDACTED]

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[REDACTED]

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[REDACTED]

[REDACTED]

[REDACTED]

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[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

Strategic report for the year ended 31 July 2016

on its improved reputation and continually develop partnership working with commissioners

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

and will ensure key risks are communicated through national consultation. in

Failure to generate sufficient funds for strategic investment

[REDACTED]

-
-

in

University of Suffolk Ltd

Directors' report for the year ended 31 July 2016

The directors present their annual report and the audited financial statements of the company:

Directors

The directors who held office during the year and up to the date of signing the financial statements are listed on page 4 of the annual report.

Financial risk management

The directors consider the key business risks and uncertainties, including financial risks:

are

in

of

University of Suffolk Ltd

Directors' report for the year ended 31 July 2016

taken as directors in order to make themselves aware of any relevant audit information and to establish that the company's auditors are aware of that information.

Independent auditors

[Redacted] in

[Redacted]

[Redacted]

[Redacted]

[Redacted]

[Redacted]

[Redacted]

[Handwritten signature]

University of Suffolk Ltd

Statement of corporate governance and internal control

The following statement is given to assist readers of the financial statements in gaining an

understanding of the governance structures of the University and to summarise the institution's arrangements for implementing of best practice for internal control and risk

which

management. This statement covers the full financial year and up to the date of approval of the financial statements.

The University of Suffolk is a company limited by guarantee. The primary documents of

with

University of Suffolk Ltd

Statement of corporate governance and internal control

that University of East Anglia and University of Essex may prescribe from time to

_____ in

ensure that there are appropriate financial and management controls in place to safeguard public funds and funds from other sources;

safeguard the assets of the institution and to prevent and detect fraud; institution's

ensure the economical, efficient and effective management of the

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University of Suffolk Ltd

Statement of Financial Activities

The University of Suffolk Ltd	2022
	2021
	2020

£

	2022	2021	2020

	2022	2021	2020

	2022	2021	2020

	2022	2021	2020

	2022	2021	2020

	2022	2021	2020

University of Suffolk Ltd

Statement of public benefit

Schools and Colleges Liaison

The student recruitment team of the University works with schools and colleges to inform

[REDACTED]

[REDACTED]

[REDACTED]

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University of Suffolk Ltd

Independent Auditor's Report

- adequate accounting records have not been kept by the Company, or returns adequate for our audit have not been received from branches not visited by us: or
- [REDACTED]
- [REDACTED]
- [REDACTED]

S Beavis
Stephanie Beavis (Senior Statutory Auditor)
For and on behalf of KPMG LLP, Statutory Auditor
Chartered Accountants

Botanic House
[REDACTED]

Date: 13/10/16

University of Suffolk Ltd

Statement of Comprehensive Income and Expenditure

		2016 £'000	<i>Restated</i> 2015 £'000
Tuition fees and education contracts	1	31,382	29,947
	2	3,509	3,482
	3	214	129
	4	2,218	1,870
			50
		16,835	18,909
		17,411	(8,084)
Depreciation	12	1,953	1,954
	8	1,459	1,454
Total expenditure	9	37,661	38,578
ventures		(277)	(3,099)
	13		-
Deficit for the year		(277)	(3,099)
Actuarial loss in respect of pension schemes		(1,068)	(448)
Total comprehensive income for the year		(1,345)	(3,547)
Represented by:			
Restricted comprehensive income for the year		(8)	(13)
Unrestricted comprehensive income for the year		(1,337)	(3,534)

All items of income and expenditure relate to continuing activities.

University of Suffolk Ltd
Statement of Cash Flow
Year ended 31 July 2016

	Notes	2016 £'000	<i>Restated</i> 2015 £'000
Cash flow from operating activities			
Surplus for the year		(277)	(3,099)
Adjustments			
Depreciation	12	1,953	1,954
Decrease/(increase) in debtors	10	937	(1,469)
Increase in creditors	11/14	753	914
Increase in pension liability	23	(63)	(211)
	15	72	3,317
	5	(44)	(51)
Interest payable	8	1,459	1,454
Capital grant income		(1,257)	(1,139)
Net cash inflow from operating activities		3,533	1,670
Cash flows from investing activities			
Capital grant receipts		2,689	484
Payments made to acquire fixed assets		(5,361)	(870)
Net cash outflow from investing activities		(2,672)	(386)
Cash flows from financing activities			
		(1,191)	(1,203)
		47	48
		(431)	(302)
		(1,575)	(1,457)
Decrease in cash and cash equivalents in the year		(714)	(173)
Cash and cash equivalents at beginning of the year	17	9,804	9,977
	17	9,090	9,804

	Note	Restricted	Unrestricted	Total
As originally stated at 1 August 2014		144	47,251	47,395
FRS102 adjustments				
Deferred capital grant adjustment	24	-	(45,233)	(45,233)
I&E reserve adjustment	24	-	11,206	11,206
Restated balance at 1 August 2014		144	13,224	13,368
Surplus/(deficit) from the income and expenditure statement		(13)	(3,086)	(3,099)
Other comprehensive income		-	(448)	(448)
Total comprehensive income for the year		(13)	(3,534)	(3,547)
Balance at 1 August 2015				
Surplus/(deficit) from the income and expenditure statement		(8)	(269)	(277)
Other comprehensive income		-	(1,068)	(1,068)
Total comprehensive income for the year		(8)	(1,337)	(1,345)
		123	8,353	8,476

University of Suffolk Ltd

Statement of accounting policies for the year ended 31 July 2016

Basis of preparation

These financial statements are prepared on a going concern basis, in accordance with the historical cost convention and in accordance with the Statement of Recommended Practice (SORP) for Higher Education Institutions.

[REDACTED]

[REDACTED]

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[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

Statement of accounting policies for the year ended 31 July 2016

1. **Depreciation**

2. **Depreciation**

are

objective.

Unrestricted permanent endowments - the donor has specified that the fund is to be permanently

Asset Class	Rate
Freehold buildings	2.0% - 2.5%
Building refurbishments	12.5% - 25%
Fixtures, fittings and equipment	12.5% - 25%
Computer equipment	25%

Freehold land, heritage assets, and assets in the course of construction are not depreciated.

University of Suffolk Ltd

Statement of accounting policies for the year ended 31 July 2016

Acquisition with the aid of specific grants

Where assets are acquired with the aid of specific government grants, they are capitalised and depreciated. The related grants are credited to a deferred capital grant account and released to the income and

LGPS

costs.

Expenditure to ensure that a tangible fixed asset maintains its previous standard of performance is recognised in the income and expenditure account for the period it is incurred. The amounts for such expenditure are

Cash equivalents are short term, highly liquid investments that are readily convertible to known amounts of



The table content is redacted with black bars.

Accounting for Joint Operations, Jointly Controlled Assets and Jointly Controlled Operations

The University accounts for its share of joint ventures using the equity method.

The University accounts for its share of transactions from joint operations and jointly controlled assets in the

Notes to the Accounts for the year ended 31 July 2016

	Notes	<i>Restated</i>	
		31 July 2016	31 July 2015
7 Staff costs			
Staff Costs :		£'000	£'000
Salaries		13,173	12,558
Social security costs		1,049	909
		<u>14,222</u>	<u>13,467</u>
Movement on USS provision		100	3,394
Other pension costs		2,204	2,048
Total		<u>16,835</u>	<u>18,909</u>
Emoluments of the Vice-Chancellor:		£'000	£'000
Salary and benefits		130	120
Performance-related pay		20	-
Pension contributions to USS		18	17
		<u>168</u>	<u>137</u>

There were no other members of staff with an annual salary over £100,000 (excluding employer's pension contributions) (2015: no other member). Retirement benefits are accruing to 3 directors (2015: 3) under the Universities Superannuation Scheme ("USS").

Average staff numbers by major category :	No.	No.
	200	194
	110	102
Academic departments	90	87
Premises	21	18
	<u>421</u>	<u>401</u>

	31 July 2016	31 July 2015
	£'000	£'000
Key management personnel compensation	<u>629</u>	<u>605</u>

	<i>Restated</i>	
	Year Ended 31 July 2016	Year Ended 31 July 2015
	£'000	£'000
8 Interest and other finance costs		
	1,184	1,199
	275	255
	<u>1,459</u>	<u>1,454</u>

Notes to the Accounts for the year ended 31 July 2016

18 Capital and other commitments

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

	Year ended 31 July 2016 £'000	Year ended 31 July 2015 £'000
Commitments contracted for	1,051	533
	<u>1,051</u>	<u>533</u>

The above capital commitments relate to campus development projects.

19 Capital and reserves

The company has no share capital as it is limited by guarantee. All members of the company undertake to contribute such a sum as is required, not exceeding £1, to the assets of the company should it be wound up whilst they are a member or within one year after they cease to be a member.

20 Lease obligations

Total rentals payable under operating leases:

Payable during the year

95 95

Future minimum lease payments due:

Not later than 1 year

15 15 95

Later than 1 year and not later than 5 years

80 80 -

Later than 5 years

- - -

Total lease payments due

95 95 95

21 Events after the reporting period

On 1 August 2016 University Campus Suffolk became an independent University and began trading under the name University of Suffolk.

22 Amounts disbursed as agents

	Year ended 31 July 2016 £'000	Year ended 31 July 2015 £'000
Access to Learning Funds (ALF)		
Funding received from HEFCE	-	-
Brought forward from previous year	-	18
	-	<u>(18)</u>
	-	-

Direct funding for the ALF grants was withdrawn with effect from the beginning of the 2014-15 financial year.

FE Initial Teacher Training Bursaries (ITT)

	£'000	£'000
Funding received from BIS	45	64
Brought forward from previous year	9	-
Amount disbursed to students	<u>(42)</u>	<u>(55)</u>
Excess of income over expenditure	<u>12</u>	<u>9</u>

Subject Knowledge Enhancement Bursaries (SKE)

	£'000	£'000
Funding received from NCTL	7	7
Brought forward from previous year	-	-
Amount disbursed to students	<u>(7)</u>	<u>(7)</u>
Excess of income over/(under) expenditure	<u>-</u>	<u>-</u>

Notes to the Accounts

for the year ended 31 July 2016

23 Pension Schemes

University of Suffolk employees belong to two principal pension schemes: the Universities Superannuation Scheme (USS) and the Local Government Pension Scheme (LGPS), which is administered by Suffolk County Council. Both are defined-benefit

Total pension costs for the year	Year Ended 31 July 2016	Restated Year Ended 31 July 2015
	131	409
	2,227	131
		2,172
USS contributions paid	1,779	1,632
LGPS including FRS 102 adjustments	317	
LGPS Funding Strategy		

(i) The Universities Superannuation Scheme

	2016	2015
Discount rate	3.60%	3.30%
Pensionable salary growth	n/a	3.5% in the first year and 4.0% thereafter
Pension increases (CPI)	2.20%	2.20%

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

	2016	2015
Males current aged 65 (years)	24.3	24.2
Females current aged 65 (years)	26.5	26.4
Males current aged 45 (years)	26.4	26.3
	28.8	28.7
	£49.8bn	£49.1bn
	£58.3bn	£60.2bn
	£8.5bn	£11.1bn
	85%	82%

Notes to the Accounts for the year ended 31 July 2016

	2016 £'000	2015 £'000
Analysis of the movement in the present value of scheme liabilities		
At the beginning of the year	11,765	10,385
Current service cost	336	304
Past service cost (including curtailments)	427	13
Contributions by scheme participants	78	417
Changes in financial assumptions	1,673	76
Other experience	(67)	893
Benefits paid	(214)	(38)
At the end of the year	13,998	11,765

	2016 £'000	2015 £'000
Analysis of the movement in the fair value of scheme assets		
At the beginning of the year	7,688	6,800
Interest income on plan assets	281	276
Interest cost on defined benefit obligation	78	76
Employer contributions	399	431
Return on assets excluding amounts included in net interest	(214)	(285)
Return on assets excluding amounts included in net interest	559	390
At the end of the year	8,791	7,688

Changes in the fair value of plan assets, defined benefit obligation and net liability is:

	2016 £'000	2015 £'000
Opening position	(4,077)	(3,585)
Current service cost	(336)	(304)
Past service cost	427	(13)
Interest income on plan assets	281	276
Interest cost on defined benefit obligation	(427)	(417)
Total defined benefit scheme deficit	(482)	(458)
Employer contributions	399	431
Expected closing position	(1,673)	(893)
Return on assets excluding amounts included in net interest	67	38
Return on assets excluding amounts included in net interest	559	390
Total defined benefit scheme deficit	(1,047)	(465)
Fair value of plan assets	8,791	7,688
Present value of funded liabilities	(13,998)	(11,765)
Closing position	(5,207)	(4,077)

Defined benefit scheme assets do not include any of the University's own financial instruments or any property controlled by

Notes to the Accounts

for the year ended 31 July 2016

	Notes	2007 SORP	STRGL Items*	Effect of transition to 2015 SORP	2015 SORP
Income					
Tuition fees and education contracts		29,947	-	-	29,947
Funding body grants		3,605	-	(123)	3,482
Research grants and contracts		129	-	-	129
Other income		2,073	-	(203)	1,870
Investment income		50	-	-	50
Total income before donations and endowments		35,804	-	(326)	35,478
Donations and endowments		1	-	-	1
Total income		35,805	-	(326)	35,479
Expenditure					
Staff costs	b	15,476	-	3,433	18,909
		16,261	-	-	16,261
	c	2,474	-	(520)	1,954
		1,248	-	206	1,454
Total expenditure		35,459	-	3,119	38,578
Surplus before tax		346	-	(3,445)	(3,099)
Taxation		-	-	-	-
Surplus after tax		346	-	(3,445)	(3,099)
Transferred from endowment funds		13	-	(13)	-
Surplus for the year		359	-	(3,458)	(3,099)
Transfer to endowment funds		(13)	13	-	-
		-	(592)	144	(448)

b) The movements in the USS deficit recovery plan provision and a holiday accrual provision have been recorded in staff costs.

c) Some buildings are being depreciated over a longer useful economic life, therefore depreciation costs have decreased.

d) The additional charge relates to finance charges on the USS deficit recovery plan and a change in the discount rate on the LGPS pension scheme under FRS 102.

e) Endowments were released to restricted reserves accordance to the new requirements of FRS102.

Notes to the Accounts for the year ended 31 July 2016

25 Related parties

	Sales transactions £'000	Receivables balance outstanding £'000	Purchase transactions £'000	Payables balance outstanding £'000
Year ending 31 July 2016				
Great Yarmouth College	31	20	1,195	11
Ipswich Borough Council	386	3	194	5
Ipswich Central Management				
Lowestoft College	25	14	1,424	5
Otley College	10		2	2
Suffolk County Council	141		145	71
Suffolk New College	3		505	72
Student's Union	2		32	9
University Of East Anglia	119	26	442	7
University of Essex			388	377
West Suffolk College	24		3,660	82
	748	63	7,987	641

	9		1,155	32
	33		212	
	6		1,305	53
	56	16	444	
	142	45		36
				67
	22			3
	112			8
University of Essex	7			
West Suffolk College	63	46	3,551	1
	450	108	8,457	202

26 Accounting estimates and judgements

Universities Superannuation Scheme (USS)

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 the scheme that determines how the employer will fund a deficit results in the