



Statement of Accounts 2016/17

KEELE UNIVERSITY

STATEMENT OF ACCOUNTS

FOR THE YEAR ENDED 31 JULY 2017

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STRATEGIC REPORT

Review of 2016/17 and the future performance of the University

Headlines

- **Keele awarded Gold in the Teaching Excellence Framework**
- **Number One in England for Course Satisfaction – Guardian University Guide 2018**
- **Continued strong home undergraduate recruitment**
- **Keele joins the Midlands Innovation group, a group of Universities whose ambition is to drive cutting-edge research, innovation and skills development that will grow the high-tech, high skilled economy of the Midlands and the UK**
- **Number One in Student Satisfaction Survey for 2014, 2015 and 2016**
- **In the most recent national Research Excellence Framework (2014), 97% of our research was classified as world leading, or of international importance**
- **First for graduate employment in 2016 Destinations of Leavers from Higher Education amongst broad based Universities in the UK, with 97.5% of our graduates in employment or further study six months after graduating**

Results for the year

The Financial Statements comprise the consolidated results of the University and its wholly owned subsidiary companies under Financial Reporting Standard (FRS) 102 and the Higher Education Statement of Recommended Practice which both apply to the Higher Education sector. The Statement of Comprehensive Income and Expenditure ("SOCI") results for the year to 31 July 2017, together with the 2015/16 comparisons, are summarised below:

	Year ended 31 July 2017 Consolidated £'000	Year ended 31 July 2016 Consolidated £'000
Total Income	155,732	148,576
Total Expenditure, before pension interest and actuarial adjustments	(151,896)	(140,545)
Surplus before other gains and losses and before pension interest and actuarial adjustments	3,836	8,031
Pension interest and actuarial adjustments	(776)	(3,659)
Surplus before other gains and losses	3,060	4,372
Loss on disposal of fixed assets	(18)	-
Gain on investments	1,755	1,379
Taxation	-	(58)
Unrealised surplus on revaluation of heritage assets	-	6,505
Losses in respect of pension schemes	(1,332)	(8,286)
Total comprehensive income and expenditure for the year	3,465	3,912

The surplus for 2016/17 represents continued good progress, building on the strong financial operating performance of recent years. The results for both years are adversely impacted by the staff costs, interest costs and actuarial adjustments in relation to pension schemes. These pension charges to the comprehensive income and expenditure are not cash transactions and total £2,108k for 2016/17 and £11,945k for 2015/16. Operational costs have increased due to rising staff costs, including the impact of National Insurance, the Apprenticeship Levy and pension costs, and have also been affected by a combination of additional bursary payments, one-off project related costs and professional fees.

Student Experience and Recruitment

A key aim of the University Strategic Plan is to provide an outstanding discipline-based education and a unique portfolio of personal development opportunities in the context of a sector-leading student experience. Keele is delighted to have been voted as first for student satisfaction in the National Student Survey for three consecutive years to 2016, and maintained a strong position in 2017 remaining in the top quartile of all Universities. In addition, individual disciplines scored well, including a perfect 100% score in Physics / Astronomy. In September 2016, it was announced that Keele was the University of the Year for Student Experience in The Times and Sunday Times awards. The University retains an excellent track record in terms of graduate employability, and in 2016 was first for graduate employment amongst broad based Universities in the UK. This success has been reflected in excellent undergraduate recruitment for 2016/17 and 2017/18. It was announced in June 2017 that Keele was awarded Gold in the Teaching Excellence Framework ("TEF"). The TEF awards were decided by an independent panel of experts including academics, students and employer representatives. Drawing on national data, and evidence submitted by each university, the TEF measured excellence in three areas: teaching quality, the learning environment and the educational and professional outcomes achieved by students. The TEF panel's statement of findings for Keele highlighted that students from all backgrounds achieve consistently outstanding outcomes in terms of progression to highly skilled employment or further study. The University's metrics also indicate exceptionally high levels of student satisfaction with teaching, assessment and feedback, and academic support. In particular, the TEF panel highlighted that Keele offers substantial employability support, including enterprise schemes.

STRATEGIC REPORT

2015/16 was the first year when student number controls were removed from Universities, meaning that there were no government restrictions on the number of home undergraduates that could be recruited. The lifting of the student number control restrictions in 2015/16 meant that Keele has been able to successfully recruit in line with the strong demand for its courses, and undergraduate recruitment has remained strong through 2016/17 and 2017/18. The University has been successful in recruiting to the student numbers allocated in relation to the Undergraduate Medical School, which still has a limit imposed on it.

Overseas recruitment remains challenging and overseas tuition fee income in 2016/17 reduced by 14% compared with 2015/16. The University continues to work hard to address this and measures are being implemented to improve the long-term future overseas recruitment. These measures include an ongoing refocussing of courses to ensure that they are attractive to the overseas market and a more targeted and informed marketing campaign.

Research

Research grant income (excluding RDEC income) continues to grow year on year, growing to £18.5m in 2016/17 a significant increase on the previous year.

As reported in the section of this report on the Public Benefit Statement, Keele had a very positive outcome from the 2014 Research Excellence Framework (REF) with 97% of its research being assessed as world leading and of international importance. This positive outcome, together with the growth in research grant income, consolidates Keele's position as a strong research-led university undertaking world-leading research.

Staff Costs

The University continues to contain its staff costs whilst at the same time investing in areas of development in order to achieve sustainable growth. This is at a time when there have been many external pressures on pay costs, the latest of which being the apprenticeship levy which was introduced in April 2017. The Levy is calculated as 0.5% on the pay costs of the University, which is required to be paid to HM Revenue and Customs.

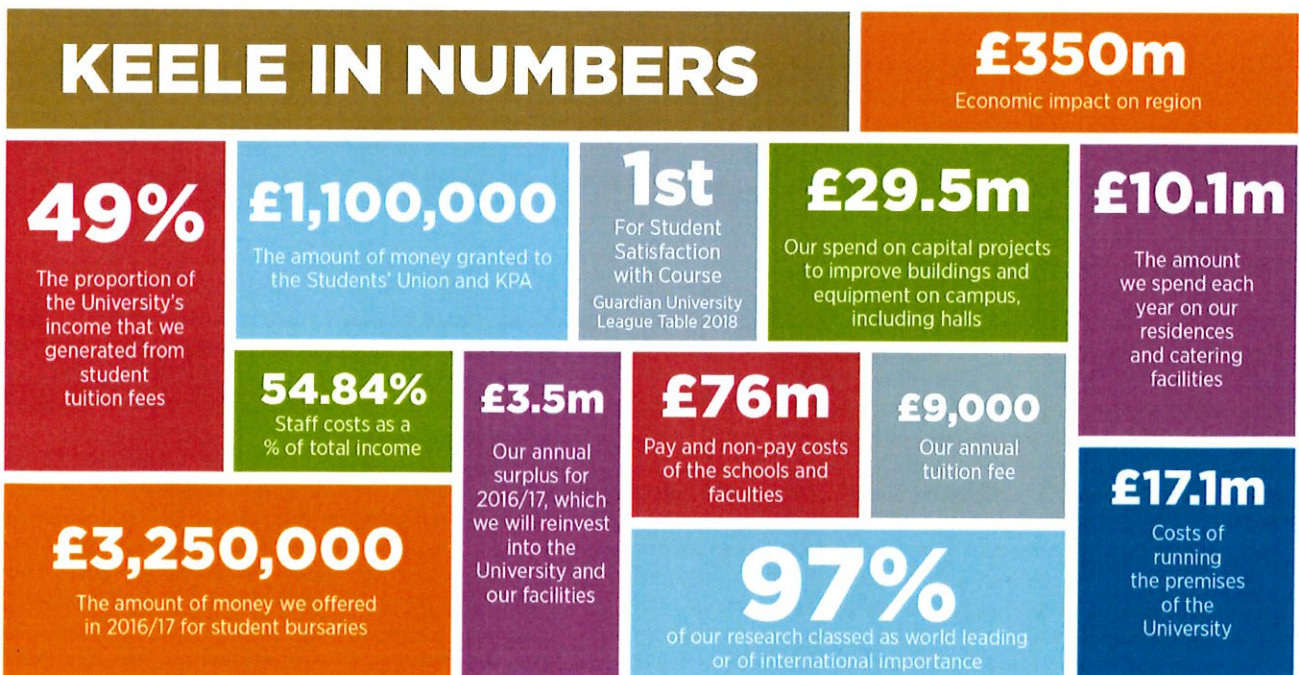
A Key Performance Indicator for the University is staff costs as a percentage of income:

	2016/17 Actual	2015/16 Actual
Staff costs (£k)	85,413	81,799
Total income (£k)	155,732	148,576
Staff costs as a % of income	55%	55%

Included within the above is a £0.5m credit (2015/16 £2.3m charge) for USS pensions actuarial adjustment which reduced (2015/16 – increased) the staff costs, and hence also affected the percentage ratio.

Overview

A pictorial representation of University key statistics is shown in the following Infograph:



STRATEGIC REPORT

Capital Projects

The University and subsidiaries invested a total of over £29.5m in capital expenditure projects during 2016/17. The salient projects are:

Completed Projects

Project	Cost in Year	Description
David Weatherall (£3.3m total cost)	£2.0m	Work commenced on an extension to this Health Faculty building during spring 2016. The extension is required due to the expansion of the Research Institute of Primary Care and Health Sciences.

On-going Projects

Project	Cost in Year	Description
453 new en-suite rooms at Barnes Hall (£21.6m total cost)	£16.4m	These have been continued to be built on campus through the year, and will be completed in autumn 2017. Upon completion, the Hawthorns site, just off the main campus of the University, will be sold to our development partner for a housing development.
Huxley Laboratory (£10.6m total cost)	£5.0m	The University has continued the refurbishment and extension of the Huxley Building, which has been part funded by a £3.75m HEFCE grant. The project will provide for additional laboratory space in the form of a new build, together with the reconfiguration of existing laboratory space. This will allow Life Sciences to provide flexible and more efficient teaching space to both undergraduate and postgraduate students, and will allow future expansion of student numbers. It is anticipated to be completed by the end of 2017.
Central Science Laboratories (£33.2m total cost)	£0.8m	The Central Science Laboratories will comprise a four-floor state-of-the-art-building for both undergraduates and postgraduates. It will house new open-plan teaching and research laboratories, IT provision, and student social learning spaces. The laboratories will be linked to the existing Lennard-Jones building, with a central glass corridor providing vistas right through the building. Planning permission for the work was received in spring 2017, with works expected to be completed by summer 2019.

Future Projects

Project	Description
Refurbish and replace Halls of Residence. Improve academic and campus facilities	There are major projects being assessed for the further improvement of student accommodation and academic facilities. The University recognises that good quality halls of residence and campus facilities are essential to providing a high quality student experience.

Pensions

Pensions for the majority of the University's staff are provided through the Universities Superannuation Scheme (USS) and the Keele Superannuation Scheme (KSS). Both of these are defined benefit schemes.

Scheme	Contributions	Description
USS	£10.4m	USS is a national multi-employer scheme providing pensions for the UK higher education sector. The latest triennial valuation of the Scheme as at 31 March 2014 showed that the Scheme had an overall deficit of £5.3 billion. Contributions were increased as part of a package of measures aimed at ensuring that USS continues to operate as a viable pension scheme. At 31 July 2017 the University had 1,800 active members participating in the scheme, and at that date the employer contribution rate paid by the University was 18.0% and employee contributions were 8.0% of pensionable salaries. The University makes a provision for its share of the agreed USS deficit payments on its balance sheet. The provision at 31 July 2017 was £23m.

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Scheme	Contributions	Description
KSS	£1m	KSS was established in 1972 to provide retirement and death benefits for all eligible employees of Keele University. The Scheme is closed to new members and to future accrual, and has no active members. However, KSS is required to service the pension costs of the members that had contributed up to the point of closure. At 31 July 2017 the scheme had assets of £31m and liabilities of £66m giving a deficit of £35m. In agreement with the KSS Trustees and the Pension Regulator, the University continues to make substantial contributions in order to reduce this deficit over a 20-year period.

In line with many other defined benefit schemes, the long term funding positions of USS and KSS have been adversely affected by the unprecedented low yield on government securities, which causes an increase in the valuation of the liabilities, by increases in staff pay levels and by the increased expected longevity of pensioners in the scheme. The on-going costs and risks associated with both pension schemes continue to be an important element in the future financial planning for the University.

Subsidiary Companies

The University has the following wholly owned subsidiary companies

Company	Description
Keele University Science and Business Park Limited	Established to support the development of the 70-acre site adjacent to the existing Science Park. Innovation Centre 5 owned by Staffordshire County Council was opened in August 2016, whilst two plots have been used for the Caudwell International Children's Centre which is due to be completed in late 2017. The company has also refurbished Home Farm, which provides both a University facility to demonstrate sustainable energy technologies and rental space for new businesses, including student start-up businesses.
Keele Facilities Management Limited	Dormant.
Keele Hotels Limited	Dormant.

Cash Generated from Operations

Net cash generated from operating activities for 2016/17 was £3.5m, 2.2% of turnover. There were some significant movements in working capital balances, with creditors reducing by £6m in the cash flow. Cash generation is an area that the University is continually looking to improve.

The amount of cash and cash equivalents on the balance sheet reduced from £27m at 31 July 2016 to £9m at 31 July 2017. However, this was expected due to the significant capital investment in the new Barnes Halls and other capital projects through the year.

Going Concern

The University ended the year with cash and cash equivalents of £9m. In addition, a significant proportion of the £40m fixed asset investments are invested in liquid funds that could be available to the University at short notice. The budget for 2017/18 and forecasts for subsequent years show that the University will continue to generate surpluses and have adequate available financial resources.

The majority of the University's external loan funding of £34m is long term in nature with 59% repayable in 5 years' time and beyond. Further loan funding of £45m was received in September 2017, relating to senior notes issued to Massachusetts Mutual Life Insurance Company and CM Life Insurance Company, represented by Barings Bank. This funding is to support the Central Science Laboratories development and the University contribution to the Smart Innovation Hub. The notes are to be repaid in two tranches, being £22.5m in 2037 and £22.5m in 2042. The University Council is confident that the University has adequate resources to continue in operational existence for the foreseeable future and for at least 12 months from the date of signature of these financial statements.

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Impact of Brexit

On 29 March 2017, the Prime Minister officially invoked Article 50, triggering the UK's formal withdrawal from the EU. It is now clear that the UK has entered a period of extended negotiation over the terms of our withdrawal in March 2019. The full impact and consequences of the vote to leave the EU will last for several years, during which time there will be considerable uncertainty for the Higher Education sector in this country. This includes areas around research partnerships with EU institutions, student recruitment from EU countries, the impact that Brexit may have on bank lending and also the ability of the University to utilise European Regional Development Funding (or whatever may replace this important source of funding).

It has now been confirmed that EU students starting courses at universities in England in the 2018/19 academic year will continue to remain eligible for grants and loans for the full duration of the course, even if the course concludes after the UK's exit from the EU. Whilst this is a helpful assurance, there is still uncertainty for the Higher Education sector around:

- risks for international research collaboration
- maintaining the UK's ability to attract and retain EU and overseas students and staff
- the ability to bid for EU funding beyond Horizon 2020.

Whilst the University is not anticipating any short term impact on the immediate performance and position of the business, the full impact of Brexit will continue to unfold.

Public Benefit Statement

Keele University is an exempt charity under the terms of Schedule 3 to the Charities Act 2011. It is therefore exempt from certain requirements of that Act, including the need to register with the Charity Commission. The members of the University's Council act in the capacity of Trustees to the charity. This Public Benefit Statement has been included as part of the reporting requirements introduced by the Higher Education Funding Council for England (HEFCE) as the principal regulator of English higher education institutions under the Charities Act 2011. When setting and reviewing the University's objectives and activities, the Trustees have complied with their duty to have due regard to the Charity Commission's guidance on public benefit in exercising their powers or duties.

The overall purpose of the University is to promote excellence in teaching, research and enterprise and the advancement of education. The University's mission is to make a difference in society by providing innovative, high quality education for students from all backgrounds and by undertaking world-leading research that transforms understanding and brings benefit to society, communities and individuals. Observing Keele's founding ethos of "the pursuit of truth in the company of friends", the University is committed to a set of values that underpin its vision and mission.

Strategic and Financial Planning

The University Strategic Plan for 2015 to 2020 was formally approved by Council in February 2015. It has six over-arching Strategic Aims:

- To continue building Keele as a broad-based research-led University of about 13,000 students recognised internationally for excellence in education, research and enterprise
- To provide outstanding discipline-based education and a unique portfolio of personal development opportunities in the context of a sector-leading student experience
- To deliver international excellence and impact in focused areas of research
- To contribute positively to the society, economy, culture, health and well-being of the communities we serve
- To promote environmental sustainability in all that we do
- To transform how we work to ensure the University's development is sustainable and delivers world-leading teaching and research.

Essential to the development of the 2015-2020 strategic plan was the recognition that Keele needs to respond to the financial challenges of the sector and to have a strong financial model underpinning its future plans. Whilst Keele wishes to retain the benefits, culture and appeal of being a relatively small University, it was also recognised that growth in student numbers and overall income is essential to deliver economies of scale and increased levels of surpluses, thus supporting the University in maintaining its sector leading student experience and further enhancing its research profile. Overall there are some ambitious aims underpinning the Strategic Plan which seek to increase the University's income significantly and to generate increased annual cash surpluses. Alongside these aims, and pivotal to them, is the commitment to provide a sector-leading student experience.

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Strategic aim 6 of the University Plan is to transform how we work to ensure the University's development is sustainable and delivers world-leading teaching and research. A key objective supporting this aim is to **maintain financial sustainability and build income and expenditure reserves** by:

- increasing income and generating increased levels of surpluses and cash from operations for investment in the University's infrastructure, in line with a clear funding plan
- targeting staffing investments in areas of growth, whilst managing staff costs overall
- strategically prioritising the programme of capital development funded by both internal and external sources
- continuing to develop robust risk management processes
- the promotion of fundraising and delivering the development campaign.

These financial objectives are expanded upon in the University's 2016 to 2020 Financial Strategy. The purpose of the Financial Strategy is to ensure the long-term financial sustainability of the University by responding positively to the challenges and pressures currently being experienced by the higher education sector. These include the introduction of the Higher Education and Research Act 2017, which created two new bodies to regulate and fund higher education providers - the Office for Students (replacing the Higher Education Funding Council for England) and UK Research and Innovation (which combines the work of the UK-wide research councils). As noted previously, the TEF has been introduced in the year, with subsequent fee increases only being confirmed for 2017/18 and an announcement for 2018/19 fees to be made in autumn 2017. It is inevitable that other changes will also occur during the period covered by the Strategic Plan.

Student Admission and Widening Participation

Widening Participation is about giving people with the ability to benefit from a university education the information and opportunity to access it, regardless of social and economic circumstances. Keele University is committed to fair access, ensuring that all its courses, including the most competitive, can be accessed by students from any background. Keele practises fair admissions policies and provides bursaries (financial payments to undergraduates) and support in order that individuals from under-represented groups at the University have the best chance of success when choosing Keele as a place to study. One of Keele's underpinning values is the equality of educational opportunity. This was recognised in the recent TEF Gold result for Keele, which ties in with the objective for Keele to be recognised for excellence in education.

In order to achieve widening participation, the University works with thousands of school-aged students every year. It also works with parents, teachers, other Higher Education Institutions and external partners, providing information and aspiration-raising activities. As part of this, the University paid out £3.3m in student bursaries in 2016/17. Bursaries can be awarded for academic excellence, financial reasons or social reasons for UK and International Undergraduate and Postgraduate students.

During the year, the University was awarded £11.8m by HEFCE for the National Collaborative Outreach Programme ("NCOP"). The NCOP consortia is being led by Keele, but includes partner institutions Chester University, Harper Adams University and Staffordshire University along with input from Manchester Metropolitan University, the University of Derby, the University of Oxford, South Cheshire College, Reaseheath College, and Warrington Collegiate. The programme will attempt to double the amount of 18-year-olds entering Higher Education from economically disadvantaged areas, including Stoke-on-Trent and Crewe, as well as members of ethnic minority groups and young men. Schools and colleges across Staffordshire, Shropshire and Cheshire will be engaged in free and funded activity for an initial two years. These activities will build upon and provide a boost to existing outreach work taking place within Keele. This links in to our aim to contribute positively to the society, economy, culture, health and well-being of the local communities.

Research for the Public Benefit

The University places a high value on excellent research and supports internationally competitive expertise throughout Natural Sciences, Humanities and Social Sciences, and Medicine and Health Sciences. The quality and extent of the University's research was underlined in the latest UK-wide Research Excellence Framework (REF) published in December 2014, with 97% of Keele's research being assessed as world leading and of international importance. Keele performed exceptionally well in the areas of allied health professions, primary care, general engineering (combining medical bioengineering and diagnostics and sustainable technology and materials) and history. The University produces high quality, multi-disciplinary research and, importantly, applies research knowledge to produce beneficial outcomes. This was also recognised in the REF which rated the impact of Keele's research as world-leading.

Examples of research undertaken at Keele are the development of insights into the causes of disease and ways of treating them, improving social care outcomes, developing sustainable energy technologies and alleviating arthritis. Significant research grants have been awarded in 2016/17 including grants to fund the following projects:

- Single molecule imaging of transmembrane protein structure and function in their native state
- DNA dynamics in the unusual cell cycle of the malaria parasite *Plasmodium falciparum*
- Pathfinder: How do cartilage injuries heal naturally? An experimental study in humans
- Improving food safety by reducing pesticide residues developing a pheromone alternative to insecticides for control of thrips on vegetables in Kenya.

STRATEGIC REPORT

Environmental Sustainability

There is considerable expertise at Keele both in terms of environmental policy and science. This expertise has enabled leading edge research in this field and has also led to the introduction of multi-disciplinary courses in Environment and Sustainability. Keele has established itself as a hub for environmental sustainability, demonstrating new initiatives to universities, researchers, local communities, schools, national and international experts, and those wishing to learn about sustainability.

As part of a number of projects being part funded by European Regional Development Fund, the University is undertaking a Smart Energy Network Demonstrator together with the Centre of Excellence in Energy Security and Renewables. This will promote the production of energy derived from renewable sources and support research, innovation and the commercialisation of low carbon and smart energy technologies by the Local Enterprise Partnership areas' energy sector. The objective is to provide a real community based demonstrator for Central and Local Government, the research community, the energy industry and business and local communities of how a smart, flexible network of energy supply, storage and monitoring can improve energy security, reduce energy costs and reduce carbon emissions within a mixed environment and community. The anticipated completion date is 2020/21. This links in with the University's desire to promote sustainability at Keele and across the local and national agenda.

Risk Management

The following key principles outline the University's approach to risk management and internal control:

- Council has responsibility for establishing an overall Risk Management Policy within the University, which ensures that appropriate systems of management and control for the identification, evaluation, management and monitoring of risks that exist within the University
- The Audit and Risk Committee has oversight of the operation of the Risk Management Policy and utilises the Risk Assurance Map to prioritise the internal audit programme
- The University and its Council has an open and receptive approach to risk, which encourages honesty about risk and an acceptance that however good the risk management of the University is, problems will sometimes occur
- The Vice-Chancellor and the senior management team support, advise on and implement policies approved by Council. They are also responsible for encouraging good risk management practice throughout the University and reporting regularly on the status of the risks and controls
- The University makes realistic recognition and disclosure of the financial and non-financial implications of risk
- Key risk indicators are identified and closely monitored on a regular basis
- Council has agreed that the University should define its risk appetite and has approved both an institutional risk appetite statement and individual appetite statements for key risk areas.

The University has a well-established risk management framework consisting of a Corporate Risk Register (linked to the University Strategic Plan), embedded local registers and a risk appetite framework to inform decision-making and prioritising of strategic projects by Council. The University reviews its risk register, key strategic objectives and risk management processes in conjunction with its internal auditors through a process known as risk assurance mapping in order to prioritise audits on the annual Internal Audit Programme.

Based on revised management approaches to ensuring delivery of the Strategic Plan, use of KPIs and the interdependency with risk management, the Corporate Risk Register has been revised in format and updated. Corporate risks have been mapped against the six aims of the Strategic Plan, which collectively capture all aspects of the University's activity including the key objectives underpinning the Finance Strategy.

Conclusion

The University has had a very successful year with many positive achievements, both financially and operationally. We would like to thank all staff across the University for their contribution to the success of Keele. Finally, thank you to our students for choosing Keele. We look forward to working with our staff and students to successfully address the challenges and opportunities that lie ahead.

Professor T J McMillan
Vice-Chancellor

A Crouch
Treasurer

November 2017

CORPORATE GOVERNANCE

The following statement is provided to enable readers of the Annual Review and Statement of Accounts of Keele University to obtain a better understanding of its governance and legal structure. This statement, including the statement of internal control, covers the financial year and up to the date of approval of the audited financial statements.

Legal Status of the University

Keele University is an independent corporation and is the successor to the University College of North Staffordshire, founded in 1949. The University derives its legal status from the Royal Charter granted in 1962 (as subsequently amended) and the status of its degrees is recognised by the University of Keele Act 1962. Like many English universities, the University is a charity exempt from registration with the Charity Commission, and since 1 June 2010 the Higher Education Funding Council for England ("HEFCE") has been the principal charity regulator for the University. This means that members of the Council have the responsibilities of charity trustees in relation to ensuring the University's work is for the public benefit and that it complies with Charity Commission expectations.

How the University is governed

The University is committed to exhibiting best practice in all aspects of corporate governance. The University, like other public bodies, has a duty to conduct its affairs in a responsible and transparent way and to take into account the requirements of its funding bodies and the Higher Education Code of Governance published by the Committee of University Chairs (CUC). The University also conducts its business in accordance with the seven principles identified by the Committee on Standards in Public Life (selflessness, integrity, objectivity, accountability, openness, honesty and leadership). The CUC Code was revised and published in December 2014 and the University is confident that it has in place the primary elements of the Code and that it meets the supporting statements that underpin the primary elements. The University is also committed to the principles of academic freedom and equality of opportunity in its approach to governance.

The University has a responsibility to ensure that slavery and human trafficking are not taking place in our business or in our supply chains. Our Modern Slavery and Human Trafficking Statement can be accessed on our website at: <https://www.keele.ac.uk/modern-slavery/>.

In line with CUC guidance and sector best practice, Council undertook a review of its own effectiveness during the 2014-2015 financial year. The work of the review group indicated a strong and healthy relationship between Council and the senior management team. The Council is challenging of management whilst remaining constructive and supportive. Matters of strategic importance are presented to the Council and appropriate information around the risks currently facing the University and action to mitigate such risks are also presented and discussed. Key financial information, including action being taken to improve financial performance and sustainability, is presented and Council members were involved fully in developing the University's Strategic Plan 2015-2020. The next effectiveness review is to take place during the 2017-2018 academic year.

In June 2017 HEFCE completed a quinquennial Assurance Review of the University to examine how the University exercises accountability for the public funding it receives. The report was based on the most recently submitted annual accountability returns, the minutes of Council, the Business Review Committee and Audit & Risk Committee meetings in the 12 months prior to the Review and interviews with members of the Council and the executive. HEFCE concluded that it was able to place reliance on the University's accountability information and made only minor observations in respect of our reporting.

The University's Corporate Governance Framework

The University's powers and framework of governance are set out in the Charter, its supporting Statutes, Ordinances and Regulations. These currently require the University to have two separate bodies, each with clearly defined functions and responsibilities, to oversee and manage its activities, as follows:

- **The Council** is the supreme governing body, responsible for the finance, property, investments and general business of the University, and for setting the general strategic direction of the institution. Council members are sometimes referred to as the Trustees of the University. Council has a majority of members from outside the University (described as lay members), from whom its Chair and Deputy Chairs must be drawn. Members also include representatives of the University's academic and support staff and student body. For a full list of Council members who have served during the last year see the final page of these accounts.
- **The Senate** is the academic authority of the University and draws its membership entirely from the academic and academic related staff and the students of the institution. Its role is to regulate and superintend the education, welfare and discipline of students and the promotion of learning and research. The Vice-Chancellor is the Chair of the Senate. A review of its effectiveness was also undertaken during 2014/15, alongside the review of Council.

The University undertook a comprehensive review of the committee structure and business in 2014/15. The purpose of the review was to promote a more agile decision-making structure and to maximise efficiency in the delivery of the new Strategic Plan and the operation of university business, to ensure that it is well positioned to respond proactively to changes in the dynamic external environment. A number of committees were discontinued or merged and these changes took effect from the beginning of the 2015/16 academic year. For the start of the 2017-2018 academic year, two new executive committees with responsibility for Health & Safety and Equality & Diversity have been established with lay representation.

The principal academic and administrative officer of the University is the Vice-Chancellor, who has a general responsibility to the Council for maintaining and promoting the efficiency and good order of the University. Under the terms of the formal Memorandum of Assurance and Accountability between the University and the Higher Education Funding Council for England (HEFCE), the Vice-Chancellor is the Accountable Officer of the University.

CORPORATE GOVERNANCE

The Council met five times during 2016-2017, held a joint meeting with the Senate and had a strategy day. The Council has a number of committees, which undertake a lot of the detailed scrutiny on behalf of the Council and their decisions are reported back to the Council and, where relevant, the Senate. All committees are formally constituted with written terms of reference and have majority lay member representation.

Council Committees

The Business Review Committee provides detailed scrutiny on behalf of Council on matters concerning the operation and financial sustainability of the University. It receives and recommends approval to the Council of the draft budget, financial forecasts and statutory accounts, monitors financial performance against agreed plans and budgets, receives reports on the University's wholly-owned subsidiary companies and monitors the University's portfolio of investments.

The Nominations Committee considers appointments to the Council and its committees taking into account skills and experience and seeking to ensure the promotion of equality and diversity in reflecting both the diversity of society and the needs of the University. The University, in accordance with guidance based on the Lambert Report, normally advertises vacancies nationally against defined person specifications. The Nominations Committee is also responsible for identifying members of the College of Fellows and candidates for honorary degrees. In 2017-2018 responsibility for nominations for honorary degrees will transfer from the Nominations Committee to a new Honorary Degrees Committee, reporting to both the Senate and the Council.

The Senior Remuneration Committee determines the remuneration of the most senior academic and academic related staff, including the Vice-Chancellor.

The Audit & Risk Committee meets at least three times a year, with the University's external and internal auditors in attendance. The Committee changed its name in May 2017 to include 'Risk' in its title to better reflect its scope and remit. The Committee considers detailed reports together with recommendations for the improvement of the University's systems of internal control and management's responses and implementation plans. The Audit & Risk Committee undertakes an annual appraisal of its effectiveness and prepares an Annual Report for both Council and HEFCE. It also receives and considers reports from HEFCE as they affect the University's business and monitors adherence to the regulatory requirements. Whilst senior executives attend meetings of the Audit & Risk Committee, they are not members of the Committee and the Committee members meet both the Internal and External Auditors on their own for independent discussions at least once a year.

Statement of Primary Responsibilities - The Role of Council

The appointment and powers of Council are laid down by the Charter and Statutes of the University. Its main general responsibilities and duties, as adopted in June 2011 as part of the Council Review of Council Effectiveness and amended in May 2017 to include statements 13 and 14, are as follows:

1. To approve the mission and strategic vision of the institution, long-term academic and business plans and key performance indicators, and to ensure that these meet the interests of stakeholders.
2. To delegate authority to the head of the institution, as chief executive, for the academic, corporate, financial, estate and personnel management of the institution. To establish and keep under regular review the policies, procedures and limits within such management functions as shall be undertaken by and under the authority of the head of the institution.
3. To ensure the establishment and monitoring of systems of control and accountability, including financial and operational controls and risk assessment, and procedures for handling internal grievances and for managing conflicts of interest.
4. To ensure that processes are in place to monitor and evaluate the performance and effectiveness of the institution against the plans and approved key performance indicators, which should be – where possible and appropriate – benchmarked against other comparable institutions.
5. To establish processes to monitor and evaluate the performance and effectiveness of the governing body itself.
6. To conduct its business in accordance with best practice in higher education corporate governance and with the principles of public life drawn up by the Committee on Standards in Public Life.
7. To safeguard the good name and values of the institution.
8. To appoint the head of the institution as chief executive, and to put in place suitable arrangements for monitoring his/her performance.
9. To appoint a secretary to the governing body and to ensure that, if the person appointed has managerial responsibilities in the institution, there is an appropriate separation in the lines of accountability.
10. To be the employing authority for all staff in the institution and to be responsible for establishing a human resources strategy.
11. To be the principal financial and business authority of the institution, to ensure that proper books of account are kept, to approve the annual budget and financial statements, and to have overall responsibility for the institution's assets, property and estate.
12. To be the institution's legal authority and, as such, to ensure that systems are in place for meeting all the institution's legal obligations, including those arising from contracts and other legal commitments made in the institution's name.

CORPORATE GOVERNANCE

13. To ensure, subject to the relevant legislation, that appropriate arrangements are in place for the management and operation of such companies as are wholly or partly owned by the University.
14. To accept ultimate responsibility for the health and safety of employees, students and other individuals while they are on the institution's premises and in other places where they may be affected by its operations. And to ensure that the institution has a written statement of policy on health and safety and arrangements for the implementation of that policy.
15. To make such provision as it thinks fit for the general welfare of students, in consultation with the Senate.
16. To act as trustee for any property, legacy, endowment, bequest or gift in support of the work and welfare of the institution.
17. To ensure that the institution's constitution is followed at all times and that appropriate advice is available to enable this to happen.

Preparation of the Financial Statements

In accordance with the University Statutes, the Council is responsible for governing, managing and regulating the finances, accounts, investments, property, business and all affairs whatsoever of the University and is required to present audited financial statements for each financial year.

The Council is responsible for preparing the Strategic Report and the financial statements in accordance with the requirements of the HEFCE Memorandum of Assurance and Accountability issued by HEFCE 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 Memorandum of Assurance and Accountability further requires 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 HEFCE's Accounts Direction to higher education institutions. The Council is 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 University financial statements, Council has ensured that:

- suitable accounting policies are selected and applied consistently;
- judgements and estimates are made that are reasonable and prudent;
- applicable UK accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- financial statements are prepared on the going concern basis. The Council is satisfied that the University has adequate resources to continue in operation for the foreseeable future. For this reason the going concern basis continues to be adopted in the preparation of the financial statements.

The Council is responsible for keeping adequate accounting records that are sufficient to show and explain the University's transactions, and disclose with reasonable accuracy at any time the financial position of the University and enable them to ensure that its financial statements comply with relevant legislation and other relevant accounting standards. 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 Council has taken reasonable steps to:

- ensure that funds from HEFCE are used only for the purposes for which they have been given and in accordance with the Memorandum of Financial Assurance and Accountability with the Funding Council and any other conditions which it may from time to time prescribe;
- ensure that there are appropriate financial and management controls in place to safeguard public funds and funds from other sources;
- safeguard the assets of the University and prevent and detect fraud and other irregularities;
- secure the economical, efficient and effective management of the University's resources and expenditure;
- ensure that material risks are identified, carefully considered and properly managed and that appropriate risk management procedures and processes are in place across the University.

The Council 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.

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

Risk Management and the System of Internal Control

As the governing body of Keele University, the Council has responsibility for maintaining a sound system of internal control that supports the achievement of policies, aims and objectives, while safeguarding public and other funds and assets for which the University is responsible in accordance with the responsibilities assigned to the governing body in the University's Charter and Statutes and in the Memorandum of Assurance and Accountability with HEFCE. The system of internal control is designed to manage rather than eliminate the risk of failure to achieve policies, aims and objectives; it can, therefore, only provide reasonable and not absolute assurance of effectiveness.

The system of internal control is based on an on-going process designed to identify the principal risks to the achievement of policies, aims and objectives, to evaluate the nature and extent of those risks and to manage them efficiently, effectively and economically. The University has reviewed and updated its risk management procedures, which continue to enable it to be fully compliant with HEFCE requirements.

CORPORATE GOVERNANCE

The University has a published Risk Management Policy, which was approved by Council in June 2011 and reviewed and updated in November 2011 and November 2015. This policy identifies clearly and distinguishes the roles and responsibilities of both the Council and the executive. A key element of the policy is the Corporate Risk Register, which is intrinsically linked to the University's Strategic Plan. Progress against the six strategic aims in the Strategic Plan is presented to the Council at each meeting along with the key performance indicators and a review of the Corporate Risk Register. The Corporate Risk Register is also reviewed by the Audit & Risk Committee at each meeting.

The University employs UNIAC to undertake its internal audit functions and they operate to standards defined in the HEFCE Audit Code of Practice. The internal auditors submit regular reports to the Audit & Risk Committee, including the head of internal audit's independent opinion on the adequacy and effectiveness of the system of internal control, together with recommendations for improvement. The Chair of Audit & Risk Committee provides the Council with regular reports concerning internal control.

The Council's review of the effectiveness of the system of internal control is informed by the work of the internal auditors and the executive managers within the University who have responsibility for the development and maintenance of the internal control framework, and by comments made by the external auditors in their management letter and other reports.

Value for Money

The University strives to apply value for money considerations to all its processes and activities and this is supported by strong awareness and vigilance across the executive. The Audit & Risk Committee receives the Value for Money Strategy on an annual basis, monitors progress against the Value for Money Action Plan at each meeting and receives the annual Value for Money Report prior to submission to HEFCE. The Audit & Risk Committee also receives a comprehensive report on the Transparent Approach to Costing (TRAC) analysis undertaken by the University and submitted to HEFCE in January of each year. In addition, all relevant internal audit review undertaken and submitted to the Audit Committee makes specific observations and judgements concerning the value for money demonstrated.

Register of Interests

The University maintains a Register of Interests of members of Council and the executive, which may be consulted by arrangement with the Secretary to the Council. Lay members of Council receive no remuneration for their role although they are reimbursed for travelling and other expenses.

Further Information

Any enquiries about the constitution and governance of the University should be addressed to the Secretary to the Council.

INDEPENDENT AUDITOR'S REPORT TO THE COUNCIL OF KEELE UNIVERSITY

Opinion

We have audited the financial statements of Keele University ("the University") for the year ended 31 July 2017 which comprise the Statement of Comprehensive Income and Expenditure, Statement of Changes in Reserves, Balance Sheet, Statement of Cash Flows and related notes, including the Statement of 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 2017 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 HEFCE's Accounts Direction to higher education institutions for 2016-17 financial statements.

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.

Going concern

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 twelve months from the date of approval of the financial statements. We have nothing to report in these respects.

Other information

The Council is responsible for the other information, which comprises the Strategic Report and Corporate Governance 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.

Council responsibilities

As explained more fully in the "Preparation of the Financial Statements" section of the Corporate Governance statement set out on page 12, the Council 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

Report on other legal and regulatory requirements

We are required to report on the following matters under the HEFCE Audit Code of Practice (effective 1 August 2016) 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 Statutes; and
- funds provided by HEFCE have been applied in accordance with the Memorandum of Assurance and Accountability and any other terms and conditions attached to them.

INDEPENDENT AUDITOR'S REPORT TO THE COUNCIL OF KEELE UNIVERSITY

The purpose of our audit work and to whom we owe our responsibilities

This report is made solely to the Council, in accordance with of the Charters and Statutes of the institution and section 124B of the Education Reform Act 1988. Our audit work has been undertaken so that we might state to the Council those matters we are required to state to it in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Council for our audit work, for this report, or for the opinions we have formed.

Rob Jones

For and on behalf of KPMG LLP, Statutory Auditor

Chartered Accountants,

1 St Peters Square,

Manchester

M2 3AE

Statement of Comprehensive Income and Expenditure ("SOC")
Year Ended 31 July 2017

	Notes	Year ended 31 July 2017		Year ended 31 July 2016	
		Consolidated £'000	University £'000	Consolidated £'000	University £'000
Income					
Tuition fees and education contracts	1	76,326	76,326	71,335	71,335
Funding body grants	2	18,814	18,814	17,722	17,722
Research grants and contracts	3	18,511	18,511	17,067	17,067
Other Income	4	39,989	40,132	40,281	40,353
Investment Income	5	1,936	1,965	2,092	2,118
Total Income before donations and endowments		155,576	155,748	148,497	148,595
Donations and endowments	6	156	156	79	471
Total Income		155,732	155,904	148,576	149,066
Expenditure					
Staff costs	7	85,413	85,413	81,799	81,799
Other operating expenses	8	56,375	56,258	51,587	51,870
Depreciation	12	7,993	7,896	7,759	7,660
Interest and other finance costs	9	2,891	2,891	3,059	3,059
Total expenditure	10	152,672	152,458	144,204	144,388
Surplus before other gains/ losses and share of operating surplus/(deficit) of joint ventures		3,060	3,446	4,372	4,678
Loss on disposal of fixed assets		(18)	(18)	-	-
Gain on investments		1,755	1,755	1,379	1,379
Share of operating surplus / (deficit) in joint venture	15	-	-	-	-
Surplus before tax		4,797	5,183	5,751	6,057
Taxation	11	-	-	(58)	(58)
Surplus for the year		4,797	5,183	5,693	5,999
Other comprehensive income and expenditure					
Unrealised surplus on revaluation of Heritage assets	13	-	-	6,505	6,505
Actuarial loss in respect of pension schemes	29	(1,332)	(1,332)	(8,286)	(8,286)
Total comprehensive income and expenditure for the year		3,465	3,851	3,912	4,218
Represented by:					
Endowment comprehensive income for the year	22	93	93	6	6
Restricted comprehensive income for the year	23	(535)	(535)	(414)	(414)
Unrestricted comprehensive income for the year		3,907	4,293	4,320	4,626
		3,465	3,851	3,912	4,218

All items of income and expenditure relate to continuing activities

**Statement of Changes in Reserves
Year Ended 31 July 2017**

Consolidated

	Income and expenditure account			Total £'000
	Endowment £'000	Restricted £'000	Unrestricted £'000	
Balance at 1 August 2015	949	1,158	138,930	141,037
Surplus for the year from the income and expenditure statement	6	744	4,943	5,693
Other comprehensive income and expenditure	-	-	(1,781)	(1,781)
Release of restricted funds spent in year	-	(1,158)	1,158	-
Total comprehensive income for the year	6	(414)	4,320	3,912
Balance at 1 August 2016	955	744	143,250	144,949
Surplus for the year from the income and expenditure statement	93	209	4,495	4,797
Other comprehensive income and expenditure	-	-	(1,332)	(1,332)
Release of restricted funds spent in year	-	(744)	744	-
Total comprehensive income for the year	93	(535)	3,907	3,465
Balance at 31 July 2017	1,048	209	147,157	148,414

University

	Income and expenditure account			Total £'000
	Endowment £'000	Restricted £'000	Unrestricted £'000	
Balance at 1 August 2015	949	1,158	136,637	138,744
Surplus for the year from the income and expenditure statement	6	744	5,249	5,999
Other comprehensive income and expenditure	-	-	(1,781)	(1,781)
Release of restricted funds spent in year	-	(1,158)	1,158	-
Total comprehensive income for the year	6	(414)	4,626	4,218
Balance at 1 August 2016	955	744	141,263	142,962
Surplus for the year from the income and expenditure statement	93	209	4,881	5,183
Other comprehensive income and expenditure	-	-	(1,332)	(1,332)
Release of restricted funds spent in year	-	(744)	744	-
Total comprehensive income for the year	93	(535)	4,293	3,851
Balance at 31 July 2017	1,048	209	145,556	146,813

See note 22 for endowment reserves and note 23 for restricted reserves, which relate to capital grant income.

Balance Sheet

	Notes	Year ended 31 July 2017		Year ended 31 July 2016	
		Consolidated £'000	University £'000	Consolidated £'000	University £'000
Non-current assets					
Fixed assets	12	254,286	251,065	232,755	229,437
Investment Properties	12	8,250	8,250	7,600	7,600
Heritage assets	12 / 13	12,116	12,116	12,116	12,116
Investments	14	40,452	40,452	39,525	39,525
Investments in joint venture	15	-	-	-	-
		315,104	311,883	291,996	288,678
Current assets					
Stock	16	5,662	193	5,687	218
Trade and other receivables	17	13,552	16,479	14,338	16,864
Investments	18	-	-	-	-
Cash and cash equivalents	24	9,480	9,446	27,218	27,168
		28,694	26,118	47,243	44,250
Less: Creditors: amounts falling due within one year	19	(49,461)	(49,383)	(48,917)	(48,710)
Net current liabilities		(20,767)	(23,265)	(1,674)	(4,460)
Total assets less current liabilities		294,337	288,618	290,322	284,218
Creditors: amounts falling due after more than one year	20	(86,377)	(82,259)	(87,631)	(83,514)
Provisions					
Pension provisions	21	(58,746)	(58,746)	(57,658)	(57,658)
Other provisions	21	(800)	(800)	(84)	(84)
Total Net Assets		148,414	146,813	144,949	142,962
Restricted Reserves					
Income and expenditure reserve – endowment reserve	22	1,048	1,048	955	955
Income and expenditure reserve – restricted reserve	23	209	209	744	744
Unrestricted reserves					
Income and expenditure reserve – unrestricted		147,157	145,556	143,250	141,263
Total Reserves		148,414	146,813	144,949	142,962

The financial statements were approved by the Governing Body on 23 November 2017 and were signed on its behalf by:

T. J. McMillan, Vice-Chancellor

P. W. Buttery, Acting Director of Finance

R. Findlay, Pro-Chancellor

A. Crouch, Treasurer

Statement of Cash Flows
Year Ended 31 July 2017

Consolidated	Notes	31 July 2017	31 July 2016
		£'000	£'000
Cash flows from operating activities			
Surplus for the year		4,797	5,693
Adjustment for non-cash items			
Depreciation	12	7,993	7,759
Gain on investments		(1,755)	(1,379)
Decrease in stock (Finished goods)	16	25	4
Decrease in debtors		891	639
Decrease in creditors		(6,477)	(6,243)
Pension movements included in staff costs	7	(495)	2,331
Interest payable on pension schemes	9	1,271	1,328
KSS deficit contributions paid	29	(1,020)	(988)
Increase / (decrease) in other provisions		716	(54)
Share of operating surplus / (deficit) in joint venture	15	-	-
Adjustment for investing or financing activities			
Investment Income	5	(1,936)	(2,092)
Interest payable (including loan interest)	9	1,620	1,731
Endowment income	6	(143)	(56)
Loss on sale of fixed assets		18	-
Revaluation of Investment Property	12	(650)	(700)
Capital grant income		(1,389)	(1,335)
Net cash inflow from operating activities		<u>3,466</u>	<u>6,638</u>
Cash flows from investing activities			
Proceeds from sales of fixed assets		-	-
Capital grant receipts		1,370	4,029
Disposal of non-current asset investments		4,639	20,426
Investment income		1,952	2,077
Payments made to acquire fixed assets		(29,620)	(12,383)
New non-current asset investments		(3,811)	(2,437)
		<u>(25,470)</u>	<u>11,712</u>
Cash flows from financing activities			
Interest paid		(1,609)	(1,806)
Endowment cash received		143	56
New loans		7,500	-
Repayments of amounts borrowed		(1,768)	(1,740)
		<u>4,266</u>	<u>(3,490)</u>
(Decrease) / increase in cash and cash equivalents in the year		<u>(17,738)</u>	<u>14,860</u>
Cash and cash equivalents at beginning of the year	24	27,218	12,358
Cash and cash equivalents at end of the year	24	9,480	27,218

1. Basis of preparation

These financial statements have been prepared in accordance with the Accounts Direction issued by the Higher Education Funding Council for England (HEFCE), the Memorandum of Assurance and Accountability agreed with HEFCE, the Statement of Recommended Practice (SORP): Accounting for Further and Higher Education (2015) and in accordance with applicable accounting standards. The University is a public benefit entity and therefore has applied the relevant public benefit requirement of the applicable UK laws and accounting standards.

The University's activities, together with the factors likely to affect its future development, performance and position are set out in the Strategic Report. This also describes the financial position of the University, its cash flows, liquidity position and borrowing facilities, the University's capital position and its financial risk management strategy.

The Council has a reasonable expectation that the University has adequate resources to continue in operational existence for the foreseeable future. Thus it continues to adopt the going concern basis of accounting in preparing the annual financial statements.

2. Basis of Accounting

The financial statements have been prepared under the historical cost convention, with the exception of certain investment properties which have been revalued to fair value as at the year ended 31 July 2017.

These financial statements are presented in pounds sterling (rounded to £'000) because that is the currency of the primary economic environment in which the University operates.

3. Basis of consolidation

The consolidated financial statements include the University, its wholly owned subsidiaries and a joint venture company for the financial year to 31 July 2017. Details of these companies are provided in notes 14 (b) and 15.

The results of subsidiaries acquired or disposed of during the period are included in the Consolidated Statement of Comprehensive Income and Expenditure from the date of acquisition or up to the date of disposal. Goodwill arising on consolidation (representing the excess of the fair value of the consideration given over the fair value of the separable net assets acquired) is capitalised on acquisition. Intra-group transactions are eliminated on consolidation.

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

The consolidated financial statements do not include the income and expenditure of the Students' Union as the University does not exert control or dominant influence over policy decisions.

4. Income recognition

Income from the sale of goods or services is credited to the 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 Statement of Comprehensive Income and Expenditure over the period in which students are studying. Where the amount of the tuition fee is reduced, income receivable is shown net of the discount. Externally funded bursaries and scholarships are accounted for gross as expenditure and not deducted from income.

Investment income is credited to the Statement of Comprehensive Income and Expenditure on a receivable basis.

In both 2000/01 and 2006/07 the University received premiums for the lease of student accommodation to Keele Residential Funding plc, previously Owengate (Keele) plc. These premiums are held under Creditors on the balance sheet and are being released to the Statement of Comprehensive Income and Expenditure over the period of the respective lease agreements on a straight-line basis.

The income received for student lettings of the Halls is recognised as income in full, with any payments that are made to Keele Residential Funding Plc being accounted for as non-pay expenditure.

Funds which the University receives and disburses as paying agent on behalf of a funding body are excluded from the Statement of Comprehensive 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

Revenue Government grants including Funding Council and Government research grants are recognised within the Statement of Comprehensive Income and Expenditure 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.

Other grants and donations from non-government sources, including research grants from non-government sources, are recognised within the Statement of Comprehensive Income and Expenditure 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 deferred on the Balance Sheet and released to the Statement of Comprehensive Income and Expenditure in line with such conditions being met.

Income recognition (continued)

Donations and endowments

Non exchange transactions without performance related conditions are donations and endowments. Donations and endowments with donor imposed restrictions are recognised within the Statement of Comprehensive Income and Expenditure when the University is entitled to the income. 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 recorded within the Statement of Comprehensive Income and Expenditure when the University is entitled to the income.

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 applied to the individual endowment fund.

There are four main types of donations and endowments with restrictions:

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 recorded in income when the University is entitled to the income subject to any performance related conditions being met.

5. Foreign currency

Transactions in foreign currencies are translated 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 sterling at the foreign exchange rate ruling at that date. Foreign exchange differences arising on translation are recognised in the Statement of Comprehensive Income and Expenditure.

6. 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.

7. Accounting for Research and Development

Expenditure on pure and applied research is treated as a part of the continuing activities of the University. Expenditure on development activities is carried forward and amortised over the period expected to benefit.

8. Fixed assets

Fixed assets are stated at deemed cost less accumulated depreciation, with the exception of the Hawthorns land which is stated at historic cost. Where parts of a fixed asset have different useful lives, they are accounted for as separate items of fixed assets.

Land and Buildings

Where a property comprises two or more major components with substantially different useful economic lives ("UEL"), each component is accounted for separately and depreciated over its individual UEL. Expenditure relating to subsequent replacement of components is capitalised as incurred to the extent that they increase the expected future benefits to the University.

Freehold buildings are depreciated by component from the date of completion over their expected UEL on a straight-line basis as follows:

Structure	50 years
Plant and Machinery	25 years
Fit Out	15 years
Refurbishments	10 years

Leasehold land and buildings are depreciated over the life of the lease up to a maximum of 50 years.

Freehold land is not depreciated as it is considered to have an indefinite useful life.

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

Fixed assets (continued)

Equipment and Furniture

Equipment, including software, and furniture costing less than £20,000 is written off in the year of acquisition. All other equipment is capitalised, including equipment used for research. Capitalised equipment and furniture is stated at cost and depreciated from the month of purchase over its expected useful life of between 4 to 10 years.

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

Impairment

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

Borrowing costs

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

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.

The Keele Residential Fund agreement is not treated as a service concession arrangement, and as such no financial liability was created and the Halls of Residence were valued in use as part of fixed assets.

10. Leases

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 are stated 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, less accumulated depreciation and less accumulated impairment losses.

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.

Assets held under finance leases are depreciated over the shorter of the lease term or the useful economic lives of equivalent owned assets.

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. Heritage assets

Works of art and other valuable artefacts (heritage assets) costing in excess of the capitalisation threshold of £20,000 will be capitalised and recognised at their cost or value where reasonably obtainable. The University uses the valuation for insurance purposes as the basis for the value reflected in the financial statements. The University's significant donated assets are works of art, porcelain and antiques. These are accounted for as heritage assets.

Heritage assets are revalued in line with insurance valuations, with any movements taken to the Statement of Comprehensive Income and Expenditure. The valuations are usually carried out every five years, and on an interim basis for specific items. Heritage assets are not depreciated as their long economic life and high residual value mean that any depreciation would not be material. However, they are reviewed for impairment purposes.

12. Investment Properties

Investment property is land and buildings held for rental income or capital appreciation rather than for use in delivering services.

Investment properties are measured initially at cost and subsequently at fair value with movements recognised in the Statement of Comprehensive Income and Expenditure. Investment properties are not depreciated but are revalued or reviewed annually according to market conditions as at 31 July each year.

13. Investments

Listed investments held as fixed asset investments are shown at market value with movements taken to the Statement of Comprehensive Income. Other non-current investments are held on the Balance Sheet at amortised cost less impairment. Investments in 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 Statement of Comprehensive Income and Expenditure.

14. Accounting for Joint Operations, Jointly Controlled Assets, Jointly Controlled Operations and Joint Ventures

A joint venture is an entity where the University has joint control and is entitled to a share of the net assets and liabilities. Investments in joint ventures are accounted for by the equity method, which involves recognition in the Statement of Comprehensive Income and Expenditure of the University's share of the joint venture's net surplus or deficit for the year. The interest in a joint venture is carried on the balance sheet as the University's share in the net assets of the joint venture together with any goodwill less any impairment loss. When the University's share in a loss exceeds the carrying amount of the joint venture, the carrying amount is reduced to zero. No further losses are recognised, unless the University has responsibility for obligations relating to the joint venture.

The University accounts for its share of transactions from joint operations and jointly controlled assets through the Statement of Comprehensive Income and Expenditure.

15. Stock

Stock is held at the lower of cost and net realisable value. Stock held under Maintenance and Building stores is held using an average cost. Food and beverage stock is held at latest cost. Materials held by academic and academic service departments are excluded, this expenditure being charged to the Statement of Comprehensive Income and Expenditure when incurred.

16. Cash and cash equivalents

Cash includes cash in hand, deposits repayable on demand and overdrafts. Deposits are repayable on demand if they are in practice available within 24 hours without penalty. Cash equivalents are short term, highly liquid investments that are readily convertible to known amounts of cash with insignificant risk of change in value.

17. Derivatives

Derivatives are held on the balance sheet at fair value with movements in fair value recorded in the Statement of Comprehensive Income and Expenditure.

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. Taxation

Current tax, including UK Corporation Tax and foreign tax, is provided at amounts expected to be paid using the tax rates and laws that have been enacted or substantively enacted by the balance sheet date.

Deferred tax is provided in full on timing differences that exist at the balance sheet date and that result in an obligation to pay more tax, or a right to pay less tax in the future. The deferred tax is measured at the rate expected to apply in periods in which the timing differences are expected to reverse, based on the tax rates and laws that are enacted or substantively enacted at the balance sheet date. Unrelieved tax losses and other deferred tax assets shall be recognised only to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits. Deferred tax assets and liabilities are not discounted.

Statement of Accounting Policies (continued)

For the year ended 31 July 2017

Taxation (continued)

The University is an exempt charity within the meaning of Schedule 3 of the Charities Act 2011. It is therefore a charity within the meaning of Paragraph 1 of Schedule 6 to the Finance Act 2010 and accordingly, the University is potentially exempt from UK Corporation Tax in respect of income or capital gains received within categories covered by section 478-488 of the Corporation Tax Act 2010 (CTA 2010) or section 256 of the Taxation of Chargeable Gains Act 1992, to the extent that such income or gains are applied to exclusively charitable purposes. The University's subsidiaries are liable to Corporation Tax in the same way as any other commercial organisation.

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

20. Accounting for retirement benefits

The two principal pension schemes for the University's staff are the Universities Superannuation Scheme ("USS") and the Keele Superannuation Scheme ("KSS"). The schemes are defined benefit schemes which are externally funded. Each fund is valued every three years by professionally qualified independent actuaries.

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.

Universities Superannuation Scheme

The University participates in the Universities Superannuation Scheme (the scheme). With effect from 1 October 2016, the scheme changed from a defined benefit only pension scheme to a hybrid pension scheme, providing defined benefits (for all members), as well as defined contribution benefits. The assets of the scheme are held in a separate trustee-administered fund. Because of the mutual nature of the scheme, the scheme's assets are not attributed to individual institutions and a scheme-wide contribution rate is set. The University is therefore exposed to actuarial risks associated with other institutions' employees and is unable to identify its share of the underlying assets and liabilities of the scheme on a consistent and reasonable basis. As required by Section 28 of FRS 102 "Employee benefits", the University therefore accounts for the scheme as if it were a wholly defined contribution scheme. As a result, the amount charged to the Statement of Comprehensive Income and Expenditure represents the contributions payable to the scheme. Since the University has entered into an agreement (the Recovery Plan) that determines how each employer within the scheme will fund the overall deficit, the University recognises a liability for the contributions payable that arise from the agreement (to the extent that they relate to the deficit) and therefore an expense is recognised.

Keele Superannuation Scheme

The University operates the KSS providing benefits based on final pensionable pay. The assets of the scheme are held separately from those of the University. The scheme is closed to future accrual. Pension scheme assets are measured using market values. Pension scheme liabilities are measured using a projected unit method, and discounted at the current rate of return on a high quality corporate bond of equivalent term and currency to the liability.

The KSS surplus (to the extent that it is recoverable) or deficit is recognised in full. The movement in the scheme surplus/deficit is credited / charged to the Statement of Comprehensive Income and Expenditure.

Others

The University participates in the Local Government Pension Scheme ("LGPS"). This is a defined benefit scheme which is externally funded. The assets of the LGPS are measured using closing market values. LGPS liabilities are measured using the projected unit method and discounted at the current rate of return on a high quality corporate bond of equivalent term and currency to the liability.

The LGPS surplus (to the extent that it is recoverable) or deficit is recognised in full. The movement in the scheme surplus/deficit is credited / charged to the Statement of Comprehensive Income and Expenditure.

A small number of staff are also in the NHS pension scheme. The amount charged to the Statement of Comprehensive Income and Expenditure represents the contributions payable to the scheme in respect of the accounting period.

21. Reserves

Reserves are allocated between restricted and unrestricted reserves. 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 through which the donor has designated a specific purpose and therefore the University is restricted in the use of these funds.

22. Significant estimates and judgements

The preparation of the financial statements requires management to make judgements and estimates that affect the amounts reported for assets and liabilities at the balance sheet date and the amounts reported for income and expenditure during the year. However, the nature of estimation means that actual outcomes could differ from those estimates. The following judgements have had the most significant effect on amounts recognised in the financial statements:

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.

Investment properties

Full valuations are undertaken every five years by an independent external team of chartered surveyors. This is updated annually by a desk top review by them based on the current tenant rents and an estimate of the rental yield going forward.

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.

Employee leave accrual

A liability for holiday pay is recognised due to accounting standards necessitating that short term employee benefits be charged to the Statement of Comprehensive Income and Expenditure as the employee service is received. Information has been gathered from the HR/Payroll system on holiday balances, with assumptions having been made for staff where this information was not possible to collect. These balances were then applied against individual pay data to calculate the employee leave accrual.

Retirement benefits

Keele Superannuation Scheme and Local Government Pension Scheme

The cost of defined benefit pension plans are determined using actuarial valuations. The actuarial valuation involves making assumptions about discount rates, future salary increases, mortality rates and future pension increases. Due to the complexity of the valuation, the underlying assumptions and the long term nature of these plans, such estimates are subject to significant uncertainty. The actuarial assumptions are set by the University, having first considered actuarial advice. In determining the appropriate discount rate, the University considers the interest rates of corporate bonds with an AA rating, with extrapolated maturities corresponding to the expected duration of the defined benefit obligation. The mortality rate is based on publicly available mortality tables. Future salary increases for KSS are based on expected future inflation rates, and for LGPS are based on the most recent actuarial valuation for the Staffordshire Local Government Pension fund. Further details are given in note 29.

University Superannuation Scheme

FRS 102 makes the distinction between a Group Plan and a multi-employer scheme. A Group Plan consists of a collection of entities under common control typically with a sponsoring employer. A multi-employer scheme is a scheme for entities not under common control and represents (typically) an industry-wide scheme such as USS. The accounting for a multi-employer scheme where the employer has entered into an agreement with the scheme that determines how the employer will fund a deficit results in the recognition of a liability for the contributions payable that arise from the agreement (to the extent that they relate to the deficit) and the resulting expense is recognised in the Statement of Comprehensive Income and Expenditure in accordance with section 28 of FRS 102. The University is satisfied that the scheme provided by USS meets the definition of a multi-employer scheme and has therefore recognised the discounted fair value of the contractual contributions under the funding plan in existence at the date of approving the financial statements.

As the University is contractually bound to make deficit recovery payments to the 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.

Notes to the Accounts
For the year ended 31 July 2017

Notes	Year ended 31 July 2017 Consolidated and University £'000	Year ended 31 July 2016 Consolidated and University £'000
1 Tuition fees and education contracts		
Home and EU students	57,342	50,347
International students	11,580	13,602
Short course fees	664	891
Home and EU fees paid by the Department of Health	6,433	6,351
Other fees	307	144
	<u>76,326</u>	<u>71,335</u>
2 Funding body grants		
Recurrent grant		
Higher Education Funding Council	15,323	15,639
Capital Grant	1,389	1,335
Specific grants		
Higher Education Funding Council	1,385	270
Higher Education Innovation Fund	717	478
	<u>18,814</u>	<u>17,722</u>

The University recognised the Teaching and Research capital income in full during 2016/17 for the HEFCE grant year from 1 April 2017 to 31 March 2018. A STEM capital bid has been deferred on the balance sheet until the building has been completed, at which point the grant will be recognised.

Notes	Year ended 31 July 2017 Consolidated and University £'000	Year ended 31 July 2016 Consolidated and University £'000
3 Research grants and contracts		
Research and Development Expenditure Credit (RDEC)	-	349
Research income – see analysis below	18,511	16,718
	<u>18,511</u>	<u>17,067</u>
Research Income analysis	£'000	£'000
Research councils	2,392	2,718
Research charities	1,982	2,377
UK central government	9,861	7,594
UK industry & commerce	497	589
Other	3,779	3,440
	<u>18,511</u>	<u>16,718</u>

RDEC is a government scheme administered by Her Majesty's Revenue and Customs that allows entities to make a claim based on eligible research and development expenditure. Universities were only able to claim RDEC from 1 April 2013 to 31 July 2015. The above income includes the gross income, with the corresponding tax deduction from the claims accounted for as a taxation cost in note 11. The final claim to 31 July 2015 was submitted in 2015/16 and was in excess of the estimate included in the 2014/15 accounts.

"Other" above includes EU government bodies, UK local authorities, health and hospital sources and other UK, EU and overseas sources.

Notes to the Accounts
For the year ended 31 July 2017

4 Other income	Notes	Year ended 31 July 2017		Year ended 31 July 2016	
		Consolidated £'000	University £'000	Consolidated £'000	University £'000
Residences, catering and conferences		18,146	18,146	17,879	17,879
KRF rental payment received	28(f)	4,337	4,337	4,232	4,232
KRF premium release	28(f)	2,842	2,842	2,842	2,842
Other services rendered		1,314	1,314	1,076	1,076
Other income		13,350	13,493	14,252	14,324
		39,989	40,132	40,281	40,353

5 Investment income		Year ended 31 July 2017		Year ended 31 July 2016	
		Consolidated £'000	University £'000	Consolidated £'000	University £'000
Investment income on endowments	22	3	3	4	4
Decrease in fair value of derivatives		334	334	-	-
Other investment income		1,599	1,628	2,088	2,114
		1,936	1,965	2,092	2,118

6 Donations and endowments		Year ended 31 July 2017		Year ended 31 July 2016	
		Consolidated £'000	University £'000	Consolidated £'000	University £'000
New endowments		143	143	56	56
Unrestricted donations		13	13	23	415
		156	156	79	471

7 Staff costs	Year ended 31 July 2017 Consolidated and University £'000		Year ended 31 July 2016 Consolidated and University £'000	
	Salaries	68,475		64,380
Social security costs	6,272		5,152	
Occupational pension costs (see note 29)				
- Employer contributions	11,011		9,613	
- Actuarial movements on pension provisions	(495)		2,331	
	85,263		81,476	
Severance costs	150		323	
Total	85,413		81,799	

A general pay award of 1.1% was made from 1 August 2016 for all staff on the Keele Spine, except for staff on the lowest two grades who received a slightly higher award.

Council Members

No council member has received any remuneration from the University during the year (2016: none). The total expenses paid to or on behalf of 11 council members was £7,000 (2016: £4,000 to 8 council members). This represents travel and subsistence expenses incurred in attending Council and Committee meetings in their official capacity.

7 Staff costs (continued)

Emoluments of the Vice-Chancellor (Professor McMillan)	Year to	Period to
	31 July 2017	31 July 2016
	£'000	£'000
Salary	253	216
Housing Allowance	9	9
Remuneration excluding pension contributions	262	225
Contributions to USS - Pension	-	14
Contributions to USS – Death In Service	5	1
Remuneration including pension contributions	267	240

Emoluments of the Vice-Chancellor (Professor Foskett)	Year to	Period to
	31 July 2017	31 July 2016
	£'000	£'000
Salary (including holiday pay)	-	19
Remuneration	-	19

Professor McMillan became Vice-Chancellor of the University on 10 August 2015, and the above disclosure for 31 July 2016 reflects his remuneration for the period from 10 August 2015 to 31 July 2016 only compared to the full year from 1 August 2016 to 31 July 2017. He did not receive any bonus or expenses allowance in the current year or previous period.

The University paid employer pension contributions to the Universities Superannuation Scheme for the Vice-Chancellor to December 2015, at which point the Vice-Chancellor left the pension scheme. From April 2016, the University re-started contributions to the University Superannuation Scheme for the Death In Service element only. The Vice-Chancellor had no salary sacrifice arrangements. The emoluments of the Vice-Chancellor are shown on the same basis as for higher paid staff.

Professor Foskett retired from the post of Vice-Chancellor on 9 August 2016. He had no salary sacrifice arrangements, and his emoluments are shown on the same basis as for higher paid staff.

Emoluments of the highest paid senior post holder	Year ended	
	31 July 2017	31 July 2016
	£	£
	267	244

Remuneration of other higher paid staff (excluding the Vice-Chancellor), including taxable benefits in kind but excluding compensation for loss of office, employer pension contributions before any salary sacrifice, employer National Insurance and expenses:

	Year ended	
	31 July 2017	31 July 2016
	Number	Number
£100,000 to £109,999	10	9
£110,000 to £119,999	6	4
£120,000 to £129,999	3	2
£130,000 to £139,999	2	1
£140,000 to £149,999	-	1
£150,000 to £159,999	-	2
£160,000 to £169,999	-	2
£170,000 to £179,999	2	1
	23	22

There was no compensation for loss of office payable to a senior post-holder (2016: £nil)

Average staff numbers by major category:	Year ended	
	31 July 2017	31 July 2016
	FTE	FTE
Academic / Research	708	698
Technical	90	86
Academic Related	285	260
Secretarial / Clerical	456	445
Other	279	292
	1,818	1,781

Key management personnel

Key management personnel are those persons having authority and responsibility for planning, directing and controlling the activities of the University through the University Executive Committee. Key management personnel costs are based on 14 (2016: 14) University employees. Note that compensation consists of salary, benefits, compensation for loss of office, employer's national insurance and employer's pension contribution

	Year ended	
	31 July 2017	31 July 2016
	£'000	£'000
Key management personnel	<u>2,019</u>	<u>1,925</u>

8 Other operating expenses	Notes	Year ended 31 July 2017		Year ended 31 July 2016	
		Consolidated £'000	University £'000	Consolidated £'000	University £'000
Other operating expenses include:					
External auditors remuneration - audit services		39	35	38	34
External auditors remuneration - non-audit services		96	84	3	3
Internal auditors remuneration		94	94	93	93
Operating lease rentals					
Land and buildings		-	143	-	140
Other		432	432	470	470

9 Interest and other finance costs		Year ended	Year ended
		31 July 2017	31 July 2016
		Consolidated and University £'000	Consolidated and University £'000
Loan interest		1,623	1,632
Exchange differences		(3)	(4)
Increase in fair value of derivatives		-	103
		<u>1,620</u>	<u>1,731</u>
Net charge on pension schemes	29	1,271	1,328
		<u>2,891</u>	<u>3,059</u>

10 Analysis of total expenditure by activity	Year ended 31 July 2017		Year ended 31 July 2016	
	Consolidated £'000	University £'000	Consolidated £'000	University £'000
Academic	60,620	60,620	56,872	56,872
Academic services	13,241	13,241	11,989	11,989
Central administration	11,372	11,368	9,830	9,826
General education	3,012	3,012	2,276	2,276
Staff and student facilities	7,233	7,233	6,450	6,450
Premises	17,117	16,907	16,272	15,985
Residences, catering and conferences	20,794	20,794	19,910	19,910
Research grants and contracts	16,016	16,016	13,833	13,833
Other expenses	3,117	3,117	6,449	6,924
Restructuring	150	150	323	323
	<u>152,672</u>	<u>152,458</u>	<u>144,204</u>	<u>144,388</u>

11 Taxation	Year ended 31 July 2017		Year ended 31 July 2016	
	Consolidated £'000	University £'000	Consolidated £'000	University £'000
Recognised in the statement of comprehensive income				
Current tax				
Current tax expense – RDEC (see note 3)	-	-	58	58
Deferred tax				
	-	-	-	-
Total tax expense	<u>-</u>	<u>-</u>	<u>58</u>	<u>58</u>

The University has not provided a full tax reconciliation disclosure as tax is not material to the financial statements. Other than the statutory corporation tax deduction from the gross RDEC claim, the University does not believe that any current taxation will be payable by the group.

12 Fixed Assets

Consolidated	Freehold Land and Buildings	Leasehold Land and Buildings	Equipment	Assets in the Course of Construction	Tangible Fixed Assets Total	Investment Properties	Heritage assets	Total
	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000
Cost / valuation								
At 1 August 2016	229,756	413	14,672	8,468	253,309	7,600	12,116	273,025
Additions	5,024	-	1,240	23,278	29,542	-	-	29,542
Valuation increase	-	-	-	-	-	650	-	650
Transfers	1,572	-	297	(1,869)	-	-	-	-
Disposals	(91)	-	-	(18)	(109)	-	-	(109)
At 31 July 2017	236,261	413	16,209	29,859	282,742	8,250	12,116	303,108
Depreciation								
At 1 August 2016	11,861	16	8,677	-	20,554	-	-	20,554
Charge for the year	6,388	8	1,597	-	7,993	-	-	7,993
Disposals	(91)	-	-	-	(91)	-	-	(91)
At 31 July 2017	18,158	24	10,274	-	28,456	-	-	28,456
Net book value								
At 31 July 2017	218,103	389	5,935	29,859	254,286	8,250	12,116	274,652
At 31 July 2016	217,895	397	5,995	8,468	232,755	7,600	12,116	252,471
University	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000
Cost / valuation								
At 1 August 2016	226,081	413	14,594	8,468	249,556	7,600	12,116	269,272
Additions	5,024	-	1,240	23,278	29,542	-	-	29,542
Valuation increase	-	-	-	-	-	650	-	650
Transfers	1,572	-	297	(1,869)	-	-	-	-
Disposals	(91)	-	-	(18)	(109)	-	-	(109)
At 31 July 2017	232,586	413	16,131	29,859	278,989	8,250	12,116	299,355
Depreciation								
At 1 August 2016	11,490	16	8,613	-	20,119	-	-	20,119
Charge for the year	6,294	8	1,594	-	7,896	-	-	7,896
Disposals	(91)	-	-	-	(91)	-	-	(91)
At 31 July 2017	17,693	24	10,207	-	27,924	-	-	27,924
Net book value								
At 31 July 2017	214,893	389	5,924	29,859	251,065	8,250	12,116	271,431
At 31 July 2016	214,591	397	5,981	8,468	229,437	7,600	12,116	249,153

At 31 July 2017, freehold land and buildings included £34,761k university and £35,053k consolidated (2016 - £34,761k University; £35,053k Consolidated) in respect of freehold land that is not depreciated.

There are no leased assets included in the above, other than the Leasehold Land and Buildings.

A full valuation of the Group and University's land and buildings, including the Investment Property, was carried out on 31 July 2014 by GeraldEve LLP, an independent and qualified valuer. All the land and buildings are presented at this revalued amount, with the exception of the land and buildings at the Hawthorns site which remained at historical cost.

As at 31 July 2017, the Investment Properties were reviewed by GeraldEve LLP, and fair valued at £8,250k (2016:£7,600k).

13 Heritage assets

Consolidated and University

The University has a number of different types of heritage assets, some of which it owns, and some of which are held on loan deposit. During the year, the heritage assets were not revalued (2016:£6,505k) as a result of a valuation for insurance purposes. The total heritage assets are split between:

Library: Archives and Special Collections

The University holds a large number of manuscripts, archives and other special collections; these collections are housed in the University Library. They are held and maintained principally for their contribution to knowledge and culture.

Collections are acquired by deposit, gift and purchase. The University is committed to ensuring that these collections are exploited to their maximum advantage and made available efficiently and effectively. The University's collecting policy states that material should conform to at least one of the following criteria:

- It fits with the current or future teaching and research profile of the University
- It is of strategic local interest
- It supplements an existing collection
- It is material generated by the University and considered worth preserving.

The collections were professionally valued for insurance purposes during 2015/16 by Hansons Auctioneers and Valuers Ltd. The valuation of items owned by the University totalled £6,972k.

Listed below are the collections owned by the University:

Arnold Bennett Papers
Wilfred Bloor Papers
Goldendale Iron Company
T.E. Hulme Archive
William Jack Collection
The Foundations of British Sociology Archive (formerly called the LePlay Collection)
Lord Lindsay Papers
Local Collection
Karl Mannheim Papers
Pape Collection
Raymond Richards Collection
Sneyd Family Papers
Warrillow Collection
Josiah Clement Wedgwood Collection
Jeavons Collection of 20th Century Slides
An Illuminated Manuscript
Reserve stock (13,529 other titles held by the University)
George Thomas Baggaley – Finishing Designs
Ray Pahl Papers

No significant additions or disposals have occurred of University owned heritage assets in this or the previous four years.

Additionally, within the Hansons Auctioneers and Valuers Ltd insurance valuation there were items that were not owned by the University and were on deposit, valued at a total of £977k.

Other Miscellaneous Artefacts

The University has various miscellaneous artefacts that it owns, mainly situated in Keele Hall and the Library. These are classed as follows:

- Silver and Plated Ware
- Ceramics
- Furniture
- Sculpture
- Pictures (including Drawings and Prints)

During 2015/16, the collections were professionally valued for insurance purposes by Hansons Auctioneers and Valuers Ltd. The new valuation totalled £5,144k. Additionally, within the valuation there were items that were not owned by the University and were on deposit, valued at a total of £241k.

No additions or disposals have occurred of University owned heritage assets in this or the previous four years.

14 Non-Current Investments

Consolidated	Keele Residential Fund (see 14a)		(see 14b)	(see 14c)	(see 14d)	Total
	Stanhope Capital £'000	RBS Guaranteed Investment £'000	Subsidiary companies £'000	Investment in spinouts £'000	Other fixed asset investments £'000	
At 1 August 2015	37,257	18,796	-	-	82	56,135
Additions	1,545	892	-	-	-	2,437
Disposals	(19,732)	(694)	-	-	-	(20,426)
Change in market value	1,379	-	-	-	-	1,379
At 1 August 2016	20,449	18,994	-	-	82	39,525
Additions	2,907	904	-	-	-	3,811
Disposals	(3,496)	(1,143)	-	-	-	(4,639)
Change in market value	1,755	-	-	-	-	1,755
At 31 July 2017	21,615	18,755	-	-	82	40,452

University	Keele Residential Fund (see 14a)		(see 14b)	(see 14c)	(see 14d)	Total
	Stanhope Capital £'000	RBS Guaranteed Investment £'000	Subsidiary companies £'000	Investment in spinouts £'000	Other fixed asset investments £'000	
At 1 August 2015	37,257	18,796	475	-	82	56,610
Additions	1,545	892	-	-	-	2,437
Disposals	(19,732)	(694)	(475)	-	-	(20,901)
Change in market value	1,379	-	-	-	-	1,379
At 1 August 2016	20,449	18,994	-	-	82	39,525
Additions	2,907	904	-	-	-	3,811
Disposals	(3,496)	(1,143)	-	-	-	(4,639)
Change in market value	1,755	-	-	-	-	1,755
At 31 July 2017	21,615	18,755	-	-	82	40,452

14 (a) Keele Residential Fund Investments

The Keele Residential Fund investments relate to monies generated from the financial restructuring deals in 1999 and 2007, and can be categorised as follows:

Stanhope Capital Investment Funds and Refurbishment Funds

The strategic asset investment funds are an overall fund managed by Stanhope Capital on behalf of the University. The fund is held over a variety of different investments. Where an element of the fund is held in liquid assets, this is shown as cash and cash equivalents with the rest shown as non-current asset investments above. All of the investments are shown at market value, as provided by the investment managers, with any changes in market value being adjusted for in the Statement of Comprehensive Income and Expenditure.

RBS Guaranteed Investment Contract

The RBS Guaranteed Investment Contract is a separate fixed interest cash account against which a specified annual amount is drawn down by the University to use for the Halls of Residence refurbishment works. The ability of the University to draw down against the profile is subject to confirmation by Keele Residential Funding plc, and the final draw down is in 2029 when the balance in the account will be £nil. The whole of the Guaranteed Investment Contract is included in fixed asset investments.

14 (b) Investment in wholly owned subsidiary companies

The University had the following investments in wholly owned subsidiary companies as at 31 July 2016, all of which had a 31 July year end:

Name of Investment	Class of share	Proportion held by University	Nature of business
Keele University Science and Business Park Ltd	Ordinary	100%	Land development and associated activity
Keele Facilities Management Ltd	Ordinary	100%	Dormant company
Keele Hotels Ltd	Ordinary	100%	Dormant company

All of the above companies are registered in England and Wales. There were no acquisitions in the year. The University does not believe that there is any material difference between the cost and market value of the shares in the above companies, and the investment is shown at cost.

14 (c) Investment in spin out companies

The University had the following investments in spin out companies as at 31 July 2017:

Name of Investment	Class of share	No of shares purchased	Proportion held by University & Group	Nature of business
Prescribing Decision Support Limited	£1 Ordinary (1,000)	250	25.0%	Software to assist pharmacists
	£1 Ordinary B (100)	-	-	
nanoTherics Ltd	2.5 pence ordinary (13,034)	1,680)	3.5%	Gene transfection technology
	2.5 pence "A" ordinary (25,155)	112)		
	2.5 pence "B" ordinary (24,007)	707)		

The University does not believe that there is any material difference between the cost and market value of the shares in the above companies, and the investment is shown at cost. Where the University holds 20% or more of the share capital of the spin out companies, the University does not account for these investments as associates but holds them as simple investments in line with those in which it has a less than 20% shareholding. This is on the basis that the University merely holds the shares as an investment, and does not seek to exercise any significant influence over the operating and financial policies of the spin out companies.

14 (d) Other Investments

The University holds the following equity shares, which are accounted for at cost as a simple investment:

£	Shares held in	Description
31,761	CVCP Properties PLC	CVCP Properties plc is a company owned by 100 Higher Education institutions, whose executive heads are members of Universities UK.
49,850	KRF Holdings Ltd	The University holds 99.7% of the shares, being "A" Ordinary shares. These shares have no voting rights, and the holders of this class of shares do not have any right to appoint directors of the company. Consequently, the University has no Board representation. On the basis that the University lacks the ability to control the entity, KRF Holdings Ltd has not been consolidated into the accounts and is included at cost.

15 Investment in jointly controlled company and other partnerships

(a) Keele Seddon Limited

The University holds a 50% share of Keele Seddon Limited, a company limited by ordinary shares. This is a jointly controlled company whose business is land development, and is owned equally by the University and Seddon Homes Limited. The arrangement is treated as a jointly controlled company and is accounted for using the equity method, which involves recognition in the Statement of Comprehensive Income and Expenditure of the University's share of the jointly controlled company's net surplus or deficit for the year. When the University's share in the deficit exceeds the carrying amount of the jointly controlled company, the carrying amount is reduced to zero. No further losses are recognised, unless the University has responsibility for obligations relating to the jointly controlled company.

As Keele Seddon Limited has net liabilities, the value of the jointly controlled company is recorded on the balance sheet as £nil.

The company has an accounting reference date of 31 December. The University will account for the jointly controlled company using financial information as at 31 July of each year. As at 31 July 2017, there are no significant contingent liabilities related to Keele Seddon Ltd, although there is a £3.7m (2016: £21m) capital commitment with Seddon Construction Limited to build the new Barnes Halls of Residence (see note 28 a).

Statement of Comprehensive Income	Year ended 31 July 2017		Year ended 31 July 2016	
	£'000	£'000	£'000	£'000
Income		<u>7,855</u>		<u>558</u>
Deficit before tax		<u>(1)</u>		<u>(80)</u>
Balance sheet				
Fixed assets		-		-
Current assets		<u>113</u>		<u>44</u>
		113		44
Creditors: amounts due within one year		(533)		(560)
Creditors: amounts due after more than one year		<u>-</u>		<u>-</u>
		(533)		(560)
Share of net liabilities		<u>(420)</u>		<u>(516)</u>

(b) Joint contracts and partnerships

The University operates a number of collaborative provision arrangements with other Universities and educational establishments, as follows:

Partner	Country	Type of arrangement
International Study Centre: Bellerbys Education Services Limited	United Kingdom	Articulation
University of Liverpool (Marie Curie Palliative Care Institution)	United Kingdom	Joint delivery
University of Salford	United Kingdom	Joint Award
Staffordshire University	United Kingdom	Joint Award
SEGi College	Malaysia	Franchising
Nanjing XiaoZhuang University	China	Articulation
KDU University College	Malaysia	Franchising
Ludong University	China	Articulation
Foundation for International Medical Education and Research	USA	Validation
Sri Lanka Institute of Information Technology Computing	Sri Lanka	Franchising
Seabridge Primary School operating as the SCITT is now Shaw Education Trust and Keele and North Staffordshire Primary SCITT	United Kingdom	Franchising
Independent Studies of Science Technology and Training (IST) College	Greece	Franchising

The agreement with International Medical University in Malaysia has now come to an end.

16 Stock

	At 31 July 2017		At 31 July 2016	
	Consolidated £'000	University £'000	Consolidated £'000	University £'000
Finished goods	193	193	218	218
Development land	5,469	-	5,469	-
	<u>5,662</u>	<u>193</u>	<u>5,687</u>	<u>218</u>

17 Trade and other receivables

	At 31 July 2017		At 31 July 2016	
	Consolidated £'000	University £'000	Consolidated £'000	University £'000
Amounts falling due within one year:				
Research grants receivables	2,483	2,483	1,314	1,314
Other trade receivables	2,424	2,424	4,248	4,248
Other receivables	1,227	1,160	1,503	1,163
Prepayment and accrued income	3,927	3,913	3,617	3,602
Amounts due from subsidiary companies	-	5	-	7
	<u>10,061</u>	<u>9,985</u>	<u>10,682</u>	<u>10,334</u>
Amounts falling due after one year:				
Prepayment and accrued income	3,491	3,491	3,656	3,656
Amounts due from subsidiary companies	-	3,003	-	2,874
	<u>13,552</u>	<u>16,479</u>	<u>14,338</u>	<u>16,864</u>

Within the prepayments balances are deferred costs relating to the Keele Residential Funding agreements in 1999 and 2007, which are being expended over the life of the leases.

18 Current investments

Current asset investments include deposits held with banks and building societies operating in the London market and licenced by the Financial Services Authority with more than three months but less than twelve months maturity at the balance sheet date. The University does not hold any deposits with a maturity of three months or greater. As such, any liquid investments held are classified as cash and cash equivalents.

19 Creditors: amounts falling due within one year

	At 31 July 2017		At 31 July 2016	
	Consolidated £'000	University £'000	Consolidated £'000	University £'000
Bank overdraft	-	-	-	-
Unsecured loans (see note 20a)	5,885	5,885	1,740	1,740
Trade payables	4,515	4,515	5,284	5,284
Other creditors	420	420	316	316
Social security and other taxation payable	2,028	2,028	2,002	2,002
Accruals and deferred income	23,518	23,434	23,103	22,883
Research grants and contract advances	6,888	6,888	9,907	9,907
Payments received on account	2,534	2,534	2,558	2,558
Amounts due to subsidiary companies	-	6	-	13
Deferred income: Keele Residential Funding premium (see Note 20b)	2,842	2,842	2,842	2,842
Derivative	831	831	1,165	1,165
	<u>49,461</u>	<u>49,383</u>	<u>48,917</u>	<u>48,710</u>

The derivative relates to a bank loan hedge held at fair value at the balance sheet date.

19 Creditors: amounts falling due within one year (continued)

Deferred income

Included within creditors falling due within one year are the following items of income which have been deferred until specific performance related conditions have been met.

	At 31 July 2017 Consolidated and University £'000	At 31 July 2016 Consolidated and University £'000
Capital grant income	3,892	3,750
Research grants received on account	471	1,026
Other income	23	61
	<u>4,386</u>	<u>4,837</u>

20 Creditors: amounts falling due after more than one year

	At 31 July 2017		At 31 July 2016	
	Consolidated £'000	University £'000	Consolidated £'000	University £'000
Unsecured loans (see note 20a)	27,679	27,679	26,091	26,091
Deferred income: Keele Residential Funding premium (see Note 20b)	54,580	54,580	57,423	57,423
Other long-term creditors	4,118	-	4,117	-
	<u>86,377</u>	<u>82,259</u>	<u>87,631</u>	<u>83,514</u>

20 (a) Mortgages and unsecured loans

	At 31 July 2017 Consolidated £'000	At 31 July 2016 Consolidated £'000
Analysis of secured and unsecured loans:		
Due within one year or on demand	5,885	1,740
Due between one and two years	1,962	1,740
Due between two and five years	5,886	5,221
Due in five years or more	19,831	19,130
Total secured and unsecured loans	<u>33,564</u>	<u>27,831</u>
Secured loans	-	-
Unsecured loans repayable by 2042	<u>33,564</u>	<u>27,831</u>

The loans are all held by the University, with no loan facilities in the subsidiary companies. As at 31 July 2017, the loans comprise of the following:

Lender	Term	Balance £'000	Interest rate %
Royal Bank of Scotland	2029	5,158	LIBOR hedged at 5.22% plus agreed margin
Royal Bank of Scotland	2029	2,000	9.19% fixed
Royal Bank of Scotland	2029	3,025	LIBOR plus agreed margin
Barclays Bank	2035	15,964	Mix of 6.885% fixed and LIBOR plus agreed margin
Lloyds Bank	2034	7,417	Mix of 5.715% fixed and LIBOR plus agreed margin
Barings Bank (Facility of £45,000k)	2037/2042	-	3.27% Series A and 3.37% Series B Senior Notes
Total		<u>33,564</u>	

20 (b) Keele Residential Funding premium

The Keele Residential Funding premium represents the premiums received on the lease of student accommodation to Keele Residential Funding plc. The premiums are held as deferred income in creditors, and are being released on a straight-line basis over the period of the lease agreements.

21 Provisions for liabilities

Consolidated and University

	Obligation to fund deficit on pensions for:			Total Pensions Provisions £'000	Pay and severances £'000	Other provisions £'000	Total Other Provisions £'000
	USS £'000	KSS £'000	LGPS £'000				
At 1 August 2016	22,648	33,145	1,865	57,658	84	-	84
Utilised in year	-	-	-	-	(84)	-	(84)
Transfer from statement of comprehensive income	(30)	2,962	(824)	2,108	-	-	-
University deficit contributions	-	(1,020)	-	(1,020)	-	-	-
Additions	-	-	-	-	-	800	800
At 31 July 2017	22,618	35,087	1,041	58,746	-	800	800

USS deficit

The obligation to fund the past deficit on the University's Superannuation Scheme (USS) arises from the contractual obligation with the pension Scheme for total payments relating to benefits arising from past performance. Management have assessed future employees within the USS scheme and salary payments over the period of the contracted obligation in assessing the value of this provision. See note 29 for further details.

KSS and LGPS deficit

These relate to pension scheme obligations that have been calculated by actuaries. See note 29 for further details.

Pay and severances

The provision relates to severance payments that the University and individuals have agreed, but the University has not yet paid.

Other provisions

The provision relates to costs incurred on works on the campus that the University may be required to fund.

22 Endowment Reserves

Restricted net assets relating to endowments are as follows:

Consolidated and University	Restricted permanent endowments	Unrestricted permanent endowments	Expendable endowments	2016 Total	
	£'000	£'000	£'000	£'000	£'000
Balances at 1 August 2016					
Capital	117	-	11	128	
Accumulated income	81	-	746	827	
	<u>198</u>	<u>-</u>	<u>757</u>	<u>955</u>	
New endowments	86	-	57	143	
Investment income	-	-	3	3	
Expenditure	(2)	-	(51)	(53)	
	<u>84</u>	<u>-</u>	<u>9</u>	<u>93</u>	
At 31 July 2017	<u>282</u>	<u>-</u>	<u>766</u>	<u>1,048</u>	
Represented by:					
Capital	204	-	11	215	
Accumulated income	78	-	755	833	
	<u>282</u>	<u>-</u>	<u>766</u>	<u>1,048</u>	
				2017 Total	2016 Total
				£'000	£'000
Analysis by type of purpose:					
General fund				430	420
Hardship fund				35	35
Prize funds				177	184
Scholarships and bursaries				372	282
Student Loans				34	34
				<u>1,048</u>	<u>955</u>

The funds are held as cash and cash equivalents.

There are no deficit balances as at 31 July 2017 (31 July 2016: None)

23 Restricted Reserves

Reserves with restrictions are as follows:

Consolidated and University	Capital Grant Income Unspent
	£'000
Balances at 1 August 2016	744
New capital grant income	1,389
Capital grants utilised	<u>(1,924)</u>
	(535)
At 31 July 2017	<u>209</u>

The restricted reserves relate to capital grant income.

24 Cash and cash equivalents

	At 1 August 2016	Cash Flows	At 31 July 2017
	£'000	£'000	£'000
Consolidated			
Cash at bank and on deposit	<u>27,218</u>	<u>(17,738)</u>	<u>9,480</u>

The cash at bank and on deposit represents cash in hand together with current and short term deposit accounts without a notice period or a notice period of less than 3 months.

25 Capital and other commitments

Provision has not been made for the following capital commitments:

	31 July 2017 Consolidated and University £'000	31 July 2016 Consolidated and University £'000
Commitments contracted for	<u>5,897</u>	<u>29,885</u>

26 Contingent liabilities

	31 July 2017 Consolidated and University £'000	31 July 2016 Consolidated and University £'000
Repurchase of houses sold to staff	<u>13,297</u>	<u>13,327</u>

The University has a stock of houses on campus that is available to purchase or rent for employees under various Schemes. If a house is purchased by an individual, the University covenants to re-purchase the house from that person if they are unable to sell to another eligible person. The contingent liability represents the stock of houses that the University would be liable to purchase if all of the owners called on the University to do so as at 31 July at an estimated market value.

27 Leases

(a) Lease commitments

Total rentals payable under operating leases:

Consolidated	31 July 2017		31 July 2016	
	Land and Buildings £'000	Equipment leases £'000	Land and Buildings £'000	Equipment leases £'000
Payable during the year	-	432	-	470
Future minimum lease payments due:				
Not later than 1 year	-	-	-	445
Later than 1 year and not later than 5 years	-	-	-	-
Later than 5 years	-	-	-	-
Total lease payments due	-	-	-	445
University				
	31 July 2017		31 July 2016	
	Land and Buildings £'000	Equipment leases £'000	Land and Buildings £'000	Equipment leases £'000
Payable during the year	143	432	140	470
Future minimum lease payments due:				
Not later than 1 year	148	-	142	445
Later than 1 year and not later than 5 years	646	-	593	-
Later than 5 years	942	-	963	-
Total lease payments due	1,736	-	1,698	445

The equipment relates to a contract that the University has in place for multifunctional printing devices that had finished by year end. This lease is in the process of being renewed.

The land and buildings relate to a lease that the University has with Keele University Science and Business Park Limited for the lease of the Sustainability Hub building.

(b) Lessor disclosures

Total rentals receivable as lessor:

	31 July 2017 £'000	31 July 2016 £'000
Future minimum lease receipts due:		
Not later than 1 year	4,318	4,213
Later than 1 year and not later than 5 years	18,382	17,933
Later than 5 years	166,902	171,669
Total lease receipts due	189,602	193,815

The lease relates to the leasehold interest in the University Halls of Residence property held by KRF Holdings Ltd. There are no financial restrictions imposed by the lease agreement. There is no contingent rent recognised as income.

Further details of the KRF agreement are disclosed under note 28 (f).

28 Related Party Transactions

28 (a) Joint Ventures

The University holds shares in a joint venture company, Keele Seddon Ltd. The University and its joint venture partner are currently equally funding the activities of Keele Seddon Ltd.

During the year, work continued on the new Halls of Residence at Barnes Halls. Work to the value of £16,499k (2016: £1,119k) was carried out in the year by Keele Seddon Ltd, with a creditor balance of £6k (2016: £nil) at the balance sheet date.

During 2017/18, the University will sell the Hawthorns land to Keele Seddon Ltd. In connection with this, a balance of £732k (2016: £nil) was included in debtors, but subsequently the £732k (2016: £nil) was deferred in creditors as the income will not be recognised until 2017/18.

As at 31 July 2017 there was an amount owed to the group from Keele Seddon Ltd of £526k (2016: £526k).

28 (b) Keele Superannuation Scheme ("KSS")

KSS is a final salary defined benefit scheme in the United Kingdom, with the assets held in separate trustee-administered funds. The University is the principal employer. KSS is closed to future service benefit accrual. Accordingly, no further contributions by either members or the University to KSS have been made with the exception of the deficit funding contributions paid by the University in line with the recovery plan. For the year ended 31 July 2017, these were £1,020k (2016: £988k), which included £nil (2016: £nil) outstanding contributions at the balance sheet date.

The University settles the pensions payable of £1,290k (2016: £1,219k) through its payroll. These costs are then recharged by the University to the Scheme.

From 1 August 2015, as the Scheme has become a closed scheme, the administrative expenses have been re-imbursed by the University, amounting to £176k (2016: £167k) for the year. The University recovers VAT on behalf of the Scheme, in relation to VAT levied on administration expenses. At the year end the amount due to the University was £nil (2016: £nil).

28 (c) Payment for services provided to the University by trustees

Due to the nature of the University's operations and the composition of the Council, being drawn from public and private sector organisations, it is inevitable that transactions will take place with organisations in which a member of the Council may have an interest. All transactions involving organisations in which a member of Council may have an interest are conducted at arms-length and in accordance with the University's Financial Regulations and usual procurement procedures. There were no payments for services provided by a trustee in the year (2016 - £nil).

28 (d) Transactions with Keele University Students' Union ("KSU") and Keele Postgraduate Association ("KPA")

The President of KSU and the President of the KPA are Council members during their term of office. As such they are trustees of the University, and transactions are required to be disclosed between the University and the two bodies.

During the year, grants were awarded to KSU of £1,051k (2016 - £1,018k) and to the KPA of £49k (2016 - £39k). At the year end, £nil (2016 - £nil) was owed to KSU and £nil (2016 - £nil) was owed to the KPA.

During the year, sales of £18k (2016 - £22k) were made by the group to KSU and £2k (2016 - £1k) to the KPA, with a related debtor of £4k (2016 - £5k) and £2k (2016 - £nil) respectively on the balance sheet. During the year, £172k (2016 - £174k) was purchased by the group from KSU and there was a trade creditor balance of £39k (2016 - £24k). For the KPA, the University purchased items from them for £1k (2016 - £5k) and had a trade creditor balance of £nil (2016 - £nil).

28 (e) Connected Charitable Institutions

A number of charitable institutions are administered by the University and have been established for its general or special purposes. As a result, under paragraph 28 of Schedule 3 to the charities Act 2011, these connected institutions are exempt from registration with the Charity Commission.

Of these funds, all are included in the consolidated accounts and all have income below £100,000. The movements in the year on the total funds of all connected institutions were as follows:

	Brought forward at 1 August 2016	Income	Expenditure	Carry forward at 31 July 2017
	£'000	£'000	£'000	£'000
Endowment linked paragraph 28 charities	168	5	(4)	169
Keele Concert Society	(32)	24	(35)	(43)
	136	29	(39)	126

28 (f) Keele Residential Funding ("KRF") agreement

The term Keele Residential Funding ("KRF") is used to describe several linked transactions running throughout the financial statements. The principle relationships and transaction flows are described in this note.

During the financial year 1999/2000, the University undertook a securitisation deal around its Halls of Residence up to 2029 with Keele Residential Funding plc. In 2006/07, this was extended to 2047. The University received a premium on both occasions, and this premium (together with associated costs) is being released to the Statement of Comprehensive Income and Expenditure over the life of the agreements. The residual premium and associated costs are recognised as deferred income and prepayments respectively on the Balance Sheet.

The university collects rent on behalf of Keele Residential Funding plc under a Letting Services agreement, and passes these rents over on an annual basis. Halls of Residence rental income is recognised in full within income for the University, with the payment to Keele Residential Funding plc being a cost recognised in other operating expenses. Keele Residential Funding plc pays the University a management fee for the management of the Halls of Residence, which is included within income, and disclosed in note 4 to the accounts.

As part of these agreements, the University leases a proportion of its student accommodation portfolio to Keele Residential Funding plc. The assets leased remain on the balance sheet of the University, because the substance of the transaction is that they will fully revert back to the University at the end of the agreement in 2047. The updated net book value on the University fixed asset register as at 31 July 2017 of these assets is £70,338k (2016: £72,135k).

Additionally, the University has a contractual duty to maintain and refurbish the student halls of residence. Investments of £29,936k (2016: £30,394k) have been set aside in fixed asset investments as at 31 July 2017 to enable the University to meet its future obligations in respect of the agreed refurbishment programme. These investments are shown as part of the Keele Residential Funding investments. The University is required to ensure funds are maintained at a level to ensure compliance with agreed maintenance programmes and failure to comply may result in monies being withheld from annual University management payments due from Keele Residential Funding plc.

As highlighted in note 14(d), the University holds shares in KRF Holdings Ltd, but does not consolidate its accounts into the University accounts. KRF Holdings Ltd owns 100% of the share capital of Keele Residential Funding plc, which owns 100% of the share capital of KRF Management Ltd.

29 Pension Schemes

The University contributes to the following pensions schemes:

- Universities' Superannuation Scheme (USS)
- Keele Superannuation Scheme (KSS)
- Local Government Pension Scheme (LGPS)
- National Health Service Pension Scheme (NHSPS)
- National Employment Savings Trust (NEST)

The two principal pension schemes for University staff are USS and KSS. Both are defined benefit schemes which, until 31 March 2016, were contracted out of the State Second Pension (S2P). The assets of these pension schemes are held in separate trustee administered funds.

	Year Ended 31 July 2017 £'000	Year Ended 31 July 2016 £'000
Contributions paid		
USS	10,412	9,055
KSS	-	-
LGPS	144	115
NHS	447	437
NEST	8	6
	<u>11,011</u>	<u>9,613</u>
Actuary adjustment		
USS	(426)	2,343
KSS	15	44
LGPS	(84)	(56)
	<u>(495)</u>	<u>2,331</u>
Total pension cost for year (charged to staff costs in the Statement of Comprehensive Income and Expenditure as per Note 7)	<u><u>10,516</u></u>	<u><u>11,944</u></u>
	Year Ended 31 July 2017 £'000	Year Ended 31 July 2016 £'000
Actuarial loss in respect of pension schemes in the Statement of Comprehensive Income and Expenditure		
KSS	2,115	8,146
LGPS	(783)	140
	<u>1,332</u>	<u>8,286</u>
Total actuarial loss in respect of pension schemes in the Statement of Comprehensive Income and Expenditure	<u><u>1,332</u></u>	<u><u>8,286</u></u>
	Year Ended 31 July 2017 £'000	Year Ended 31 July 2016 £'000
Net interest charge on pension schemes in the Statement of Comprehensive Income and Expenditure		
USS	396	348
KSS	832	921
LGPS	43	59
	<u>1,271</u>	<u>1,328</u>
Total net interest charge on pension schemes in the Statement of Comprehensive Income and Expenditure	<u><u>1,271</u></u>	<u><u>1,328</u></u>

(i) The Universities Superannuation Scheme (USS)

The total cost charged to salaries in the Statement of Comprehensive Income and Expenditure is £9,986k (2016: £11,398k). Also, interest was charged of £396k (2016: £348k).

The latest available full actuarial valuation of the scheme was at 31 March 2014 ("the valuation date"), which was carried out using the projected unit method. The valuation as at 31 March 2017 is underway. Since the University cannot identify its share of scheme assets and liabilities, the following disclosures reflect those relevant for the scheme as a whole.

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

29 Pension Schemes (continued)

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

	2017	2016
Discount rate	2.57%	3.60%
Pensionable salary growth	n/a	n/a
Pension increases – CPI	2.41%	2.20%

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

Male members' mortality	98% of S1NA ("light") YoB tables – No age rating
Female members' mortality	99% of S1NA ("light") YoB tables – rated down one year

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

	Current Pensioner aged 65 (Male)	Non-pensioner currently aged 45 (Male)	Current Pensioner aged 65 (Female)	Non-pensioner currently aged 45 (Female)
At 31 July 2017	24.4	26.6	26.5	29.0
At 31 July 2016	24.3	26.4	26.5	28.8

	2017	2016
Scheme assets	£60.0bn	£49.8bn
Total scheme liabilities	£77.5bn	£58.3bn
FRS 102 total scheme deficit	£17.5bn	£8.5bn
FRS 102 total funding level	77%	85%

The University has a provision of £22.6m (2016:£22.6m) for USS on the balance sheet. The three significant judgement areas used to calculate the University provision are changes in University staff numbers going forward, estimated pay increases going forward and the discount rate of 1.88% (2016: 1.75%) used to calculate the University's share of the deficit. The discount rate is based on the rate issued by Mercers in their workings for the sector through BUFDG. A movement of 0.5% up or down on either of the staff numbers or pay categories would result in a movement of approximately £0.9m on the provision.

(ii) Keele Superannuation Scheme (KSS)

The KSS is a final salary defined benefit scheme in the United Kingdom that pays out pensions at retirement based on service and final pay, with the assets held in separate trustee-administered funds. The employer cash contribution made for the year ended 31 July 2017 was £1,020k (2016: £988k), with £176k (2016: £167k) of expenses paid by the University on behalf of the Scheme. This includes £nil (2016: £nil) outstanding contributions at the balance sheet date.

In 2013, it was decided to close KSS to future service benefit accrual and to transfer active members to USS. Therefore, no further contributions by either members or the University have been made in this financial year, with the exception of the deficit funding contributions paid by the University in line with the recovery plan agreed between the University and the KSS Trustees that began in November 2015.

Assumption

The following information is based upon a full actuarial valuation of KSS at 1 August 2014 updated to 31 July 2017 by a qualified independent actuary. The next full actuarial valuation is due as at 1 August 2017.

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

	At 31 July 2017 %pa	At 31 July 2016 %pa
Discount rate	2.80	2.55
Rate of increase in salaries	3.30	2.70
Price Inflation (RPI)	3.30	2.70
Price Inflation (CPI)	2.55	1.95
Rate of increase of pensions in payment and deferred pensions:		
Pre 1 August 2001 Service	4.10	3.80
1 August 2001 to 30 November 2006 Service	3.20	2.60
Post 1 December 2006 Service	2.10	1.90
Commutation allowance (Members commute % of their pension)	25%	25%

No allowance has been assumed for early retirement.

29 Pension Schemes (continued)

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

	Current Pensioner aged 65 (Male)	Non-pensioner currently aged 45 (Male)	Current Pensioner aged 65 (Female)	Non-pensioner currently aged 45 (Female)
At 31 July 2017	22	24	24	26
At 31 July 2016	22	24	24	27

The actuarial tables used for this are 102% S2PA CMI 2015 1.25% (2016: 102% S1PA CMI 2010 1.25%).

The assumptions used by the actuary are the best estimates chosen from a range of possible actuarial assumptions, which, due to the timescale covered, may not necessarily be borne out in practice.

Scheme assets of KSS

The assets in the scheme were:

	Fair value as at	
	31 July 2017 £'000	31 July 2016 £'000
Equities / Return seeking Funds	18,435	16,628
Corporate bonds	12,171	13,420
Cash	7	7
Total	30,613	30,055

The scheme's assets, which are not intended to be realised in the short term and may be subject to significant change before they are realised, and the scheme's liabilities, which are derived from cash flow projections over long periods and thus inherently uncertain, were:

	At 31 July 2017 £'000	At 31 July 2016 £'000
Analysis of the amount shown in the balance sheet for KSS		
Scheme assets	30,613	30,055
Scheme liabilities	(65,700)	(63,200)
Deficit in the scheme – recorded within pension provisions (note 21)	(35,087)	(33,145)
Administration expenses (non-pay)	191	211
Total operating charge	191	211
Analysis of the amount charged to interest payable for KSS		
Interest on net deficit	832	921
Total profit and loss charge before deduction for tax	1,023	1,132
Analysis of other comprehensive income for KSS:		
Experience gain on assets	415	93
Loss on liabilities	(2,530)	(8,239)
Total other comprehensive income before deduction for tax	(2,115)	(8,146)

29 Pension Schemes (continued)

	At 31 July 2017 £'000	At 31 July 2016 £'000
Cumulative actuarial loss recognised as other comprehensive income for KSS		
Cumulative actuarial losses recognised at the start of the year	12,461	4,315
Cumulative actuarial losses recognised at the end of the year	(14,576)	(12,461)
Analysis of movement in deficit for KSS		
Deficit at beginning of year	(33,145)	(25,022)
Contributions paid by the University	1,020	988
Administration expenses paid by the University	176	167
Total operating charge	(191)	(211)
Other finance charges	(832)	(921)
Deficit at end of year	(35,087)	(33,145)

	At 31 July 2017 £'000	At 31 July 2016 £'000
Analysis of movement in the present value of KSS liabilities		
Present value of KSS liabilities at the start of the year	63,200	54,400
Total operating charge	191	211
Interest cost	1,591	2,013
Actuarial loss	2,530	8,239
Actual benefit payments	(1,621)	(1,452)
Administration expenses paid	(191)	(211)
Present value of KSS liabilities at the end of the year	65,700	63,200

	At 31 July 2017 £'000	At 31 July 2016 £'000
Analysis of movement in the fair value of scheme assets		
Fair value of assets at the start of the year	30,055	29,378
Expected return on assets	759	1,092
Actuarial gain on assets	415	93
Contributions paid by University	1,020	988
Administration expenses reimbursed by the University	176	167
Actual benefit payments	(1,621)	(1,452)
Administration expenses paid	(191)	(211)
Fair value of scheme assets at the end of the year	30,613	30,055

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

	Year to 31 July 2017 £'000	Year to 31 July 2016 £'000
Actual return on Scheme assets		
Expected return on assets	759	1,092
Actuarial gain on assets	415	93
Actual return on Scheme assets before administration expenses	1,174	1,185
Administration expenses	(191)	(211)
Actual return on Scheme assets before administration expenses	983	974

The University expects to contribute in the region of £1,200k to the scheme in the next year, through deficit contributions and expenses payments.

29 Pension Schemes (continued)

(iii) Local Government Pension Scheme (LGPS)

The LGPS is a defined benefit statutory scheme in the United Kingdom, administered in accordance with the Local Government Pension Scheme (Benefits, Membership and Contributions) Regulations 2007, the Local Government Pension Scheme (Administration) Regulations 2008 and the Local Government Pension Scheme (Transitional Provisions) Regulations 2008. Until 31 March 2016, it was contracted out of the State Second Pension. The employer contribution made for the year ended 31 July 2017 was £146k (2016: £115k). This includes £nil (2016: £nil) outstanding contributions at the balance sheet date.

For the year ended 31 July 2017, the University has been contributing at a rate of 25.40% from 1 August 2016 to 31 March 2017 and 27.60% from 1 April 2017, with agreed lump sum contributions to the scheme of £80k for the year to 31 March 2017 and £141k for the year to 31 March 2018. Employee contributions were tiered at 6.50% and 6.80% of pensionable salaries.

Assumptions

The following information is based upon a full actuarial valuation of LGPS as at 31 March 2016 updated to 31 July 2017 by a qualified independent actuary.

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

	At 31 July 2017 %pa	At 31 July 2016 %pa
Discount rate	2.60	2.40
Price Inflation (RPI)	3.40	2.90
Price Inflation (CPI)	2.40	1.90
Rate of increase in salaries	2.80	3.90
Rate of increase of pensions	2.40	1.90
Commutation allowance (Members commute % of their pension) – pre-April 2008 service	50%	50%
-post-April 2008 service	75%	75%

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

	Current Pensioner aged 65 (Male)	Non-pensioner currently aged 45 (Male)	Current Pensioner aged 65 (Female)	Non-pensioner currently aged 45 (Female)
At 31 July 2017	22.1	24.1	24.4	26.4
At 31 July 2016	22.1	24.3	24.3	26.6

Life expectancy is based on the fund's VitaCurves with improvements in line with the CMI 2013 model assuming the current rate of improvement has reached a peak and will converge to a long term rate of 1.25% p.a.

The assumptions used by the actuary are the best estimates chosen from a range of possible actuarial assumptions, which, due to the timescale covered, may not necessarily be borne out in practice.

Scheme assets of LGPS

The assets in the scheme were:

	Fair value as at	
	31 July 2017 £'000	31 July 2016 £'000
Equities / Return Seeking Funds	2,902	2,509
Corporate bonds	458	326
Property	305	261
Cash	153	162
Total	<u>3,818</u>	<u>3,258</u>

29 Pension Schemes (continued)

The scheme's assets, which are not intended to be realised in the short term and may be subject to significant change before they are realised, and the scheme's liabilities, which are derived from cash flow projections over long periods and thus inherently uncertain, were:

	At 31 July 2017 £'000	At 31 July 2016 £'000
Analysis of the amount shown in the balance sheet for LGPS		
Scheme assets	3,818	3,258
Scheme liabilities	(4,859)	(5,123)
Deficit in the scheme – recorded within pension provisions (note 21)	(1,041)	(1,865)
Current service cost	62	59
Past service costs	-	-
Administration expenses	-	-
Total operating charge	62	59
Analysis of the amount charged to interest payable for LGPS		
Interest income on net assets	(78)	(103)
Interest cost on defined benefit obligation	121	162
Net charge to other finance income	43	59
Total profit and loss charge before deduction for tax	105	118
Analysis of other comprehensive income for LGPS:		
Experience gain on assets	518	280
Experience loss on liabilities	370	42
Change in demographic assumptions	18	-
Change in financial assumptions	(123)	(462)
Total other comprehensive income before deduction for tax	783	(140)
	At 31 July 2017 £'000	At 31 July 2016 £'000
Cumulative actuarial loss recognised as other comprehensive income for LGPS		
Cumulative actuarial losses recognised at the start of the year	218	78
Cumulative actuarial losses recognised at the end of the year	565	(218)
Analysis of movement in deficit for LGPS		
Deficit at beginning of year	(1,865)	(1,722)
Contributions or benefits paid by the University	146	115
Current service cost	(62)	(59)
Past service cost	-	-
Other finance charges	(43)	(59)
Deficit at end of year	(1,041)	(1,865)

29 Pension Schemes (continued)

	At 31 July 2017 £'000	At 31 July 2016 £'000
Analysis of movement in the present value of LGPS liabilities		
Present value of LGPS liabilities at the start of the year	5,123	4,741
Current service cost	62	59
Interest cost	121	162
Actuarial loss	(265)	420
Contributions paid by scheme members	11	11
Actual benefit payments	(193)	(270)
Administration expenses paid	-	-
Present value of LGPS liabilities at the end of the year	<u>4,859</u>	<u>5,123</u>

	At 31 July 2017 £'000	At 31 July 2016 £'000
Analysis of movement in the fair value of scheme assets		
Fair value of assets at the start of the year	3,258	3,019
Expected return on assets	78	103
Actuarial gain on assets	518	280
Actual contributions paid by University	146	115
Contributions paid by scheme members	11	11
Actual benefit payments	(193)	(270)
Administration expenses paid	-	-
Fair value of scheme assets at the end of the year	<u>3,818</u>	<u>3,258</u>

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

	Year to 31 July 2017 £'000	Year to 31 July 2016 £'000
Actual return on Scheme assets		
Expected return on assets	78	103
Actuarial gain on assets	518	280
Actual return on Scheme assets before administration expenses	<u>596</u>	<u>383</u>
Administration expenses	-	-
Actual return on Scheme assets before administration expenses	<u>596</u>	<u>383</u>

The University expects to contribute in the region of £207k to the scheme in the next year through deficit contributions and on-going service costs.

THE COUNCIL

The following were members of Council for the period from 1 August 2016 to the date the Financial Statements were approved (unless noted):

Members Ex-Officio

The Pro-Chancellor	R. Findlay BSc, FCA
The Deputy Pro-Chancellors	Professor A. Ulph E. Manley R. Barnes (appointed 12 October 2016)
The Vice-Chancellor	Professor T. J. McMillan BSc, PhD, Hon MRCP, Hon FRCP
The Treasurer	D. Webster (left Council 31 August 2016) A. Crouch (appointed 1 September 2016)
The Deputy Vice-Chancellor	Professor R. M. Ormerod

Members of University Staff

Professor P. Andras (appointed 16 October 2017)
Dr C. Bücher (left Council 31 August 2016)
Professor N. Forsyth (appointed 1 September 2016)
Dr S. George (left Council 31 August 2016)
V. Hooper
Dr H. Parr (left Council 31 August 2017)
Professor G. Rogerson (appointed 1 September 2016; left Council 15 September 2017)

Lay Members appointed by the Council

R. Barnes (appointed Deputy Pro-Chancellor 12 October 2016)
S. Bucknell
R. Callaway
P. Clark
A. Harris
S. Hashmi
M. Lukha
S. Ramery
S. Schaefer
Dame J. Williams

Student Representatives

E. Horsfall (left Council 30 June 2017)
T. Snape (appointed 1 July 2017)
R. Meredith (left Council 30 June 2017)
I. Smith (appointed 1 July 2017)

Director of Finance (in attendance)

K. J. Clarke, MA, ACA (left Council 21 August 2017)
P. W. Buttery, ACMA (Interim - appointed 21 August 2017)

Secretary to Council

G.L.M. Lowe, Solicitor (left Council 4 May 2017)
Dr H. Galbraith (appointed Secretary 5 May 2017)

Professional Partners

External Auditors

KPMG LLP
1 St Peters Square,
Manchester
M2 3AE

Bankers

Royal Bank of Scotland
High Street
Newcastle
Staffordshire
ST5 1PP

Internal Auditors

UNIAC
Oxford Road
Manchester
M1 7ED

University Status

The University of Keele (trading as Keele University) is a charity but it is not a "Registered Charity". Instead it holds charity status as one of the exempt charities listed in Schedule 2 of the Charities Act 1993 (An exempt charity is exempt from certain requirements, notably the need to register with the Charity Commission). The University preserves its exempt status under the Charities Act 2006 and the Higher Education Funding Council for England (HEFCE) is the University's principle regulator. The University of Keele was established by Act of Parliament and the granting of a Royal Charter in 1962. The University's registered correspondence address is:

Keele University, Keele, Staffordshire, England ST5 5BG

Although the University is not a company, it has a Companies House registration number of RC000655 as a Company Incorporated by Royal Charter in England and Wales. Royal Charter companies are not obliged to register any documents with Companies House.