



Annual report and financial statements

Registered number: 05078498

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University of Suffolk Ltd

Directors and advisors

Directors

Professor W Pope (Chair)
Professor M Abdel-Maguid (resigned 31 July 2017)
Mr C Bally (appointed 23 October 2017)
Dr J Barnes
Ms D A Cadman OBE
Professor M Dastbaz (appointed 11 January 2017)
Ms C M... OBE (2017-2018)

[REDACTED]

Registered office

[REDACTED]

Bankers

[REDACTED]

Solicitors

Mills & Reeve LLP
1 St James Court
Whitefriars
Norwich
Norfolk
NR3 1RU

University of Suffolk Ltd

Strategic report for the year ended 31 July 2017

The directors present their strategic report for the University of Suffolk Ltd (formerly University

[REDACTED]

Campus Suffolk Ltd) for the year ended 31 July 2017.

Business review and principal activities

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

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

provision of consultancy and applied research services.

[REDACTED]

[This section of the report is redacted with a large black box.]

	2017 £'000	2016 £'000
Total income	38,452	37,384
Surplus before non-recurring costs	1,182	173
Surplus before non-recurring costs as a proportion of total income	3.1%	0.5%
Movement in the obligation to fund the deficit on the USS pension scheme	(97)	520
	0.9%	(0.7%)

	2017 £'000	2016 £'000
Proportion of income generated from:		
• HEFCE Grants	8%	9%
• Education Contracts	21%	21%
• Tuition Fees	63%	63%
• Research contracts	1%	1%
• Other income	7%	6%

	2017 £'000	2016 £'000
Total balance sheet funds	10,505	8,476

University of Suffolk Ltd

Strategic report for the year ended 31 July 2017

Inability to invest in IT infrastructure and resources

Long term requirements and impact to be closely monitored; alternative approaches to workload and project management are being investigated with investigation of cost reduction through use of cloud software ongoing.

Reduction in income from pre-registration health courses following changes in funding regime

Student fees are expected to be a significant source of income for the University of Suffolk Ltd

The University of Suffolk Ltd is currently investigating the impact of the reduction in income from pre-registration health courses following changes in funding regime

The University of Suffolk Ltd is currently investigating the impact of the reduction in income from pre-registration health courses following changes in funding regime

University of Suffolk Ltd

Directors' report for the year ended 31 July 2017

[REDACTED]

KPMG LLP was appointed as auditor in 2015. Pursuant to section 487 of the Companies Act 2006, the auditor will be deemed to be reappointed and KPMG LLP will therefore continue in office.

Directors' responsibilities statement

[REDACTED]

University of Suffolk Ltd

Statement of corporate governance and internal control

To approve the External Auditor's report on the nature and scope of the audit and to

approve and consider the External Auditor's management letter in connection with the

audit of the Financial Statements and the management response.

University of Suffolk Ltd

Statement of corporate governance and internal control

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

Going concern

The directors have prepared projections in support of the company's cash requirements in addition to its on-going compliance with the terms of its bank facilities. The directors have given this matter careful consideration and, cognisant of the above matters, the Board is satisfied that the University has adequate resources to continue in operation for at least twelve months from the date of this report. For this reason the going concern basis continues



Mr T J Greenacre
Company Secretary

Statement of public benefit

The University of Suffolk is a company limited by guarantee and is an exempt charity under

the terms of the Charities Act 2011.

In setting and reviewing the University's objectives and activities, the Board has had due regard to the Charity Commission's guidance on the reporting of public benefit and particularly to its supplementary public benefit guidance on the advancement of education.

This statement recognises the reporting requirements introduced by the Higher Education

University of Suffolk Ltd

Statement of public benefit

delivering excellent IAG support across all of our activities. We will continue to work in a structured way with schools and colleges with low progression rates, as well as with

communities with low participation rates, including mature and part-time students.

National Network for Collaborative Outreach scheme (NNCO)

The NNCO delivers a nationally co-ordinated approach to working with schools, universities

University of Suffolk Ltd

Statement of public benefit

Approved by the Board and signed by its order by

A handwritten signature in black ink, appearing to read 'T J Greenacre', written in a cursive style.

Mr T J Greenacre
Company Secretary

University of Suffolk Ltd

Independent Auditor's Report

INDEPENDENT AUDITOR'S REPORT TO BOARD OF DIRECTORS OF UNIVERSITY OF SUFFOLK LTD

REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS

Opinion

We have audited the financial statements of University of Suffolk Ltd ("the University") for the year ended 31 July 2017

[REDACTED]

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) ("ISAs (UK)") and applicable law

[REDACTED]

Our responsibilities are described below. We have fulfilled our ethical responsibilities under, and are independent of the

University of Suffolk Ltd

Independent Auditor's Report

- certain disclosures of directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

We have nothing to report in these respects.

Board of Directors responsibilities

As explained more fully in their statement set out on page 8, the Board of Directors (who are the Directors of the University company for the purposes of company law) 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

REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS

HEFCE Audit

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

This report is made solely to the Board of Directors, in accordance with Chapter 3 of Part 16 of the Companies Act 2006

S Beavis

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

Botanic House
100 Hills Road
Cambridge
CB2 1AR

Date *27 October 2017*

University of Suffolk Ltd
Statement of Comprehensive Income and Expenditure
Year ended 31 July 2017

	Notes	2017 £'000	2016 £'000
Income			
Tuition fees and education contracts	1	32,585	31,382
Funding body grants	2	3,007	3,509
Research grants and contracts	3	434	214
Other income	4	2,348	2,218
By investment income	5	19	44
Total income before endowments and donations		38,393	37,367
Donations and endowments	6	59	17
Total income		38,452	37,384
Expenditure			
Staff costs	7	17,443	16,835
Other operating expenses		16,490	17,414
Non-recurring costs	9	833	449
Other operating expenses	8	15,857	16,065
Depreciation	12	2,751	1,953
Interest and other finance costs	8	1,419	1,459
Total expenditure	9	38,103	37,661
Surplus / (deficit) before other gains, losses and share of operating surplus/deficit of joint ventures		349	(277)
Share of operating surplus/(deficit) in associate	13		
Surplus / (deficit) for the year		349	(277)
Actuarial gain/(loss) in respect of pension schemes		1,690	(1,000)
Total comprehensive income for the year		2,029	(1,345)
Represented by:			
Restricted comprehensive income for the year		31	(8)
		1,998	(1,337)
		2,029	(1,345)

All items of income and expenditure relate to continuing activities.

The surplus for the year is stated after recording a credit of £97k (2016: £520k charge) for the movement in the obligation to fund the UK pension scheme, a credit of £210k has been adjusted in staff costs (2016: £400k charge) and a charge of £421k

	Notes	2017 £'000	2016 £'000
Non-current assets			
Tangible fixed assets	12	69,348	69,898
Investment in associate	13	-	-
Current assets			
Trade and other receivables	10	1,718	1,332
	17	7,773	9,080
		<u>9,491</u>	<u>10,422</u>
Less: Creditors: amounts falling due within one year	11	<u>(7,709)</u>	<u>(7,878)</u>
Net current assets		<u>1,782</u>	<u>2,544</u>
Total assets less current liabilities		71,130	72,442
Creditors: amounts falling due after more than one year	14	(49,896)	(51,820)
Provisions			
Other provisions	15	(7,098)	(6,939)
Pension provisions	22	<u>(5,207)</u>	<u>(5,207)</u>
Total net assets		<u><u>10,505</u></u>	<u><u>8,476</u></u>
Restricted Reserves			
	16	154	123
		<u>10,351</u>	<u>8,353</u>
		<u>10,505</u>	<u>8,476</u>
Total Reserves		<u><u>10,505</u></u>	<u><u>8,476</u></u>

The financial statements were approved by the Board of Directors and were signed on its behalf by

Mr R Lister OBE
Vice-Chancellor

The notes on pages 21 to 34 form an integral part of these financial statements.

University of Suffolk Ltd
Statement of Cash Flow
Year ended 31 July 2017

		2017	2016
		£'000	£'000
Cash flow from operating activities			
		2,751	
	10	(386)	
	11/14	(599)	753
	22	(21)	(63)
Surplus for the year	15	18	72
Adjustments			
Depreciation	5	(19)	(44)
	8	1,419	1,459
		(1,380)	(1,257)
		<u>2,132</u>	<u>3,533</u>
		160	2,689
		<u>(2,008)</u>	<u>(5,361)</u>
		<u>(1,848)</u>	<u>(2,672)</u>
		(1,153)	(1,191)
		19	47
		<u>(467)</u>	<u>(431)</u>
		<u>(1,601)</u>	<u>(1,575)</u>
Increase/(decrease) in creditors		<u>(1,317)</u>	<u>(714)</u>
Increase in pension liability			
Cash and cash equivalents at beginning of the year	17	9,090	9,804
Cash and cash equivalents at end of the year	17	7,773	9,090

The notes on pages 21 to 24 form an integral part of these financial statements.

University of Suffolk Ltd
Statement of Changes in Reserves
Year ended 31 July 2017

	Income and expenditure account		£'000
	Restricted £'000	Unrestricted £'000	
Balance at 1 August 2015			
Deficit from the income and expenditure statement		(269)	(277)
		(1,068)	(1,068)
Total comprehensive income for the year	(8)	(1,337)	(1,345)
Balance at 1 August 2016	123	8,353	8,476
Surplus from the income and expenditure statement	31	318	349
Other comprehensive income	-	1,680	1,680
	31	1,998	2,029
Balance at 31 July 2017	154	10,351	10,505

~~The notes on pages 21 to 24 form an integral part of these financial statements~~

Statement of accounting policies for the year ended 31 July 2017

Basis of preparation

These financial statements are prepared on a going concern basis, in accordance with the historical cost convention and in accordance with the Statement of Recommended Practice (SORP): Accounting for Further and Higher Education 2015 and FRS 102 The Financial Reporting Standard applicable in the UK and the Republic of Ireland (FRS 102). The University of Suffolk Ltd ("the University" or "the company") is a company domiciled in the UK. The currency used in the financial statements is pound sterling and the figures have been rounded to the nearest thousand unless otherwise stated. The University is a public benefit entity.

therefore has applied the relevant public benefit requirements of FRS102.

The accounting policies set out below have, unless otherwise stated, been applied consistently to all periods

University of Suffolk Ltd

Statement of accounting policies for the year ended 31 July 2017

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.

	2017	2016
Freehold buildings	2.0% - 2.5%	
Computer equipment	25%	

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

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

University of Suffolk Ltd

Statement of accounting policies for the year ended 31 July 2017

Acquisition with the aid of specific grants

Assets acquired with the aid of specific government grants that are capitalised and depreciated

The related grants are credited to a deferred capital grant account and released to the income and expenditure account over the expected useful economic life of the related assets.

Repairs and maintenance

Expenditure to ensure that a tangible fixed asset maintains its previous standard of performance is recognised

University of Suffolk Ltd

Statement of accounting policies for the year ended 31 July 2017

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

Investments

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

Reserves

Reserves are classified as restricted or unrestricted depending on the terms of the relevant instrument.

Notes to the Accounts

for the year ended 31 July 2017

	Year Ended 31 July 2017	Year Ended 31 July 2016
7 Staff costs		
Staff Costs :	£'000	£'000
Salaries	14,201	13,173
Social security costs	1,294	1,049
	<u>15,495</u>	<u>14,222</u>
Movement on USS provision	(218)	409
	<u>15,277</u>	<u>14,631</u>
Emoluments of the Vice-Chancellor:	£'000	£'000
Salary and benefits	144	130
Performance-related pay	40	20
Pension contributions	3	18
	<u>187</u>	<u>168</u>

There was 1 other member of staff with an annual salary over £100,000 (in the bracket of £100,000 to £110,000), including employer's NI but excluding employer's pension contributions (2016: no other member). Retirement benefits are accruing to 3 directors (2016: 3) under the Universities Superannuation Scheme ("USS"). No remuneration was paid to any of the University's

	No.	
	211	
	111	
	98	
	20	21
	<u>432</u>	<u>421</u>

In addition to the above employee numbers, the University employed an average of 400 casual staff during the year (2016: 39).

	Year Ended	
Key management personnel compensation	700	629

	Year Ended 31 July 2017	Year Ended 31 July 2016
8 Interest and other finance costs	£'000	£'000
Loan interest	1,153	1,184
Net charge on pension schemes	266	275
	<u>1,419</u>	<u>1,459</u>

Notes to the Accounts

for the year ended 31 July 2017

	Non- recourse	Staff costs	Dep'n	Other expenses	Interest and other finance	Year ended 31 July 2017	Restated Year ended 31 July 2016
Analysis of total expenditure by activity:							Total £'000
					£'000		£'000
		10,104					
Other operating expenses include:							
	costs £'000	£'000	£'000	expenses £'000	costs £'000	Total £'000	
							7
						15	15
Trade receivables							
Documents and accrued income							
						63	63
						1,718	1,332
11							
						Year ended 31 July 2017	Year ended 31 July 2016
						£'000	£'000
Secured loans (note 14)						494	468
						581	506
						488	295
						313	641
						415	349
						3,541	4,023
						481	409
Deferred capital grants						1,396	1,187
						7,709	7,878
Deferred income							
						Year ended 31 July 2017	Year ended 31 July 2016
						£'000	£'000
Research grants received on account						137	188
						391	380

Notes to the Accounts

	Freehold Land and Buildings £'000	Fixtures, Fittings and Equipment £'000	Assets in the Course of Construction £'000	Heritage assets £'000	Total £'000
Cost					
At 1 August 2015	60,500	10,170	5,344	239	82,551
Additions					2,201
Transfers					
At 31 July 2016					
Depreciation					
At 1 August 2016					12,653
Charge for the year					
At 31 July 2017	72,526	11,286	701	239	84,752
Net book value					
At 31 July 2017					
At 31 July 2016					

At 31 July 2017, freehold land and buildings included £13.6m (2016 - £13.6m) in respect of freehold land that is not depreciated.

Heritage assets

	Year ended 31 July 2017 £'000	Year ended 31 July 2016 £'000
Deferred capital grant	14,577	33,007
Secured loans (see below)	18,319	18,813
	49,896	51,820
Analysis of secured and unsecured loans:		
Due within one year or on demand (Note 11)	494	468
	518	494
	1,728	1,641
	16,073	16,678
	18,319	18,813
	18,813	19,281
Secured loans repayable by 2038	18,813	19,281

Included in loans are the following:

Lender

Lender	Amount	Term	Interest rate	Repayment
Barclays Bank plc			5.09	University
Barclays Bank plc	8,000		4.37	University
Total	20,500			

Notes to the Accounts for the year ended 31 July 2017.

15 Provisions for liabilities

	Other provisions £'000	Obligation to fund deficit on USS Pension £'000	Pension enhancement on termination £'000	Total Provisions £'000
At 1 August 2016	34	6,052	853	6,939
Utilised in year	(34)	(121)	(50)	(205)
	340	24	-	364
At 31 July 2017	340	5,955	803	7,098

Other provisions

Other provisions relate to ongoing obligations in respect of an in-year voluntary severance scheme.

USS deficit

	Year ended 31 July 2017	Year ended 31 July 2016
	%	%
Discount rate	2.30	2.30
Inflation	1.30	1.30

16 Restricted reserves

Reserves with restrictions are as follows:

	Year ended 31 July 2017 Total £'000	Year ended 31 July 2016 Total £'000
Balances at 1 August	123	131
Donations received	58	-
Investment income	1	1
Expenditure	(28)	(9)
Total restricted comprehensive income for the year	31	(8)
At 31 July	154	123

	Year ended 31 July 2017 Total £'000	Year ended 31 July 2016 Total £'000
Analysis of restricted funds /donations by type of purpose:		
Founding supporters campaign	40	-
Legacies	114	123
	154	123

17 Cash and cash equivalents

	At 1 August 2016 £'000	Cash Flows £'000	At 31 July 2017 £'000
Cash and cash equivalents	9,090	(1,317)	7,773

Notes to the Accounts for the year ended 31 July 2017

18 Capital and other commitments

Provision has not been made for the following capital commitments at 31 July 2017:

	Year ended 31 July 2017 £'000	Year ended 31 July 2016 £'000
Commitments contracted for	-	1,051
	<u>-</u>	<u>1,051</u>

The capital commitments relate to campus development projects. In 2016/17 all capital commitments have been provided for.

19 Capital and reserves

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

20 Lease obligations

Total rentals payable under operating leases:

	Computer equipment £'000	Year ended 31 July 2017 £'000	<i>Restated</i> Year ended 31 July 2016 £'000
Expensed in year	15	15	15
	11	11	15
		-	11
	<u>11</u>	<u>11</u>	<u>26</u>

Prior year figures included non-contractual costs and have been updated to remove these costs

	Year ended 31 July 2017 £'000	Year ended 31 July 2016 £'000
		45
	12	9
	(5)	(42)
	(6)	-
	<u>1</u>	<u>12</u>

Subject Knowledge Enhancement Bursaries (SKE)

Later than 1 year and not later than 5 years

Later than 5 years

Total lease payments due

	Year ended 31 July 2017 £'000	Year ended 31 July 2016 £'000
	20	7
	(20)	(7)
	<u>-</u>	<u>-</u>

Notes to the Accounts

for the year ended 31 July 2017

22 Pension Schemes (continued)

(ii) Local Government Pension Scheme (LGPS)

The LGPS is a defined pension scheme for employees of the Council. The scheme is a defined pension scheme for employees of the Council. The scheme is a defined pension scheme for employees of the Council.

	2017	2016
	%	%
Future pension increases	2.5	1.9
Future salary increases	2.8	3.9
Discount rate	2.7	2.4

	2017	2016
	Years	Years
<i>Retiring today</i>		
Males		22.4
		24.4
	23.9	24.3
Females	26.4	26.9

The value of assets in the LGPS scheme and percentage of the total plan assets were:

	31 July 2017		31 July 2016	
	% of total	Fund value £'000	% of total	Fund value £'000
Equities		7,015	69	6,066
Bonds	21	547	20	1,758
Properties	10	103	10	879
Cash	1	103	1	88
		<u>10,316</u>		<u>8,791</u>

Notes to the Accounts
for the year ended 31 July 2017

22 Pension Schemes (continued)

(ii) Local Government Pension Scheme (LGPS) (continued)

	2017 £'000	2016 £'000
	13,998	11,765
	372	336
	339	427
	77	78
	(124)	
	(545)	1,673
Other experience	40	(67)
Benefits paid	(210)	(214)
At the end of the year	13,947	13,998
	2017 £'000	2016 £'000
Analysis of the movement in the fair value of scheme assets		
At the beginning of the year	8,791	7,688
Interest income on plan assets	214	281
Contributions by scheme participants	77	-
Contributions by the employer	393	-
Benefits paid	(210)	78
Return on assets excluding amounts included in net interest	1,051	559
At the end of the year	10,316	8,791
Changes in the fair value of plan assets, defined benefit obligation and net liabilities are:		
	2017 £'000	2016 £'000
Opening position	(5,207)	(4,077)
Current service cost	(372)	(336)
Interest income on plan assets	214	281
Interest cost on defined benefit obligation	(339)	(427)
Total defined benefit cost recognised in the income statement	(477)	(482)
Employer contributions	393	399
Expected closing position	(5,311)	(4,160)
Changes in demographic assumptions	124	-
	545	(1,673)
	(40)	67
	1,051	559
	1,051	(4,077)
At the end of the year	10,316	8,791

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

Notes to the Accounts

23 Related parties

Due to the nature of the company's operations and the composition of the Board of Directors being drawn from the senior employees of

	£'000		£'000	Payables balance outstanding £'000
Year ending 31 July 2017				
			20	5
	34	22	1,173	11
	17		259	16
	25		1,234	30
	195	41	299	55
	3		530	80
	5		8	1
Great Yarmouth College			122	2
Ipswich Borough Council	20		3,806	107
	299	63	7,451	307
Year ending 31 July 2016				
Eastern HE Cost Sharing Group Ltd			34	-
Great Yarmouth College	31	20	1,195	11
Ipswich Borough Council	386	3	194	5
Ipswich Central Management				
Lowestoft College	25	14	1,424	5
Otley College	10		2	2
Suffolk County Council	141		145	71
Suffolk New College	3		505	72
	2		32	9
	7		388	377
	24		3,660	82
	629	37	7,579	634

24 Accounting estimates and judgements

Universities Superannuation Scheme (USS)

FRS 102 makes the distinction between a group plan and a multi-employer scheme. A group plan consists of a collection of entities under common control typically with a sponsoring employer. A multi-employer scheme is a scheme for entities not under common control