

# Financial Statements

for the year ending **31 July 2019**





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# Operating and Financial Review

## Scope of the Financial Statements

These are the consolidated statutory accounts of Liverpool John Moores University and its subsidiaries for the year ended 31 July 2019.

## Our Strategic Plan for 2017-2022

### Our Vision

Our Vision is to be pioneering modern civic university, delivering solutions to the challenges of the 21st century.

### Our Four Strategic Pillars

**Outstanding Student Experience** – a University that places students at the heart of its endeavours and offers an enriching, supportive student experience offering dynamic opportunities to help expand their horizons.

**Excellence in Education** – a University that delivers a transformative education marked by inquiry, discovery and partnership between students and staff.

**Impactful Research and Scholarship** – A University that supports and develops targeted areas of world-leading research excellence, where scholarship is central to the personal development of every member of academic staff.

**Civic and Global engagement** – A University with strong roots in the city that enriches its social and cultural life, where innovation and enterprise drive economic growth in partnership with business and industry.

### Our Values

**Excellence** – We strive for the highest standards in everything we do

**Transformation** – We believe in the power of education to drive transformation across social, cultural and economic boundaries

**Innovation** – We are innovative and progressive with an entrepreneurial spirit; we think creatively about new ways to do things

**Partnership** – We believe that by working in partnership we can achieve strong and lasting results

**Leadership** – We believe in leading the way, challenging convention and breaking new ground

**Community** – We believe in the power of sharing expertise, and of people coming together with a common purpose.

The LJMU 2017-22 strategy as approved by the Board of Governors sets out what these mean for our life as a University. It means an outstanding student experience, which expands the horizons of students and offers rich opportunities for them to develop their confidence, skills and character. It means excellence in education, with contemporary curricula and innovative models of delivery that embed the knowledge and skills our students need. It means engaging in impactful research and scholarship that address the

challenges of our day. And, it means civic and global engagement that builds and deepens our connections – within the city and across the globe - where these enrich the lives of our students, our city, and the broader communities of which we are privileged to be part.

We are seeking to realise this vision in a challenging external climate. Patterns of demand are changing, competition is increasing, and the funding landscape is becoming more constrained. Yet this is also a moment of opportunity, one which will reward imagination, tenacity, relevance, conviction. We believe we are well-positioned to thrive in this environment, and to realise our ambitions.

## Operations

### Students

LJMU is one of the largest Universities in the UK with 23,900 students in Liverpool plus a further 2,075 students enrolled on accredited University courses overseas. Actual full time equivalent numbers for 2018/19 were 20,803. This represents an increase of 1.8% compared with 2017/18.

The 2018/19 recruitment was in line with the planning for 2018/19. This was achieved whilst maintaining intake quality.

As shown above, undergraduate student applications and recruitment via UCAS remains buoyant despite the very challenging environment that universities are facing. LJMU continues to operate very effective widening participation and outreach activities. The University is a partner in the Merseyside Collaborative Outreach Programme.

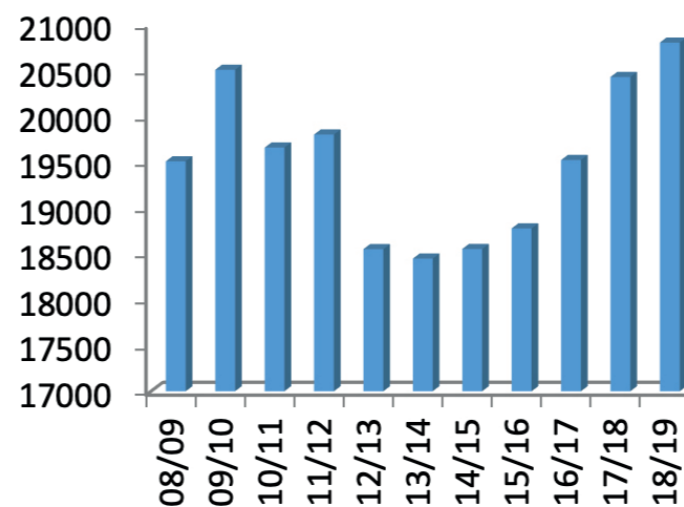
In total, 57 new programmes were approved for development in 2018/19 of which 41 were Postgraduate taught and 16 undergraduate.

The university continued to ensure that, wherever possible, programmes have Professional Statutory Regulatory Body accreditation. Of the 210 Key Information Set (KIS) course records 130 accreditations are recorded, including multiple accreditations on some programmes. There are 84 distinct KIS programmes with one or more accreditations representing 40% of KIS records.

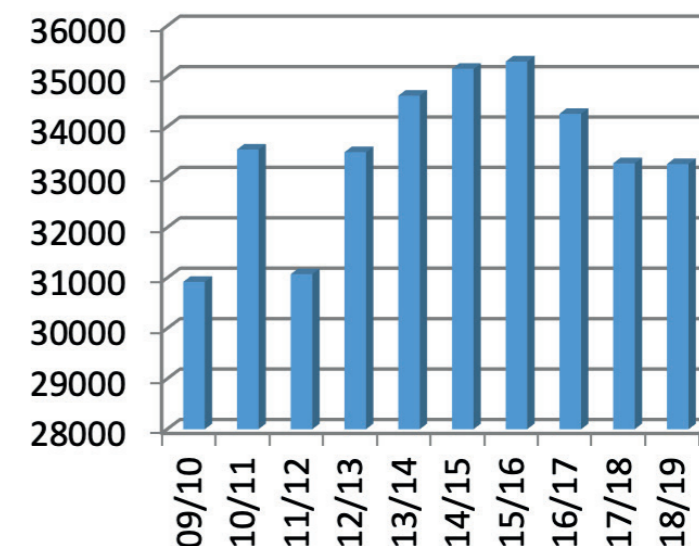
The Academic Registry continues to ensure a coherent and consistent approach to quality assurance and enhancement across the University. The University has built upon its exceptional outcome in the Higher Education Review by the Quality Assurance Agency (QAA), by further reviewing key processes.

The most recent Destination of Leavers from Higher Education (DLHE) survey – of graduates who left in 2016/17 – revealed continuing positive trends in the proportion securing professional-level employment (70.7% - an increase of 3.9% on the previous year) and either professional-level employment or further study ('Graduate Prospects': 74.7% - an increase of 2.3%). We are committed, however, to making a transformative difference to all our students when it comes to their employability skills, self-awareness, agency and career trajectory and are introducing a number of new developments towards achieving that.

Student numbers



Student applications



2018/19 saw the establishment of a new Student Advancement directorate, bringing together for the first time our Careers service, Employer Engagement team and LJMU's award-winning Centre for Entrepreneurship, which offers a spectrum of support for students to research & develop new business ideas and progress them to start-up. A new post has been created in our Director of Student Advancement, and the appointee has – since arriving in January 2019 – been conducting a root & branch review and a 'big conversation' with stakeholders across the university towards agreeing a new Student Employability, Enterprise & Employment Strategy to launch in 2019/20. Also during 2018/19, preparations were concluded for the autumn 2019 launch of Unitemps at Liverpool John Moores University. A wholly owned subsidiary that will become part of a national franchise network, Unitemps at LJMU will be an on-campus recruitment agency that improves connection to degree-level talent for local employers and provides fresh structure to our internal student workforce.

Our designated Careers Zones, located in areas of high student footfall, continue to be the frontline for personalised careers information, advice & guidance and 3,494 bespoke interactions took place with students in 2018/19. This is complemented by our Careers 24/7 suite of online tools, resources & e-learning modules, which has been further developed in recent months to offer students & graduates access to high quality support at any time and wherever they are. 102,121 student interactions with our digital services were recorded this academic year.

Over the last five years, Student Advancement has been a participant in a HEFCE (now OfS) Learning Gain project, collecting individualised Career Readiness data as part of annual enrolment, through which we achieve better insight into the individual career journeys & perspectives of students. Analysis of this data has contributed to strategic & operational planning for 2019/20 and our next step will be to utilise it to identify groups and individuals who would benefit from additional targeted support.

There is increased emphasis on embedding careers, employability & enterprise development within the curriculum and our team of Careers Advisors and Trainers have delivered 1,102 hours of in-course delivery over the last twelve months. Within this are the 'CareerSmart' workshops built into Level 4 of every undergraduate course, utilising specially-designed employability e-learning resources. 6,285 students completed the 'CareerSmart: Explore' e-learning assessment in 2018/19, with a satisfaction rating of 96%

174 students and 12 graduates benefitted from our funded 'Career Accelerator' internship programme this year, joining organisations within a wide range of sectors, including: business & financial; creative industries; leisure, sport & tourism; events management; IT & information services; and the charitable & third sector. For students whose course does not include a work placement, internships offer an opportunity to participate in CV-transforming experience and develop skills, knowledge and organisational awareness in situ. Students who have undertaken a placement will be able to go further, expanding their professional network and strengthening their narrative for interview. In all instances, internships are fully funded to remove financial barriers to access.

Our Centre for Entrepreneurship delivered 512 bespoke business advice sessions to prospective student & graduate entrepreneurs and £35,700 – courtesy of our sponsors in the Bathgate Group – was awarded to students to collaborate in progressing their enterprise & entrepreneurial skills, develop & test new business ideas and progress to start up.





**Research & Scholarship**

Recognising that staff are its principal asset, the University's 2017-22 strategy clearly augments the contribution of research and scholarship to the development and impact of the institution, its staff and students. As evidence of this, the University continues to make longer-term investments aimed at enhancing its research performance. The vast majority of mainstream quality-related (QR) funding received by the University from Research England (based on REF2014 performance/outcomes) was allocated to faculties. It supported research facilities, researcher development initiatives and funded postgraduate research (PGR) studentships. Furthermore, centrally-held resources in Research & Innovation Services (RIS) and the Doctoral Academy (DA), have been competitively awarded to reward researchers delivering impact beyond academia (the LJMU Impact Awards) and to enhance the PGR experience (PGR conference travel fund).

The University received £234,606 additional QR funding as part of the Global Challenges Research Fund (GCRF) this year. GCRF supports cutting-edge research that works in partnership with developing countries to address the most pressing economic and social welfare challenges for people in those areas. In 2018-19, the University selected 23 projects following a competitive internal funding round. The projects supported research across three Faculties, and benefited the most vulnerable people in 20 countries. This has led to a diverse range of activities including: tackling drug abuse in the Gaza Strip and refugee camps in Jordan; developing novel algorithms to improve the early identification of glaucoma in Tanzania and India; mitigating corruption in Ghana through best-practice governance procedures; embedding gender equality in Vietnam through creative writing. The projects are having ongoing benefits, including the development of sustainable international networks, introduction of policy guidelines, recommendations and advice for local and national governments, and a number of joint research bids. Bids for external funding have included a successful award of £500,000 for the use of drones to identify peat fires in Indonesia.

The University has a sector-leading position in terms of the proportion of academic outputs co-authored with international collaborators (66.1% in 2018). The publications arising from our GCRF projects will not only influence future impactful development work, but will sustain the University's standing in the sector for international research collaboration.

The University retained the 'HR Excellence in Research Award' in December 2018. This marker underlies LJMU's commitment to the UK Concordat for the Career Development of Researchers. The University's researcher development provision (the ACTivator programme) and the skills and personal development training offered by the Doctoral Academy, continue to evolve and diversify. Management of ACTivator moved from Research & Innovation Services to the Leadership and Development Foundation where there are obvious synergies in relation to training provision; ACTivator sessions continue to be co-designed and co-delivered across professional service teams.

A new, targeted initiative was introduced by the Pro-Vice Chancellor for Scholarship, Research and Knowledge Transfer in 2018-19. The 'REF-Upskilling' mentorship scheme supported 58 staff whose research profiles were under-developed. Successful outcomes from the scheme include capability (at an individual-level) to undertake independent research activity, and the production of outputs that can contribute towards the University's submission to the Research Excellence Framework (REF2021). Institutional preparations for the next REF included submission of the University's Code of Practice for REF2021 to Research England in June 2019, and the formal implementation of processes to identify staff with significant responsibility for conducting research.

The University continues to act in accordance with the principles and commitments of the Universities UK Concordat to Support Research Integrity. The Concordat remains incorporated within our institutional Code of Practice for Research and underpins the University's standards around research integrity. In-line with previous years there were no formal investigations of research misconduct during 2018-19. LJMU's ethical framework in particular, is responsive to the increasingly diverse and innovative research practices of LJMU staff and students, and the expectations of those organisations that fund our research.

Overall, LJMU's research environment is increasingly active and supported, as the 2018-19 highlights below demonstrate:

**Highlights**

- Academic staff continue to submit substantive research grants bids to external organisations. 366 bids were submitted in 2018-19 with a combined value of £65m; this is a 6% increase in the number of submissions from the previous year. There has been

a continued improvement in the guidance and support available to academic staff in preparing high quality bids and on the importance of peer review within the grants submission process

- The number of research degrees awarded by the University in 2018-19 was 166. This total includes 148 PhDs which is an increase of 50% compared to 2017-18.
- Research Grant Income increased by 8% in 2018-2019 rising to £9.95m.
- At the end of July 2019 LJMU was managing a Research and Knowledge Exchange portfolio of £55m
- £10m in new research grant funding was awarded to LJMU in 2018-2019
- Grants are awarded from a wide range of sponsors. UK Research Council Income (the most competitive source of research funding) at £2.9m was the single greatest source of research income in 2018-2019.
- Funding from European Union awards, including Horizon 2020, the EU Research and Innovation funding programme and European Regional Development Fund (ERDF), totalled £2.68m; 28% of total research income.

Awards in year include INTE-AFRICA; which sees the University working within an international partnership led by the Liverpool School of Tropical Medicine. The 4 year project, funded through the European Commission's Horizon 2020 programme will integrate and scale up services for diabetes and hypertension in Uganda and Tanzania, either as standalone or integrated with HIV-infection. LJMU's Public Health Institute will lead on the internal and external evaluation of quantitative and qualitative outcomes.

The Astrophysics Research Institute was successful in securing a Science and Technology Facilities Council (STFC) Ernest Rutherford Fellowship, a prestigious five-year scheme designed to enable top early career researchers to establish an independent research programme. The Fellowship is funding Dr Renske Smit, previously a Newton-Kavli fellow at the University of Cambridge, to study our cosmic origins using the world's largest telescopes to try to understand how the very first stars and galaxies were formed.



Work on LJMU's Grants and Projects Management system, GaP, a collaborative creative environment for all applications for external research and enterprise funding progressed rapidly and successfully during the year.

A core team drawn from Research and Innovation Services, Finance, Corporate Business Change Initiatives and IT Services, supported by active and engaged academic representatives from across the Academy saw the bespoke development of the Unit 4 Business World system. GaP will meet LJMU's specific needs with regard to costing and pricing activities and a clear automated internal approval process for all submissions and contracts. GaP provides transparency and clarity on what can be complex and multi-faceted processes and will provide improved Management Information and Reporting capability.

The GaP system went live in the late spring 2019; supported by a substantive and well-received training programme which will continue over the next academic year.

**Commercial Enterprise, Knowledge Exchange and Student Entrepreneurship**

The University utilises income from the Higher Education Innovation Fund (HEIF) combined with core funds to ensure support for Commercial Enterprise, and Knowledge Exchange (KE) activity

across the University. Following the establishment of the central support team, Research & Innovation Services (RIS), an integrated approach to these activities continues to support both external clients and stakeholders along with our own staff.

**T.E.N** – The Engagement Network was developed to establish and enrich opportunities internally for fostering cross discipline activity and externally to showcase the knowledge and expertise of our academic base to cultivate new partnerships. The network has been successfully embedded during 2018-19 through a series of events across the University.

The Research and Innovation Services team continue to deliver key activities to support a successful KE strategy; these activities include bespoke training and events to upskill and engage academics in the KE agenda; aligned activities to use KE as a vehicle for Impact from Research and a proactive move of lab to real life in technology transfer strategy.

Student and graduate entrepreneurship is supported by the LJMU Centre for Entrepreneurship, which runs a suite of opt in startup training programmes for students and graduates. These include, in 2018-19: Try It Out workshops, Startup School (4 day bootcamp) and Idealab, a team based student accelerator programme run as a 3 week summer school. In addition, the team provide support to in-curriculum activities.

**Highlights**

- Analysis of the Higher Education Business and Community Interaction survey (HE-BCI) for 2017-18 showed the total annual value of LJMU's interaction with business and the community was £9m. Overall LJMU is ranked 92nd from 164 HEIs for the value of their interaction.
- A top twenty ranking was achieved for all measures in the HE-BCI survey relating to Graduate Start Ups. LJMU is ranked 13th in the UK for the total number of active firms and 14th for the number still active after 3 years.
- LJMU is ranked 30th in the UK for the number of disclosures filed and 45th for the number of new patents filed.
- LJMU is ranked 45th in the UK for income from Regeneration and Development programmes.
- Attendees to free public events totalled just over 31,000 in 2017-18. LJMU is ranked 38th in the UK for attendees to free public lectures.
- LJMU is ranked 62nd in the UK for income from Collaborative Research and 67th for income from Contract Research.
- Funding from the Vice Chancellors Spotlight Award has enabled the development of a physical prototype of an incubator mattress during 2018-19. The mattress aims to reduce autism rates by increasing levels of touch for premature babies. The next stage will see LJMU and Liverpool Women's Foundation Trust applying to the National Institute of Health Research for funding to run a clinical trial to establish an evidence base for the technology.
- The Smart meter project has attracted considerable attention from a variety of sectors throughout its development. LJMU is now in talks with one of the big six energy providers on further development and a potential licence deal to incorporate the technology into their Smart meters.
- "Probationary – the game of life on licence" is a board game which takes players on a journey as they navigate the complexities of life on probation. Originally designed as piece of art the game has been attracting interest from the Probation Service and other HEIs for use as a formal teaching tool. Market research is currently underway to inform on market need.

- 3 projects have completed the Innovate/Department for Digital, Culture, Media and Sport (DCMS) funded Cyber Security Academic start-up programme. Two; TRNG and Cyberdesign, are currently in the commercialisation process and negotiations are ongoing with large commercial organisations.
- Highlights in 2018-19 include contract research for household names in Cosmetics and Sports Wear. New consultancy projects in year included reporting on ancient DNA from the site of the Hinkley Point expansion, delivering intergenerational workshops a part of a Legacy Café for Liverpool City Council and evaluating the detective recruitment process for England and Wales commissioned by South Wales Police alongside long running projects for Premiership Football Clubs and National Governing Projects. Face Lab continue to work with organisations, the media and leading cultural institutions around the world to provide specialist services including 2D and 3D facial depictions.
- The University continues to develop and deliver professional development across multiple sectors including; specialist skills for Health Professionals around Endoscopy, Bowel Cancer Screening and Improving Access to Psychological Therapies, running CPD events on Corruption and Knife Crime for Police Forces from across the country to enabling Maritime Professionals to put theory into practice on our ship handling simulator.
- LJMU set up 6 new KTP projects in 2018-19 including projects in Developing intelligent systems for data mining, Producing an industry world first 'bitumen nano emulsion' and Cutting edge immersive environments for solo and team learning.
- The Centre for Entrepreneurship was part of student-led exchange of good practice with the London School of Economics
- The Centre for Entrepreneurship has developed a new working relationship with NatWest Bank and will be working with their mentoring team to deliver value for LJMU students and alumni.

## RESOURCES

### Estates Plan to 2020

The primary link between the overall Property & Capital Development Strategy and the University's overarching Strategic Plan, is in the creation of a University whose estate and infrastructure are exemplars of a modern city-based campus. In creating this, the University will enhance the student, staff and research experience, further support social and economic engagement and relentlessly pursue excellence.

In addition, the University's Estate Strategy 2020 – 2030 will continue to assist in delivering the University's long term strategic objectives, as interpreted in a number of important themes. The University's current Property and Capital Development Strategy addresses these themes specifically by identifying and responding to the following issues:

- **The Student Experience:** in both learning, indoor and outdoor social, and environmental perspectives, and consequently adequate space will be provided for each.
- **Flexibility:** There is a requirement for the University to respond flexibly and quickly to changes in the competitive environment, so that the right type of space is made available when required. To ensure that the University estate is sufficiently flexible to adjust to changing circumstances and can respond to external initiatives.
- **ICT Infrastructure:** Digital technology will continue to enhance teaching, learning and research and the spaces in which these take place.

- **Operational Delivery:** There will be a need to implement effective and efficient service delivery and where and how these should take place will influence the University's Property and Capital Development Strategy.
- **Environmental Sustainability:** To guarantee that the University's 2020 carbon reduction targets are achieved and in the interests of sustainability, all new buildings and business practices will meet rigorous criteria regarding energy usage, carbon emissions and reduction of car usage.
- **Regional Growth:** To develop facilities that will maximise the University's potential and will contribute to the regional economy of Liverpool.
- **Physical Environment:** To create a sense of place within the city and through the medium of architecture and urban design reflect the University's academic ethos.
- **Health, Safety and Wellbeing:** To ensure that the University estate meets all Health & Safety, statutory, regulatory and Office for Students requirements.
- **Long Term Maintenance:** To ensure that the University's property portfolio is correctly maintained to an appropriate and agreed standard.
- **Fit for Purpose:** To ensure that the University estate is appropriate to deliver first class research, teaching and learning, academic, service and social needs.
- **Capital Development:** To provide a basis for capital planning and to identify priorities for property investments.
- **Delivery Programme:** To develop robust programme management systems to ensure that all development programmes are delivered to agreed time, cost and quality targets.

The University's ambition over the next five years is to continue to invest over £130 million in the creation of a Connected University Campus that combines ongoing investment in bricks and mortar with the delivery of high quality, innovative, cutting edge buildings that offer transformational learning, teaching, research and civic opportunities for the entire University.

The key projects within the Capital Development Strategy include:

- The redevelopment of the Copperas Hill site as an environment that all students and staff will want to identify and connect to as a heart of the University campus. With a location next to Liverpool Lime Street Station, this presents a unique opportunity for the University to make a bold statement to staff, students, stakeholders and the public that LJMU is a place for excellence, transformation, innovation, partnership, leadership and community.
  - A sustainable refurbishment programme that will ensure the University's entire property portfolio is fit for purpose, efficient and flexible.
- Over the past twelve months the University has taken its major capital schemes (Copperas Hill, Library Refurbishments and Tithebarn Street) to a stage where contractors have started on site. The university has also made a substantial investment in its property portfolio over the last year and has made excellent progress in delivering enhanced learning, teaching and research spaces. The following progress has been made over the past twelve months:
- Refurbishment of James Parsons Tower 3rd and 6th floors including labs, offices and circulation spaces. Ventilation works to whole of James Parsons Tower including new roof top chiller.
  - Development of Green Spaces on campus.
  - Installation of new Modular House on Byrom Street.

- Consolidation of Professional Services space in Exchange Station.
- Refurbishment of teaching spaces.
- Creation of Endoscopy Suite for the School of Nursing and Allied Health.
- Accessibility Works for the Henry Cotton Building and Marybone Lecture Theatre.
- Installation of Security Barriers to the James Parsons Building.
- Refurbishment of Occupational Health Centre
- Refurbishment of Egerton Court basement for Tourism programme team
- Creation of new external Crime Scene Investigation space for the School of Advanced Policing Studies.
- The creation of a New Media Suite for Liverpool Screen School.
- The creation of a new base for PhD students in the Faculty of Business and Law.
- Installation of Lift, Automated External Exit Door, and additional fire doors to Roscoe Court.

These works were in addition to the annual redecoration programme and planned maintenance works that were undertaken across the estate.

The above works have been completed with an approximate value of £5m.

### Estates Master Plan Post 2020

The University is in the process of developing its Estate Master Plan for 2020 – 2030. Commercial Property Advisers, Project Managers, and Legal Advisors have been procured in order to assist the University in bring its plans to fruition. Key goals for the 2020 – 2030 master plan are to create:

- A well planned strategy
- Ann affordable financial plan
- Cost effectiveness and value for money
- An estate strategy that integrates with other institutional policies

It is envisaged the next master plan will be launched in early 2020 following approval by the Board of Governors.

### Sustainable Development and Environmental Responsibility 2017-2022

Sustainable Development and Environmental Responsibility are about much more than meeting compliance drivers. The University will continue to play a positive, leading role across the Liverpool City Region and beyond.

### Sustainable development

The University's Sustainable Development agenda is incorporated in its Environment and Sustainability Policy, the key aims and objectives of which are to:

- Review the environmental aspects and impacts of its proposed refurbishment and development activities
- Improve the quality of campus life and the wellbeing of the University's student body, staff and visitors
- Sustainably operate and maintain its estate, provide a high quality teaching and learning environment and to identify operational cost improvement opportunities for reinvestment to the benefit of all its stakeholders
- Encourage collaboration and co-operation across the University,

between its staff and students; and between Faculties, Schools, Divisions and Departments in order to promote sustainable development and the observance of environmental responsibility

- Recommend, develop, implement, monitor and review Sustainable Development and Environmental Management Policy, supporting Codes of Practice and actions to create a University which is proficient in its administration and observance of environmental issues and optimises its performance for the benefit of students, staff and the community.

### Environmental responsibility

Environmental responsibility is at the core of the institution's vision to be a pioneering modern civic university delivering solutions to the challenges of the 21st Century.

The aims and objectives of the University's environmental responsibility agenda are to:

- Regularly review activities to ensure that the institutional Environmental Aspects and Impacts register remains accurate and current
- Develop and maintain a University Environmental Legal Register identifying environmental legislation applicable to institutional activities and arrangements for ensuring compliance
- Provide reassurance that the University complies with applicable statutory environmental obligations and strives to observe and embrace environmental best practice in all its activities
- Recommend, develop, implement, monitor and review LJMU's Environmental Management Policy, supporting Codes of Practice and actions to create a University which is proficient in its administration and observance of environmental issues
- To pro-actively manage and reduce the impact of institutional activities on the environment
- Regularly consult with stakeholders to jointly review the environmental aspects and impacts of institutional activities
- Maintain, continually improve and promote awareness of environmental standards and requirements across the University
- Improve the quality of campus life and the wellbeing of the University's student body, staff and visitors
- Encourage collaboration and co-operation across the University, between its staff and students; and between Faculties, Schools, Divisions and Departments in order to promote environmental responsibility.

### Sustainability initiatives

The University has maintained grid-supplied electricity from 100% naturally renewable product. Smartest Energy Ltd. provide LJMU's grid supplied electricity. The product uses UK registered origin certificates to evidence that all electricity supplied to LJMU originates from 100% renewable generation sources. The Carbon Trust provides independent certification of the Smartest products' quality criteria re compliance with Greenhouse Gas Protocol Scope 2 Guidance.

### 2020 Carbon vision and target

Carbon management is a key component of LJMU's response to the sustainable development and environmental challenges of the 21st Century. LJMU's 2015 – 2020 Carbon Management Plan (CMP) aligns with, HEFCE's 2020 sector carbon reduction target of -43% of 2005/06 academic year emissions arising from the direct combustion of fossil fuels and consumption of grid supplied electricity to heat and power buildings and fuels used in University vehicles.

LJMU scope 1&2 carbon emissions for all reporting metrics returned during the period demonstrate that both the 2020 institutional Carbon Management Plan target and HEFCE 2020 scope 1&2 emissions reduction target have been realised some two years ahead of schedule.

Carbon managed is reviewed by the Environment and Sustainability Panel to ensure that institutional progress is maintained in so far as is practicable. This considers the implications of the Capital Development Programme to ensure that future capital investment initiatives incorporate carbon emission mitigation measures that, as a minimum, ensure that progress towards LJMU's 2020 target is not compromised.

The University will continue to identify and realise further operational reduction opportunities through reactive and planned maintenance activities.

### 2018/19 Carbon reduction opportunities

LJMU's Carbon Management Plan identified several carbon abatement opportunities. Given the scope and extent of refurbishment projects undertaken during 2018/19, a decision was made to focus resources on delivering the following abatement opportunities.

- LED replacement main lighting, lighting controls and emergency lighting incorporated within refurbishment projects
- Thermal modelling is taking place of the James Parsons Building to establish the heating, cooling and hot water loads of the building. The outcomes of the modelling will be used to review the services design and identify the changes required to meet the building needs. The modelling is expected to commence in July 2019 and will take a couple of months. This will inform the heating and cooling strategy for the building.
- Initiatives to reduce overheating in the James Parsons Building have been introduced.

### Carbon Reduction Performance Assessment

The University's carbon reduction performance is independently appraised by Brite Green Ltd (sustainability consultancy) as part of an annual assessment of all UK HEI's sustainability performance, utilising published HESA Estate Management Return (EMR) data. LJMU is ranked in the top 10 HEIs with regard to delivering the greatest year on year percentage change in emissions intensity by m2 of its estate since 2008/09.

### Carbon Reduction Commitment (CRC) Energy Efficiency Scheme performance

The Government CRC Scheme, administered by the Environment Agency, was closed following the 2018-19 compliance year. Final submissions and allowances surrendered had to be completed by July 2019 and October 2019, respectively.

The summary report and comparison to 2017/18 is below:

	2017/18	2018/19	Change %
<b>Electricity (kWh)</b>	14,564,400	14,436,718	-1%
<b>Gas (kWh) (excluding small meters)</b>	16,065,292	15,351,947	-4%
<b>Onsite generation (kWh)</b>	0	0	0%
<b>Emissions (tonnes CO<sub>2</sub>)</b>	8,507	7,218	-15%

### Streamlined Energy and Carbon Reporting (SECR)

The Department for Business, Energy and Industrial Strategy (BEIS) have introduced the new Streamlined Energy and Carbon Reporting (SECR) framework to replace the CRC scheme.

The SECR framework will apply to all quoted companies and apply to large UK incorporated unquoted companies (with at least 250 employees or annual turnover greater than £36m and annual balance sheet total greater than £18m).

Qualifying companies will be required to report carbon emissions and energy use in their annual report, from April 2019. It will apply to LJMU. This will be a continuation of the reporting established through the annual accounts.

### I.T. Developments

#### Customer Service

- We are continuing to realise the benefits of implementing a modern Helpdesk solution by adding incremental improvements particularly to the design and organisation of the self-service portal, in tandem with significant recent changes to the IT Help pages on the corporate intranet. The new (for 2018) KPI, the percentage of incidents (faults) closed within a 3 working day period, was exceeded throughout the year with an overall average of 82.25% of incidents resolved within that timeframe. Continual improvements to the portal that allows LJMU colleagues and students to log and track their own incidents and requests have led to further decreases in the use of email ticket submission, with most users now entering their requests directly into the system, and being able to see them instantly rather than having to wait for a confirmation email. As we further explore its potential, we are continually improving the system and adding features, such as the recent addition of a new IT requisition form. Additionally, we are working with other teams in LJMU e.g. Academic Quality, Doctoral Academy, to utilise the same Helpdesk solution for their service fulfilment requirements.
- We have refreshed our recently expanded Service Catalogue in tandem with the overhaul of the IT Help pages on the intranet, to give our customers a clearer understanding of the service and response they can expect.
- We have replaced over 500 student-access PCs across the university, and offer our students an incredibly rich, curated experience that works to the same consistent high standard anywhere they go.
- The AV IT group with representation of colleagues from across the University, have recently developed a "standard blueprint" against which our various sized teaching rooms will operate against, so as to ensure consistency of experience. Against this blueprint a series of AV improvements in 39 rooms that had been prioritised by the group have been implemented.
- We continued a rolling programme to ensure our front of class PCs are never more than 2 years old.
- We responded to over 20,000 logged support requests maintaining overall 99% satisfaction with the service provided. In addition, over 13,000 requests were dealt with immediately over the telephone by the 1st line Helpdesk team.
- We reported a set of overwhelmingly positive KPIs (some of which relate to services used on a 24\*365 basis) that predominantly surpassed targets for the entire academic year, highlighting exceptional levels of availability and service.

#### Network & Infrastructure

- As part of the transformation of our security architecture we have done the following:
  - Implemented Phase 1 of our new firewall, which shields LJMU from hostile attack from the internet. A 2nd phase is underway that will put an extra layer of firewall protection around our internal data centre services, and will lock to enable an extra level of filtering on internet traffic so to block access to inappropriate content.
  - Implemented SIEM" – a proactive monitoring tool constantly checking for signs of intrusion, including the use of artificial intelligence.
  - Network Access Control – we currently have over 16000 devices attached to our network, ranging from "ITS Managed Devices" e.g. PC's, servers, through to CCTV, vending machines, air conditioning units, and cash registers that are all internet. Each device must be categorised, and curated so as to safeguard our internal network and allow normal business operations on a daily basis.
- We are contributing to a wide range of projects in support of the Estates Master Plan, where for any new builds and major refurbishments, the installation of a "cat 6" network is the single most important technical component, which if not done to the correct standard will render a building inoperable.
- The rollout of new telephone handsets has concluded. The system offers levels of service and options for mission critical events such as Clearing and Business Continuity never previously possible. In the new academic year, the deployment will focus on the additional benefits the new system offers, such as presence, diary integration, tele-conferencing, messaging and online collaboration tools, as well as further integration to link with "joiners and leavers".
- We have continually expanded Wi-Fi coverage and taken advantage of the possibilities offered by the latest range of wireless technologies.
- Active Directory Federation Services (ADFS) is an incredibly powerful authentication protocol that enables providers of different system services to integrate their offering within our existing architecture and allows users to access mission critical services such as Canvas, the Library Management system, and numerous others. To support this, we have upgraded us to the latest version of the product, and further improved the resilience of the technical architecture against which this platform runs on.
- Two failover tests were conducted within the academic year, as part of our on-going commitment to LJMU's business continuity readiness.
- A new Email filtering product was implemented to protect LJMU from unwanted emails (that can on occasion contain viruses). To give an indication of the scale, in a typical academic year, we expect this product to block 70 to 80 million emails - i.e. over 90% of the email directed at LJMU will be proactively blocked.
- A major project was undertaken to replace the entire printer fleet with a new supplier. Following an extensive tender process HP were selected as a hardware supplier and a five year agreement with Apogee was entered into. The fleet has been replaced, a new off-site volume print service provisioned and a new Print Accounting system (PaperCut) installed. The new service has been fully integrated into the University's identity management system and all accounts have been migrated from old system into PaperCut. This project is projected to save the University in the order of £200k.
- A review of the University's protection against computer malware (commonly known as antivirus software) on all PCs and Servers, concluded that replacing McAfee (our current supplier) with Sophos

would provide significantly better protection, more cost effectively and reduce the overhead on those systems (consequently improving performance on all IT systems). We have replaced McAfee on the University's 5500 desktop PCs, 500 laptops, 100 Unix Servers and 400 Windows Servers with minimal impact on any of our users. Sophos employs the latest generation of malware protection including artificial intelligence to identify aberrant behaviour on a PC/Server before traditional anti-virus software would be aware of a new virus. This represents a significant step forward for the University's overall cyber security.

- We have upgraded the University's Email system; Microsoft Exchange. This involved building a whole new infrastructure and migrating 45,000 Email accounts onto the new system. The whole migration occurred out of hours ensuring users were not inconvenienced by the upgrade.
- We have performed a major upgrade on the University's Off Campus system. This has involved a complete redesign of the service, introduction of mobile device support and facilitates the possible introduction of low cost, end user devices such as Chromebooks into the Libraries
- We are building a highly complex, internal-cloud based data storage array, primarily for use by the University's research community for their "active" research data. This will provide large amounts of "disk space" for use by researchers. The intension is for this to be used both on and off-campus and facilitate collaboration with colleagues from outside the University.
- This year is a watershed year for Microsoft Operating Systems. Periodically Microsoft retire their older OS. A major retirement occurs at the end of 2019 and has required many systems to be upgraded.

#### Project Delivery and Business Systems Support

- MyLJMU – The student portal is undergoing continual development. Since its launch it has had over 2.5m clicks, is functionally very rich, and designed to work on all platforms, especially mobile ones. Recent updates will see it becoming the access point for 'My Engagement' and 'My Attendance'. Enhancements have been made to the 'My Services' offering to streamline backend processes and provide faster responses to student requests to services such as "letters" for Council Tax exemption etc., which are now produced instantly upon request instead of manually. Additionally, mobile app versions of the MyLJMU portal are currently under development and are expected to be available early in the 2019-20 the academic year. All key aspects of the solution are underpinned by sophisticated Power BI reporting to aid understanding as to the areas most used, and so shape future developments.
- Grants and Projects system (GaP) – The new system went live in May 2019 and has been rolled out to users across the University. It replaces several time-consuming manual processes and will speed up applications for research and project funding. It will also give the University access to dynamic reports on applications made and awards won as well as management information on, for example, the progress of applications through the approval process.
- Website:
  - I. New staff and Student Intranets have been implemented by adding new content/pages in addition to migration off the old LJMU website, to the point where the old website is due to be decommissioned.
  - II. We continue to work with colleagues to develop a better mechanism to devolve content population to key colleagues within their teams. A prototype is being developed for a School

Director to support this. Developed Academic Unit Pages: where content creation will be devolved to colleagues in academic areas, to highlight key events, news and updates.

- III. Course Search has been enhanced allowing students to search using A-Z functionality plus Subject area selection when searching for a course.
  - IV. Performance and the Search functionality has been improved.
  - V. New functionality to allow self-service creation of News and Events
  - VI. Improvements to the Applicant Portal to allow more information to be readily available to applicants, alongside allowing student to book interviews, book accommodation and enhance the marketing information displayed within the portal.
  - VII. Before You Arrive functionality has been migrated off the old website. Re-developed and enhanced to give a better student experience on the new website.
- **Confirmation** – IT Services developed new Confirmation screens and reports in the Student Information System, providing Recruitment and Admissions staff with an efficient and accurate process for confirming applicant offers in the period before Clearing. These changes have transformed a manual, complex business process, significantly reduced risk of error, and greatly sped up a critical process.
  - **Learner Digital Engagement (LDE)** – The system has been in use for the past year with user feedback resulting in a continuing programme of improvements. LDE is already used by Personal Tutors, Programme Leaders, Student Engagement Officers and Directors of School; the 2019-20 academic year will see the launch of a student version of the application, which is linked into MyLJMU.
  - **Establishment BI** – Following a successful pilot this project has delivered system changes to generate business intelligence associated with the establishment profile at LJMU, to enable colleagues in HR, Finance and at Director and Executive level to understand their resource profile.
  - **Postgraduate Research Management** – LJMU has bought a third-party system – eDoc – to manage PGR students' progression. The system will be integrated with the Student Information System and rolled out in two phases, going live in October 2019 and January 2020 respectively. eDoc will replace the Doctoral Academy's current, paper-based processes and support LJMU's new regulations for PGR students.
  - **Timetabling** – further work has gone into improving the scheduling and integration of the key events associated with timetabling, and the presentation of personal timetables to students via the MyLJMU application has been well received.
  - **CRM Upgrade** – the LJMU CRM product (MS Dynamics) has been upgraded to the latest 'on premise' version.
  - **CRM** – we have enhanced the "HE Importer" to allow more data to be uploaded from HE fairs. A new portal has been developed to enable management of student advocates at events. A new 1:1 appointment facility has been developed to allow student to book online for various departments. We have developed functionality to allow students to book onto the various SAW events that are set-up throughout the academic year.
  - **Criminal Convictions** – a GDPR-compliant workflow was developed to enable Admissions Officers and the Student Governance team to complete criminal conviction checks for applicants.
  - **Sickness Absence Management** – there are new workflows, administrative forms and alerts in Staff InfoBase to support changes to the University's absence policy in September 2018.

- **Continued to develop and support the electronic release of results to students** – this year, significant changes were required to support the removal of Semester 1 Assessment Boards, as well as referrals being brought forward to July.
- **Course Information** – IT Services are working with colleagues in Academic Registry, Student Recruitment and Admissions, and Faculties to enhance and integrate the processes and systems used to capture, validate and communicate Course Information. The project objective is to create a single, master system for Course Information that will allow users to enter information once and have it flow automatically, via new interfaces, to all target systems, e.g. the Student Information System, the University website.
- **Business Relationship Management (BRM)** – a business case has been developed to introduce BRM capability using LJMU's Customer Relationship Management (CRM) platform that will enable the University to maximise the value of business relationships to provide more opportunities for staff and students. Teams/processes involved in this project include Placement Management, Careers, and Research and Innovation Services.

#### Sports Facilities

An agreement with Liverpool City Council's Sports and Leisure Division continues to provide the following facilities to students and staff:

- The provision of general access to a range of sports and leisure facilities across the Life Style venues.
- To enable the Liverpool Students Union to provide facilities for its club and societies, presently provided either at IM Marsh or purchased from private providers.

#### GOVERNANCE AND RISK

- The University's governance practices are consistent with the Higher Education Code of Governance by the Committee of University Chairs (CUC), published in December 2014.
- The University remains strongly committed to adopting best practice in terms of Governance and Management.
- Risk management is incorporated into the corporate planning and decision making process of the Institution. The Risk Management Policy contains a definition of the Institution's risk appetite, reflecting informal advice from the University's internal auditors and members of the Board with specific expertise in this area.

#### Modern Slavery Act

Modern slavery is a crime and a violation of fundamental human rights. It takes various forms, such as slavery, servitude, forced and compulsory labour and human trafficking, all of which have in common the deprivation of a person's liberty by another in order to exploit them for personal or commercial gain.

Liverpool John Moores University is committed to improving its practices to combat slavery and human trafficking. As part of the annual statement, LJMU expresses its commitment to better understanding its supply chains and working towards greater transparency and responsibility towards people working on them. LJMU works with its suppliers in the product supply chains to encourage more of them to commit to the highest standards of business in dealing with Modern Slavery. LJMU has published its Anti-Slavery and Human Trafficking policy and continues to ensure this is embedded into standard process and contractual controls. The University has provided basic and advanced training on Modern Slavery to staff working at various levels of the procurement process.

The University Statement is published annually on the University website. The next statement will be made pursuant to section 54(1) of the Modern Slavery Act 2015 and constitutes Liverpool John Moores University and its Group Companies slavery and human trafficking statement for the financial year ending July 2019.



# Financial results for the year

## Headlines and summary

The 2018/19 year is the third year of reporting under the Financial Reporting Standards 102 (FRS102).

- Group Surplus for the year £3.3m
- Capital expenditure £23.1m
- Consolidated Income £221.5m
- Total Expenditure £219.8m

## Income and Expenditure Account

As a result of the continuing strategic approach to the finances of the University, 2018/19 has given rise to a surplus of £3.3m (2017/18 £1.3m) for the year.

Total Income increased by 3.2% to £221.5m. The main change is a result of increase tuition fee related income arising from increased student numbers.

Expenditure increased by 3.6% following an increase of 2.7% in 2017/18.

## Balance Sheet

The Balance Sheet has maintained its strength although income and expenditure reserves have decreased from £81m to £27m. This decrease is a direct result of actuarial losses on the Local Government Pension Scheme valuation of £60.5m.

Fixed Assets has a net increase of £1.7m. This movement is after depreciation of £9.6m, includes £23.1m additions to Freehold and buildings and equipment and disposals of £1.3m, of which £1.1m relates to equipment.

Investments, Cash and Cash Equivalents have increased by £11.3m during the year, as part of the continuing preparations for the University wide estate masterplan. This will help the University deliver the improvement and developments across the whole of the estate.

The University's consolidated Income, Expenditure and Results for the year to 31 July 2019 are summarised as follows:

	2018/19 £m	2017/18 £m
<b>Income</b>	221.5	214.7
<b>Expenditure</b>	219.8	212.2
<b>Surplus after depreciation of assets at valuation and before tax</b>	1.7	2.5
<b>Gain/(Loss) on disposal of fixed assets</b>	1.8	(1.0)
<b>Share of operating (deficit)/gain in joint venture</b>	(0.2)	(0.2)
<b>Surplus/(Deficit) before tax</b>	3.3	1.3
<b>Taxation</b>	–	–
<b>Surplus/(Deficit) for the year</b>	3.3	1.3
<b>Actuarial (loss)/gain in respect of pension schemes</b>	(60.5)	36.0
<b>Total comprehensive income for the year</b>	(57.2)	37.3



## Future

The principal risks and uncertainties being faced by LJMU relate to the changing political and economic climate; including the ramifications of the potential changes as a result of Brexit, increased pensions contributions, any decisions as a result of the outcome of the government's review of tuition fees as well as the ever changing needs of students. These can impact future student recruitment as well as LJMU's ability to deliver the planned improvements for student experience and Estate development. LJMU needs to ensure that investment opportunities are created. LJMU continues to work to rise to the challenges of these risks and uncertainties. LJMU has continued to be seen as an appealing and exciting place to study; meeting its targeted student numbers for 2018/19 whilst maintaining its retention rates.

The Institution will continue to work hard to ensure that a high level of success for its students is delivered in 2019/20 and onwards. This will be achieved by the successful implementation of the 2017-22 Strategic Framework. This clearly sets out our ambitions for the coming years.

## Conclusion

2018/19 has been a successful year for LJMU. Continued significant investment for the enhancement of the student experience through the staffing establishment and infrastructure has enabled continued improvements in academic delivery.

This, coupled with the on-going delivery of the 2017-22 Strategic Framework places LJMU in a strong position to manage the challenges and difficulties currently facing Universities in the light of the changing financial climate ahead.

**Mr Mike Parker CBE**  
Chair of the Board of Governors



## Public Benefit Statement 2018/19

### 1. Public Benefit

- 1.1 The University is an exempt charity and as such is required to undertake activities in accordance with the charitable purpose of the advancement of education for the public benefit. The Board of Governors, as the charity trustees of the University, confirm that they have complied with the duty in section 17 of the Charities Act 2011, to have due regard to the public benefit guidance published by the Charity Commission for England and Wales, and the requirements of the Office for Students, the Principal Regulator 'Regulatory Advice 5: Exempt Charities'. The Board of Governors has received the Office for Students, Regulatory Framework (OfS 2018.1) and the 'Essential Guide for Trustees' (Charity Commission 2015).
- 1.2 The University achieves its charitable purposes through its vision "to be a pioneering modern civic University, delivering solutions to the challenges of the 21st century". The University's mission is to create and sustain a vibrant community for learning and knowledge where staff and students work together in an active and supportive partnership, providing opportunities to enrich our students, partners and wider society through education, training, research, scholarship and knowledge transfer. Liverpool John Moores University is an ambitious and forward thinking Institution that challenges convention and believes passionately in the concept of 'One University' – a community working together to common student-centred objectives within a clear strategy.
- 1.3 Public benefit is embedded in the University's Strategy 2017-2022 through its aims to be:
- A University known for an outstanding student experience, which expands the horizons of students and offers rich opportunities for them to develop their confidence, skills and character.
  - A University known for excellence in education, with contemporary curricula and innovative models of delivery that embed the knowledge and skills our students need.
  - A University known for impactful research and scholarship that address the challenges of our day, and
  - A University known for its civic and global engagement that builds and deepens its connections within the City and across the globe – where these enrich the lives of our students, of the City, and the broader communities of which we are privileged to be a part.

### 2. Specific information is provided below about how the University delivers public benefit in all its activities:

#### 2.1 Student Access and Equal Opportunities

- 2.1.1 For over 180 years, LJMU has remained true to its original mission of creating and supporting opportunities for participation in quality higher education by under-represented groups and is proud of its tradition. The University's longstanding and successful track record of widening participation is evidenced by its performance against Higher Education Statistical Agency (HESA) widening participation indicators. 98% of LJMU's UK domiciled young students are from state schools (UK average 90%); 19% from lower participation neighbourhoods (UK average 11.4%) and the percentage

of mature students with no previous higher education experience and from lower participation neighbourhoods is 20.5% (UK average 12.7%). 4.8% of LJMU's UK full-time first-degree students are in receipt of the Disabled Students' Allowance and 12% of full-time, first-degree home students are from a BME background.

- 2.1.2 As identified above, LJMU has a high proportion of under-represented students as evidenced by a variety of measurements and indicators of access performance. The University is above all the HESA performance benchmarks for attracting students from widening participation backgrounds (including location adjusted benchmarks). Its success in this area is also reflected in the number of students from lower-socio economic backgrounds.
- 2.1.3 The University has committed to spend in excess of 20% of its fee income above the basic rate on access measures in 2018-19. This includes outreach activity, investment in retention strategies and initiatives that improve the employability and success of LJMU graduates.
- 2.1.4 The University remains committed to ensuring that all students that are able to participate in higher education can do so regardless of their financial circumstances and provides a holistic approach to financial support. The following support is offered:
- Progression Bursary of £500 per annum for eligible full-time home students paying the full tuition fee with a household income of £25,000 or less to support retention and student success.
  - Looked After Children Bursary: a minimum bursary of £1,500 per year to help care leavers with their living costs.
  - Students estranged from their families: a minimum bursary of £1,500 per year to help students estranged from their families with their living costs.
  - Sir Bert Massie Scholarship: £10,000 per year to reward an outstanding disabled student who has been recognised for campaigning for inclusion.
  - Fee waiver of £1550 in 2017/18 for full-time home and EU students taking the Foundation Year of a four year programme.
  - John Lennon Imagine Award - a minimum bursary of £1,000 per year to help care leavers and estranged students with their living costs.
  - Young Adult Carers Bursary - £500 per year to help with their living costs
  - Student Support Fund – University student support fund of £1m. This fund is directed at students who are most in need in order to aid their retention and progression. The fund is closely monitored and reviewed where necessary.
  - Widening Participation Childcare Fund – the University will allocate £ 50,000 to support students from Widening participation backgrounds with Child Care costs
- 2.1.5 The University has made steady progress with its BME activities, exceeding its targets and improving recruitment of "home" students from BME backgrounds.

#### 2.2 Careers, Employability and Enterprise

- 2.2.1 Students who attend the University benefit directly from the quality of the education they receive. The University's new Student Advancement Team, comprising

a comprehensive Careers, Employability and Enterprise service, aims to ensure that every student is equipped with the skills they need to stand out from the crowd, the insight to embark upon a fulfilling career and to successfully engage in the world of work, either because they possess skills which are highly valued by employers or because they are well equipped to set themselves up in their own business. In 2018/19 Careers Zones in locations across the University enjoyed continued high student footfall providing career support services where and when students require it. The Careers Team conducted almost 34,000 student interactions and there were over 108,000 student interactions with digital services.

- 2.2.2 Over the last five years, the team has been at the forefront of collecting individual Career Readiness data, on our students annually, to understand and map the individual career journeys. The University has also been part of a HEFCE (now Office for Students) Learning Gain project for this work. The collection and analysis of this data is fundamental to future developments and the ability of the team to develop more bespoke packages of support in conjunction with academic teams.
- 2.2.3 The Student Advancement Team is accredited against the Department for Business, Innovation and Skills' EMQC Matrix Quality Standards. It offers a range of services designed to support students and graduates in their job hunting and these services are available to the University's alumni for life. We saw the leaving class of 2016/17 (the last cohort to undertake the DLHE survey) secure the highest percentage of managerial and professional employment for nine years; the highest percentage securing postgraduate study; and a further year of decreasing unemployment. Against the most recent NSS survey's optional questions on Employability and Skills, students reported an 81.27% satisfaction rate with the LJMU support, 2.61% above the sector average.
- 2.2.4 The team has continued with the development and implementation of the innovative series of 'CareerSmart' employability e-learning resources. CareerSmart:Explore is embedded in the Level 4 curricula and aims to inspire first year students to proactively engage in career planning early in their University experience. 5,641 students completed the e-learning assessment in 2018/19, with a satisfaction rating of 96%. A further 804 students completed the subsequent new modules; CareerSmart: Experience, which promotes the value of gaining work experience and CareerSmart: Engage, which provides essential resources to ensure final year students are equipped with the tools they need to succeed in the graduate recruitment process.
- 2.2.5 Continuing to develop and strengthen our digital offer and support, new tools have been added to the online Careers 24/7 platform. At log in (now via single sign-on) students are directed to an academic school theme, accessing bespoke content relating to their subject of study, rather than generic, one-size-fits-all content. The following table demonstrates the impact the new resources have had on student engagement. Given the success of these developments, the team is currently in the process of adding further new resources for 2019/20.

	2016/17	2017/18	2018/19
<b>Users</b>	661	1064 (+61%)	7467 (+601%)
<b>Log-ins</b>	2020	3217 (+59%)	31864 (+890%)
<b>Activities</b>	3653	5991 (+64%)	101710 (+1598)

A website redesign and move to Sitecore is continuing to provide a crucial outward-facing platform for alumni, employers and prospective students to access and engage with the team, as well as improving engagement and access to resource and support for current students.

- 2.2.6 In addition to administering 186 LJMU funded internships for students and graduates, Student Advancement arranged for 944 representatives from 568 organisations to interact with the students by being a visiting speaker, attending a Careers Zone, providing live projects or meeting with staff.
- 2.2.7 During the last 12 months the team have continued to provide public benefit as members of the Liverpool Manufacturing Futures Group; the North West Business Leadership Team; acting as an adviser to the Liverpool City Council and the Select Committee on Employment, Skills and Enterprise. We have actively facilitated partnerships with the Chambers of Commerce; the Institute of Directors; the Federation of Small Businesses; the local Civil Service; and the CBI. Additionally, we are proactive members of the Liverpool City Region LEP Careers Hub.
- 2.2.8 The Centre for Entrepreneurship supports LJMU students and recent LJMU graduates to start up in business or become self-employed. The Centre offers a range of services; including in-curricular support to modules and programmes that focus on business planning; co-curricular workshops on a range of start-up topics; and a summer accelerator programme for technology enabled ideas. In addition, current students can access confidential one to one business advice and mentoring. Complementing these activities is the Bathgate Start-Up Fund, which awards start-up grants of up to £2,000 to prospective student entrepreneurs. The Centre supported 54 new start-ups in the 2018/19 academic year, adding to a total portfolio of 247 active companies which have generated over £20m of turnover for the Liverpool City Region economy.

#### 2.3 Research and Knowledge Transfer

- 2.3.1 Publication of research outcomes is a standard condition of research funding agreements; this leads to enhanced public knowledge and is a vital part of the way that research creates societal impact. Impact is at the forefront of the University's research activities and the benefits arising from our research extend far beyond our academic peers. Indeed, the outcomes of the Research Excellence Framework 2014 verified the outstanding and very considerable reach and significance of our impact on wider society (three-quarters of impact judged to be 4\* and 3\*). From working directly with industry and commerce, public and third sector organisations, to engaging with members of the public, the University's researchers are helping to inform public debate, policy, shape new laws, transform lives and enhance the environment.



- 2.3.2 LJMU's research is carried out in a wide variety of subject areas that span all areas of the University, including the arts and humanities, science, engineering and medicine. In each case, the research has the aim of increasing our knowledge of the subject under study and of enhancing society by means of influencing local or national government policies or by generating wealth and well-being via partnership with industry or healthcare services. The impact of our research is varied and includes the work of our Astrophysics Research Institute in supporting the National Schools' Observatory, which supports over 11,000 UK and Irish teachers and students by making our Liverpool Telescope available to stimulate the scientific aspirations of school children.
- 2.3.3 In the last Research Excellence Framework (REF2014), 96% of our research was judged to be at least recognised internationally in terms of originality, significance and rigour, with 67% world-leading or internationally excellent. Teaching is informed by our high-quality research activities, ensuring that programmes of study are stimulating for the students and their content is informed by the latest cutting-edge research.
- 2.3.4 The University's research is truly global with two-thirds of the University's published research reflecting the outcomes of international collaborations. LJMU's academics are working with some of the best minds, organisations and facilities across the globe, especially throughout Europe, North America and the Asia Pacific region. This global presence leads to a stimulating and contemporary student learning experience. A thriving research base helps the University to engage globally, and embrace internationalisation to the benefit of its students, staff and partners.
- 2.3.5 Eight areas of the University are conferred with Research Institute status and a further eleven as Research Centres. Such designation is an institutional acknowledgement of the quality of research programmes and activities within a discipline, and/or reflects strengths in a multi-disciplinary context. Paragraphs 2.3.6 to 2.3.10 highlight some of LJMU's exemplar Research Institutes and Centres.
- 2.3.6 The University's Research Institute for Sport and Exercise Sciences (RISES) is at the forefront of development and innovation across its related disciplines: biomechanics, cardiovascular health, exercise metabolism, brain and behaviour, physical activity, and sport psychology. It is recognised as a world-leading Institute with global research influence evidenced by RISES' sustained top-ten position in the Shanghai Rankings Global ranking of Sports Science Schools and Departments (Academic Ranking of World Universities ARWU; first compiled in 2016). Its activities align with the continual development of state-of-the-art, research-led and applied curricula within the overarching School of Sport and Exercise Sciences where students and staff challenge the status quo and subsequently seek to make a difference to professional practice, performance and the wider society. For further information, see <https://www.ljmu.ac.uk/research/centres-and-institutes/research-institute-for-sport-and-exercise-sciences>
- 2.3.7 As a Research Centre in the Liverpool School of Art and Design, ART LABS <https://www.ljmu.ac.uk/research/centres-and-institutes/art-labs> features LJMU's high profile Face Lab. It completes craniofacial identification and forensic art research as well as forensic and archaeological consultancy work for organisations such as the police, national and international museums and international forensic institutes. International Police Forces and forensic scientists use the facility to help post-mortem identification or to identify living people based on witness accounts or facial images. Face Lab also analyses skeletal remains or preserved bodies alongside historical evidence for archaeological organisations to depict faces from the past, as such, it has a very active public engagement profile and contributes to international policy, cultural enrichment and heritage conservation.
- 2.3.8 With its foundations (since 1998) within the English subject area of the School of Humanities and Social Science, the Research Institute for Literature and Cultural History represents the creative intersection of literary studies and cultural history. It challenges disciplinary boundaries in order to engage with a wide range of textual and cultural practices. The collective intellectual ambition of staff working within the Institute, allow it to continually investigate new and unexpected fields of enquiry (e.g. housing, gender/sexuality, postcolonial and world literature). The Institute's research vitality naturally translates into the School's academic programmes and its increasingly high profile public engagement activities which currently include for example cultural history projects on war widows and shyness. For additional information, see <https://www.ljmu.ac.uk/research/centres-and-institutes/research-centre-for-literature-and-cultural-history>
- 2.3.9 The University's Astrophysics Research Institute (ARI) is one of the largest centres of astrophysics in the country <https://www.ljmu.ac.uk/research/centres-and-institutes/faculty-of-engineering-and-technology-research-institute/astrophysics-research-institute>. Its research consists mostly of the exploitation of data from satellites and ground-based astronomical facilities, including the Liverpool Telescope (La Palma, Canary Islands), covering almost the entire electromagnetic spectrum. Staff also study the cosmological evolution of structure using specialist national and international supercomputing facilities and has developed an HPC computing facility within the Faculty of Engineering and Technology. As such, ARI has highly productive and strong international partnerships and continues to publish over 90% of its publications with overseas partners. ARI's track-record in attracting high calibre astronomers on prestigious long-term externally funded research fellowships (e.g. Royal Society) continues to flourish, and it has had unprecedented success in achieving European Research Council Consolidator grants (currently two, each worth circa £1.5m). The ARI is developing a New Robotic Telescope with partners in Spain and China. The NRT will enable time-domain astrophysics to be carried out at cosmological depths for the first time.
- 2.3.10 The Institute for Health Research at LJMU is founded on collaboration and knowledge exchange. As a hub for all activities related to health, it draws on expertise and high quality research across all five of the University's faculties. Its activities are thematically aligned and operationalised through interest groups: <https://www.ljmu.ac.uk/research/centres-and-institutes/institute-of-health-research>. The IHR works closely with Liverpool health partners and is a founding member of both the Liverpool Centre for Cardiovascular Science and the Liverpool Centre for Alcohol Research. This typifies the IHR's desire to address health challenges through collaborative research and innovation. Its appreciation of the outcomes that can

arise from multidisciplinary approaches is exemplified by the IHR's Green Spaces Interest Group which develops sustainable and impactful interventions across a range of outdoor settings. LJMU's broad range of expertise in health research is a major strength in tackling real-world health issues and the IHR provides the structure to facilitate and coordinate related actions and impact.



## 2.4 Economic Engagement and Collaborative Partnerships

2.4.1 The University is a key partner in a number of European Regional Development Fund (ERDF) projects. Supporting Small and Medium Enterprises (SME) and new business start-ups with knowledge transfer and access to the research and innovation expertise available across the University.

- Activity is aligned to growth sectors identified by the Liverpool City Region Local Enterprise Partnership (LEP).
- Led by LJMU, in partnership with the Universities of Liverpool and Lancaster, the Local Carbon Eco-Innovatory project is supporting the development of Eco-innovative products, processes and services through SME led collaborative research and innovation projects.
- The Health Enterprise Hub Innovation Exchange is working to develop opportunities for economic growth in the health, social care and innovation sector. Led by Liverpool Clinical Commissioning Group, the consortia offers a world-class array of resources including expertise from LJMU's Centre for Collaborative Innovation in Dementia.
- LJMU is a key partner in LCR4.0 START, which is transforming businesses in the Liverpool City Region by supporting digital technology advancements to develop smarter products, processes and supply chains. The project sees us working alongside experts from the University of Liverpool, Sensor City, the Science and Technology Facilities, Hartree and Liverpool LEP's Growth Hub.
- LJMU is the lead partner in "Activate", the flagship £5m ERDF supported growth programme for digital, creative and tech SME's within the Liverpool City Region. Working alongside "Growth Platform", LJMU's Faculty of Engineering and Technology and Liverpool Business School enable faster product development, route-to-market and scalability pathways for companies on the scheme.
- The Liverpool City Region (LCR) Sustainable Green Travel Corridors project is improving sustainable transport links (such as cycling and walking), removing transport barriers and broadening the travel choices available to LCR visitors and residents. The project consortium includes Merseytravel and the local authorities, with LJMU providing a technical work stream, using IoT sensor data to develop a mobile application and a web based dashboard to provide information and incentivise use.
- Maritime SuperSkills (MSS) was a £738,800 ESF project funded under Priority Axis 2 (Skills for Growth). It aimed to support employer led Trailblazer groups to develop new national apprenticeship standards in maritime, and

to establish training pathways for residents in Liverpool City Region (LCR) to progress their career within the regional maritime cluster. The project was designed and led by Liverpool John Moores University (LJMU) and was supported by local and national employers and four LCR Further Education Colleges (Port Academy Liverpool (PAL) at Hugh Baird College, Wirral Met, The Engineering College (TEC) and the Northern Logistics Academy (NLA) at St Helens College).

- Prior to MSS there were very few higher or degree level standards for the maritime sector. The project has led to the development of three new degree level standards: Marine Technical Superintendent (Level 7) which was approved for delivery in May 2019; Marine Surveyor (Level 6) which was approved for delivery in July 2019, and Harbour Master (Level 6) which is awaiting approval of the end point assessment plan. The project has also progressed a fourth standard (Naval Architect) which is now at 'expression of interest' stage.
  - MSS has worked with over thirty regional and national maritime organisations and employers to develop these standards with the Institute for Apprenticeships and Technical Education. As part of the project outputs, it raised awareness of the apprenticeship reforms amongst local employers, explaining the pipeline of standards now available to them in this sector. In addition, MSS developed sustainable out-reach activities to encourage young people into the sector, forging links with a local primary school and hosting maritime-themed simulator days at the University. These activities will now be taken forward with our primary education and out-reach teams at the University as a legacy of the project.
  - The Logistics Offshore and Marine Research Institute <https://www.ljmu.ac.uk/research/centres-and-institutes/faculty-of-engineering-and-technology-research-institute/loom> is an internationally leading research unit in marine, offshore and transport studies. Its research has helped the marine industries modernise their approach to safety. Risk assessment-based decision tools based on the institute's research have enabled the UK Health and Safety Executive improve offshore safety on more than 100 offshore oil and gas installations. Its research has influenced the decision-making process of the UK's Maritime & Coastguard Agency (MCA) when dealing with potentially dangerous vessels. In the area of transport, it has influenced UN policy on port adaptation to climate change and has improved the environmental impact of ports of major ports including Liverpool and Shanghai. Working with the Liverpool City Region Mersey Rail the institute has contributed to improving rail performance by providing Merseyrail with 100% improvement in the accuracy of delay predictions befitting over 34 million passenger journeys. It has also supported the LCR in making investments to improve the environment for example in 57.5km green cycle/walking routes to reduce GHG emissions by an estimated 334 tonnes.
- 2.4.2 In 2012-13 the University began to put in place a set of corporate partnerships with some of the major arts and cultural organisations within the city-region. Given the University's city-centre location and civic ethos, the University has begun to establish strong formal links to the world-class cultural and arts establishments within the City with the primary driver of putting these relationships

in place to improve the student experience – providing opportunities for LJMU students to access for free, or at discounted rates, the premier cultural establishments within the city. Additional benefits accrue, including opportunities for academic collaboration and co-creation of exhibitions and performances, as well as corporate benefits such as reputational enhancement through joint events and co-branding. The primary focus is on enhancing the student experience, and we promote a series of 'exclusive offers' for LJMU students to enjoy a range of offers and discounts at cultural events across the city. Four headline partnerships are now in place with The Royal Liverpool Philharmonic Orchestra (RLPO); The Everyman & Playhouse; The Royal Court Theatre; and Tate Liverpool. In addition, the University has sponsored a number of cultural events or arts organisations, notably: Light Night; Homotopia; The Biennial and the John Moores Painting Prize.

2.4.3 The School of Education provides undergraduate and postgraduate programmes related to initial teacher education and professional development and multidisciplinary programmes for wider education professions and for those studying early childhood with early years and inclusion specialisms. The School partners with in excess of 300 schools and sixth form colleges across Merseyside and works with schools and other education settings, childcare, health and social care providers to develop an evidence-based approach to support and enrich learning. The School has developed collaborative partnerships including working with School Improvement Liverpool (SIL) delivering a Special Education Needs programme and working collaboratively with a number of regional schools and organisations to develop bespoke programmes to meet specific needs. Collaborative work is also undertaken with organisations such as Eco Schools England to promote education for sustainable development within early childhood education policy and practice in England. Community engagement via projects including Intergenerational cafes and Forest School continues to develop and provide benefit for community groups.

## 2.5 Outreach and Community Engagement

2.5.1 LJMU has a long-established and successful history of outreach activity designed to raise aspirations and attainment and encourage students from underrepresented groups to apply to higher education. All outreach activity is carefully planned and targeted based on a range of internal and external information sources and analyses. This includes UCAS data and research, OfS performance indicators, GCSE and A level attainment data, the higher education participation rates of learners from schools and colleges and LJMU's own institutional monitoring and research.

2.5.2 Equality and diversity is embedded within all aspects of the University's outreach work. Target groups include lower quintile groups, low participation neighbourhoods, first generation into HE and mature students (age 21 plus) with level 2 and level 3 qualifications. The University also seeks to widen participation for disabled students, Looked after Children (LAC) and specific BME groups that are under-represented in HE, for example local black males. In addition, LJMU is committed to raising aspirations amongst young white males from lower socio-economic groups, and endeavours to widen access to this group, offering appropriate support throughout the student lifecycle to help improve success. Given that the University is based

within an area of high deprivation and the high percentage of students from the Liverpool City Region, widening participation outreach is largely targeted at local schools and communities.

2.5.3 LJMU has invested in, and will continue to invest in, longer-term, well-targeted and sustained outreach programmes that work with potential applicants over a number of years rather than just one-off interventions. Specifically, the University strives to:

- Raise aspirations and attainment within local and regional communities and provide high quality information, advice and guidance through a programme of outreach activity targeted at schools, colleges and parents. This includes activity delivered in schools and on LJMU premises reaching over 60,000 prospective students each year.
- Encourage access to HE via non-traditional routes. LJMU offers a range of pathways to support access to higher education. This includes the expansion of degrees with a foundation year across a broader range of subject areas as well as providing articulated progression from partner colleges. The University has also been at the forefront of degree apprenticeship development across a growing number of disciplines providing a more flexible, work-based route for students, including those that may have family or other commitments. Of the 524 degree apprenticeship students, 64% are aged 24+ and 64% are male. LJMU's outreach programme actively promotes such vocational routes with the aim of increasing participation and supporting social mobility.
- Support access to higher education for mature learners. LJMU works with local FE colleges and students undertaking Access programmes as well outreach work with community groups. This includes drop-in days and online chats throughout the year as well as specific student finance clinics. In addition, LJMU engages with Pre-Access students to help bridge the skills gap at Level 3 and advises students on their progression options. Promoting different and more flexible pathways to higher education is particularly important for mature students.
- Use current students to inspire interest in Higher Education. LJMU employs over 100 student advocates to support outreach activities and act as good role models for learners. Student advocates devise and deliver their own subject taster sessions, provide shadowing opportunities, mentor learners and assist with campus tours and taster days. The sustained use of student advocates is a critical element of LJMU's widening participation work and building the evidence to demonstrate the role they play in supporting attainment of pupils is currently being evaluated.
- Continue a sustained programme of longer-term, targeted and sustained outreach that works with potential applicants over a number of years to support progression through key stages 3 to 5 with the aim of improving access and participation in higher education. LJMU has invested substantial resource in this programme to deliver over 200 interactions each year directed at 7,500 pupils. The University delivers this programme with local schools identified as those with a high proportion of students on free school meals and learners from low participation neighbourhoods. Working

with pupils from Year 7, the schools are active partners in the programme and identify cohorts of pupils to take part based on additional widening participation criteria stipulated by LJMU. Work with the younger years is focused on attitudinal change including confidence building and learning about and believing that higher education is accessible to them as individuals. From year 9 the programme works with individuals to support improvement at key stage 4. Participants in long-term outreach projects are prioritised for other LJMU outreach activities such as subject taster days and bespoke projects such as the Law Factor delivered in partnership with law firm DWF.

- LJMU have successfully supported the Single Investment Funding bid for Public Science Engagement with Catalyst Science Centre and Museum and is a key partner in the co-creation of the new Eureka! Science Centre in Merseyside. Academic staff from RISES are working with school children to determine their wants and needs for a 21st century science experience to increase knowledge and enthusiasm for STEAM.
- Improve attainment at Key Stage 4. Recognising that underperformance at key stage 4 impacts significantly on access to higher education, LJMU delivers a mentoring programme specifically aimed at improving academic attainment and to support and encourage an individual who needs it the most at a pivotal interchange in their life. For example, Mentor Me, is an LJMU programme for young people in care with objectives to improve self-confidence, raise aspirations and improve attainment through monitoring of GCSE performance. Mentees are identified through partnership with schools and local authorities and are paired with LJMU student advocates who provide one to one support with a pastoral and academic emphasis over a period of 10 weeks to support admission to University. The institutional mentoring delivered is complemented by an LJMU led collaborative Shaping Futures funded project specifically focusing on raising attainment of GCSE Maths for those in areas of low participation.
- Provide opportunities for young people to engage in residential events at LJMU. Research by the Sutton Trust demonstrates the impact that University summer schools can have on higher education progression and social mobility more broadly. In terms of progression, disadvantaged summer school participants are, on average, over twice as likely to be accepted to higher education as similarly disadvantaged people who do not participate in such activity. LJMU's summer residential programme provides the opportunity for over 200 students from underrepresented groups to attend a summer school to help raise aspirations and to gain experience of higher education and student life. Recruitment is carried out via LJMU's large network of school and college contacts, with schools in areas with particularly low participation specifically targeted. LJMU also offers a pioneering Summer University specifically for Year 10 care experienced pupils. LJMU is committed to tracking the success of these programme both in terms of monitoring applications to higher education and gaining access to a participant's university of choice.

2.5.4 Through collaboration and partnership at a local, regional and national level the University is able to extend the impact and reach of its access work:

- **The National Collaborative Outreach programme, Shaping Futures** – the local consortium was established to raise learner higher education aspirations and progression rates within 25 targeted electoral wards in Liverpool City Region, where progression to higher education is lower than expected given historic GCSE attainment patterns. Shaping Futures provides impartial higher education related activities and progression advice to target learners in 43 priority secondary schools and across partner Further Education and Sixth Form colleges. Aligned to the region's economic priorities the activities are designed to complement and add value to the existing widening participation work of the 12 partner institutions. For example, two Shaping Futures projects which are adding value locally are: Through the Eyes of Boys, an intensive outreach project working to raise higher education aspirations amongst young males from lower socio-economic groups; and a pilot programme of attendance at local community events to deliver higher education aspiration messages. As well as actively supporting centrally coordinated events LJMU has developed its own Shaping Futures projects. These projects complement existing institutional outreach programmes and focus on raising the aspirations and attainment of learners in the identified target wards. LJMU is leading on a mentoring programme using student advocates and subject staff to improve Maths GCSE outcomes and subsequent progression to higher education as well as delivering aspiration raising events focused on the creative arts. The Shaping Futures Absolute Chemistry programme follows the successful Chemistry for All model delivered by LJMU for a number of years with the Royal Society of Chemistry and engages pupils using science to raise aspiration to higher education.
- **School partnerships** – LJMU continues to embrace effective partnership with key schools and colleges. As a provider of Initial Teacher Training programmes (including School Direct consortia) and ongoing development for teachers (including both professional and accredited programmes), LJMU contributes to improving school attainment. This is further enhanced through educational partnerships with local authorities, schools and professional subject associations that combined with ongoing research and consultancy contributes to raising school attainment. Staff and student volunteers support local schools and colleges through governorship, assisting with reading and numeracy and acting as mentors to improve attainment. The University currently supports over a 1,000 pupils through sustained volunteering work. University LJMU's National Schools' Observatory (NSO) provides free access for UK schools to the world's largest robotic telescope that is owned and operated by LJMU. 10% of the professional telescope time is dedicated to use by schools and engages around 4,000 teachers and students annually. The NSO also leads in local astronomy outreach to generate wider interest in STEM subjects, engaging with approximately 5,000 students and the general public annually, and providing regular teacher professional development courses.



- **Employer partnerships** – LJMU is committed to developing quality degree apprenticeship delivery in areas that meet employer needs and industry skills gaps. LJMU was one of the first UK universities to respond to the new standards for Higher Level apprenticeships. The Degree Apprenticeship model presents diversity of choice for students who want to study as part of an employment contract. The salary and the funding model which supports the costs of the programme, makes the degree apprenticeship study route an attractive option for many individuals who may not otherwise have access to higher education. In addition, outreach programmes such as LJMU's Law Factor in conjunction with law firm DWF provide school pupils with the opportunity to engage with employers and the professions.
- **Higher Education Liaison Offices Association (HELOA)** – LJMU is committed to working with other HE providers to ensure good practice in the delivery of accurate and up to date Information Advice and Guidance. This includes ensuring appropriate staff are members of HELOA through which they can access relevant personal development opportunities, which support their ability to offer up to date and impartial advice on matters relating to Access to HE.
- **National Educational Opportunities Network (NEON)** – LJMU is also a member of NEON, supporting regional and national events, which foster a culture of collaborative working amongst widening participation professionals. NEON ensures that the under-representation of certain groups in HE is addressed sympathetically and encourages sharing of best practice in adopting strategies to redress the balance in inequalities to access. Specifically a member of LJMU's Outreach team is a member of NEON's Disabled Working Group.
- **Greater Merseyside Care Leavers into Higher Education network** – the University is the Chair of this network which consists of four Higher Education institutions from the Liverpool City Region plus representatives from Further Education colleges and staff from the various Local Authority leaving care teams. The aim of the network is to provide a joined-up approach to raising the aspirations of Looked After Children and supporting students through the transition to Higher Education.
- 2.5.6 LJMU's world-leading Astrophysics Institute (ARI) leads research collaborations with premier UK and international universities on projects from the formation of stars in the Milky Way to the evolution of galaxies since the Big Bang. The ARI also owns and operates the World's largest and most sophisticated Robotic Telescope, based in the Canary Islands, and time on this telescope is made available to the National Schools' Observatory (NSO) alongside its function as a National Facility for research. The NSO is a major internet-based outreach and education project and now has nearly 10,000 active users of the telescope in UK and Irish schools. Since the NSO was launched, nearly 170,000 observations have been requested by users. The NSO project is funded by LJMU and is offered free to registered users. Expansion of the scope and reach of the NSO is being undertaken within the University's Widening Participation agenda with a new website launched recently that opened the project to international users and to use by individual learners outside the classroom, leading to an additional 1600 users to date.
- 2.5.7 Outside of the NSO, Astrophysics also deliver an extensive programme of public engagement: in the 2018 calendar year, ARI researchers delivered about 100 talks, workshops and other school and public activities in a wide variety of venues in Merseyside and around the country, to a total audience of over 5,000 people. Many of these focused on audiences under-represented in science and technology careers, including partnerships with schools in lower socio-economic areas. In addition, ARI have curated special exhibitions and in the last couple of years at national venues, including: Foundation for Art and Creative Technology (FACT); the Science Museum; and the London Design Biennale at Somerset House which have showcased ARI/LJMU research to a total estimated audience in excess of 50,000. The Astrophysics Research Institute also helped found, and continues to provide knowledge input to 'Spaceport', a locally based major tourist attraction owned by Mersey Travel and attracting around 50,000 customers per year.
- 2.5.9 The School of Sport and Exercise Sciences continues to translate and apply its world leading research through its public engagement activity. The School promotes diverse engagement by being held in the University, hospitals, public spaces, within national corporations, and national and local museums. Through the Face-2-Face with Sports Science (F2FSS) programme the School has collaborated with key partners on award-winning public engagement projects including Wellcome Trust, Eureka!, BBC, Universities UK, Comic Relief, The Royal Society, Big Bang North West and Sport Relief. The School also holds partnerships and collaborations with international organisations committed to health and physical activity promotion. Professor Greg Whyte is one of the top 10 Science Council Communicators in the UK and Professor Graeme Close a recipient of the prestigious Sport and Exercise Nutrition register (SENr) Award for Innovation (Media and Industry).
- 2.5.10 The Football Exchange in association with sport coaching staff from the School of Sport Leisure and Nutrition was selected as the lead delivery partner for a UK Football Study Programme for Yunnan Education Centre for International Exchange (YECIE) for coaches from Yunnan Province, China. The call to provide training for coaches and professional support staff from the Yunnan province was co-ordinated by the British Council for Education Services, China. The 12-week educational programme embraced aspects of UK football management, practical coaching, advanced coaching and pedagogy, psychology of football, physiology and nutrition for football, match and performance analysis of football. Critically, the programme enhanced the skill set of the coaches from the Yunnan province with a view to improving the technical skills and theoretical knowledge and develop their capacity for training young people and increasing China's football competitiveness. Importantly, this experience has elevated the School's, and the Football Exchange's profile in China.
- 2.5.12 The School's public engagement events enable the public to explore the wonders of sport and exercise science. F2FSS approach is to use our research that underpins athletic performance and translates this to educate and inspire the public to be physically active and make healthy choices generally. Our public engagement reaches populations from the elite athlete to the patient, children and young people to older adults, the able to those less able and hard-to-reach groups. The School of Sport and Exercise Sciences actively supports staff and students to engage in STEM Ambassador activities and the National Co-ordinating Centre for Public Engagement's (NCCPE)s Public Engagement Professional scheme University.
- 2.5.13 The School of Pharmacy and Biomolecular Sciences launched the esteemed Royal Society of Chemistry (RSC) outreach project 'Chemistry for All' which is aimed at understanding the impact of longitudinal interventions in chemistry by promoting the significance of chemistry to school children. The School established the Pharmacy Innovation Centre, the first of its kind, to promote research and collaborations and professional activities among community, hospital, and academic pharmacists. The School of Pharmacy and Biomolecular Sciences is one of the very first four Schools which have been accredited as a Foundation School by the Royal Pharmaceutical Society of Great Britain under its workplace education programme to support newly qualified pharmacists. The School is also one of the main contributors to the development and progress of the Centre for Advanced Policing Studies, a multidisciplinary centre which aims at developing knowledge in policing, crime prevention and allied security professions.
- 2.5.14 LJMU's Legal Advice Centre (LAC) was established in April 2014 and is based within the School of Law. The LAC's clinics advise on family, employment, will and administration, civil litigation, military, housing and commercial property law advice. Since the LAC's inception students have gained experience in interviewing, drafting and legal research and delivered the equivalent of over £400k worth of advice to the local community. The LAC is supported by 26 volunteer solicitors from a wide range of legal practices from across the city, all acting on a pro bono basis to supervise client appointments and advice and mentor LJMU students. The LAC also offers opportunities for students to volunteer on projects working with solicitors in Liverpool. Most recently, students assisted with the campaign for fresh inquests into the Birmingham Pub Bombings. 100 students volunteer per annum and many of our volunteer solicitors are LJMU alumni.
- 2.5.15 The LAC is also part of Keele University's CLOCK scheme, allowing LJMU students to work alongside the Personal Support Unit (PSU) as lay court assistants in the Liverpool Civil and Family Court whilst aiming to coordinate pro bono work with that of other third sector agencies and clinics, and local legal aid firms, to maximise support for vulnerable, unrepresented litigants. The LAC is a member of the Liverpool Law Society's Access to Justice Committee, the national Clinical Legal Education Organisation, the European Network of Clinical Legal Education and the Global Alliance for Justice Education. LAC has won national recognition on a number of occasions; nominated for two LawWorks and Attorney General Awards 2015 (Best New Student Activity and Best Contribution by a Law School) and in 2019 won the LawWorks and Attorney General Law School Challenge as well as being shortlisted for the Access to Justice Foundation Award 2019.
- 2.5.16 The School of Law has developed 'Learning Together', which is the first nationally delivered programme of this type delivered in a community setting. The programme has been developed in collaboration with the User Voice organisation, Merseyside CRC and HMP Liverpool. The project aims to develop a community of praxis, through collaborative learning and co-production between individuals who have been or are currently subject to supervision within the criminal justice system, Masters Level students and practitioners, to share knowledge and develop learning regarding the Criminal Justice System. Each service user is allocated a learning mentor from the MA Criminal Justice programme. A bespoke programme of ten sessions has been created and delivered by members of the Criminal Justice Team to allow participants to question and challenge their own beliefs, opinions, stereotypes and misconceptions relating to key issues in criminal justice. A collaborative teaching approach is used to deliver sessions which facilitate learning through the lived experience of both students and tutors. The programme is currently offered on a non-fee paying basis for those service users participating but is offered as an optional module on the MA programme.
- 2.5.17 The School of Law also hosts a series of Practitioner Forums which have been developed in conjunction with the Merseyside Branch of the National Association of Probation Officers (Napo). The forums aim to bring together practitioners and academics to discuss current and emerging research studies and strengthen the links between theory and practice in the delivery of rehabilitative services. There are four forums scheduled throughout the academic year and these have attracted nationally recognised academics and have been well attended by local practitioners.
- 2.5.18 In 2015, the Liverpool Centre for Advanced Policing Studies (LCAPS) was successful in securing financial support from the Police Knowledge Fund to develop collaborative teaching and research activity with Merseyside Police and the Office of the Police and Crime Commissioner for Merseyside. During 2016/17, the Centre delivered the project under the title 'Embedding Evidence Based Practice in Public Protection and Crime Prevention: A multi-disciplinary partnership'. The project established links between the University and Merseyside Police to advance the Force's capacity to engage with research evidence in helping to positively influence the decision-making practices and organisational working culture of the service. All partners within the collaboration have identified the catalytic effect the project has had in stimulating the enhancement of evidence-based approaches and in embedding an evidence-based thinking infrastructure that will ensure sustainability. The core project team, consisting of University-based Research Fellows and Police Officers seconded part-time from Merseyside Police, developed and delivered a bespoke package of accredited research training and supervision to a total of 71 police officers and staff (including a staff member from the Office of the PCC for Merseyside). The project team has also worked with senior leaders within Merseyside Police to develop mechanisms for facilitating, commissioning, and evaluating research within the organisation to help embed the engagement with research evidence within Merseyside Police (objectives realised through the establishment of Merseyside Police's Evidence-Based Steering Group and Evidence-Based Knowledge Hub). Running alongside these activities has been the PKF-led stimulation of research networks and opportunities between wider members of the LJMU research community (from the fields of Criminology, Computer Science, Applied Mathematics, Media Studies) and Merseyside Police partners.

- 2.5.19 In addition to this, Liverpool Centre for Advanced Policing Studies, in conjunction with the LFC Foundation has been successful in a bid to secure 750k of funding from the Premier League's Community Fund. Subject to a successful pilot which is ongoing, this project will develop a mass participation movement with grassroots football, physical activity and social outcomes at its core. The project involves volunteers from LJMU working alongside qualified LFC Foundation coaches providing family friendly, high quality, pop up football /physical activity sessions across Merseyside's parks, open spaces and traditional FA Park-life pitches. The project is designed to engage with Liverpool's children and young people with personal development opportunities through pitch side teachable moments, especially those socially excluded young people who are suffering from a lack of physical activity in areas which lack social cohesion. Amongst other aims, the project is designed to increase young people's positive attitude towards sports and their involvement in significant physical activity. The goal is to engage tens of thousands of local young people and their families in physical activity over the course of three years. Finally, LCAPS is collaborating with the trustees of the UK Police Memorial to create a digital resource to compliment the memorial that is being constructed at the National Memorial Arboretum in Staffordshire. The digital resource will tell the stories of those officers and staff who have given their lives in the course of police service and also the history and development of British policing. LCAPS will provide educational support for the memorial, at the site in Alrewas, Staffordshire, which will be dedicated to the courage and sacrifice of the officers who have lost their lives over the past 250 years. LCAPS is participating in a Heritage Lottery Fund bid to enable this.
- 2.5.20 The Public Health Institute (PHI) is a vibrant research and teaching community working at a local, regional, national and international level. PHI specialises in applied research and educational programmes addressing health issues at all levels from policy development to service delivery. PHI is committed to a multi-disciplinary grass-roots approach to public health and works in partnership with sectors such as health services, local authorities, judicial bodies, environmental services and community groups. Influencing health service design and delivery, as well as health-related policy, PHIs research has been at the forefront of the development of co-produced multi-agency strategies to promote and protect public health.
- 2.5.21 PHI have a strong focus on co-producing research with demonstrable socioeconomic impact. Local research has included work to strengthen the infrastructure and sustainability of community, voluntary, faith and social enterprise sectors across Cheshire and Merseyside. PHI work with some of the most disadvantaged groups in the United Kingdom developing the evidence base to support those with alcohol or drug problems together with severe mental health difficulties.
- 2.5.22 PHI offer a successful and growing Work Related Learning programme for our MSc students, providing the opportunity for students to gain valuable experience working with local stakeholders. Our students spend time working with organisations such as local authorities, charities and voluntary services. Most recently, students have carried out work to inform health and social care service provision with Syrian Refugees (in St Helens) and within community-based services (including Creative Alternatives [Alef Trust], Genie in the Gutter and Merseyside Youth Association). Work carried out by students has been used to inform the development and delivery of services across the Liverpool City Region and beyond (including across Cheshire, Merseyside, Newcastle and Sheffield).
- 2.5.23 PHI's health intelligence team are working with Merseyside Police to develop a key information system to support the high-profile work of the new Violence Reduction Unit (VRU). The VRU is a Home Office funded initiative designed to reduce violent crime in public spaces. This work will build upon PHI's established surveillance programme with Emergency Departments across the North-West of England for the Trauma and Injury Intelligence Group.
- 2.5.24 PHI continues to work with partners to inform the delivery of evidence-based services to support young people affected by Adult Childhood Experiences (ACEs). Commissioned by a range of organisations (including local authorities, the NSPCC and Barnardo's) across the UK, our research has informed the design and delivery of workforce development programmes and directly supported service and practitioners caring for young people affected by ACEs.
- 2.5.25 The Public Health Institute (PHI) has received confirmation of their re-designation as a World Health Organization (WHO) Collaborating Centre for Violence Prevention. Building on PHI's reputation in research, advocacy and education in violence prevention, a new four-year work programme is underway. In collaboration with the WHO and an increasing number of local, national and international partners PHI are making a difference in violence prevention through innovative research, project evaluations and education programmes, and supporting partners to advocate and implement violence prevention programmes.
- 2.5.26 Public Health Institute is committed the Sustainable Development Goals and has expanded its International collaborations across Africa and the Middle East during 2019. Building on the current Medical Research Council/Arts & Humanities Research Council funded research related to women and children in Zimbabwe and Malawi prisons, further grant submissions have been developed with the Liverpool School of Tropical Medicine.
- 2.5.27 The School of Nursing and Allied Health provides education in health and social care to the future and existing workforce of the NHS and local councils, focusing on the particular needs of services in the North West. The School engages with around 90 public and private sector organisations and works with external colleagues in 900 placement sites. The School of Nursing and Allied Health has been a finalist in the Nursing Times Award for the last five years, winning Higher Education Provider of the Year Pre-registration Nursing Programmes in 2018. In 2019, The Paramedic Teach won a prestigious Advance HE Collaborative Award for Teaching Excellence (CATE) that recognises and rewards collaborative work that has had a demonstrable impact on teaching and learning.
- 2.5.28 The annual School of Nursing and Allied Health Student Awards includes a community engagement category for volunteering or charitable work outside LJMU. Examples include: fundraising on National Nurses Day to support the Edith Cavell Nurses Trust; fundraising to buy a cryotherapy machine in Uganda; working for and fundraising for 'Scouse Kitchen', a charity that provides hot food to homeless people on Merseyside; voluntary support work for Childline; and the Honeysuckle team (bereavement service at the Liverpool Women's Hospital).



- 2.5.25 Two European funded projects have been secured within the School, namely the HELIUM project, and the Health Enterprise Hub Innovation Exchange (HEHIE) project. The HELIUM project is Interreg Europe funded and the HEHIE project is ERDF funded. Both projects focus on public engagement in the health and wellbeing sector through a citizen-led approach to innovation – a City Region Living Lab. This approach is shaped by the City Region's innovation strategy and the needs of the Region's £23 billion economy; hence, the Liverpool Local Enterprise Partnership (LEP) is the UK partner on the HELIUM project. Public engagement takes the form of a series of open innovation events and corresponding 'co-creation' groups which focus on solving health challenges. Current work includes the development of two 'dementia' apps, med-tech which increases system efficiency, widening wellbeing participation through work-focused activities, and facilitating more citizen input within the precision medicine field.

- 2.5.29 School staff are also actively involved in the development of two new city wider research centres, the Liverpool Centre for Cardiovascular Science and the Liverpool Centre for Alcohol Research. These two centres bring together academics, clinicians, public health professionals, local councils and third sector organisations from across the city region with a primary aim of undertaking real-world research that will provide the evidence that will help improve the health outcomes of our local population.
- 2.5.30 The School is host to The Liverpool Health Commission that aims to make evidence-based contributions to the topic of marginalised women and children. The focus is on the first 1,000 days of life (the time from conception to the end of the second year of infancy), as this provides the foundations for optimum health, growth, and neurodevelopment across the lifespan. Work has already begun on a UK-wide series of critical and hard-hitting inquiries into some of those marginalised groups that are most adversely affected by poverty. It will derive recommendations of local and national significance for women from as early as possible in pregnancy, through until the second birthday of their children. The work of the Commission also addresses the United Nations Sustainable Development Goals, all of which are directly related to women and children's health.



2.5.31 Postgraduate teacher training students support the educational work of Liverpool's Schools, providing volunteer teaching support to children from the city's many immigrant communities enabling the work of these community based schools to flourish.

2.5.32 Postgraduate teacher training students have for several years worked with Liverpool ONE to develop a range of educational resources that relate the physical environment and vocational opportunities to several subject areas of the school curriculum. The products of this project are used to support learning in school groups visiting the retail centre.

2.5.33 As a flag-ship of LJMU's community engagement, the Foundation for Citizenship promotes good citizenship amongst the young people in the Greater Merseyside region by engaging with schools and making awards to school children who serve as role models in society. LJMU believes that schools should be leading the way in encouraging young people to become caring, compassionate and tolerant individuals who have a real sense of civic responsibility. The Foundation also runs the prestigious Roscoe Lecture series, securing high profile speakers from the national and international community to present thought-provoking public lectures that are free and open to the community in the North West. Audiences typically number over 1000 and tickets are free of charge. Speakers have included notable people from the fields of national and international politics and diplomacy, academia, religion and belief, journalism and entertainment. Through the Roscoe Lectures, LJMU is able to give people from different walks of life the opportunity to exchange ideas, forge connections and hopefully gain greater understanding in a time of increasing diversity and change.

2.5.34 Volunteering is an integral component of the University's community Engagement in 2018/19 students and staff completed over one million hours of voluntary support to the community across the Liverpool City Region and the North West. University wide Volunteer Fairs provide the opportunity for not for profit organisations to showcase their work to students. The range of organisations are wide and varied providing opportunities for students to engage in activity that results in mutual benefit. Students develop professional and personal skills, gain insight into other areas of society and in many cases improve their own mental health.

Volunteering activities included:

- working as volunteers or fundraising for charitable organisations
- working as volunteers in sports clubs and coaching
- serving as trustees or other representatives in voluntary organisations
- providing care in a voluntary capacity (all ages)
- delivering other voluntary activities providing advice, listening and befriending or counselling services
- volunteering as school governors

### 3. Sustainability

3.1 LJMU is a modern civic University aware of its social economic and environmental responsibilities and continually strives to improve its sustainability and environmental performance. Specifications for the University's new buildings and refurbishment require accommodation to align with and complement LJMU's sustainability vision, to be constructed to high environmental standards, and to support and enhance sustainable operating models. The University has since 1st February 2017 purchased all its grid supplied electricity from 100% Carbon Trust certified natural renewable generation sources and closely monitors and regularly reports on all utility consumption and waste resource management performance. LJMU has a sustainable communications presence on its website and uses social media channels to communicate information on the University's environmental performance, sustainability initiatives and travel plans to mitigate the effects of student and staff commuting.

### 4. Summary

4.1 Having had regard to the public benefit guidance published by the Charity Commission for England and Wales, the Board of Governors is assured that the University has met its charitable purpose of the advancement of education for the public benefit for the year 2018/19.



## BOARD OF GOVERNORS

The University is an independent Higher Education Corporation whose authority derives from the Education Reform Act 1988, and the Further and Higher Education Act 1992.

The Board of Governors derive their authority from the University's Instrument and Articles of Government which was approved by the Privy Council on 5 March 1993, and revised in 1995 and 2002.

The Instrument and Articles of Government state that the Board shall consist of not less than twelve and not more than twenty-four appointed members. The Board must decide what size it wishes to be. The Board currently consists of twenty members, of whom up to thirteen would be independent members, two nominees from the Academic Board and two students, two staff governors and two co-opted members. The membership of the Board is completed by the Vice-Chancellor, who is the Chief Executive.

In the period from 1 August 2018 up to the date of this report membership of the Board of Governors has been as follows:

<b>Ex-officio Members</b>	
Professor Nigel Weatherill	Vice-Chancellor & Chief Executive (resigned 14th September 2018)
Mr Mark Power	Interim Vice-Chancellor & Chief Executive (appointed 15th September 2018) (resigned 13th October 2019)
Professor Ian Campbell	Vice-Chancellor & Chief Executive (appointed 14th October 2019)
<b>External Independent Members</b>	
Ms Nicky Benson	Deputy Chair of the Board Chair of Remuneration Committee
Ms Kerry Byrne	Chair of Finance Committee
Mr Rod Hill	Chair and Pro Chancellor, Board of Governors (resigned 1st October 2018) Chair of Nominations Committee (resigned 1st October 2018)
Mr Mike Parker	Chair and Pro Chancellor, Board of Governors (appointed 1st October 2018) Chair of Nominations Committee (appointed 1st October 2018)
Mr Andrew Holroyd	Chair of Employment Committee (resigned 22nd October 2018)
Mr Brian McCann	Chair of Audit Committee
Ms Karen McCormick	Resigned 30th September 2018
Mr James Rowan	Resigned 20th November 2018
Mr Eliot Ward	
Ms Wendy Williams	Chair of Employment Committee (appointed 23rd October 2018)
Mr Anthony Akaraonye	
Mr Garry Banks	
Mr Lee Gilmore	
Mr Carl Williams	Resigned 2nd April 2019
Mr Gareth McIntegart	
<b>External Co-opted Members</b>	
Mr Charles Oddy	Co-opted member of Audit Committee External Independent Member from 1st April 2019
<b>Nominee Members</b>	
Dr Michelle Laing	Staff Governor (Academic Board Nominee) Resigned 31st December 2018
Mr Ian Wroot	Staff Governor (Academic Board Nominee) Resigned 31st December 2018
Miss Julia Daer	Student Governor (Student President) Appointed 2nd July 2019
Miss Angelina Cliff	Student Governor (Student President) Resigned 1st July 2019
Miss Howisha Penny	Student Governor (Student Vice President) Resigned 1st April 2019
Miss Mollie Foster	Student Governor (Student Vice President) Appointed 2nd July 2019
<b>Staff Members</b>	
Ms Sarah MacLennan	Staff Governor (Teaching Staff)
Mr John Trantom	Staff Governor (Non-Teaching Staff) Resigned 31st December 2018
Mrs Yvonne Turnbull	Staff Governor (Teaching Staff) Appointed 1st October 2019

The Board of Governors are the Trustees of the University.

## OFFICERS AND ADVISORS OF THE UNIVERSITY

### Vice-Chancellor and Chief Executive

Professor Ian Campbell  
(appointed 14th October 2019)

Professor Nigel Weatherill  
(resigned 14th September 2018)

### Interim Vice-Chancellor and Chief Executive

Mark Power  
(appointed 15th September 2018)  
(resigned 13th October 2019)

### Bankers

Barclays Bank plc.  
1st Floor Octagon House  
Gadbrook Park  
Northwich  
Cheshire  
CW9 7RB

### External Auditors

KPMG LLP  
1 St Peters Square  
Manchester  
M2 3AE

### Solicitors

Davies Wallis Foyster  
5 St Pauls Square  
Old Hall Street  
Liverpool  
L3 9AE

### Internal Auditor

RSM UK  
9th Floor  
3 Hardman Street  
Manchester  
M3 3HF

## STATEMENT OF BOARD OF GOVERNORS RESPONSIBILITIES IN RESPECT OF THE FINANCIAL STATEMENTS

The Board of Governors are responsible for preparing the financial statements in accordance with the requirements of the Office for Students' Terms and conditions of funding for higher education institutions and Research England's Terms and conditions of Research England grant and applicable law and regulations.

They are required to prepare group and parent University financial statements in accordance with UK accounting standards and applicable law (UK Generally Accepted Accounting Practice), including FRS 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland. The terms and conditions of funding further require the financial statements to be prepared in accordance with the 2015 Statement of Recommended Practice – Accounting for Further and Higher Education, in accordance with the requirements of the Accounts Direction issued by the Office for Students. The Board of Governors are required to prepare financial statements which give a true and fair view of the state of affairs of the group and parent University and of their income and expenditure, gains and losses and changes in reserves for that period.

- In preparing each of the group and parent University financial statements, the Board of Governors are required to:
- select suitable accounting policies and then apply them consistently;
- make judgements and estimates that are reasonable and prudent;
- state whether applicable UK accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- assess the group and parent University's ability to continue as a going concern, disclosing, as applicable, matters related to going concern; and
- use the going concern basis of accounting unless they either intend to liquidate the group or the parent University or to cease operations, or have no realistic alternative but to do so.

The Board of Governors is responsible for keeping proper accounts and proper records in relation to the accounts. They are responsible for such internal control as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error, and have general responsibility for taking such steps as are reasonably open to them to safeguard the assets of the group and to prevent and detect fraud and other irregularities.

The Board of Governors are also responsible for ensuring that:

- funds from whatever source administered by the Group or the University for specific purposes have been properly applied to those purposes and managed in accordance with relevant legislation;
- funds provided by the Office for Students and Research England have been applied in accordance with the terms and conditions attached to them;
- ensuring that there are appropriate financial and management controls in place to safeguard public funds and funds from other sources; and
- securing the economical, efficient and effective management of the university's resources and expenditure.

The Board of Governors is responsible for the maintenance and integrity of the corporate and financial information included on the University's website. Legislation in the UK governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.



**Mr Mike Parker CBE**

Chair of the Board of Governors



**1. Corporate Governance Statement 2018/19**

1.1 The University is committed to adopting good practice in all aspects of corporate governance. It aims to conduct its business in accordance with the principles identified in the Committee on Standards in Public Life (selflessness, integrity, objectivity, accountability, openness, honesty and leadership) and the Committee of University Chairs' (CUC's) Higher Education Code of Governance. The Board of Governors has adopted the CUC's Higher Education Code of Governance and works to ensure that governance practice remains consistent with the principles of the Code. To this effect, the Board carried out an extensive and robust review of its governance processes, policies and procedures throughout 2015/16 to align with the Code. It is the opinion of the Board of Governors that the governance practices of the University are consistent with and satisfy the seven primary elements contained in the Higher Education Code of Governance.

1.2 The following processes for governance have been in place throughout the year ended 31 July 2019 and up to the date of approval of the financial statements.

**2. Status of the University**

2.1 Liverpool John Moores University is a Higher Education Corporation as defined under the Education Reform Act 1988. The University has exempt charitable status as defined in the Charities Act 2011, with the Office for Students (OfS) acting as its principal regulator. The charitable purpose of the University, as defined in the Charities Act 2011, is the advancement of education for the public benefit. The members of the University's Board of Governors are the charity trustees and are responsible for ensuring compliance with charity law.

2.2 The University's objects, powers and framework of governance are set out in the Articles of Government approved by the Privy Council in 2002. The Articles and associated Instrument of Government set the governance framework for the University.

**3. Summary of the University's Structure of Corporate Governance**

3.1 The University's Board of Governors is comprised of lay, academic, students and staff appointed under the provisions of the Education Reform Act 1998, the majority of whom are independent and non-executive. The composition of the Board of Governors can be found at: <https://www.ljmu.ac.uk/about-us/structure/governance-and-charitable-status>. The role of Chair of the Board of Governors is separate from the role of the University's Vice-Chancellor & Chief Executive. The Vice Chancellor is the designated Accountable Officer for the purposes of the OfS terms and conditions of funding. The Chair is supported by the Deputy Chair of the Board. The matters reserved specifically to the Board of Governors for decision are set out in the Articles of Government of the University; the terms of reference of the Board and its Committees; and are in accordance with OfS requirements.

3.2 The Board of Governors holds to itself the responsibilities for the educational character, the ongoing strategic direction and the financial solvency of the University. The Board approved the University's Strategic Plan 2017-2022 on 3rd July 2017, which can be found at <https://www.ljmu.ac.uk/about-us/our-vision>.



3.3 In addition to its formal Board and Committee meetings, the Board holds a strategic workshop and a residential strategic event each year, affording the opportunity to consider, contribute to and influence strategic issues at an early stage in their development. The Board is also responsible for approval of all major developments, including capital developments. Governors are also in receipt of regular reports from Executive Officers on the day-to-day operations of the University's business and its subsidiary operations.

3.4 The Board of Governors has a strong and independent non-executive element and no individual or group dominates its decision-making process. The Board is independent of management and free from any business or other relationship which could interfere materially with the exercise of its independent judgement.

3.5 The Board of Governors is committed to continuous monitoring of its performance and has reviewed its terms of reference, programme of business, and the effectiveness of all its sub-committees, including the Academic Board during 2019. A new Chair of the Board was appointed in Oct 2018 and a performance review will be undertaken in the latter part of 2019.

3.6 New governors participate in an induction programme. Each year all governors are given the opportunity to attend training and development activities provided by the Leadership Foundation for Higher Education, receive regular bulletins regarding the activities across the University and the Higher Education sector and receive regular governance briefings on particular relevant topics.

3.7 Members of the Board of Governors, the Trustees of the University, do not receive any remuneration for their service on the Board. Trustees are entitled to claim reasonable expenses incurred in undertaking their duties as Trustees in accordance with the University's financial regulations and charity law. In 2018/19 a total of £2722.00 was paid to governors for expenses. This covered: travel expenses to formal and informal meetings and other University events; fees for training and developmental events; and travel, accommodation and other expenses incurred in representing the University at external events.

3.8 Upon commencing appointment, governors are required to declare any pecuniary, family or other personal interest, direct or indirect, and this is noted in the publicly available Register of Members' Interests. Governors are advised and expected to update their entry at any time as and when their circumstances change and the University also conducts an annual update in accordance with recommendations from the CUC.

3.9 In accordance with the introduction of the Bribery Act 2010, governors have taken responsibility for establishing an anti-corruption culture formulated around the six general principles of: Proportionate procedures; Top-level commitment; Risk Assessment; Due Diligence; Communication (including training); and Monitoring and Review. A statement of commitment from the Chair of the Board of Governors outlines that the Board of Governors expects all staff, associates and agents to conduct business in accordance with the highest standards of ethical behaviour and that any bribery, or any form of corruption, by a member of staff of the University will be considered as gross misconduct and the member of staff may face

dismissal. To ensure that all staff are aware of the Bribery Act a mandatory e-learning module has been developed which gives an overview of the legislation to help staff to understand their corporate and individual duties and responsibilities. The module response rate is monitored at the Employment and Audit Committees throughout the year. Agents, consultants and business partners who work with, or on behalf of, the University must act with integrity and behave ethically. The University will terminate agreements with such agents, consultants and business partners in the event of any breach of anti-bribery law, corruption or unethical behaviour of which it becomes aware.

3.10 The Board of Governors meets a minimum of four times a year and maintains a committee structure comprising:

- Audit Committee
- Employment Committee
- Finance Committee
- Nominations Committee
- Remuneration Committee

3.11 All of the above committees are formally constituted with terms of reference and comprise lay members of the Board of Governors. The Vice-Chancellor and Chief Executive is also a member of the Employment, Finance and Nominations Committees and attends Audit Committee by invitation. The Chair and Deputy Chair of the Board are not members of the Audit Committee and there is no overlap in membership of the Audit and Finance Committees. On the Audit Committee there is a member (the Chair) with the relevant financial qualifications and expertise required.

3.12 The Board of Governors and its Committees review their terms of reference on an annual basis to ensure that they are embedding risk management effectively into their work and that the terms of reference align with the Higher Education Code of Governance and the requirements of the OfS. The Chair of the Board is Mr Mike Parker who took up office on 1st October 2018. The Deputy Chair of the Board is Ms N Benson, appointed from 1st October 2015 to 30th September 2017. However, to ensure continuity and to oversee the selection process for the new Chair and to assist during the new Chair's first year of office the Deputy Chair's office was exceptionally extended until December 2019. The full Board of Governors, in the last financial year, met on 1 October 2018, 26 November 2018, 10 December 2018 (workshop), 30 and 31 January 2019 (overnight strategic workshop), 1 April 2019, and 8 July 2019. Up to the present date in the new financial year, the Board has met on 30 September 2019 and 25 November 2019.

3.13 In addition to the Board's Committees the Board also works closely with the University's Academic Board. The Academic Board meets at least five times a year and has 27 members comprising the Vice-Chancellor and Chief Executive as Chair, the Pro-Vice-Chancellors, the Registrar & Chief Operating Officer, academic and professional services staff and students. The Academic Board is established as the principal academic body of the University, overseeing the overall planning, co-ordination, development and supervision of the academic work of the University and providing assurance to the Vice-Chancellor and Chief Executive and the Board of Governors for the quality and standards of its awards. The Academic Board, in the last financial year, met on 3 October 2018, 28 November 2018, 6 February 2019, 3 April 2019 and 26

June 2019. Up to the present date in the new financial year, the Academic Board has met on 2 October 2019 and 6 November 2018.

3.14 The Audit Committee, which meets at least four times a year, is responsible for overseeing the work of the external auditors (currently KPMG) and internal auditors, (currently RSM). It is comprised of four independent members. The Committee provides assurance on governance, accounting integrity, internal controls, data integrity, risk management, and the efficient use of resources. In line with government regulations, the Audit Committee has a member with the appropriate financial expertise and qualifications. Whilst the Vice-Chancellor and Chief Executive and other senior managers attend meetings of the Audit Committee as necessary, they are not members of the Committee. Both the external and independent internal auditors also attend the Committee. The Committee meets the external and internal auditors annually, without management, for independent discussions in line with best practice. The Committee has also started to meet formally with the Vice Chancellor and Chief Executive on an annual basis with the first meeting having taking place on 23 September 2019. The Audit Committee, in the last financial year, met on 8 October 2018, 12 November 2018, 4 March 2018 and 10 June 2018. Up to the present date in the new financial year, the Audit Committee has met on 7 October 2019 and 4 November 2019.

3.15 The Employment Committee meets at least three times a year and considers issues related to staffing and employment. The responsibilities of the Committee also encompass equality and diversity monitoring and the oversight and review of HR policies. In the last financial year, the Employment Committee met on 15 October 2018, 25 February 2019, and 3 June 2019. Up to the present date in the new financial year, the Employment Committee has met on 14 October 2019.

3.16 The Finance Committee meets at least three times a year and recommends to the Board of Governors the University's annual revenue and capital budgets after giving consideration to the financial health of the University. It also receives at each meeting reports on the University's performance in relation to approved budgets, estate related capital investment plans and treasury management, and financial reports from the Liverpool Students' Union (LiverpoolSU), which is a separate legal entity. The Finance Committee, in the last financial year, met on 31 October 2018, 25 March 2019 and 19 June 2019. Up to the present date in the new financial year, the Finance Committee has met on 21 October 2019.

3.17 The Nominations Committee meets at least three times a year and considers membership issues and appointments to vacancies on the Board for non-executive members, based on a skills and diversity analysis. In the last financial year, the Nominations Committee met on 22 October 2018, 18th March 2019 and 24 June 2018. Up to the present date in the new financial year, the Nominations Committee has met on 28 October 2019.

3.18 The Remuneration Committee meets at least three times a year and considers the performance and annual remuneration of the Vice-Chancellor and Chief Executive and the Senior Executive team. The Committee also has oversight of the University's policy framework on severance payments for senior staff. In line with best practice, the Committee presents an annual report to the full Board setting out its work of the last academic year. The Committee's minutes

are also presented to the full Board meetings. The Chair of the Remuneration Committee, in line with best practice, is the Deputy Chair of the Board. In the last financial year, the Remuneration Committee has met on 22 October 2018, 18 March 2019 and 24 June 2019. Up to the present date in the new financial year, the Remuneration Committee has met on 29 August 2019, 9 September 2019 and 14 October 2019 to determine remuneration for the ELT and other senior pay.

**4. Governance Monitoring and Review**

4.1 In accordance with the Higher Education Code of Governance, the Board of Governors keeps its effectiveness under regular review. A full and robust governance effectiveness review took place during 2015/16 culminating in a detailed action plan which was implemented during 2016/2017. The review concluded that the University had a high level of satisfaction in the effectiveness of the Board and outlined a number of actions for reviewing the Board's policies and terms of reference, and building upon relationships with the Academic Board. In accordance with good practice, another review will be undertaken during 2019/2020.

**5. Internal Control**

5.1 The Board of Governors is responsible for reviewing the effectiveness of the University's system of internal control. The system is designed to support the achievement of operational activities and to manage and limit the risk of failure to achieve policies, aims and objectives, while safeguarding the public and other funds and assets for which it is responsible, in accordance with the University's Instrument and Articles and the regulatory requirements of the OfS.

5.2 The system of internal control is based on an ongoing risk management process designed to identify the principal risks to the achievement of the organisation's objectives; to evaluate the nature and extent of those risks; and to manage them efficiently, effectively and economically. It can therefore only provide reasonable and not absolute assurance of effectiveness. It is underpinned by compliance with the requirements of the core standards in:

- Governance
- Management
- Quality
- Reputation
- Financial Management
- Risk Management

5.3 The Board of Governors is committed to the continuous development of a comprehensive process for identifying, evaluating and managing the University's significant risks, both financial and non-financial, in line with OfS requirements. The Risk Management Policy is linked to the University's Strategy and the Board of Governors regularly discusses risk and related reports from its Committees, in particular the Audit Committee.

5.4 The Board of Governors, both directly and through its Finance and Audit Committees, is responsible for ensuring the economical, efficient and effective management of the University's resources, income and expenditure, and for safeguarding its assets. The system of internal financial control provides for comprehensive financial planning processes, assessments of annual income, expenditure, capital and cash flow budgets in conjunction with regular

reporting to the Finance Committee and the Board of Governors in relation to five-year forecasts and reporting of variances and the projection of out-turns.

5.5 LJMU is registered with the OfS (subject to the OfS ongoing conditions of registration) and is therefore deemed to have satisfied the quality and standards outcome for APR 18/19. Furthermore the positive APR outcome confirms LJMU's eligibility for the Teaching Excellence and Student Outcomes Framework (TEF)

**6. Processes and Control Arrangements**

6.1 The following monitoring and review arrangements covering corporate governance, business, operational and compliance as well as financial risk have been in place throughout the year ended 31st July 2019 and up to the date of approval of the financial statements:

6.2 The Audit Committee, on behalf of the Board of Governors, receives a report annually from the Executive Leadership Team regarding their review of the effectiveness of the system of internal control and which provides a statement of assurance to the Board of Governors signed by the Vice-Chancellor and Chief Executive. The review of the effectiveness of the system of internal control is informed by the work of the internal auditors; by the executive managers within the University structure who have responsibility for the maintenance of the internal control framework; and by the opinions and recommendations of the external auditors in their management letter and other reports.

6.3 The University recognises that robust risk management is a key element of good governance, and its system of internal control incorporates a risk management framework encompassing strategic, operational, financial, and commercial risks; also matters of governance and compliance. The University has articulated a process for the identification, assessment, mitigation and review of corporate risks, and has operated this process throughout the year ended 31st July 2019.

6.4 The University has an agreed Risk Management Policy and a Risk Appetite Statement. The University is committed to embedding risk management into the corporate planning and decision-making processes of the Institution. Responsibility for identifying and evaluating the major risks faced by the University, and for ensuring that appropriate mitigating measures are in place, sits with the Executive Leadership Team, which has considered the institutional register three times in the year ended 31st July 2019. The institutional Risk Register is reviewed by the Audit Committee throughout the year and the Finance Committee reviews the high-level financial risks annually. The Board of Governors' agenda includes a standard item for consideration of relevant or emerging risks, and the Board and ELT remain committed to the review and refinement of risk management procedures.

6.5 The Audit Committee receives regular reports from the independent internal auditors, RSM, on specific areas of internal control together with agreed management actions (formerly recommendations) for improvement. Audit planning arrangements and the methodology and approach of internal audit conforms to the latest professional standards reflecting the adoption of risk management techniques. A tracking record is presented to the Audit Committee at each of its meetings to monitor the implementation of audit recommendations.

6.6 The University remains committed to good practice in Governance and Management. The principles of 'excellence and quality in all its activities and a commitment to a programme of continuous enhancement and monitoring' underpin the University's new Strategy (2017-2022).

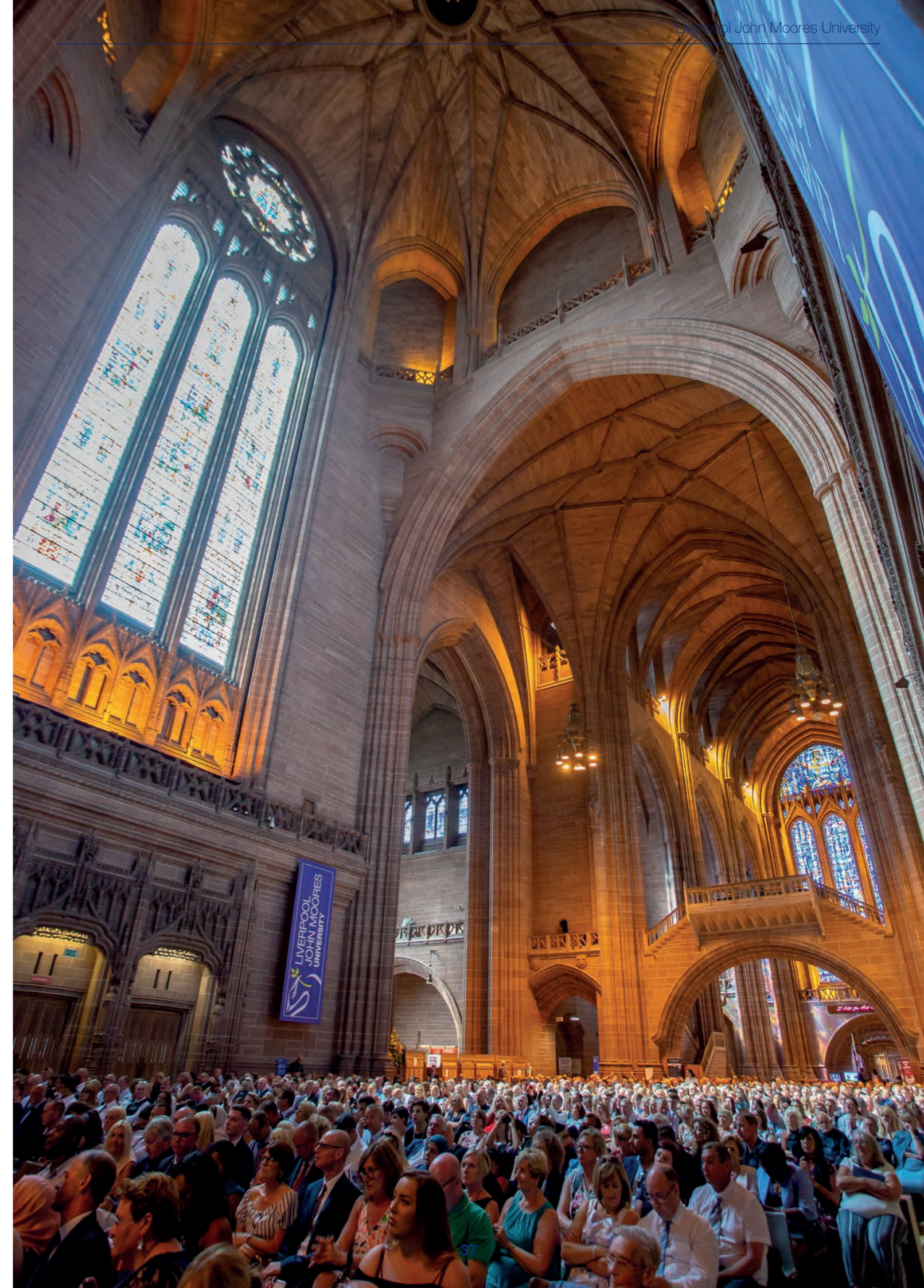
6.7 The Strategic Plan 2017-2022 was approved by the Board of Governors on 3 July 2017 and implemented in the new academic year September 2017. The Plan builds on the previous Strategy 2012-2017, setting out the aims of the University under four core aims:

- **Outstanding student experience** – which expands the horizons of students and offers rich opportunities for them to develop their confidence, skills and character.
- **Excellence in education** – with contemporary curricula and innovative models of delivery that embed the knowledge and skills our students need.
- **Impactful research and scholarship** – that address the challenges of our day.
- **Civic and global engagement** – that builds and deepens our connections – within the city and across the globe – where these enrich the lives of our students, of the City, and of the broader communities of which we are privileged to be a part.

6.8 On 24 September 2018, the University received confirmation that its application to register with the Office for Students (OfS) had been successful. Registration with the OfS confirmed that a provider satisfied the conditions of registration relating to quality and standards. Academic year 2018-19 saw the launch of the Quality Assurance Agency's (QAA) revised UK Quality Code for Higher Education. The Code provides a key reference point for UK higher education, enabling providers to understand what is expected of them. As part of their role as the Designated Quality Body in England, the QAA will judge a provider's compliance with one or more of the Code's Core practices through their monitoring and intervention activity. In July 2019, the Quality Assurance and Enhancement Committee (QAEC) received a paper confirming how the University meets each of the Code's Core practices. In relation to the QAA's monitoring and intervention activity, guidance governing the operation and requirements of Quality and Standards Reviews was published in March 2019. Quality and Standards reviews will be utilised by the QAA to provide evidence to the OfS about whether a registered provider, referred by the OfS to the QAA, meets one or more of the Code's Core practices.

6.9 The Executive Leadership Team requires and ensures a regular review of the University's strategic direction and performance. Progress against the strategy is the responsibility of the Director of Strategic Planning, who has specific responsibility for oversight of the performance and delivery of the University's strategy, as well as strategy-related risk management.

- 6.10 The Internal Audit Plan 2018/19, approved by the Audit Committee held on 11 June 2018, has continued to be derived from oversight of the University's control systems, having consideration of emerging sector issues and required assurances with clear linkages to the University's risk register. Alongside audit planning meetings with the University management, consultation took place with the Audit Committee on a draft Internal Audit Plan prior to the start of the financial year to which the plan relates, and also following an update to the three-year audit strategy. The Internal Audit Plan's progress and requirements were considered at each Audit Committee to ensure the plan remained appropriate and allowed for flexibility on assurances to meet governors' needs.
- 6.11 The Executive Leadership Team and the Audit Committee, on behalf of the Board of Governors, receive internal audit reports from the independent internal auditors throughout the year. The Executive Leadership Team and RSM have worked throughout the year to deliver the audits at the right time to benefit University developments and opportunities. The majority of the assignment reports were presented in year to the Audit Committee, alongside a detailed progress paper which summarised the collective outcomes of management actions and levels of assurance year to date, thereby signposting the year-end annual opinion on work completed. The internal auditors' assignment reports have provided a clear opinion on the level of assurance provided on the specific review, with categorised and agreed management actions which are subsequently followed up on a cycle of follow up audits. The internal auditors have submitted a progress report summarising their audit plan delivery to each Audit Committee alongside the detailed assignment reports concluding on the design and application of the controls reviewed. In addition, the Internal Auditors have presented sectorial briefings to the Audit Committee throughout 2018/19, focussing on both control matters and sectorial matters, as well as having held their annual meeting with Committee members in camera.
- 6.12 Based on the work the Internal Auditors have undertaken on the University's system of internal control, they do not consider that there are any issues that need to be flagged as significant control issues. One high priority recommendation was notified and has been implemented. In forming their overall 'positive' opinion, the Internal Auditors also confirmed that the outcomes of their assurance reviews and risk management procedures assessments, conducted during the course of the year indicated strong governance and risk managements processes.
- 6.13 Assessment grading for audits in 2018/19 were in the main either full or substantial, and all recommendations made by the Internal Auditors during the year were accepted by management. The internal auditors advised that they were satisfied that the University was implementing the appropriate policies and meeting the management actions and recommendations from the internal audit fieldwork.
- 6.14 The Annual Assurance Return is signed by the Vice-Chancellor & Chief Executive and received by the Audit Committee and the Board of Governors at its November meeting for oversight whereby it is then signed on behalf of the Board of Governors by the Chair of the Board. The Return confirms that the University's Accountable Officer, the Vice-Chancellor & Chief Executive, has met his obligations to OfS and that all relevant accountability returns are accurate, adhere to the published requirements and have been through the appropriate approval process.
- 6.15 The University has an established mechanism to ensure better utilisation of staff resource through the Staff Resource Management Group (SRMG). The Group is composed of two Pro-Vice-Chancellors, the Director of HR and the Finance Director. The SRMG takes a holistic view across the Institution when vacancies arise and new posts are funded. This approach provides the opportunity to redirect resources to ensure alignment with the Institution's strategy and to support particular projects and initiatives whilst also taking into account matters such as staff-student ratios and recruitment trends. In addition, the Group considers other aspects relevant to the Institution's staff establishment, e.g. requests for flexible working, end of probation reports, requests for sessional staff, job re-gradings, and redundancy payments. The SRMG provides oversight to the staff establishment, and ensures a robust, rigorous and auditable process is observed in terms of changes to the establishment. Moreover, the work of the Group ensures a consistent and evidence based approach is employed for changes to the staff establishment. Following the development of a work-flowed e-PAF (Post Approval Form) to provide greater levels of efficiency and effectiveness in terms of processing a new Establishment system is under development to provide greater transparency on the staff numbers and SSRs.
- 6.16 The University's Recruitment Policy is designed to facilitate effective staff recruitment and selection in order to achieve its strategic aims, namely that staff are of the requisite standard to meet the needs of work and its control as defined by the University's objectives and plans. Recruitment is a critical activity, crucial to organisational performance and every staff vacancy is considered an opportunity to raise the bar of performance. All those involved in recruitment activity undertake mandatory training prior to involvement in the process. It is the responsibility of the Chair of recruitment panels to ensure that all panel members have completed the training and that there are no conflicts of interest between a Panel member and candidates.
- 6.17 The University's values have been redefined within the new Strategic Plan 2017-2022 as below and stand at the heart of University policy and practice:
- **Transformation:** We believe in the power of education to drive transformation across social, cultural and economic boundaries.
  - **Innovation:** We are innovative and progressive with an entrepreneurial spirit; we think creatively about new ways to do things.
  - **Excellence:** We strive for the highest standards in everything we do.
  - **Partnership:** We believe in working together to achieve lasting results.
  - **Leadership:** We believe in leading the way, challenging convention and breaking new ground.
  - **Community:** We believe in the power of sharing expertise and of people coming together with a common purpose.



- 6.18 Appropriate training is provided to maintain the competence of staff through a set of training guidelines for managers and staff, formally through the personal development and performance review appraisal process. The University has now developed the Leadership and Development Foundation delivering personal development and training, leadership and organisational development to complement the work of the Learning and Teaching Academy.
- 6.19 The University has an Equality and Diversity Policy that underpins all activity. It is committed to promoting equal opportunities and inclusivity for all those involved within the University community, whether staff, students, visitors, contractors or clients. This commitment is to ensure that people's individual qualities are recognised and celebrated; and that people are treated with dignity and respect. An Equality and Diversity mandatory training module is also completed by all staff on a three yearly basis with completion recorded through the personal development and performance review appraisal process.
- 6.20 A dashboard providing key data to inform and direct areas of HR related activity is presented to the Employment Committee on a regular basis.
- 6.21 An online expense claim system allows those staff who claim expenses (approximately 900 staff) to access the claiming of expenses, and the reconciliation of credit card transactions fully online. Those claims then go through the standard approval route. This has resulted in more efficient payments to staff and the ability to access receipts quickly. All expense claims continue to be audited by the Finance Department.
- 6.22 The University's Finance, HR and payroll systems continue to undergo optimisation reviews to ensure that the University is reducing risk and managing controls effectively. The enhancements in this area include:
- The further development of cross validation rules to reduce the number of manual errors in the system;
  - Compliance with regulatory changes such as enhancements to the Local Government Pension Scheme; Teachers' Pension; and changes to Higher Education Statistical Agency (HESA) reporting requirements;
  - The introduction of improved processes for managing grants and funded projects enabling greater control over budgeting, forecasting and report production for individual projects.
  - The development of a Grants and Projects software module (GaP).
  - Better processes for managing non-University employees, and how they are represented on the University's internal systems; and
  - The evaluation of data sets in the Finance and HR Departments leading to the development of the Establishment which will assist the budgeting and monitoring processes across the University.
- 6.23 The University ensures that all procurement processes fully comply with the University's financial regulations, and the Public Procurement Regulations (PCR 2015). All procurement (where applicable) is subject to competitive tender. If an individual tender process exceeds the current threshold for compliance with public sector procurement legislation, the tender process will follow EU guidelines and will be advertised in the Official Journal for the European Union (OJEU) and the UK Government Contracts Finder system.

**7. Particular Indicators of the Effectiveness of the Internal Control Systems during 2018/19**

These include:

- 7.1 Best practice involves regular market testing of internal audit services to maintain quality and cost effectiveness. In March 2014, the University re-tendered its internal audit service provision resulting in the appointment of new Internal Auditors, RSM, from 1 August 2014 until 31 July 2017, with the option for the University of extending for a further three years. The Audit Committee considered the re-appointment of the Internal Auditors at its meeting held on 12 June 2017 and agreed that RSM should continue to be the University's auditors for a further year with their appointment to be further considered at that time. On 11 June 2018, the Audit Committee again reviewed RSM's appointment and agreed to appoint for a further year. At its meeting in June 2019 the Audit Committee agreed to extend RSM's appointment for one final year.
- 7.2 The Audit Committee receives the University's central monitoring log of statutory returns at each of its committee meetings. The log provides assurance on the management and quality of data and that returns are submitted in a timely and effective manner. The Executive Leadership Team ("ELT" formerly known as Strategic Management Team) also has oversight of the log on a monthly basis.
- 7.3 The Office for Students (OfS) approved the University's Access and Participation Plan 2020-21 to 2024-25 in September 2019, which had been recommended by the ELT and endorsed by the Board of Governors. LJMU's Access and Participation Plan has been produced in accordance with the guidance issues by OfS. Led by the Director of Student Recruitment & Admissions, the University has an established Access and Participation Plan Working Group comprising staff from the Finance Department, Academic Registry, Teaching and Learning Academy, Student Advice and Wellbeing and Student Recruitment & Admissions. The Students' Union were engaged in the development of the plan. The University is required to provide a report to the OfS on progress made on commitments in the plan. Specifically, in relation to the attainment gaps for BAME students. The report is to be sent to OfS in January 2021. This is a requirement of the ongoing conditions of registration F3 (i).
- 7.4 Confirmation has been received from the OfS that they have completed checks of the data components of the University's Access agreements and Student Opportunity allocation monitoring return for 2017-18 and confirmed they were happy with the quality of information provided.
- 7.5 The ELT, the Board's Finance Committee and its Audit Committee, and the Board of Governors, receive regular financial reports and updates including budgets, monitoring, half year and outturn forecasts in addition to the end of year financial statements. In causing the financial statements to be prepared and in compliance with OfS regulations, the Board of Governors has ensured that:
- The financial statements give a true and fair view of the state of the University's affairs, and of its income and expenditure, recognised gains and losses, changes in reserves and cash flows for the year. Judgements and estimates have been reasonable and prudent. The financial statements have taken into account relevant statutory and other mandatory disclosure and accounting requirements.

- The financial statements have been properly prepared in accordance with UK accounting standards and the Statement of Recommended Practice: Account for Further and Higher Education, and relevant legislation.
  - Financial statements are prepared on the going concern basis and the Board is satisfied that the University has adequate resources to continue in operation for the foreseeable future.
  - Funds from whatever source administered by the Group or the University for specific purposes have been properly applied to those purposes and managed in accordance with relevant legislation.
  - Funds provided by Office for Students and Research England have been applied in accordance with the terms and conditions attached to them.
  - The requirements of the Office for Students accounts direction have been met.
- 7.6 The Executive Leadership Team and the Finance Committee have approved the 2020 HEFCE sector target for carbon reduction. This will require a reduction of 3,130 CO2 which is a 26.71% reduction from the 2014/15 baseline emissions. The target was informed by the University's advisors INENCO taking due consideration of performance by the University and across the sector. The target was validated by a Sub-Group of the Executive Leadership Team that was established to provide assurance that the target was both realistic and affordable. The delivery of the plan will be overseen by the Estate and Facilities Management Department including Executive Leadership Team representation and will be governed by the University's Environment and Sustainability Panel. During 2018/19 there have six monthly reports on progress to the Executive Leadership Team in addition to annual reports to the Board of Governors' Finance Committee.
- 7.7 Following the implementation of an Anti-Bribery Policy in 2011 a number of activities have been undertaken to raise awareness in connection with the topics of Fraud, Anti-Money Laundering, Anti-Bribery and Due Diligence. Staff are required to complete the online Bribery Act E-Learning Module on induction and thereafter on a three yearly basis. When conducting PDPR (appraisal) sessions, line managers are reminded that they have a responsibility to ensure staff complete the module and to follow up with the relevant member of staff if the module has not been undertaken. Reports of staff completion rates can be produced upon request by the Staff Development Team and those completion rates are reported to the Executive Leadership Team, Audit and Employment Committees on a regular basis. The Audit Committee also received an annual report on Anti-Bribery, anti-Fraud and Anti-Corruption at its meeting held on 12 June 2018 and was assured that there had been no instances of bribery or corruption during 2018/19.
- 7.8 The University has a two-stage process for the approval of an academic collaborative partnership. Stage one is the approval of an organisation as a new partner of the University. Stage two is the strategic approval of a proposed programme(s), to be delivered by/or in association with the applicable partner, to proceed to validation:
- **Stage One:** The University employs a risk-based approach to Due Diligence, which measures a potential partner's strategic fit, legal status and financial stability. The operation of this process is co-ordinated by the

University's Academic Registry and involves input from the University's International Relations, Finance and Student Governance departments. Due Diligence is undertaken by the Academic Registry (for UK partners) / International Relations (for overseas partners). Upon completion the Due Diligence information is considered and endorsed by Academic Registry and the Faculty Management Team(s) of the relevant Faculty/Faculties. The financial elements of Due Diligence are submitted for consideration by the Deputy Director, Finance (or nominee), who provides an assessment of risk of the proposed partnership. Following endorsement of the Due Diligence, it is submitted for consideration and approval by the Chair of the Collaborative Provision Panel (CPP). The decision of the Chair of CPP is then circulated to CPP, the Executive Leadership Team and applicable Faculty-based colleagues and Professional Services. The University's agreed approach to Due Diligence is documented within the Academic Partnerships Operational Guidance.

- **Stage Two:** In the first instance, a costing exercise is undertaken to approve the fee for the proposed programme(s). Following negotiation with the partner, the fee is approved by the Faculty Management Team and submitted to the Fee Setting Working Group for final sign-off. Once fees have been agreed, a Programme Proposal Form is completed, signed-off by both the School/ Department Management Team and Faculty Management Team and is then submitted to the Academic Planning Panel (APP) for its consideration and approval. APP outcomes are reported up to the Education Committee. Programmes approved to proceed to validation by APP follow the University agreed procedures as fully detailed in the Guidance for Validation. The Guidance for Validation is updated and approved on an annual basis.

7.9 To support the management of the UKVI (UK Visas and Immigration) Tier 4 sponsor licence the University UKVI Compliance Officer has continued to undertake internal audits to ensure Tier 4 activity complies with current sponsor guidance. LJMU has continued to subscribe to the UKVI premium service, which provides information to the University in relation to the core measurable rates. Continuously working with our UKVI account manager to ensure that UK immigration policy changes are reflected in the way that LJMU manage Tier 4 activity.

The University was subject to a full audit by UKVI in January 2018. The audit UKVI concluded that the University is fully compliant in all five areas. The Board can take substantial assurance that the controls upon which the University relies are suitably designed, consistently applied and operating effectively.

7.10 The University has met the reporting requirements of both the Freedom of Information Act and the Data Protection Act for requests received, including handling the requests effectively and within the legal timeframe. Staff are required to complete a mandatory online Data Protection and Records Management E-Learning Module on an annual basis which is monitored by managers via the Personal Development and Performance Review appraisal process

- 7.11 The University managed its occupational safety and health risks effectively during 2018/2019. Total workplace accidents for staff, students and others fell in comparison to 2017/18 from 66 to 61. The number of accidents reported to the Health and Safety Executive in accordance with the Reporting of Diseases and Dangerous Occurrences Regulations 2013 increased from three to five. The corresponding incidence rate for reportable accidents per 1,000 staff fell slightly from 1.3 to 1.29. This compares with 0.89 for the most recent data for the sector (2017/2018) and the UK-wide figure of 1.95 (2017/2018).
- 7.12 Following work overseen by the Business Continuity Management Group (BCMG) to embed Business Continuity Management across the institution, the business continuity plans for professional service areas have been reviewed and updated. BCMG continues to meet four times per academic year, with specific meetings scheduled to consider arrangements for Award Ceremonies and Undergraduate Open Days. The Incident Management Team and BCMG members completed a mock incident training session in September 2018. The external consultant supporting the training confirmed that members had a clear understanding of their roles and responsibilities and that the University demonstrated a high level of commitment to major incident management. In addition, BCMG are taking forward a number of recommendations, following two recent incidents. The incidents themselves were successfully managed and caused minimal interruption.
- 7.13 The Occupational Health Unit adheres to the Higher Education Occupation Physician/Practitioners and Safe Effective Quality Occupational Health Service (SEQHS) framework, along with professional bodies' standards for students in vocational programmes. All health-screening targets during 2018/19 were duly met. An internal audit of SEQHS (with a view to achieving accreditation) was planned for 2018, however the new Consultant Occupational Physician has recommended that there is no requirement for a team of the size of the OH function at LJMU to seek full accreditation. The framework will however still be adhered to in terms of clinical governance. The framework provides the clinical governance underpinning the Occupational Health Unit alongside guidance from the regulatory bodies and Department of Health.
- 7.14 After exhausting all of the University's internal complaint/appeal procedures, students are issued with a Completion of Procedures (COP) letter and may refer their complaint to the Office of the Independent Adjudicator (OIA). Following receipt of the COP letter, students have a maximum of 12 months in which to refer their complaint to the OIA. As the OIA's published statistics relate to calendar years rather than academic years, the 12-month period has not yet expired for students issued with COP letters in the latter part of 2018. As at 31 July 2019 the OIA interim report confirmed that they had received 11 complaints with a COP letter issued in 2018.
- 7.15 As part of the Digital/IT Strategy, major system development projects that require financial (revenue or capital) investment, are subject to a detailed business case and presented to the Planning and Resources Committee for approval. A IT /Digital Group, chaired by the Pro-Vice-Chancellor (Education), has responsibility for the prioritisation and monitoring of IT development requests deemed to be of a sufficient scale to warrant formal project management. As a working protocol, developments requiring more than 15

- days of human effort across all teams are deemed to be a 'project', and are prioritised and monitored through the IT/Digital Group. Any projects requiring financial spend are prioritised by the IT/Digital Panel and then presented to the Planning and Resources Committee. Developments of less than 15 days across all teams are deemed operational in nature and prioritisation and implementation progress is monitored through Information Technology Services.
- 7.16 The Academic Board receives an update on all medium and large-scale IT/Digital development projects and IT/Digital related initiatives designed to enhance the student experience at each meeting.
- 7.17 At the meeting of 4 March 2019 the Audit Committee received an annual report highlighting the major initiatives undertaken by the staff of the Procurement Services Team and information about the University's significant purchasing activity. The report identified a variety of value for money, contractual and operational activities undertaken by the Team.
- 7.18 The University ensures that all procurement processes fully comply with the University's financial regulations and the Public Procurement Regulations (PCR 2015). All procurement (where applicable) is subject to competitive tender. If an individual tender process exceeds the current threshold for compliance with public sector procurement legislation, the tender process will follow EU guidelines and will be advertised in the Official Journal for the European Union (OJEU) and the UK Government Contracts Finder system.
- 7.19 The P2P (Procure to Pay) e-market system has been implemented across the whole University. All requisitions across the University are now processed through the i-Buy system. P2P has a major benefit in strengthening the control of budgets and authorisation of purchase orders and improves the efficiency of purchasing, receipting and invoice matching.
- 7.20 The Procurement Maturity Assessment (PMA) is an independent detailed assessment of a University's procurement function and provides the University with a bespoke action plan for improvement, a baseline to measure improvements, as well as benchmark scores against similar institutions. The purpose of the assessment is to help institutions to understand and improve the efficiency and effectiveness of their procurement functions, which can, in turn, lead to significant efficiency savings. A PMA review took place during 2016 which was a follow on from the initial assessment in the 2014/15 year. The second review highlighted improvements across many of the areas. The annual report provided to the Audit Committee highlighted some of the areas where the procurement team had been able to, following the review develop and assist the University to implement the recommendations leading to some additional savings and greater VfM through better supplier contract management.
- 7.21 The Diamond Report on Collaborative procurement has recommended a savings target of 30% for individual HEI spend via existing national or regional agreements. LJMU's collaborative spend for 2017/18 was £ 13.2m or (23.0%) compared to £14.4m (27.4%) in 2016/17. The fall was primarily due to an increase in Estate related spend which while tendered in accordance with the required regulations and through public frameworks such as Pagobo, Scape and CIF did not increase the overall collaborative spend

as desired. Further work is being conducted across the University to encourage the use of public frameworks. The University reported that the use of collaborative agreements contributed to £0.6m towards the savings reported in the Procurement Value Survey (PVS) return.

- 7.22 The Executive Leadership Team regularly reflects on progress against core institutional goals, and monitors performance against measures including recruitment and retention, student experience, employability and research income. Progress against the strategy is reported formally to the Board of Governors in the autumn each year, including performance against the associated Key Performance Outcomes (KPOs). An integrated strategic planning cycle was developed during 2015/16 and has been adopted in full since 2016/17; this is designed to sit beneath the top-level strategy, to translate it into plans and priorities in a holistic way, and to ensure that activities are genuinely driven by the University's vision and ambitions.
- 7.23 Following the implementation of the Counter-Terrorism and Security Act 2015, the University is now required to comply with the Prevent Duty; a key component of the Government's anti-terrorism strategy CONTEST. This duty places responsibility onto the University to 'have due regard to the need to prevent people from being drawn into terrorism'. Responsibilities fall into six broad categories around Leadership, Partnership, Staff Training, Welfare/Pastoral Care and Support, I.T. Policies and Student Unions. A Risk Log and associated Action Plan have been developed identifying all relevant areas of risk, methods of mitigation and areas of responsibility. This document is reviewed by the Executive Leadership Team on a regular basis throughout the year. In addition to internal monitoring, HEFCE have delegated authority from the Home Office for compliance. An annual monitoring process is in place with reporting scheduled for December each year. An initial reporting mechanism, submitted to HEFCE in April 2016, indicated the University's satisfactory compliance with the Duty. The 2018 report submitted to OfS again demonstrated University compliance.
- 7.24 The Annual Sustainability Assurance Report (ASSUR), received by the Board of Governors on an annual basis before submission to HEFCE, provides assurance that the University has in place a proper process for monitoring and managing the sustainability of the Institution, and of its core activities. The five KPIs identified as particularly worthy of governors' attention over the last year, and up to the date of the report, are:
- NSS score for overall satisfaction;
  - NSS score for the teaching on my course;
  - Research Income;
  - Research Outputs (Publications) as measured by Symplectic (Independent Consultants); and
  - Research, Enterprise, European and Collaborative Income (HE-BCI Defined)
- All KPIs are linked to the strategic plan and monitored regularly by the ELT. The ASSUR report is signed by the Chair of the Board of Governors.
- 7.25 The University's Transparent Approach to Costing Return (TRAC) allows the University to fully cost its external research and other activities. The return is submitted to OfS by the end of January each year, and is signed by the Vice-Chancellor & Chief Executive, after having been reviewed

by the University's Costing and Pricing Steering Group. As the financial accounts are not finalised until the preceding November, HEFCE acknowledge that approval of the TRAC return is unlikely to fit with universities' normal cycle of Board meetings, and therefore the TRAC is presented to the Board's Finance Committee at its March meeting. The process for the approval of the TRAC returns will be changing for the 2018/2019 return and additional Finance Committee meetings will be arranged.

## 8. Opinion

- 8.1 The Board of Governors is of the view that there is an ongoing process for identifying, evaluating and managing the University's significant risks: that internal control systems have been in place for the year ended 31st July 2019 and up to the date of approval of the financial statements; that it is regularly reviewed by the Board of Governors; and that it accords with internal control guidance for directors on the UK Corporate Governance Code as deemed appropriate for HE. The Risk Management Policy and Framework has been reviewed and updated to reflect and align closely with the University's strategic plan 2017-2022.

## 9. Going Concern

- 9.1 After making appropriate enquiries, the Board of Governors considers that the University has adequate resources to continue its operational existence for the foreseeable future. For this reason, the Board continues to adopt the 'going concern' basis in preparing the financial statements.



**INDEPENDENT AUDITOR'S REPORT TO THE BOARD OF GOVERNORS OF LIVERPOOL JOHN MOORES UNIVERSITY**

**REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS**

**Opinion**

We have audited the financial statements of Liverpool John Moores University ("the University") for the year ended 31 July 2019 which comprise the Consolidated Statement of Comprehensive Income and Expenditure, Consolidated and University Balance Sheet, Consolidated Statement of Changes in Reserves and the Consolidated Cash Flow Statement and related notes, including the accounting policies.

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 2019, and of the Group's and the University's income and expenditure, gains and losses and changes in reserves, and of the Group's cash flows, for the year then ended;
- have been properly prepared in accordance with UK accounting standards, including FRS 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland, and with the 2015 Statement of Recommended Practice – Accounting for Further and Higher Education; and
- meet the requirements of the Accounts Direction dated 19 June 2018 issued by the Office for Students, other than where the University has applied the allowance to early adopt the requirements of paragraph 12(d) of the Accounts Direction dated 25 October 2019 issued by the Office for Students.

**Basis for opinion**

We conducted our audit in accordance with International Standards on Auditing (UK) ("ISAs (UK)") and applicable law. Our responsibilities are described below. We have fulfilled our ethical responsibilities under, and are independent of the group in accordance with, UK ethical requirements including the FRC Ethical Standard. We believe that the audit evidence we have obtained is a sufficient and appropriate basis for our opinion.

**The impact of uncertainties due to the UK exiting the European Union on our audit**

Uncertainties related to the effects of Brexit are relevant to understanding our audit of the financial statements. All audits assess and challenge the reasonableness of estimates made by the directors, and related disclosures and the appropriateness of the going concern basis of preparation of the financial statements. All of these depend on assessments of the future economic environment and the group's and the University's future prospects and performance.

Brexit is one of the most significant economic events for the UK, and at the date of this report its effects are subject to unprecedented levels of uncertainty of outcomes, with the full range of possible effects unknown. We applied a standardised firm-wide approach in response to that uncertainty when assessing the group's and the University's future prospects and performance. However, no audit should be expected to predict the unknowable factors or all possible future implications for a company and this is particularly the case in relation to Brexit.

**Going concern**

The Board of Governors has prepared the financial statements on the going concern basis as they do not intend to liquidate the Group

or the University or to cease their operations, and as they have concluded that the Group and the University's financial position means that this is realistic. They have also concluded that there are no material uncertainties that could have cast significant doubt over their ability to continue as a going concern for at least a year from the date of approval of the financial statements ("the going concern period").

We are required to report to you if we have concluded that the use of the going concern basis of accounting is inappropriate or there is an undisclosed material uncertainty that may cast significant doubt over the use of that basis for a period of at least a year from the date of approval of the financial statements. In our evaluation of the Board of Governors conclusions, we considered the inherent risks to the Group's business model, including the impact of Brexit, and analysed how those risks might affect the Group and the University's financial resources or ability to continue operations over the going concern period. We have nothing to report in these respects.

However, as we cannot predict all future events or conditions and as subsequent events may result in outcomes that are inconsistent with judgements that were reasonable at the time they were made, the absence of reference to a material uncertainty in this auditor's report is not a guarantee that the Group or the University will continue in operation.

**Other information**

The Board of Governors is responsible for the other information, which comprises the Operating and Financial Review, the Corporate Governance Statement and the Public Benefit Statement. Our opinion on the financial statements does not cover the other information and, accordingly, we do not express an audit opinion or any form of assurance conclusion thereon.

Our responsibility is to read the other information and, in doing so, consider whether, based on our financial statements audit work, the information therein is materially misstated or inconsistent with the financial statements or our audit knowledge. Based solely on that work, we have not identified material misstatements in the other information.

**Board of Governors responsibilities**

As explained more fully in their statement set out on page 31, the Board of Governors is responsible for: the preparation of the financial statements and for being satisfied that they give a true and fair view; such internal control as it determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error; assessing the Group and parent University's ability to continue as a going concern, disclosing, as applicable, matters related to going concern; and using the going concern basis of accounting unless it either intends to liquidate the Group or the parent University or to cease operations, or has no realistic alternative but to do so.

**Auditor's responsibilities**

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

A fuller description of our responsibilities is provided on the FRC's website at [www.frc.org.uk/auditorsresponsibilities](http://www.frc.org.uk/auditorsresponsibilities).

**REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS**

We are required to report on the following matters under the Office for Students and Research England Audit Codes of Practice issued under the Further and Higher Education Act 1992.

In our opinion, in all material respects:

- funds from whatever source administered by the Group or the University for specific purposes have been properly applied to those purposes and managed in accordance with relevant legislation;
- income has been applied in accordance with the University's articles of government; and
- funds provided by the Office for Students and Research England have been applied in accordance with the terms and conditions attached to them.

**THE PURPOSE OF OUR AUDIT WORK AND TO WHOM WE OWE OUR RESPONSIBILITIES**

This report is made solely to the Board of Governors, in accordance with paragraph 13(2) of the University's Articles of Government and section 124B of the Education Reform Act 1988. Our audit work has been undertaken so that we might state to the Board of Governors those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the University and the Board of Governors for our audit work, for this report, or for the opinions we have formed.



**Timothy Cutler**

for and on behalf of KPMG LLP, Statutory Auditor  
28th November 2019

Chartered Accountants  
1 St Peter's Square  
Manchester



**STATEMENT OF ACCOUNTING POLICIES for the year ended 31 July 2019**

**1. General Information**

The Institution of Liverpool John Moores University is registered with the Office for Students in the United Kingdom. The address of the registered office is:

Egerton Court  
2 Rodney Street  
Liverpool  
L1 2UA

**2. Statement of compliance**

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

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

**3. Basis of preparation**

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

**4. Basis of consolidation**

The consolidated financial statements include the University and all its subsidiaries for the financial year to 31 July 2019. The results of subsidiaries acquired or disposed of during the period are included in the consolidated statement of income and expenditure from the date of acquisition or up to the date of disposal. Intra-group transactions are eliminated on consolidation.

Associated companies and joint ventures are accounted for using the equity method.

**5. Income recognition**

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

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

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

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

**Grant funding**

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

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

**Donations and endowments**

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

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

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

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

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

**Capital grants**

Capital grants are recognised in income when the University is entitled to the funds subject to any performance related conditions being met.

**6. Accounting for retirement benefits**

The three principal pension schemes for the University’s staff are the Universities Superannuation Scheme (USS), the Teachers’ Pension Scheme (TPS) and the Merseyside Pension Fund (MPF). The schemes are defined benefit schemes which are externally funded and contracted out of the State Second Pension (S2P). The funds are valued every three years (MPF) and every five years (TPS) by professionally qualified independent actuaries.

The USS is a multi-employer scheme for which it is not possible to identify the assets and liabilities of University members due to the mutual nature of the scheme and therefore this scheme is accounted for as a defined contribution retirement benefit scheme.

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

**Defined Contribution Plan**

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

**Defined Benefit Plan**

Defined benefit plans are post-employment benefit plans other than defined contribution plans. Under defined benefit plans, the University’s obligation is to provide the agreed benefits to current and former employees, and actuarial risk (that benefits will cost more or less than expected) and investment risk (that returns on assets set aside to fund the benefits will differ from expectations) are borne, in substance, by the University. The Group should recognise a liability for its obligations under defined benefit plans net of plan assets.

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

**7. 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.

**8. Finance leases**

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

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

**9. Service Concession Arrangements**

Fixed assets held under service concession arrangements are recognised on the Balance Sheet at the present value of the minimum lease payments when the assets are bought into use with a corresponding financial liability.

Payments under the service concession arrangement are allocated between service costs, finance charges and financial liability

repayments to reduce the financial liability to nil over the life of the arrangement.

**10. Operating leases**

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

**11. Foreign currency**

Transactions in foreign currencies are translated to the respective functional currencies of Group entities at the foreign exchange rate ruling at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies at the balance sheet date are translated to the functional currency at the foreign exchange rate ruling at that date. Foreign exchange differences arising on translation are recognised in Surplus or Deficit [except for differences arising on the retranslation of a financial liability designated as a hedge of the net investment in a foreign operation that is effective, or qualifying cash flow hedges, which are recognised directly in Other Comprehensive Income]. Non-monetary assets and liabilities that are measured in terms of historical cost in a foreign currency are translated using the exchange rate at the date of the transaction. Non-monetary assets and liabilities denominated in foreign currencies that are stated at fair value are retranslated to the functional currency at foreign exchange rates ruling at the dates the fair value was determined.

**12. Joint Venture Entities and Associates**

The institution’s share of assets and liabilities in associate entities and joint ventures is recognised in the institution’s balance sheet in accordance with FRS102 to the extent of the University’s investment in that entity. The gross equity method is used when consolidating joint venture entities and associate entities are consolidated using the equity method entities in accordance with FRS102.

**13. Fixed assets**

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

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

**Land and buildings**

Land and Buildings are measured using a previous UK GAAP valuation taken on 31 May 2013 as deemed cost.

Costs incurred in relation to land and buildings after initial purchase or construction, and post 31 May 2013 valuation, are capitalised to the extent that they increase the expected future benefits to the University.

Freehold land is not depreciated as it is considered to have an indefinite useful life. Freehold buildings are depreciated on a straight line basis over their expected useful lives as follows:

<b>Buildings</b>	50 years
<b>Refurbishments</b>	10 – 20 years

Leasehold land is depreciated over the life of the lease up to a maximum of 50 years.

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

**Equipment**

Equipment, including computers and software, costing less than £15,000 per individual item is recognised as expenditure. All other equipment is capitalised.

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

<b>Computer Equipment</b>	4 years
<b>Equipment acquired for specific research projects</b>	4 years or life of project if appropriate
<b>Other Equipment</b>	4 years
<b>Motor Vehicles</b>	4 years
<b>Telescope</b>	20 years

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

**Borrowing costs**

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

**14. Heritage assets**

The University owns a number of works of art which have been donated or loaned during the last 10 years. These items are not included in the University’s balance sheet as they are not material in value. More information can be found in note 12.

**15. Investments**

Noncurrent asset investments are held on the Balance Sheet at amortised cost less impairment.

Investments in jointly controlled entities, associates and subsidiaries are carried at cost less impairment in the University’s accounts.

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

**16. Stock**

Stock is held at the lower of cost and net realisable value, and is measured using an average cost formula.

**17. Cash and cash equivalents**

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

Cash equivalents are short term, highly liquid investments that are readily convertible to known amounts of cash with insignificant risk of change in value. The University considers cash investments with less than 90 days left to maturity as being cash equivalent.

**18. Provisions, contingent liabilities and contingent assets**

Provisions are recognised in the financial statements when:

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

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

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

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

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

### 19. 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 Consolidated Statement of Income and Expenditure.

### 20. Taxation

The University is an exempt charity within the meaning of Part 3 of the Charities Act 2011. It is therefore a charity within the meaning of Para 1 of schedule 6 to the Finance

Act 2010 and accordingly, the University is potentially exempt from taxation in respect of income or capital gains received within categories covered by section 478-488 of the Corporation Tax Act 2010 (CTA 2010) or section 256 of the Taxation of Chargeable Gains Act 1992, to the extent that such income or gains are applied to exclusively charitable purposes.

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

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

The University's subsidiaries are liable to Corporation Tax in the same way as any other commercial organisation.

Deferred tax is provided in full on timing differences which result in an obligation at the balance sheet date to pay more tax, or a right to pay less tax, at a future date, at rates expected to apply when they crystallise based on current rates and law. Timing differences arise from the inclusion of items of income and expenditure in taxation computations in periods different from those in which they are included in financial statements. Deferred tax assets are more likely than not to be recovered. Deferred tax assets and liabilities are not discounted.

### 21. Financial Instruments

The University has chosen to apply the provisions of sections 11 and 12 of FRS 102 in full. Financial assets and financial liabilities are recognised in the University's balance sheet when the University becomes a party to the contractual provisions of the instrument. A financial asset and a financial liability are offset only when there is a legally enforceable right to set off the recognised amounts and an intention either to settle on a net basis, or to realise the asset and settle the liability simultaneously.

The University's financial assets and liabilities all meet the criteria for basic financial instruments prescribed within FRS102 Section 11.8. All financial assets and liabilities are initially recognised at the transaction price plus any additional directly attributable transaction costs. They are subsequently measured as follows:

#### Investments

Investments within the scope of Section 11 of FRS 102 (therefore excluding investments in subsidiaries, associates and joint ventures) are recognised initially at fair value which is normally the transaction price (but excludes any transaction costs, where the investment is subsequently measured at fair value through the statement of comprehensive income). Subsequently, they are measured at fair value if the investment is publicly traded or their fair value can otherwise be measured reliably with the changes in fair value recognised in the statement of comprehensive income. All other investments are measured at cost less impairment.

#### Short term debtors and creditors

Debtors and creditors with no stated interest rate and receivable or payable within one year are recorded at transaction price. Any losses arising from impairment are recognised in the statement of comprehensive income in other operating expenses.

### 22. SIGNIFICANT ESTIMATES AND JUDGEMENTS

In the process of applying these accounting policies, the University is required to make certain estimates, judgements and assumptions that management believe are reasonable based on the information available. These are reviewed on a regular basis by the University's senior management team. Significant estimates and material judgements used in the preparation of the financial statements are as follows:

#### Recoverability of debtors

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

#### Impairments

Management make judgements as to whether any indicators of impairment are present for any of the University's assets.

#### Provisions

Management apply judgement to arrive at the best estimate for any obligation required. The amount recognised as a provision is management's best estimate of the present value of the amount required to settle the obligation. To arrive at this amount management assess the likelihood and extent of any future settlement and make judgements based on these.

#### Retirement benefit obligations

The University operates within three pension schemes. Two of these schemes are accounted for as defined benefit schemes. These are the Merseyside Pension Fund (MPF) and the Teacher's Pension Scheme (TPS). Pension costs under FRS 102 are based upon the latest actuarial valuation, which is based on assumptions agreed by management following actuarial advice. These assumptions are documented within note 33. The University also operates the Universities Superannuation Scheme (USS). This are accounted for as defined contribution schemes as insufficient information is available to identify the Universities share of the underlying assets

and liabilities. As the University is contractually bound to make deficit recovery payments to USS, this is recognised as a liability on the balance sheet. The USS deficit recovery plan defines the deficit payment required as a percentage of future salaries until 2031. These contributions will be reassessed within each triennial valuation of the scheme. The provision is based on management's estimate of expected future salary inflations, changes in staff numbers and the prevailing discount rate.

### 23. 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.

### 24. CHANGES IN ACCOUNTING POLICIES

Following the 2017 triennial review of FRS 102, the Institution is preparing its financial statements in accordance with the revised provisions of FRS 102 and the 2019 edition of the SORP from the previous 2015 version, for the first time in 2018/19.





**Liverpool John Moores University**  
**Consolidated Statement of Comprehensive Income and Expenditure**  
**Year Ended 31 July 2019**

	Note	Consolidated 2019 £000	University 2019 £000	Consolidated 2018 £000	University 2018 £000
<b>Income</b>					
Tuition Fees and Education Contracts	1	185,421	185,337	179,583	179,559
Funding Body Grants	2	21,211	21,211	20,501	20,501
Research Grants and Contracts	3	9,544	9,483	8,843	8,776
Other Income	4	4,169	3,974	4,864	5,295
Investment Income	5	952	995	674	692
Donations and Endowments	6	261	261	231	231
<b>Total Income</b>		<u>221,558</u>	<u>221,261</u>	<u>214,696</u>	<u>215,054</u>
<b>Expenditure</b>					
Staff Costs	7	140,434	140,434	128,296	128,074
Other operating expenses	9	64,100	63,580	68,455	68,835
Depreciation	11	9,621	9,571	9,327	9,300
Interest and other finance costs	8	5,646	5,818	6,140	6,312
<b>Total Expenditure</b>		<u>219,801</u>	<u>219,403</u>	<u>212,218</u>	<u>212,521</u>
<b>Surplus/(deficit) before other gains losses and share of operating surplus/(deficit) of joint ventures and associates</b>		1,757	1,858	2,478	2,533
Gain/ (loss) on disposal of fixed assets	11	1,809	1,809	(960)	(960)
Share of operating (deficit)/surplus in joint venture	15	(224)	-	(191)	-
<b>Surplus/(deficit) before tax</b>		<u>3,342</u>	<u>3,667</u>	<u>1,327</u>	<u>1,573</u>
Taxation	10	-	-	-	-
<b>Surplus/(deficit) for the year</b>		<u>3,342</u>	<u>3,667</u>	<u>1,327</u>	<u>1,573</u>
Actuarial (loss)/gain in respect of pension schemes	32	(60,531)	(60,531)	35,961	35,961
<b>Total comprehensive income for the year</b>		<u>(57,189)</u>	<u>(56,864)</u>	<u>37,288</u>	<u>37,534</u>
<b>Represented by:</b>					
Restricted comprehensive (expenditure)/income for the year		(500)	(500)	(580)	(580)
Unrestricted comprehensive income for the year		(56,689)	(56,364)	37,868	38,114
		<u>(57,189)</u>	<u>(56,864)</u>	<u>37,288</u>	<u>37,534</u>
<b>Surplus for the year attributable to:</b>					
University		<u>3,342</u>	<u>3,667</u>	<u>1,327</u>	<u>1,573</u>
<b>Total Comprehensive income for the year attributable to:</b>					
University		<u>(57,189)</u>	<u>(56,864)</u>	<u>37,288</u>	<u>37,534</u>

All items of income and expenditure relate to continuing activities.

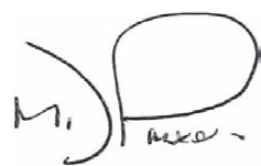
**Liverpool John Moores University**  
**Consolidated and University Statement of Changes in Reserves**  
**Year Ended 31 July 2019**

Consolidated	Income and expenditure account		Revaluation reserve £000	Total £000
	Restricted £000	Unrestricted £000		
<b>Balance at 1 August 2018</b>	2,049	81,172	29,465	112,686
Surplus/(deficit) from the income and expenditure statement	(500)	(56,689)	-	(57,189)
Transfers between revaluation and income and expenditure reserve	-	1,331	(1,331)	-
<b>Total comprehensive income for the year</b>	<u>(500)</u>	<u>(55,358)</u>	<u>(1,331)</u>	<u>(57,189)</u>
<b>Balance at 31 July 2019</b>	<u>1,549</u>	<u>25,814</u>	<u>28,134</u>	<u>55,497</u>
<b>University</b>				
University	Income and expenditure account		Revaluation reserve £000	Total £000
	Restricted £000	Unrestricted £000		
<b>Balance at 1 August 2018</b>	2,049	82,444	29,465	113,958
Surplus/(deficit) from the income and expenditure statement	(500)	(56,364)	-	(56,864)
Transfers between revaluation and income and expenditure reserve	-	1,331	(1,331)	-
<b>Total comprehensive income for the year</b>	<u>(500)</u>	<u>(55,033)</u>	<u>(1,331)</u>	<u>(56,864)</u>
<b>Balance at 31 July 2019</b>	<u>1,549</u>	<u>27,411</u>	<u>28,134</u>	<u>57,094</u>

**Liverpool John Moores University  
Balance Sheets**

	Note	Year ended 31 July 2019		Year ended 31 July 2018	
		Consolidated £000	University £000	Consolidated £000	University £000
<b>Non-Current Assets</b>					
Fixed Assets	11	202,226	200,510	188,921	187,229
Investments	14	3,039	19,029	15,039	31,029
Investment in Joint Venture	15	5,019	-	5,242	-
		<u>210,284</u>	<u>219,539</u>	<u>209,202</u>	<u>218,258</u>
<b>Current Assets</b>					
Stock	17	39	39	37	37
Trade and other receivables	18	17,235	18,041	12,052	12,285
Investments	19	47,000	47,000	35,500	35,500
Cash and cash equivalents	24	60,819	60,695	61,027	60,918
		<u>125,093</u>	<u>125,775</u>	<u>108,616</u>	<u>108,740</u>
Less: Creditors amounts falling due within one year	20	(42,849)	(42,599)	(40,725)	(40,043)
<b>Net current assets/(liabilities)</b>		<u>82,244</u>	<u>83,176</u>	<u>67,891</u>	<u>68,697</u>
<b>Total assets less current liabilities</b>		<u>292,528</u>	<u>302,715</u>	<u>277,093</u>	<u>286,955</u>
Creditors: amounts falling due after more than one year	21	(38,796)	(47,386)	(40,256)	(48,846)
<b>Provisions</b>					
Pension provisions	22	(191,958)	(191,958)	(118,526)	(118,526)
Other provisions	22	(6,277)	(6,277)	(5,625)	(5,625)
<b>Net Assets</b>		<u>55,497</u>	<u>57,094</u>	<u>112,686</u>	<u>113,958</u>
<b>Restricted Reserves</b>					
Income and expenditure reserve	23	1,549	1,549	2,049	2,049
<b>Unrestricted Reserves</b>					
Income and expenditure reserve		25,814	27,411	81,172	82,444
Revaluation reserve		28,134	28,134	29,465	29,465
<b>Total Reserves</b>		<u>55,497</u>	<u>57,094</u>	<u>112,686</u>	<u>113,958</u>

The financial statements were approved by the Board of Governors on 25th November 2019 and were signed on its behalf on that date by:



**Mr Mike Parker CBE**  
Chair of the Board of Governors



**Professor Ian G Campbell BSc, MSc, PhD**  
Vice-Chancellor and Chief Executive



**Liverpool John Moores University  
Consolidated and University Cash Flow  
Year ended 31 July 2019**

	Note	Year ended 31 July 2019	Year ended 31 July 2018
		£000	£000
<b>Cash flow from operating activities</b>			
Surplus for the year		3,342	1,327
<b>Adjustment for non-cash items</b>			
Depreciation	11	9,621	9,327
(Increase)/decrease in stock	17	(2)	3
(Increase)/decrease in debtors	18	(4,229)	(1,058)
Increase/(decrease) in creditors	20	2,124	2,282
Increase/(decrease) in pension provision	22	9,960	3,000
Increase/(decrease) in other provisions	22	652	2,624
Share of operating deficit/(surplus) in joint venture	15	224	191
<b>Adjustment for investing or financing activities</b>			
Investment income	5	(952)	(674)
Interest payable	8	5,646	6,140
Loss on the sale of fixed assets		(759)	960
<b>Net cash inflow from operating activities</b>		<u>25,627</u>	<u>24,122</u>
<b>Cash flows from investing activities</b>			
New deposits		(40,000)	(50,500)
Withdrawn deposits		40,500	72,000
		500	21,500
Investment income	5	952	674
Payments made to acquire fixed assets	11	(23,122)	(9,732)
		(21,670)	12,442
<b>Cash flows from financing activities</b>			
Interest paid	8	(2,705)	(2,733)
Repayments of amounts borrowed	20	(1,460)	(1,210)
		(4,165)	(3,943)
<b>Increase/(decrease) in cash and cash equivalents in the year</b>		<u>(208)</u>	<u>32,621</u>
Cash and cash equivalents at beginning of the year	24	61,027	28,406
Cash and cash equivalents at end of the year	24	60,819	61,027

**Liverpool John Moores University  
Notes to the accounts**

	Year ended 31 July 2019		Year ended 31 July 2018	
	Consolidated £000	University £000	Consolidated £000	University £000
<b>1. Tuition Fees and Education Contracts</b>				
Full-time home & EU students	152,910	152,910	147,685	147,685
Full-time international students	15,502	15,502	13,369	13,369
Part-time students	6,713	6,713	5,465	5,465
Other fees & NHS contracts	10,296	10,212	13,064	13,040
	<u>185,421</u>	<u>185,337</u>	<u>179,583</u>	<u>179,559</u>
<b>2. Funding Body Grants</b>				
<b>Recurrent grant</b>				
Higher Education Funding Council	-	-	13,141	13,141
Office for Students	11,261	11,261	5,283	5,283
Research England	7,232	7,232	-	-
Education and Skills Funding Agency	35	35	24	24
<b>Specific grants</b>				
Higher Education Funding Council	-	-	511	511
Office for Students	272	272	-	-
National College for Teaching and Leadership	(63)	(63)	25	25
Capital Grants	2,474	2,474	1,517	1,517
	<u>21,211</u>	<u>21,211</u>	<u>20,501</u>	<u>20,501</u>
<b>3. Research grants and Contracts</b>				
Research Councils	2,925	2,925	2,422	2,422
UK based Charities	737	737	901	868
Health and Hospitals	823	813	926	899
Central and Local Government	1,179	1,179	605	605
Other grants and contracts	3,880	3,829	3,989	3,982
	<u>9,544</u>	<u>9,483</u>	<u>8,843</u>	<u>8,776</u>

**Liverpool John Moores University  
Notes to the accounts**
**4. Other income**

	Consolidated £000	University £000	Consolidated £000	University £000
Residences, catering and conferences	1,378	1,378	1,593	1,579
Other services rendered	2,495	2,300	3,032	3,477
Other income	296	296	239	239
	<u>4,169</u>	<u>3,974</u>	<u>4,864</u>	<u>5,295</u>

		Year ended 31 July 2019		Year ended 31 July 2018	
	Note	Consolidated £000	University £000	Consolidated £000	University £000
<b>5. Investment income</b>					
Investment income on restricted reserves	23	8	8	7	7
Other investment income		944	987	667	685
		<u>952</u>	<u>995</u>	<u>674</u>	<u>692</u>

**6. Donations and Endowments**

		Consolidated £000	University £000	Consolidated £000	University £000
Donations with restrictions		256	256	231	231
Unrestricted donations	23	5	5	-	-
		<u>261</u>	<u>261</u>	<u>231</u>	<u>231</u>

**7. Staff costs**

	Consolidated £000	University £000	Consolidated £000	University £000
Salaries	100,734	100,734	96,868	96,646
Social security costs	10,611	10,611	10,077	10,077
Apprenticeship Levy	448	448	467	467
Movement on USS provision	1,946	1,946	122	122
Other pension costs	26,695	26,695	20,762	20,762
<b>Total</b>	<u>140,434</u>	<u>140,434</u>	<u>128,296</u>	<u>128,074</u>

**Compensation for loss of Office**

	Consolidated £000	University £000	Consolidated £000	University £000
Notice pay	376	376	43	43
Redundancy pay	424	424	141	141
Compromise agreement	-	-	10	10
Ex-gratia payments	79	79	183	183
Pension payments	382	382	163	163
	<u>1,261</u>	<u>1,261</u>	<u>540</u>	<u>540</u>

**Liverpool John Moores University  
Notes to the accounts**
**7. Staff costs (continued)**

Payments and amounts accrued for the year ended 31<sup>st</sup> July 2019 are in respect of 46 people (2018 22 people).

Emoluments of the Vice Chancellor:	Year ended 31 July 2019		Year ended 31 July 2018	
	£000 Mark Power	£000 Prof. Nigel Weatherill	£000 Mark Power	£000 Prof. Nigel Weatherill
Basic salary	206,634	31,816	-	260,316
Emoluments	11,788	4,365	-	39,072
Pay in lieu of notice	-	148,000	-	-
Benefits	-	171	-	288
Pension contributions to USS	-	22,434	-	6,287
Pension contributions to LGPS	18,153	-	-	-
	<u>236,575</u>	<u>206,786</u>	<u>-</u>	<u>305,963</u>

On 14<sup>th</sup> September 2018 Professor Nigel Weatherill resigned from the position of Vice Chancellor and Chief Executive. He received a payment of £148,000 in lieu of a notice period.

On 15<sup>th</sup> September 2018 Mr Mark Power was appointed Acting Vice Chancellor and Chief Executive. The emoluments included in the table above do not include the salary paid to this individual in his previous role at the University.

On 15<sup>th</sup> July 2019 the University announced the appointment of Professor Ian Campbell as the Vice Chancellor and Chief Executive with effect from October 2019. Professor Campbell will be paid a salary of £230,000.

**Vice Chancellor's remuneration**
**The Remuneration Committee**

The purpose of the Remuneration Committee, as set out in the Terms of Reference approved by the Board, is to determine all matters relating to the salary and terms and conditions of employment of designated Senior Post-holders. The Remuneration Committee also maintains oversight of the University's policy framework for the remuneration and reward of other senior staff on the Directorate level management contracts and the Professoriate. Membership comprises of the Chair (also Deputy Chair of the Board), the Chair of the Board, and the Chairs of Audit, Employment and Finance Committees. The Vice-Chancellor is not a member of the committee but attends as required. Other attendees, as required, include the Executive Director of HR and Director of Finance. The committee is serviced by the University's Secretariat. Staff, including the Vice-Chancellor, are not permitted to be present when matters concerning their own performance and salaries are reviewed and discussed.

**Liverpool John Moores University  
Notes to the accounts**

**7. Staff costs** (continued)

The Committee has met three times during 2018/19 and maintained an excellent level of attendance.

Name	Position	22 Oct	30 Jan	18 Mar	24 Jun
N Benson	Committee Chair and Deputy Chair of the Board	✓	✓	✓	✓
W Williams	Chair of Employment Committee	Not a member	✓	✓	✓
M Parker	Chair of the Board	✓	✓	✓	✓
K Byrne	Chair of Finance Committee	✓	✓	✓	X
A Holroyd	Chair of Employment Committee	✓	Term of office ended		
B McCann	Chair of Audit Committee	X	X	✓	X
M Power	Interim Vice Chancellor	✓	✓	✓	✓

**The University's practice in relation to Remuneration**

The University continues to operate within a highly competitive market. It is important that the University's policies and practice in relation to remuneration support its ability to recruit and retain the best staff.

The University offers an excellent working environment and scores very highly in staff surveys for staff engagement, suggesting that remuneration is only one of a number of factors that impact individual employee decisions to work here.

**1. The key principles of Remuneration**

- a) The University has adopted the CUC Remuneration Code and with it a commitment to ensuring, a fair, appropriate and justifiable level of remuneration within a framework of transparency and accountability.
- b) There is an ongoing commitment to annual Performance Review across the University and the opportunity for staff to develop.
- c) Equal Pay for work of Equal Value. The most recent pay audit was conducted in 2015. The audit will continue on an annual basis in line with Gender Pay Gap reporting.

**2. Staff employed on the National Pay spine**

The University appoints staff to specific roles. Roles are evaluated using the Higher Education Role Analysis (HERA) scheme with each role assigned to an identified grade boundary (which specifies the minimum and maximum salary for each grade and the incremental progression points) on the nationally agreed 51 point pay spine.

Staff employed on grades 2-10 receive annual incremental progression within the specified grade as well as a pay award agreed through national bargaining.

**Liverpool John Moores University  
Notes to the accounts**

**7. Staff costs** (continued)

**3. Senior staff employed on Manager and Professorial Grades**

Senior management and Professorial staff are appointed on the Hay and Professorial pay scales. The point on the scale is determined having regard to benchmarking, experience, expertise and market forces. The annual pay award for staff on these pay scales is determined by the Remuneration Committee operating within an overall sum agreed for staffing as set out through the University's budget process – this sum being guided by the annual national pay award agreed for the main body of staff.

**4. Designated Senior Post-holders**

In determining the individual salaries and any discretionary payments for which the Remunerations Committee has direct responsibility, a guidance note provided to the Committee highlights that any pay review shall take account of:

- Likely national pay award levels and the University's financial position
- The principles set out in the CUC Senior Staff Remuneration Code
- Comparative benchmarking data for similar roles in the UCEA Remuneration Survey of institutions comparable in size and income to the University Benchmarking to be in a range that does not exceed the upper quartile of the UCEA Survey
- The outcomes of performance review against agreed objectives
- The need to reduce the gender pay gap
- External advice where deemed appropriate

**Remuneration of Senior staff (Excluding the Vice-Chancellor)**

Based on the performance of the University, and the national pay award for all staff, the Executive team were awarded a 2.5% pay increase with effect from 1<sup>st</sup> September 2018. Exceptional payments were made to the Deputy Director of Finance to recognise the additional level of responsibility associated with the ongoing absence of the Finance Director, University Secretary and Deputy Chief Executive.

**Remuneration of the Vice-Chancellor**

In agreeing the base salary for the Vice-Chancellor the Remuneration Committee takes into consideration the depth, breadth and complexity of the role. The Remuneration Committee undertakes benchmarking across the Higher Education sector, including comparative information relating to the relevant contribution and income groups. The University subscribes to the UCEA Senior Staff Remuneration Survey and this data is analysed and a report provided utilising the benchmarking data as it represents the most comprehensive and reliable source of data within the sector, enabling cross intuitional comparisons to be made. The University also participates in the Committee of University Chairs' Vice-Chancellors Salary Survey and this data is reviewed.

Any other elements of the total remuneration package for the Vice-Chancellor are reviewed by the Remuneration Committee alongside the annual individual performance review. The annual objectives are set by the Chair of the Board and following a formal review the Chair provides an assessment of progress against the objectives to Remuneration Committee.

**Liverpool John Moores University  
Notes to the accounts**

**7. Staff costs (continued)**

The Vice Chancellor resigned from the University on the 14 September 2018 and the interim Vice Chancellor's salary and benefits are disclosed in note 7 of the financial accounts.

A new Vice Chancellor took up his position on 14 October 2019 and the Remuneration Committee took the opportunity before appointment to consider and benchmark an appropriate remuneration package in conjunction with external advisers.

**Pay Ratio**

In disclosing the Vice Chancellor's pay ratios the University has taken the opportunity to partially early adopt the 2019/20 Accounts Direction from the Office for Students in so far as to include within 'all other employees' all employees who are required to be included in real-time reporting to HMRC.

During the year ended 31 July 2019 there was a change in personnel acting as Vice Chancellor. Professor Nigel Weatherill was in position from 1 August 2018 to 14 September 2018, and from 15 September 2018 the post was occupied by Mark Power. In calculating the pay ratio's the full time equivalent salary for each person has been included assuming they had been in post for the whole financial year. The employers pension contributions for both have been assumed as follows:

Mark Power ceased to contribute to the Local Government Pension Scheme from 1 March 2019, and was in receipt of an emolument in lieu of the employers contributions to the scheme. This scenario has been applied to the whole period to calculate the full time equivalent.

The University was contributing reduced rate employers pension contributions to the Universities Superannuation Scheme in respect of Professor Nigel Weatherill at 2.1%. In calculating the full time equivalent this has been applied to the full time equivalent basic pay and emoluments. The payment in lieu of notice made to Professor Weatherill has been excluded from the calculation, as has the associated employer's pension contribution.

Pay ratio's	Year ended 31 July 2019		Year ended 31 July 2018	
	Mark Power	Prof. Nigel Weatherill	Mark Power	Prof. Nigel Weatherill
Basic pay ratio	7.13	8.08	-	8.24
Total remuneration ratio	<u>6.97</u>	<u>8.15</u>	<u>-</u>	<u>8.38</u>

**Basic Pay Ratio**

The Vice Chancellor's basic salary is expressed in the table above as a ratio of the median of the salaries paid by Liverpool John Moores University to its staff. The median pay is calculated on a full-time equivalent basis for the salaries paid to staff who are returned to HMRC through real time information (RTI). The median basic pay is calculated as £32,236 (2018 £31,604) which includes all full and part time staff, fixed term and temporary staff.

**Liverpool John Moores University  
Notes to the accounts**

**7. Staff costs (continued)**

**Total remuneration pay ratio**

The Vice Chancellor's total remuneration is expressed in the table above as a ratio of the median of the total remuneration paid by Liverpool John Moores University to its staff. The median total remuneration is calculated on a full-time equivalent basis for the total remuneration paid to staff who are returned to HMRC through real time information (RTI). The median total remuneration is calculated as £37,066 (2018 £36,463) which includes all full and part time staff, fixed term and temporary staff. Total remuneration includes basic pay, emoluments, overtime paid to full time employees and employer's pension contributions.

Remuneration of other higher paid staff, excluding employer's pension contributions all shown before any salary sacrifice:

	Year ended 31 July 2019	Year ended 31 July 2018
	No.	No.
£100,000 to £104,999	5	4
£105,000 to £109,999	2	1
£110,000 to £114,999	1	-
£115,000 to £119,999	-	-
£120,000 to £124,999	1	3
£125,000 to £129,999	1	-
£130,000 to £134,999	3	3
£135,000 to £139,999	4	2
£140,000 to £144,999	1	-
£145,000 to £149,999	2	3
£150,000 to £154,999	-	1
	<u>20</u>	<u>17</u>

Average staff number by major category:

	No.	No.
Academic	1,322	1,278
Non Academic	<u>1,150</u>	<u>1,138</u>
	<u>2,472</u>	<u>2,416</u>

**Key management personnel**

**Liverpool John Moores University**  
**Notes to the accounts**
**7. Staff costs** (continued)

[Note that compensation consists of salary, employers national insurance contributions and benefits including employers pension]

	Year ended 31 July 2019 £000	Year ended 31 July 2018 £000
Key management personnel compensation	<u>2,943</u>	<u>2,404</u>

Included in the above is £0.523m (2018 £nil) paid to five key management personnel in respect of loss of office.

**Governors (Also known as trustees)**

The University governors are the trustees for charitable law purposes.

No Governor has received any remuneration/waived payments from the group during the year (2018 £nil).

The total expenses paid to or on behalf of 20 governors, also known as Trustees was £0.002m (2018 £0.043m to 24 Governors). This represents travel and subsistence expenses incurred in attending Board meetings and events in their official capacity, including conferences and away days. During the year ended 31<sup>st</sup> July 2018 £0.031m was incurred in fees for an executive search and selection of a new Chair to the Board of Governors. This was included in the £0.043m reported.

**8. Interest and other  
finance costs**

Note	Year ended 31 July 2019		Year ended 31 July 2018	
	Consolidated £000	University £000	Consolidated £000	University £000
Loan interest	2,705	2,705	2,733	2,733
Other interest	-	172	-	172
Net charge on pension scheme	32	2,941	3,407	3,407
	<u>5,646</u>	<u>5,818</u>	<u>6,140</u>	<u>6,312</u>

**Liverpool John Moores University**  
**Notes to the accounts**
**9. Analysis of other  
operating expenses**

	Year ended 31 July 2019		Year ended 31 July 2018	
	Consolidated £000	University £000	Consolidated £000	University £000
Academic departments and services	27,170	27,305	27,871	28,520
Administration and central services	13,449	13,433	14,911	15,100
Premises	14,774	14,774	18,138	18,138
Residences, catering and conferences	1,150	1,150	1,262	1,262
Research grants and contracts	7,557	6,918	6,273	5,815
	<u>64,100</u>	<u>63,580</u>	<u>68,455</u>	<u>68,835</u>

**Other operating expenses  
include:**

	Year ended 31 July 2019	Year ended 31 July 2018
Fees payable to the company's auditor for the audit of the company's annual accounts	50	49
Audit of the accounts of subsidiaries	8	8
External auditors remuneration in respect of non-audit services	79	78
Grant audits	9	7
Internal audit services	78	83
Operating lease rentals	92	27
Land and buildings	1,173	1,213

**10. Taxation**

	Year ended 31 July 2019		Year ended 31 July 2018	
	Consolidated £000	University £000	Consolidated £000	University £000
<b>Recognised in the statement of comprehensive income:</b>				
<b>Current Tax</b>				
Current tax expense	-	-	-	-
Adjustment in respect of previous years	-	-	-	-
<b>Current Tax expense</b>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>

**Liverpool John Moores University  
Notes to the accounts**

**11. Fixed Assets**

Group	Freehold land and Buildings	Leasehold land and Buildings	Telescope	Equipment	WIP	Total
<b>Cost or valuation</b>						
At 1 August 2018	192,868	704	5,183	30,424	4,276	233,455
Additions	-	-	-	4,095	19,027	23,122
Transfers	2,792	-	-	160	(2,952)	-
Disposals	(189)	-	-	(1,130)	-	(1,319)
At 31 July 2019	<u>195,471</u>	<u>704</u>	<u>5,183</u>	<u>33,549</u>	<u>20,351</u>	<u>255,258</u>
<b>Consisting of valuation as at :</b>						
31 May 2013	170,996	665	-	-	-	171,661
Cost	24,475	39	-	-	-	24,514
	<u>195,471</u>	<u>704</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>196,175</u>
<b>Depreciation</b>						
At 1 August 2018	19,592	-	3,801	21,141	-	44,534
Charge for the year	4,829	-	273	4,519	-	9,621
Disposals	-	-	-	(1,123)	-	(1,123)
At 31 July 2019	<u>24,421</u>	<u>-</u>	<u>4,074</u>	<u>24,537</u>	<u>-</u>	<u>53,032</u>
<b>Net book value</b>						
	Freehold land and Buildings	Leasehold land and Buildings	Telescope	Equipment	WIP	Total
At 31 July 2019	<u>171,050</u>	<u>704</u>	<u>1,109</u>	<u>9,012</u>	<u>20,351</u>	<u>202,226</u>
At 31 July 2018	<u>173,276</u>	<u>704</u>	<u>1,382</u>	<u>9,283</u>	<u>4,276</u>	<u>188,921</u>

**Liverpool John Moores University  
Notes to the accounts**

**11. Fixed Assets (continued)**

University	Freehold land and Buildings	Leasehold land and Buildings	Telescope	Equipment	WIP	Total
<b>Cost or valuation</b>						
At 1 August 2018	191,542	704	5,183	30,424	3,883	231,736
Additions	-	-	-	4,095	18,952	23,047
Transfers	2,324	-	-	160	(2,484)	-
Disposals	(189)	-	-	(1,130)	-	(1,319)
At 31 July 2019	<u>193,677</u>	<u>704</u>	<u>5,183</u>	<u>33,549</u>	<u>20,351</u>	<u>253,464</u>
<b>Consisting of valuation as at :</b>						
31 May 2013	170,996	665	-	-	-	171,661
Cost	22,671	39	-	-	-	22,710
	<u>193,667</u>	<u>704</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>194,371</u>
<b>Depreciation</b>						
At 1 August 2018	19,565	-	3,801	21,141	-	44,507
Charge for the year	4,779	-	273	4,519	-	9,571
Disposals	-	-	-	(1,123)	-	(1,123)
At 31 July 2019	<u>24,344</u>	<u>-</u>	<u>4,074</u>	<u>24,537</u>	<u>-</u>	<u>52,955</u>
<b>Net book value</b>						
	Freehold land and Buildings	Leasehold land and Buildings	Telescope	Equipment	WIP	Total
At 31 July 2019	<u>169,333</u>	<u>704</u>	<u>1,109</u>	<u>9,012</u>	<u>20,351</u>	<u>200,510</u>
At 31 July 2018	<u>171,977</u>	<u>704</u>	<u>1,382</u>	<u>9,283</u>	<u>3,883</u>	<u>187,229</u>

At 31 July 2019, land and buildings included £27.588m (2018 - £27.777m) in respect of land that is not depreciated.

During the year the University entered into a development agreement which included the sale of land at the site of the former Haigh building. The site was sold for £2m resulting in a profit on disposal of £1.81m which is charged to the income and expenditure account. Of the £2m sale proceeds, £950k has been deferred and is included in prepayments and deferred income.

During the year ended 31 July 2018 £10.364m was transferred from work in progress to freehold land in respect of the Copperas Hill site. This value consists of purchases of land and invested costs, which include demolition, which added value to the site.

During the year ended 31st July 2018 it became apparent that pursuant to the terms of an agreement dated 28th January 1993 between the University and Liverpool City Council



## Liverpool John Moores University Notes to the accounts

### 11. Fixed Assets (continued)

relating to the transfer of a large number of properties to Liverpool Polytechnic, one property transfer was not completed. This property, 16 Tullimore Road, has previously been treated as an asset by the University and capitalised in accordance with accounting policy. In light of the current information it was felt prudent to write the capital amount off the University balance sheet. This resulted in a charge to the income and expenditure account of £0.166m. It is thought the transfer will be completed in due course and the University will seek to sell the property as residential if another purpose cannot be found.

During the year ended 31st July 2018 the University disposed of a building, known as the Haigh, resulting in a charge to the income and expenditure account of £0.789m. This building has been demolished.

### 12. Heritage Assets

The University holds heritage assets, donated to the University with an insurance value of £0.061m and loaned to the University with an insurance value of £0.107m. Heritage assets include paintings, vases and ceremonial maces. These assets are not recognised on the balance sheet as they are not material in value.

### 13. Service Concession Arrangements

The University has no minimum guaranteed payment and therefore no asset and liability to recognise on the Balance Sheet.

### 14. Non-Current Investments

	Cash and cash equivalents £000	Subsidiary Companies £000	Other fixed asset investments £000	Total £000
<b>Consolidated</b>				
At 1 August 2018	15,000	-	39	15,039
Cash movement	(12,000)	-	-	(12,000)
At 31 July 2019	<u>3,000</u>	<u>-</u>	<u>39</u>	<u>3,039</u>
<b>University</b>				
	<b>£000</b>	<b>£000</b>	<b>£000</b>	<b>£000</b>
At 1 August 2018	15,000	15,990	39	31,029
Cash movement	(12,000)	-	-	(12,000)
At 31 July 2019	<u>3,000</u>	<u>15,990</u>	<u>39</u>	<u>19,029</u>

The University owns 100% of the share capital of JMU Services Limited, JMU Property Development Company Limited, JMU Learning Resource Centre Development Limited, JMU Building Services and Maintenance Limited, Liverpool Business School Limited, Standard Trace Metal Quantification Limited, LJMU Recruitment Agency Limited and Liverpool John Moores (Malaysia) SDN.BHD. The University subsidiary companies are all registered in the

## Liverpool John Moores University Notes to the accounts

### 14. Non-Current Investments (continued)

United Kingdom with the exception of Liverpool John Moores (Malaysia) SDN.BHD, which is registered in Malaysia. All of the trading subsidiaries have been consolidated.

Other investments are in respect of shares in CVCP Properties PLC (1.0%) and Amaze Ltd (250,000 preference shares, redemption value £nil).

The University hold a 50% interest in Sensor City Liverpool Limited.

The University holds a 24.5% interest in Liverpool Science Park Limited, which is not considered to be material and therefore not consolidated in these accounts.

The University holds a 33.3% interest in Sciontec Developments Limited which is not considered to be material and therefore not consolidated in these accounts.

Deposits are held with banks and building societies operating in the London market and licensed by the Financial Services Authority with more than twelve months maturity at the balance sheet date. The interest rates for these deposits are fixed for the duration of the deposit at time of placement. The fair value of these deposits was not materially different from the book value.

### 15. Investment in joint venture

Sensor City Liverpool Limited is a company limited by guarantee. The company was incorporated on 23 October 2014. Liverpool John Moores University and University of Liverpool each have a 50% interest in the company. The arrangement is treated as a joint venture and is accounted for using the gross equity method. The net assets of the company have been restated using the University's accounting policy for valuing assets as this differs from the accounting policy of the company. For the year ended 31 July 2019 the net assets of the company were £10.049m (31 July 2018 £10.484m net assets), the group share of these being £5.025m (2018 £5.242m). The company's financial year end is 31 July 2019.

The Sensor City reported figures have been adjusted to reflect the University accounting policy with respect to land and buildings.

	Year ended 31 July 2019		Year ended 31 July 2018	
	£000	£000	£000	£000
<b>Income and expenditure account</b>				
Income		1,880		105
Deficit before tax		<u>(224)</u>		<u>(191)</u>
<b>Balance Sheet</b>				
Fixed Assets	4,823		5,066	
Current Assets	<u>441</u>		<u>357</u>	
		5,264		5,423
Creditors: amounts due within 1 year		<u>(245)</u>		<u>(181)</u>
<b>Share of net assets/(liabilities)</b>		<u>5,019</u>		<u>5,242</u>

**Liverpool John Moores University**  
**Notes to the accounts**
**15. Investment in joint venture (continued)**

The university participates in a number of joint research contracts with other universities. Income from significant arrangements during 2019 amounted to £1.057m (2018 £0.923m). Within this are the following projects of note:

**ERDF Low Carbon Eco-Innovatory** - a project focused on developing innovative low carbon goods, processes and services through collaborative partnerships.

**ERDF Liverpool City Region 4.0** – a project focused on developing innovating low carbon goods, processes and services through collaborative partnerships.

**ERDF LCR Activate** – a project focused on helping companies in the Digital and Creative sector take big leaps forward in the fields of cognitive computing, high performance computing, cloud computing and merging data

**16. Investment in associates**
**Liverpool Science Park Limited**

The University has a 24.5% holding in Liverpool Science Park Limited, a company which is limited by guarantee and has no share capital. The company aims to promote, deliver, sponsor, co-ordinate and, where appropriate, fund the establishment and continued operation, development and management of Liverpool Science Park incorporating, without limit, knowledge based SMEs developed from, or in connection with, local higher education institutions or from elsewhere in the Knowledge Economy and to encourage and support the development of new and growing businesses in the fields of science and knowledge based technologies. During the year to 31<sup>st</sup> March 2019 the company made a loss of £0.1m (2018 £0.275 profit). The University share of this loss is £0.025m (2018 £0.067m profit). This has not been included in the consolidated figures as the University does not consider this to be material.

**Sciontec Developments Limited**

The University has a 33.3% holding in Sciontec Developments Limited, a private limited company which is limited by its shares. The company was incorporated on 14<sup>th</sup> September 2018, and has an accounting reference date of 30th September. The company has not traded during this period.

**17. Stock**

	Year ended 31 July 2019		Year ended 31 July 2018	
	Consolidated £000	University £000	Consolidated £000	University £000
General consumables	39	39	37	37

**Liverpool John Moores University**  
**Notes to the accounts**
**18. Trade and other receivables**

	Year ended 31 July 2019		Year ended 31 July 2018	
	Consolidated £000	University £000	Consolidated £000	University £000
Amounts falling due within one year:				
Research grants receivables	2,021	2,021	1,671	1,671
Other trade receivables	5,715	5,470	2,779	2,493
Other receivables	180	168	254	206
Prepayments and accrued income	8,964	8,964	7,049	7,049
Amounts due from subsidiary companies	-	1,063	-	567
Amounts due from associate companies	169	169	168	168
Amounts due from joint venture	186	186	131	131
	<u>17,235</u>	<u>18,041</u>	<u>12,052</u>	<u>12,285</u>

**19. Current Investments**

	Year ended 31 July 2019		Year ended 31 July 2018	
	Consolidated £000	University £000	Consolidated £000	University £000
Short term deposits	47,000	47,000	35,500	35,500

Deposits are held with banks and building societies operating in the London market and licensed by the Financial Services Authority with less than three months maturity at the balance sheet date. The interest rates for these deposits are fixed for the duration of the deposit at time of placement.

At 31 July 2019 the weighted average interest rate of these fixed rate deposits was 0.94% (2018 0.72%) per annum and the remaining weighted average period for which the interest rate is fixed on these deposits was 135 days (2018 159 days). The fair value of these deposits was not materially different from the book value.

**Liverpool John Moores University  
Notes to the accounts**

20. Creditors: amounts falling due within one year	Year ended 31 July 2019		Year ended 31 July 2018	
	Consolidated £000	University £000	Consolidated £000	University £000
Secured loans	1,292	1,292	1,063	1,063
Trade payables	6,977	6,968	5,420	5,043
Social security and other taxation payable	5,089	5,089	4,832	4,832
Amounts due to subsidiary companies	-	399	-	45
Accruals and deferred income	29,372	28,732	29,342	28,993
Other Creditors	119	119	68	67
	<u>42,849</u>	<u>42,599</u>	<u>40,725</u>	<u>40,043</u>

**Deferred income**

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

	Consolidated £000	University £000	Consolidated £000	University £000
Research grants received on account	5,087	5,087	4,930	4,930
Grant income	208	208	165	165
Other income	476	476	2,554	2,554
	<u>5,771</u>	<u>5,771</u>	<u>7,649</u>	<u>7,649</u>

21. Creditors: amounts falling after more than one year	Year ended 31 July 2019		Year ended 31 July 2018	
	Consolidated £000	University £000	Consolidated £000	University £000
Secured loans	38,796	38,796	40,256	40,256
Intercompany lease	-	8,590	-	8,590
	<u>38,796</u>	<u>47,386</u>	<u>40,256</u>	<u>48,846</u>

The remaining intercompany loan is between the university and JMU Property Development Company Limited and is respect of a loan agreement dated 25th April 1996.

**Liverpool John Moores University  
Notes to the accounts**
**21. Creditors: amounts falling after more than one year (continued)**

Analysis of secured loans:	Consolidated £000	University £000	Consolidated £000	University £000
<b>Due within one year or on demand (note 20)</b>	1,292	1,292	1,063	1,063
Due between one and two years	1,341	1,341	1,292	1,292
Due between two and five years	12,498	12,498	3,913	3,913
Due in five years or more	24,957	33,547	35,051	43,641
<b>Due after more than one year</b>	<u>38,796</u>	<u>47,386</u>	<u>40,256</u>	<u>48,846</u>
<b>Total secured and unsecured loans</b>	<u>40,088</u>	<u>48,678</u>	<u>41,319</u>	<u>49,909</u>

Included in the loans are the following:

Lender	Amount £000	Term years	Interest rate %	Borrower
Barclays Plc	7,450	25	7.99	University
Barclays Plc	3,000	25	1.52	University
Barclays Plc	3,000	25	1.52	University
Barclays Plc	20,000	25 from 2013	6.07	University
Barclays Plc	10,000	18 from 2015	6.36	University
Barclays Plc	10,000	12 from 2011	6.68	University
	<u>53,450</u>			

The group has £20m undrawn borrowing facility available at 31<sup>st</sup> July 2019.

**Liverpool John Moores University  
Notes to the accounts**
**22. Provisions for liabilities**

University and Consolidated	Obligation to fund deficit on USS Pension	Enhanced Pension Scheme	Defined Benefit Obligations (note 33)	Total Pension Provisions	Other	Total Other
At 1 August 2018	1,069	11,377	106,080	118,526	5,625	5,625
Utilised in year	-	(861)	-	(861)	(92)	(92)
Transfer from I&E	1,946	1,527	70,820	74,293	744	744
At 31 July 2019	3,015	12,043	176,900	191,958	6,277	6,277

Included within other provisions are provisions for dilapidation costs of £2.852m (2018 £2.688m) and provisions for bursaries and scholarship of £1.727m (2018 £0.916m). Dilapidations charged to the Income and Expenditure account in the current year totalled £0.164m (2018 £1.994m). Also included in other provisions are restructuring costs of £0.445m (2018 £nil) in relation to 11 staff members. Other provisions include contractual obligations in relation to student activity.

**Pension enhancement**

The enhanced pension provision is in respect of pension enhancements payable to staff that have taken early retirement. The provision has been re-valued at 31 July 2019.

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

	Consolidated
Discount rate	2.3%
Inflation	1.8%

**USS deficit**

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



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**23. Restricted Reserves**

	Unspent capital grants £000	Donations £000	Total £000
<b>At 1 August 2018</b>	1,045	1,004	2,049
New capital grants	2,090	-	2,090
New donations	-	256	256
Investment income	-	8	8
Capital grants utilised	(2,618)	-	(2,618)
Expenditure	-	(236)	(236)
<b>At 31 July 2019</b>	<u>517</u>	<u>1,032</u>	<u>1,549</u>

**Analysis of other restricted funds/donations by type of purpose:**

	2019 Total £000	2018 Total £000
Scholarships and bursaries	235	189
Student support	499	441
Research support	18	17
Prize funds	207	174
General	73	183
	<u>1,032</u>	<u>1,004</u>

**24. Cash and Cash equivalents**

	At 1 August 2018 £000	Cash Flows £000	At 31 July 2019 £000
<b>Consolidated</b>			
Cash and cash equivalents	<u>61,027</u>	<u>(208)</u>	<u>60,819</u>
<b>University</b>			
Cash and cash equivalents	<u>60,918</u>	<u>(223)</u>	<u>60,695</u>

**25. Capital and other commitments**

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

	31 July 2019		31 July 2018	
	Consolidated £000	University £000	Consolidated £000	University £000
Commitments contracted for	<u>80,360</u>	<u>80,360</u>	<u>3,311</u>	<u>3,311</u>

**Liverpool John Moores University**  
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**26. Contingent liabilities**

The University has considered the existence of any Contingent Liabilities for the group as at 31<sup>st</sup> July 2019 and concludes that there are none.

**27. Lease obligations**

	31 July 2019		Total £000	31 July 2018 £000
	Land and Buildings £000	Plant and Machinery £000		
<b>Payable during the year</b>	1,173	92	1,265	1,240
<b>Future minimum lease payments due:</b>				
Not later than 1 year	1,051	97	1,148	1,105
Later than 1 year and not later than 5 years	3,646	70	3,716	3,651
Later than 5 years	2,252	-	2,252	3,059
<b>Total lease payments due</b>	<u>6,949</u>	<u>167</u>	<u>7,116</u>	<u>7,815</u>

**Finance Leases**

The University has an intercompany lease with JMU Learning Resource Centre Development Limited. The lease runs for 25 years from 24 November 1995 and is in respect of the Avril Roberts Learning Resource Centre. No payments have been made in respect of the lease since 1 April 2005

**28. Subsidiary Undertakings**

The subsidiary companies, with the exception of Liverpool John Moores (Malaysia) SDN.BHD are registered in England and Wales. Liverpool John Moores (Malaysia) SDN.BHD is registered in Malaysia and ownership is in the UK. All the subsidiary companies, wholly owned or effectively controlled by the University, are as follows:

Company	Status	Principal Activity
JMU Property Development Company Ltd	100% owned	Property Development Company
JMU Services Ltd	100% owned	Academic enterprise
JMU Learning Resource Centre Development Ltd	100% owned	Leasing of the Avril Roberts Learning Resource Centre
JMU Building Services and Maintenance Ltd	100% owned	Promotion of the advancement of education by provision of funds to the University
Liverpool Business School Ltd	100% owned	Dormant

## Liverpool John Moores University Notes to the accounts

### 28. Subsidiary Undertakings (continued)

Company	Status	Principal Activity
Liverpool John Moores (Malaysia) SDN.BHD	100% owned	Promote and support collaborations within Malaysia
Standard Trace Metal Quantification Ltd	100% owned	Producing a standard referencing material for provision to the pharmaceutical industry
LJMU Recruitment Agency Limited	100% owned	Recruitment agency

The University exercises a significant influence over the operations of JMU Building Services and Maintenance Limited, a company limited by guarantee. The University is the guarantor and the directors of the company must be appointed from officers or governors of the University, or members of the Company.

### 29. Related party transactions

Due to the nature of the University's operations and the composition of the Board of Governors (being drawn from local public and private sector organisations) it is inevitable that transactions will take place with organisations in which a member of the Board of Governors may have an interest. In accordance with FRS102 these are disclosed where members of the University's board of Governors disclose an interest in a body with whom the University undertakes transactions which are considered material to the University's financial statements and/or to the other party. All such transactions involving organisations in which members of the Board of Governors may have an interest are declared and undertaken at 'arms' length in accordance with the University's normal procurement procedures.

An updated register of interests of the Board of Governors and members of the Executive Leadership Team (ELT) and Strategic Delivery Forum (SDF) is maintained.

The University has taken advantage of the exemption allowed under FRS102 not to disclose transactions between wholly owned group companies.

## Liverpool John Moores University Notes to the accounts

### 29. Related party transactions (continued)

Included within the financial statements are the following transactions with related parties:

	Income	Expenditure	Balances at 31 July 2019 due (from)/to the University
	£	£	£
Sensor City Liverpool Limited	309,281	43,069	445
Liverpool Science Park Limited	-	527,736	-
Ove Arup and Partners Limited	3,283	15,740	-
FACT	3,132	47,067	-
Gilmour Junior School	420	7,752	420
Mersey Maritime	(920)	8,078	-
Northern Consortium	1,350	40,448	-
ADHD Foundation	-	430	-
Alder Hey Hospital	37,340	95,643	-
Education and Competences Consortium Limited	3,000	-	-
Society of College, National and University Libraries (SCONUL)	-	6,866	-
Liverpool and Sefton Chamber of Commerce	-	3,024	-
Brookfields Special School	-	120	-
Ridgeway High School	20,000	1,000	-
UK Council for Graduate Education	-	3,465	-

**Sensor City Liverpool Limited** is a company that is jointly owned by the University whose objective is to manage and operate a sensor technology innovation centre to be based at the gateway of Liverpool's Knowledge Quarter. The income relates to the recharge of seconded staff costs. The expenditure relates to revenue funding in accordance with the joint venture agreement. Two members of ELT are directors of the company.

**Ove Arup Limited** is a professional services firm which provides engineering, design, planning, project management and consulting services for all aspects of the built environment. The income relates to tuition fees. A member of the Board of Governors is an employee of the company.

**FACT** is a Liverpool-based cinema, art gallery and the UK's leading organisation for the support & exhibition of film, art and new media. The expenditure relates to facilitating educational workshops and the hire facilities. A member of ELT is a Board member of the organisation.

## Liverpool John Moores University Notes to the accounts

### 29. Related party transactions (continued)

**Gilmour Junior School** is a junior school located in Garston, Liverpool. The income is from school sports day. Expenditure relates to costs incurred in the normal course the provision of education. A member of SDF is a Governor of the school.

**Knowledge Quarter Development Zone** Board are responsible for updating the area's science and technology facilities and delivering new workspace and lab developments as Liverpool consolidates its position as a world class innovation district. The expenditure relates to the funding of the board's revenue costs. A member of the Board of Governors and SMT is the Vice-chair of the Board.

**Mersey Maritime** the representative body for the Maritime Sector in the Liverpool City Region. The expenditure relates to annual Membership fees and event attendance fees. A member of SDF is a director of the company.

**Northern Consortium UK** provides university preparation and pathway qualifications for international students as preparation for study outside of their home country. The expenditure relates to commission for student recruitment and the recharge of travel expenses. A member of ELT is a Director of the company.

**ADHD Foundation** is a partnership of individuals, families, doctors, teachers and other agencies who specialise in ADHD and raise awareness. The expenditure relates to visiting speakers fees. A member of SDF is a Trustee of the foundation.

**Alder Hey Hospital** is one of Europe's biggest children's hospitals. The income relates to tuition fees received. A member of the Board of Governors is a Non-executive Director of the trust.

**Ridgeway High School** is a high school located in Prenton. The income is from tuition fees. Expenditure relates to costs incurred in the normal course the provision of education. A member of SDF is a Co-opted Governor of the school.

**UK Council for Graduate Education** is a not for profit organisation that promotes post graduate education. Expenditure relates to University membership and conference attendance. A member of SDF is a trustee of the organisation.

**Liverpool Science Park Limited** provides Grade A commercial office and laboratory space in the centre of Liverpool's Knowledge Quarter. Expenditure relates to the rental of space within Liverpool Science Park. 2 members of ELT are directors of this company.

**Brookfields Special School** is a primary special academy situated in Widnes, Cheshire. The school provides specialist education for pupils with severe and complex learning difficulties and autistic spectrum disorders. Expenditure relates to training for interviews. A member of SDF is a Co-opted Governor of the school.

**Education Competencies Consortium Ltd** UK's leader in shaping and defining reward in Higher and Further Education. The income relates to an honorarium. A member of SDF is a board member.

## Liverpool John Moores University Notes to the accounts

### 29. Related party transactions (continued)

**SCONUL** represents all university libraries in the UK and Ireland. Expenditure relates to University membership and conference attendance. A member of SDF is a trustee of this organisation.

**Liverpool & Sefton Chamber of Commerce** promotes and enables the region to be the best place to start or locate a business in the UK. Expenditure relates to annual membership. A member of the Board of Governors is a Non-Executive director and Chair of this organisation.

### 30. Financial Instruments

#### Risk Management

The University's treasury management function monitors and manages the financial risks faced by the University. These risks are managed within the parameters of the University's Treasury Management Policy as approved by the Board of Governors.

Compliance with policies and exposure limits is reviewed by the Finance Committee on a continuous basis. The University does not enter into or trade financial instruments, including derivative financial instruments.

The University's principal financial instruments are cash, investments and loans. The core objective of these financial instruments is to meet the financing needs of the University's operations. Additionally, the University has other financial assets and liabilities arising directly from its operations i.e. trade debtors and creditors.

#### Credit risk

Credit risk refers to the risk that a counterparty will default on its contractual obligations resulting in a financial loss to the University.

The University's credit risk arises from bank balances, investments, student debtors and commercial organisations as customers. Management of credit risk is a prime objective of the Treasury Management Policy. At 31 July 2018, the maximum exposure is represented by the carrying value of each financial asset in the balance sheet.

The credit risk of liquid funds and financial instruments is limited because the counterparties are banks with investment grade credit ratings assigned by international credit-rating agencies. The University's exposure and the credit ratings of its counterparties are monitored regularly. The credit exposure is limited by counterparty limits and minimum counter party credit ratings set within the treasury management policy.

Student and commercial debtors are reviewed on an-ongoing basis and a bad debt provision is made if recovery becomes uncertain. If a debtor is deemed irrecoverable it is written off. The concentration of risk is limited due to a large number of diverse customers across both students and commercial customer populations.

## Liverpool John Moores University Notes to the accounts

### 31. Financial Instruments (continued)

#### Liquidity Risk

Liquidity risk refers to the risk that the University will not be able to meet its financial obligations as they fall due. Regular monitoring of liquidity risk is an essential feature of treasury management activities.

Cash flow forecasts form part of the University 5 year planning process and are revised during the financial year when 2 re-forecasts are made. The University policy is to maintain a minimum of £10m in on-call cash balances. Excess funds are invested to maximise the return whilst observing the Treasury Management Policy limits.

#### Foreign currency risk

Foreign currency risk refers to the risk that unfavourable movement in exchange rates may cause financial loss to the University. The University's principal foreign currency exposure is to the euro. On an annual basis after satisfying euro denominated liabilities the University is left with a nil balance of euros.

#### Interest rate risk

Interest rate risk refers to the likelihood that changes in interest rates will result in fluctuations of the value of balance sheet items (i.e. price risk) or changes in interest income or expenses (i.e. re-investments risk).

The University's main financing relates to its 6 secured loans (see note 21). The interest rates attached to these range from 1.52 to 7.99%, with two being floating and the remaining being fixed over the term of the loans.

### 32. Contingent Asset

The University has an ongoing litigation case in respect of Redmond building. Upon the signing of certain legal documents, the University will receive funds totalling £1.675m which reimburse costs already incurred making the building safe and legal costs. At the time of signing these accounts the legal documents had not been signed, although this is imminent.

### 33. Pension Schemes

The University's staff belong to three post-employment benefit plans:

- Universities' Superannuation Scheme (USS)
- Local Government Pension Scheme (LGPS)
- Teachers Pension Scheme (TPS)

The three schemes, being USS, LGPS and TPS, are all defined-benefit schemes contracted out of the State Second Pension (S2P) the assets of which are held in separate trustee administered funds.

## Liverpool John Moores University Notes to the accounts

### 33. Pension Schemes (continued)

Total pension cost for the year	Year ended	Year ended
	31 July 2019	31 July 2018
	£000	£000
USS	624	586
LGPS	5,978	5,736
TPS	8,209	7,885
	<u>14,811</u>	<u>14,207</u>

The pension costs are assessed in accordance with the advice of independent qualified actuaries. The latest formal actuarial valuation of the TPS was 31 March 2016 and of the LGPS 31 March 2016.

#### The Universities' Superannuation Scheme

The Universities' Superannuation Scheme (USS) provides benefits based on final pensionable salary. The University participates in the Universities' Superannuation Scheme (USS), a defined benefit scheme which is contracted out of the State Second Pension (S2P). The assets of the scheme are held in a separate fund administered by the trustee, Universities' Superannuation Limited.

Because of the mutual nature of the scheme, the scheme's assets are not hypothecated to individual Universities and a scheme-wide contribution rate is set. The University is therefore exposed to actuarial risks associated with other University's 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 FRS 102(28), 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. The total cost charged to the profit and loss account is £0.624m (2018 £0.586m). There was neither a prepayment nor an accrual at the end of the financial year in respect of these contributions.

The latest available complete actuarial valuation of the Retirement Income Builder Section of the scheme is at 31 March 2017 ("the valuation date"), which was carried out using the projected unit method. The valuation as at 31 March 2018 is underway but not yet completed.

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

The 2017 valuation was the fourth valuation for the scheme under the scheme-specific funding regime introduced by the Pensions Act 2004, which requires schemes to adopt a statutory funding objective, which is to have sufficient and appropriate assets to cover their technical provisions. At the valuation date, the value of the assets of the scheme was £60.0 billion and



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**33. Pension Schemes** (continued)

the value of the scheme's technical provisions was £67.5 billion indicating a shortfall of £7.5 billion and a funding ratio of 89%.

The key financial assumptions used in the 2017 valuation are described below.

Pension increases (CPI)	Term dependent rates in line with the difference between the Fixed Interest and Index Linked yield curves, less 1.3% p.a.
Discount rate (forward rates)	Years 1-10: CPI – 0.53% reducing linearly to CPI – 1.32% Years 11-20: CPI + 2.56% reducing linearly to CPI + 1.7% by year 21 Years 21 +: CPI + 1.7%

The main demographic assumption used relates to the mortality assumptions. These assumptions have been updated for the 31<sup>st</sup> March 2019 accounting position, based on updated analysis of the scheme's experience carried out as part of the 2017 actuarial valuation. The mortality assumptions used in these figures are as follows:

<b>Mortality base table</b>	<b>At 31 July 2019</b>	<b>At 31 July 2018</b>
Pre-retirement	71% of AMC00 (duration 0) for males and 112% of AFC00 (duration 0) for females	71% of AMC00 (duration 0) for males and 112% of AFC00 (duration 0) for females
Post retirement	96.5% of SAPS S1NMA "light" for males and 101.3% of RFV00 for females	96.5% of SAPS S1NMA "light" for males and 101.3% of RFV00 for females
Future Improvements to mortality	CMI_2016 with a smoothing parameter of 8.5 and a long term improvement rate of 1.8% pa for males and 1.6% pa for females	CMI_2016 with a smoothing parameter of 8.5 and a long term improvement rate of 1.8% pa for males and 1.6% pa for females

**Liverpool John Moores University**  
**Notes to the accounts**
**33. Pension Schemes** (continued)

The current life expectancies on retirement at age 65 are:

	<b>At 31 July 2019</b>	<b>At 31 July 2018</b>
Male (females) currently aged 65	24.6 (26.1) years	24.5 (26) years
Males (females) currently aged 45	26.6 (27.9) years	26.5 (27.8) years

A new deficit recovery plan was put in place as part of the 2017 valuation, which requires payment of 5% of salaries over the period 1 April 2020 to 30 June 2034. The 2019 pension liability provision reflects this plan. The provision figures have been produced using the following assumptions as at 31 March 2018 and 2019.

	<b>31 July 2019</b>	<b>31 July 2018</b>
Discount Rate	2.44%	2.64%
Pensionable salary growth	n/a	n/a
Pension increases (CPI)	2.11%	2.02%

The scheme-wide contribution rate increased on 1 April 2019 to 19.5% from 18%. This rate will rise again on 1 October 2019 to 22.5% of pensionable salaries.

With effect from 1 October 2015, new joiners to the scheme join the new revalued benefits section rather than the existing final salary section.

USS is a "last man standing" scheme so that in the event of the insolvency of any of the participating employers in USS, the amount of any pension funding shortfall (which cannot otherwise be recovered) in respect of that employer will be spread across the remaining participant employers and reflected in the next actuarial valuation of the scheme.

**Local Government Pension Scheme (LGPS) - Merseyside Pension Fund**

The LGPS is funded defined benefit scheme, with the assets held in separate trustee administered funds.

The total contributions made by the University for the year ended 31 July 2018 was £5,978,039 (2018 £5,735,546). The agreed contribution rates for future years are 14 % for employers and range from 5.5% to 12.5% cent for employees, depending on salary.

**Principal Actuarial Assumptions**

The following information is based upon a full actuarial valuation of the fund at 31 March 2017 updated to 31 July 2019 by a qualified independent actuary.

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**33. Pension Schemes** (continued)

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

	At 31 July 2019 %pa	At 31 July 2018 %pa
Price Inflation (CPI)	2.2	2.1
Rate of increase in salaries	3.7	3.6
Rate of increase of pensions	2.3	2.2
Discount rate	2.2	2.9

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.

	At 31 July 2019	At 31 July 2018
<i>Retiring today</i>		
Males	22.2	22
Females	25	24.8
<i>Retiring in 20 years</i>		
Males	25.2	25
Females	27.9	27.8

**Scheme assets and expected rate of return for LGPS**

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 University's share of the assets in the scheme and the expected rates of return were:

	Long term rate of return expected at 31 July 2019	Value at 31 July 2019	Long term rate of return expected at 31 July 2018	Value at 31 July 2018
Equities	39.3%	114,357	41.4%	111,720
Government bonds	6.8%	19,787	6.5%	17,540
Corporate bonds	22.8%	66,344	22.6%	60,987
Property	7.6%	22,115	7.2%	19,429
Cash	5.4%	15,713	5.9%	15,921
Other	18.1%	52,668	16.4%	44,256
Total		<u>290,984</u>		<u>269,853</u>

**Liverpool John Moores University**  
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**33. Pension Schemes** (continued)

The amount included in the balance sheet in respect of the defined benefit pension plan is as follows:

	Year ended 31 July 2019 £000	Year ended 31 July 2018 £000
Fair value of plan assets	290,984	269,853
Present value of plan liabilities	(467,884)	(375,933)
<b>Net pensions (liability)/asset (Note 22)</b>	<u>(176,900)</u>	<u>(106,080)</u>

Amounts recognised in the Statement of Comprehensive Income in respect of the plan are as follows:

	Year ended 31 July 2019 £000	Year ended 31 July 2018 £000
<b>Amounts included in staff costs</b>		
Current service cost	(11,323)	(11,813)
Effects of curtailments	(7)	-
Total operating charge	<u>(11,330)</u>	<u>(11,813)</u>
<b>Amounts included in investment income</b>		
Interest cost	(10,838)	(9,906)
Expected return on assets	7,897	6,499
<b>Net charge to other finance income</b>	<u>(2,941)</u>	<u>(3,407)</u>
<b>Amounts recognised in Other Comprehensive Income</b>		
Gain on assets	8,515	10,303
(Loss)/gain on assumptions	(69,046)	25,658
<b>Amount recognised in Other Comprehensive Income</b>	<u>(60,531)</u>	<u>35,961</u>

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Notes to the accounts

33. Pension Schemes (continued)

History of experience gains and losses

	Year ended 31 July 2019 £000	Year ended 31 July 2018 £000
<b>Difference between actual and expected return on scheme assets:</b>		
Amount	8,515	10,303
% of liabilities at end of year	2.9%	3.8%
<b>Assumptions (gains)/losses on scheme liabilities:</b>		
Amount	(69,046)	25,658
% of liabilities at end of year	14.8%	6.8%
<b>Total amount recognised as Comprehensive Income</b>		
Amount	60,531	(35,961)
% of liabilities at end of year	12.9%	9.6%
	<b>Year ended 31 July 2019 £000</b>	<b>Year ended 31 July 2018 £000</b>
<b>Cumulative actuarial loss recognised as other comprehensive income for LGPS pensions</b>		
Cumulative actuarial gains recognised at the start of the year	35,961	11,870
Cumulative actuarial losses recognised at the end of the year	(60,531)	35,961
<b>Analysis of movement in surplus/(deficit) for LGPS pensions</b>		
Deficit at beginning of year	(106,080)	(135,501)
Contributions or benefits paid by the University	9,427	8,873
Current service cost	(11,323)	(11,813)
Other finance charge	(202)	(193)
Past service cost	(5,243)	-
Effect of curtailments	(7)	-
Gain recognised in other comprehensive income	(2,941)	(3,407)
Deficit at end of year	(60,531)	35,961
	<u>(176,900)</u>	<u>(106,080)</u>

Liverpool John Moores University  
Notes to the accounts

33. Pension Schemes (continued)

Asset and Liability Reconciliation

	Year ended 31 July 2019 £000	Year ended 31 July 2018 £000
<b>Analysis of movement in the present value of LGPS liabilities</b>		
<b>Present value of LGPS liabilities at the start of the year</b>	375,933	382,184
Current service cost (net of member contributions)	11,323	11,813
Curtailments	7	-
Interest Cost	10,838	9,906
Actual member contributions (including notional contributions)	2,845	2,749
Actuarial loss/(gain)	69,046	(25,658)
Past service cost	5,243	-
Actual benefit payments	(7,351)	(5,061)
<b>Present value of LGPS liabilities at the end of the year</b>	<u>467,884</u>	<u>375,933</u>
	<b>Year ended 31 July 2019 £000</b>	<b>Year ended 31 July 2018 £000</b>
<b>Analysis of movement in the fair value of scheme assets</b>		
Fair value of assets at the start of the year	269,853	246,683
Expected return on assets	7,897	6,499
Actuarial gain on assets	8,515	10,303
Actual contributions paid by University	9,427	8,873
Administrative expenses	(202)	(193)
Actual member contributions (including notional contributions)	2,845	2,749
Actual benefit payments	(7,351)	(5,061)
<b>Fair value of scheme assets at the end of the year</b>	<u>290,984</u>	<u>269,853</u>
	<b>Year ended 31 July 2019 £000</b>	<b>Year ended 31 July 2018 £000</b>
<b>Actual return on Scheme assets</b>		
Expected return on Scheme assets	8,515	10,303
Asset gain/(loss)	(69,046)	25,658
	<u>(60,531)</u>	<u>35,961</u>

## Liverpool John Moores University Notes to the accounts

### 33. Pension Schemes (continued)

#### Additional information - LGPS

##### Guaranteed minimum pension benefits (GMP)

On 26 October 2018, the High Court handed down a judgment involving the Lloyds Banking Group's defined benefit pension schemes. The judgment concluded the schemes should be amended to equalise pension benefits for men and women in relation to guaranteed minimum pension benefits (GMP). In response to this ruling HM Treasury stated that "public sector schemes already have a method to equalise GMP benefits, which is why we will not have to change our method as a result of this judgement". This implies that the Government (who have the overall power to determine benefits provision) believe the judgement itself will not affect the benefits. Therefore the natural conclusion for the main public service pension schemes including the Local Government Pension Scheme is that it is not appropriate for any provision to be included for the effect of the Lloyds Bank judgment, at least at the present Time. Therefore no allowance has been made for GMP equalisation within the updated valuation to 31 July 2019.

##### McCloud ruling

In December 2018 the decisions in the Court of Appeal cases Sargeant and McCloud (generally referred to as McCloud) ruled that the transitional protections, which were afforded to older members when the reformed Public Service Pension Schemes were introduced in 2015 constituted unlawful age discrimination.

The Government is attempting to appeal the cases, but it is not known at this stage whether an appeal will even be possible. If the Government ultimately loses these cases, then remedial action in the form of increases in benefits for some members is likely to be required. There may well also be knock-on effects for the other public service schemes which implemented transitional protections when the latest reforms were introduced, including the LGPS and action may be required. At this stage it is uncertain whether remedial action will be required, nor is it clear what the extent of any potential remedial action might be.

Liverpool John Moores University directed Mercers to provide a valuation for the year ended 31 July 2019 assuming the McCloud ruling applies to LGPS schemes. The impact of this is a past service cost of £5.192m which has been charged to the I&E in the year.

##### Teachers' Pension scheme

The Teachers' Pension Scheme (TPS) is a statutory, contributory, defined benefit scheme, governed by the Teachers' Pensions Regulations 2010, and, from 1 April 2014, by the Teachers' Pension Scheme Regulations 2014. These regulations apply to teachers in schools and other educational establishments, including academies, in England and Wales that are maintained by local authorities. In addition, teachers in many independent and voluntary-aided schools and teachers and lecturers in some establishments of further and higher education may be eligible for membership. Membership is automatic for full-time teachers and lecturers and, from 1 January 2007, automatic too for teachers and lecturers in part-time employment following appointment or a change of contract. Teachers and lecturers are able to opt out of the TPS.

## Liverpool John Moores University Notes to the accounts

### 33. Pension Schemes (continued)

#### The Teachers' Pension Budgeting and Valuation Account

Although teachers and lecturers are employed by various bodies, their retirement and other pension benefits, including annual increases payable under the Pensions (Increase) Acts are, as provided for in the Superannuation Act 1972, paid out of monies provided by Parliament. Under the unfunded TPS, teachers' contributions on a 'pay-as-you-go' basis, and employers' contributions, are credited to the Exchequer under arrangements governed by the above Act.

The Teachers' Pensions Regulations require an annual account, the Teachers' Pension Budgeting and Valuation Account, to be kept of receipts and expenditure (including the cost of pensions' increases). From 1 April 2001, the Account has been credited with a real rate of return which is equivalent to assuming that the balance in the Account is invested in notional investments that produce that real rate of return.

#### Valuation of the Teachers' Pension Scheme

The latest actuarial review of the TPS was carried out as at 31 March 2016 and in accordance with The Public Service Pensions (Valuations and Employer Cost Cap) Directions 2014 (as amended). The valuation report was published by the Department for Education (the Department) on 5 March 2019. The key results of the valuation are:

- employer contribution rates were set at 23.68% of pensionable pay effective from 1 September 2019
- total scheme liabilities for service to the effective date of £218.1 billion, and notional assets of £196.1 billion, giving a notional past service deficit of £22 billion;
- an employer cost cap of 7.3% of pensionable pay.

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

<https://www.teacherspensions.co.uk/news/employers/2019/04/teachers-pensions-valuation-report.aspx>

The pension costs paid to TPS in the year amounted to £8,208,745 (2018 – £7,885,313).

From 1 September 2019, the employer contribution rate was increased to 23.68% from 16.48%.

Under the definitions set out in FRS 102 (28.11), the TPS is a multi-employer pension scheme. The University is unable to identify its share of the underlying assets and liabilities of the scheme.

Accordingly, the University has taken advantage of the exemption in FRS 102 and has accounted for its contributions to the scheme as if it were a defined-contribution plan. The University has set out above the information available on the plan and the implications for the University in terms of the anticipated contribution rates.

