



**LIVERPOOL
HOPE
UNIVERSITY**

Est. 1844



Financial Statements for year ending 31st July 2020

Registered Company Number: 3285547

A company limited by guarantee, without share capital, registered in England

Registered Charity number: 1060579

Contents

Members of the University Council	1
Strategic Report	3
Directors' Report	7
Section 172 Statement	10
Statement of Corporate Governance	15
Statement of Internal Control	17
Independent auditor's report to the University Council of Liverpool Hope University	19
Statement of Principal Accounting Policies	22
Statement of Comprehensive Income	28
Statement of Changes in Reserves	29
Statement of Financial Position	30
Statement of Cash Flows	31
Notes	32

Members of the University Council

The following persons served as governors during the year ended 31st July 2020 or were members as at 24th November 2020 when these financial statements were approved. In the case of those who became or ceased to be governors during the year, the appropriate dates are shown.

The governors are generally appointed for a period of three years. Each year they sign a register of interests. All the members of the Council are Trustees of the University and directors of the Company.

Revd Canon P Winn	Chair
Mr C Mills	Vice-Chair
Revd Dr S Anderson	
The Right Reverend Paul Bayes	
Mrs J Beever	
Cllr Jane Corbett	
Ms Jean Ellis	
Revd Canon C Fallon	
Dr Penny Haughan	
Dr S Hulme	
The Very Reverend Dr Sue Jones	
Fr C. McCoy	
Revd Canon Professor K Newport	
Dr A. Naylor	
Mr J Norbury	
Fr M O'Dowd	
Mr Harry Pearce	
Ms Paula Reaper	
Mr U Russell	
Mrs M Swinson	
Dr Caroline Wakefield	
HH Judge Graham Wood QC	
Professor GJ Pillay	Vice Chancellor and Rector
Mr D Dykins	Secretary

Senior Salaries Remuneration Panel

Mr C Mills
Reverend P Winn
Mr J Norbury

Professor GJ Pillay (except for discussion of his own salary)

Members of the University Council *(continued)*

Finance & General Purposes Committee

Mr J Norbury (Chair)
Fr C. McCoy
Ms Jean Ellis

Audit Committee

Dr Arthur Naylor (Chair)
Revd Dr S Anderson
Mrs J Beever
Mr M Gilbertson
Mrs S Suchoparek

Nominations Committee

Revd Canon P Winn (Chair)
Professor GJ Pillay
Mr C Mills

Advisers

External Auditors: KPMG LLP
1 St Peter's Square
Manchester
M2 3AE

Bankers:	Lloyds Bank Merchants Court 2-12 Lord Street Liverpool L2 XF	Santander 7 th Floor 4 St Paul's Square Liverpool L3 9SJ	HSBC Bank 9 th Floor Royal Liver Pier Head Liverpool L3 1HU
----------	--	---	---

Barclays plc
48B & 50 Lord Street
Liverpool
L2 1TD

National Westminster Bank plc
10th Floor, The Plaza
100 Old Hall Street
Liverpool, L3 9QJ

Internal Auditor: RSM Risk Assurance Services LLP
The Pinnacle, 170 Midsummer Boulevard
Milton Keynes
Buckinghamshire
MK9 1BP

Strategic Report

Corporate Plan and Strategic Objectives

Liverpool Hope University has continued to build its profile as a serious alternative in the higher education sector. Given its history and size, the University does not see itself competing with the large metropolitan Universities (ex-Polytechnics) nor, given the lack of a large science, engineering or medical base with the “red-bricks”. The essence of what Liverpool Hope is striving to be is summarised in the Corporate Plan – a path of excellence in scholarship and collegial life without reservation or hesitation. The University’s distinctive philosophy is to ‘educate in the round’ – mind, body and spirit - in the quest for Truth, Beauty and Goodness.

The Corporate Plan, updated in 2016, provides the strategic framework within which the University operates. It will be updated in 2020/21 but the six underpinning areas will remain the same:

- high quality academic pursuit
- knowing our students one by one – deepening the culture of the collegium
- a transformational experience for students and all those we serve
- an enterprising University encourages entrepreneurship and supports graduate employability
- a carefully managed University that works efficiently and effectively
- a distinctive place for learning

In the challenging circumstances of the pandemic, the focus on these goals is even more important. They underpin our commitment to deliver a top-quality academic experience and transform our students into distinctive Hope graduates, who can compete and thrive in society.

Academic Profile

One of the key strategic aims of the University is to continue to develop the academic profile through its student body and the quality of its academic staff recruitment and development.

The latest published data (2018/19), shows that 75% of academic staff are qualified to doctoral level which places us 9th in England and 12th in the UK overall. During the year, the University made a number of new academic appointments in areas where the curriculum was developing and supported by growth in student numbers. A rigorous appointment process ensures that we only appoint staff who meet our requirements and improve the University’s academic profile. The intention is to achieve a minimum of 85% of academic staff with doctorates, with the remainder as Professional Tutors, bringing experiential practice in areas such as Education, Law and Accountancy.

The University has continued to prepare for the forthcoming Research Excellence Framework (REF), building on the excellent results of 2014, where we submitted 55% of academic staff. The University Code of Practice was submitted in May 2019 and following assessments by both the REF 2021 Equality and Diversity Panel (EDAP) and Research England has been accepted without the need for any amendments. The University will submit all academic staff on teaching and research contracts. We currently predict that the overall academic quality of the research output to be submitted is likely to be grade point average (GPA) rated 3*.

The University maintained the entry requirements to undergraduate degrees at an average of 112 points. This has meant that there was a small shortfall on the long-term recruitment target of 1,400 non-QTS home and EU undergraduates in 2019-20. The University believes that it is better to maintain the entry level requirements rather than simply recruit with implications for both attrition and quality. It should be noted that in 2020/21 the 1400 target has been surpassed despite the challenging conditions of the pandemic.

The University introduced a Foundation Year course in 2018/19 for 62 students which proved to be very successful and had over 80% of the cohort progressing onto the second year of study. In 2019/20 this was expanded to 180 students. These students have been equipped with skills that prepare them for the demands of academic study and we will monitor their progress closely in relation to both academic success and retention.

Strategic Report *(continued)*

Reputation

The University was awarded Gold status in the Teaching Excellence Framework (TEF); the only TEF ranked University in Liverpool and one of only three universities to achieve Gold in the North West.

Over the course of 2019/20 we have seen improvements in Staff student ratios and good degrees.

The University has continued to perform well in the National Student Survey and in 2019/20 Liverpool Hope was ranked 2nd in the North West for Teaching quality.

Widening Participation / Access and Participation

The University is committed to the Widening Participation agenda and invests considerable money and effort each year on its work with schools and young people. This can be clearly demonstrated by our work in the Network of Hope, providing educational opportunities for people and communities with limited access to higher education. The University's Access and Participation Plan has been accepted by the Office for Students and we will continue to strive to ensure that all students have the same opportunities to succeed regardless of race, background or financial hardship.

The University has continued to provide hardship funding for students who experience financial difficulties and scholarships to reward academic excellence. There are also a range of facilities available for disabled students to ensure that they are not disadvantaged in any way and are able to fully participate in the life of the University.

This is the first year that the expenditure on Access and Participation is included in the financial statements (see note 10) and has formed part of the work covered by the external auditors.

The total expenditure in the four categories was £1,259,724. The closure of the University campus during the national lockdown, not unexpectedly reduced the level of expenditure and we spent £141,010 less than planned (8%). The lockdown particularly impacted the planned expenditure in relation to evaluation and monitoring of the plan. The University has not recorded any expenditure against this cost due to the planned activity (focus groups, questionnaires etc) being planned for later in the year and not going ahead as a result of the lockdown.

Capital Developments

The University has continued to invest in its buildings, equipment and infrastructure with spend of £2.8 million during 2019/20. This expenditure was financed by using the University cash reserves. Over the summer of 2019 there were a number of refurbishment projects undertaken including the conversion of the convent at Hope Park into the Social Sciences building and new windows and roofs for two of the older Hope Park accommodation blocks, Angela and Austin. In January 2020 the University purchased 2 Islington Square which completes our ownership of the buildings adjacent to the Creative Campus and will provide opportunities for development in the future. Some of the projects planned for later in 2019/20 such as Hermitage and Cloisters redevelopment and refurbishment of the East Wing had to be either curtailed or deferred due to COVID 19. These projects will now proceed in 2020/21.

Finance

The University takes financial performance seriously and has robust financial processes and procedures in place to ensure the financial sustainability of the University is always protected. The delivery of strong financial results has ensured that the resources are always available, as and when required, to support the academic aspirations of the University and to provide the flexibility to respond to the demands of a rapidly changing sector.

a) Budget management

The University's budget was devolved to the primary budget holders - the four members of the University Senior Executive Team (USET) who report directly to the Vice-Chancellor & Rector. One of the key performance measures for USET is the management of their devolved budgets. Monthly variance reports are

Strategic Report *(continued)*

provided and each budget holder meets a Finance Officer each month to ensure budgets are monitored carefully. The Senior Management Team receives corporate variance reports and any issues are discussed openly. The budget is set from zero each year with only permanent staffing automatically rolled over.

b) Results for the Year

The University undertook an additional reforecast exercise in April 2020. This was to recognise the financial impact of COVID 19 including accommodation refunds and loss of commercial income. The budget target for the year was reduced from a minimum of 3% to 2%. The final result was 6% of income, with the improvement compared to budget being due to income from the Job Retention Scheme, underspends in nearly all budget areas and significant infrastructure and utility savings due to the closure of the campuses. The University's Statement of Comprehensive Income and results for the year to 31st July 2020 are summarised below:

	2019/20 £000	2018/19 £000
Income	50,671	52,299
Expenditure	47,560	50,638
Operating surplus	3,111	1,661

The OfS has stated that taken alone, surpluses or deficits are not necessarily a clear indicator of financial viability or sustainability as they can be distorted by accounting treatments. With this in mind the OfS suggests net operating cashflow is a better indicator of a providers underlying financial performance. The cash generated by the University during the year was £8,691,602 (17% of income) which is well above the average for the sector in the previous year and demonstrates the strength of the underlying financial position.

The statement of comprehensive income for the year is set out on page 28.

Student Numbers

As at 31st July 2020 the University had 5,145 students (31st July 2019 – 5,316).

	Full Time Students	Part Time Students
Undergraduate	3,614	97
Postgraduate (taught)	355	324
Postgraduate (research)	47	93
PGCE	442	17
Other	144	12
	<hr/>	<hr/>
	4,602	543
	<hr/>	<hr/>

Treasury Management Policy

At the end of financial year 2020 the cash at bank and investments had increased by £4,909,881 to £23,698,697. Given the uncertainty across the sector, the University is gradually increasing its cash reserves to ensure that it has the flexibility to respond to unexpected developments. All investments are made in line with the University Treasury Management Policy, ensuring that investments are ethical and risk averse.

Strategic Report *(continued)*

The outstanding value of the University bank loans had reduced to £5,318,329 at the year-end (2019 - £5,822,379) and no new loans were taken out in 2019/20. In 2011 the University took the opportunity to take over a lease arrangement for Hopkins Hall and bring it back under our control. The value of the creditor at July 2020 was £6,164,133. All borrowing is undertaken in the name of the University and conforms to OfS requirements. The Treasury Management policy is monitored annually by the Finance and General Purposes Committee and was revised in June 2020.

Major Risks

The University takes the management of risk seriously. Where a risk is seen as a threat, mitigations are identified and put in place. However, risks can also be seen as opportunities and the University is not risk averse. Rather, it will take a measured approach to opportunities to achieve its strategic objectives.

Through its Risk Register, reviewed at Operational Leadership Meetings, and overseen by the Audit Committee on behalf of University Council, risks, which are not all directly financial, are highlighted. These might be compliance or accountability risks such as data returns, health & safety, safeguarding matters or they might be reputational such as quality audits and inspections. The University has a comprehensive internal control system to manage risk. This includes a programme of work by the internal auditors which directly addresses the major risks identified in the risk register.

The major risk for both the HE sector and for Liverpool Hope is the ongoing impact of COVID 19. The restrictions that have had to be put in place have been unavoidable and the move to predominantly online teaching has been the right thing to do. The situation is not something that could have been foreseen and, at this stage, it is unclear when there will be a return to some form of normality. The buoyant student recruitment numbers for 2020/21 provide reassurance that students will still undertake a University education. The greatest financial risk is that if courses are online they choose to remain at home and that accommodation income suffers as a result. The challenge we face is to ensure that the students receive both value for money and a top-class academic experience.

From a political perspective, the potential implications of BREXIT remain a risk although this has been somewhat overshadowed by COVID. The key areas of concern are the recruitment of EU students, future grant funding for research projects and the ability to attract top quality academics from Europe.

The political situation has meant that the recommendations from the Augar report have not been implemented. The major concern for Liverpool Hope would be if the Foundation Year courses were terminated. This has proved to be very successful both for the University with over 180 students per annum and for the students who have clearly benefited from the additional support.

The University continues to scan the policy environment and is fully engaged with sector bodies and local, regional and national partners.

Despite these challenges and risks, the University is confident that it has a clear strategic vision underpinning the objectives of the Corporate Plan and can adapt to, manage and minimize the risks above. This vision is endorsed by the University Governance structure and ownership is embedded in all senior management. The University models a range of scenarios to ensure that plans are in place to respond to any major changes and protect the financial position of the University. We enter 2020/21 confident that we will be able to flourish and thrive.

Directors' Report

Legal status

Liverpool Hope University was re-constituted in 2005 by order of the Privy Council under Section 129B of the Education Reform Act 1988, as a single, joint Anglican-Roman Catholic ecumenical University. It is registered in England and Wales as a Company Limited by Guarantee (3285547) and registered as a Charity (1060579).

Liverpool Hope University is the only ecumenical University in Europe, whose origins lie in colleges (one Anglican College founded in 1844, two Catholic Colleges founded in 1856 and 1965) which came together first in a federation, known as Liverpool Institute of Higher Education and then through full merger as a single ecumenical college. In 2002 taught degree awarding powers were secured and the title Liverpool Hope University College officially bestowed. In July 2005 the granting of full University status led to the adoption of the title Liverpool Hope University and in August 2009, the Privy Council granted the University the power to award research degrees. In the academic and financial year 2019/2020 there were 5,145 students and 613 members of staff, with a range of degrees at undergraduate and postgraduate levels.

Members of the University Council – (list of directors can be found on page 1)

All the members of the University Council are directors of the Company. No director had any interest in any contract made by the University during the financial year, other than a contract of employment as a member of staff and that described in note 20 to the accounts.

Mission Statement

The Mission Statement reflects both the University's traditions and its intention to develop and maintain a distinctive and forward-looking programme relevant to local, regional, national and international needs.

Liverpool Hope University is an ecumenical, Christian foundation which strives:

- to provide opportunities for the well-rounded personal development of all students;
- to educate the whole person in mind, body and spirit, irrespective of age, social or ethnic origins or physical capacity, including in particular those with promise who might otherwise not have had an opportunity to enter higher education;
- to be a provider of high quality educational programmes responsive to the needs of students in the UK and abroad;
- to sustain an academic community, enriched by Christian values and culture, which supports teaching and learning, scholarship and research, encourages the understanding of other faiths and beliefs, and promotes religious and social harmony;
- to be globally credible while contributing to the educational, religious, cultural, social and economic life of Liverpool, Merseyside, North-West England and beyond.

Employee Involvement

The University places considerable value on the involvement of its employees and on good communication with them. Staff are encouraged to participate in formal and informal consultation at University, faculty and department level, sometimes through membership of formal Committees. The Vice-Chancellor addresses all staff at the start of the academic year. The Vice-Chancellor, meets twice a term on a Monday, all Heads of Academic Departments and with his senior team and on another Monday the Directors of resource areas.

There is a system of cascading information from those meetings to all staff and departments and service areas are expected to hold regular staff meetings to enhance two way communication.

Directors' Report *(continued)*

The University's People 2020 Strategy has a strategic strand to enhance engagement with and of staff. The Joint Consultative and Negotiating Committee, (JCNC) is a forum for management and Trades Unions' representatives which meets regularly. There is a weekly electronic newsletter sent to the inbox of all members of staff every Wednesday.

Section 13 of the Trade Union Act 2016 introduced a new requirement to publish data on trade union facility time reporting. For Financial Year ending 31st July 2020 there were 23 trade union representatives equating to 22.1 FTEs at a cost of £22,549. In terms of percentage of working hours spent on facility time 15 employees working 0% and 8 employees working 1% to 50% of working hours.

Supplier Involvement

When engaging suppliers, we utilise a number of routes to market including third party collaborative framework agreements, such as from the North Western Universities Purchasing Consortium (NWUPC), together with other consortia as well as awarding our own contracts through competitive tender and quotation activity.

Equality and Diversity

The University is cognisant of its obligations under the Equality Act 2010 and has due regard to equality and diversity in its policy making processes. Its Equality and Diversity Policy and other related information can be found at <https://www.hope.ac.uk/gateway/staff/personnel/equalityanddiversity>. The University has an Equality & Diversity Steering Committee which reports to Senior Management Team, Senate and the Staffing Committee of University Council. The Steering Committee takes an overview of the University's equality objectives and analyses data reports to ensure that any issues relating to groups with protected characteristics are identified and then tackled. The University has participated in the Aurora programme to support women into management and leadership positions.

Areas of Public Benefit provided by Liverpool Hope University

In shaping its objectives and planning its activities the University has considered the Charity Commission guidance on public benefit. The University through oversight of its activities at University Council meetings is confident that it fully satisfies the Public Benefit requirements of the Charity Commission as there is a direct benefit to students from its activities and an indirect benefit to the public at large.

The Public Benefit requirement requires two principles to be met.

1. There must be an identifiable benefit or benefits.

The objects of the University are;

- the higher education of men and women including the education and training of persons intending to enter, or engaged in, the teaching profession;
- the furtherance of the Roman Catholic Church and the Church of England, of Christian education, of ecumenical ideals, and of understanding between Christian Churches in the promotion of the Gospel;
- the advancement of knowledge by research and scholarship and teaching and learning;

This is a clearly identifiable benefit.

2. The benefit must be to the public or a section of the public. This area is expanded below.

As well as the students themselves, the University provides benefits for the general public. This includes a range of events such as concerts, lectures and the Cornerstone Festival that are either free or accessible for a minimal charge.

Health and well-being initiatives are also run at the University which the public are able to attend. The University's Service and Leadership award encourages students to undertake a range of voluntary activities across the local community and overseas and is recognised by a formal award at the end of their degree. The University is a partner of Contact the Elderly and participates in Childwall in Bloom.

Directors' Report *(continued)*

Environment and Sustainability

Liverpool Hope University has a moral and ethical approach to stewardship of the Earth and a responsibility to create a better quality of life for present and future generations and strives to manage its operations in ways that are environmentally sustainable, economically feasible and socially responsible. We recognise the negative and positive impacts that we have on the environment, economy and society both locally, nationally and globally. The University, however, is well placed to make an exceptional contribution – well positioned through our teaching and research; influence on students, staff and communities; and through our business and campus operations.

Sustainability is central to the University's mission and values and forms a key role in the University's Corporate Plan and our decisions and actions reflect the concern that our community has for our environment. Our Sustainability Policy commits the University to increasing its positive contribution and reducing its negative impact on the environment in six key impact areas: awareness and engagement, utility consumption, travel and transport, waste, estates development and procurement; all of which contribute to the University's carbon emissions.

The University's Scope 1 and 2 carbon emissions during 2019-2020 (August to July) were 2,535 tonnes CO₂e (equivalent to 0.3 tonnes CO₂e per m² GIA) and have been calculated using the Government conversion factors for company reporting of greenhouse gas emissions:

Emissions Source	Scope	Consumption	Tonnes CO ₂ e	Ratio (Consumption/Student)
Gas	1	8,174,491kWh	1,503	1,588.8
Fugitive Emissions	1	0kg	0	0
Fuel in owned vehicles	1	3574L	9	0.695
Electricity	2	4,387,379 kWh	1,023	852.7

Work is continuing to collate and analyse the University's relevant Scope 3 emissions.

The University has reduced its absolute Scope 1 and 2 emissions by 23% since 2018-2019 through the implementation of various projects and initiatives including LED lighting and associated controls, replacement of single with double glazing, replacement roofs with increased insulation, installation of more efficient gas boilers with associated insulation of pipework (heating and domestic hot water), BMS installation and continued fine-tuning of our existing BMS, non-concussive taps and our awareness and engagement scheme I ♥ MY Campus. This year, however, has been an unprecedented one, with the University operating at reduced levels between March and July which has contributed to the reduction in emissions.

Going concern

The financial position of the University, its cash flow, liquidity and borrowings are described in the Financial Statements and accompanying Notes. The University currently has £5.3 million of loans outstanding with bankers, all being secured by a fixed and floating charge on University assets. The University's forecasts and financial projections indicate that it will be able to operate within these existing facilities and attached covenants for the foreseeable future, taking into account reasonably expected changes in performance.

The University's activities, together with the factors likely to affect its future development, performance and position, are set out in the Strategic Report which forms part of the Council's Report. The Council's Report also describes the financial position of the Institution, its cash flows, liquidity position and borrowing facilities.

The financial statements have been prepared on a going concern basis which the Council consider to be appropriate for the following reasons.

The Council have prepared cash flow forecasts for a period up to July 2022. After reviewing these forecasts the Council is of the opinion that, taking account of severe but plausible downsides, including the anticipated impact of COVID-19, the University will have sufficient funds to meet their liabilities as they fall due over the period of 12 months from the date of approval of the financial statements (the going concern assessment period).

Directors' Report *(continued)*

Specific scenarios that have been stress tested include a 10% reduction in student recruitment compared to the known 2020/21 levels, an additional 10% student attrition in each of the 2 academic years and a £1.4m reduction in residences income in 2020/21 as well as the covid-19 impact on pay and non-pay expenditure. On this basis liquidity levels are forecast to remain strong. At the time of writing the student numbers are higher than in the previous year.

Consequently, the Council is confident that the University will have sufficient funds to continue to meet their liabilities as they fall due for at least 12 months from the date of approval of the financial statements and therefore have prepared the financial statements on a going concern basis.

Disclosure of information to auditor

The directors who held office at the date of approval of this directors' report confirm that, so far as they are each aware, there is no relevant audit information of which the Company's auditor is unaware; and each director has taken all the steps that s/he ought to have taken as a director to make herself/himself aware of any relevant audit information and to establish that the Company's auditor is aware of that information.

Section 172 Statement

The members of the University Council are Trustees of the University and directors of the Company. In line with their duties under s172 of the Companies Act 2006, directors act in a way they consider, in good faith, would be most likely to promote the success of the Company for the benefit of its members as a whole. As part of the decision-making process, matters that are of strategic importance to the Company, the Board and its Committees consider the potential impact of decisions on relevant stakeholder. Whilst also having regard to a number of broader factors, including the impact of the Company's operations on the community and environment, responsible business practices and the likely consequences of decisions in the long term.

Students

Liverpool Hope promotes its success on stakeholder engagement particularly in relation to our student population. The University takes pride in providing a distinctive place for learning that offers them the best possible student transformational experience whilst getting to know our students one by one. We seek to do this in dialogue, staff being responsive and empathetic to students' needs, whilst giving them the opportunity to flourish in a challenging academic environment. At the heart of the University are its scholars and their students. The University considers it extremely important that effective ways are found to hear the whole students' voice in order to respond to their concerns and build a supportive learning community. A well-functioning Students' Union is a vital part of to this endeavour and the University ensures that students are represented in all its major decision-making bodies.

<https://www.hope.ac.uk/gateway/students/studentvoice/>

Our Corporate Plan states that 'Hope is committed to being a collegium in which students and staff work closely together, enjoying the benefits of a University environment in which we know one another and engage on a daily basis in discussion and debate. <https://www.hope.ac.uk/aboutus/governance/corporateplan/>

Employees

Established systems, frameworks and processes are in place to support and protect the wellbeing of our colleagues, to ensure they are recognised and rewarded for their work, to listen to and address their concerns and to provide clear paths to career progression, personal development and training. We have promoted our wellbeing support resources for both physical and mental health and have been particularly strong in providing a virtual resource for colleagues during the pandemic. Additional measures have been put in place alongside our usual resources, comprehensive risk

Directors' Report *(continued)*

assessments and protocols which balance the contact and community needs of staff as well as safe guarding their physical health in line with relevant government guidance throughout the stages of pandemic management. We have links to relevant external resources such as MIND and accessible support to occupational health, flu vaccinations, virus testing and free counselling support. Online resilience training has also been provided.

The decision to moved to a new Schools structure enabled an opportunity to review our internal leadership communications framework for colleague engagement. At Senior Management level there is a robust committee structure and for joint consultation with our colleagues and partnership unions. There is a clear management meeting and cascade structure which supports our strategic and operational objectives. In additional we have numerous communication channels such as direct Vice Chancellor, and Deputy-Vice Chancellor communications to colleagues email as well as a regular Hope community bulletin which fosters the personal and collegial community. These arrangements have been prevalent in our response to the Covid-19 pandemic and engagement with our employees.

There have also been Management Training sessions taking place to assist the Head of Schools and Heads of Subject during 2019-2020. A series of Foundation year Training sessions also took place to assist staff with the growing Foundation year programme with a number of external speakers contributing to the Programme. The overall University Percentage of eligible staff with Advance HE membership currently stands at 73%. The figure for staff who have Fellowship and other teaching qualifications at Liverpool Hope is 92%, this information is published to HESA each year.

Future Students

During the academic year there was a significant change to student recruitment. School visits, UCAS fairs and events of campus would usually help people make informed decisions about which course and which University best suited their academic and pastoral needs and so outreach had be approached differently. Engagement activity moved online, with virtual applicant and open days targeted to ensure our future students, their parents and carers where getting the information they needed. The approval and successful implementation of a CRM system was key to the External Relations team creating bespoke communications and events for potential applicants. This included the delivery of open and applicant days which featured virtual tours, subject tasters and panel discussions. The CRM was also used to aid successful delivery 2020 clearing.

All outreach activity was supported by social media, a targeted digital marketing campaign and a media presence that was led with stories that celebrated both the success of Hope's students and academic research. Some of the successful outcomes include:

- Increase in applications 8.5%
- Increase in registrations 26%
- Increase in international applications 33%

The downside is that potential students have not had the full opportunity to experience the sense of the Hope community that is apparent when they visit the campus. In addition, the increase in international applications was not matched in terms of registrations as the coronavirus pandemic has had a major impact on international travel.

Suppliers

Procurement within the University is carried out in accordance with legal requirements, the University Financial Regulations and Procurement Policy. A carefully managed University that works efficiently and effectively delivering value-for-money is central to the University's Corporate Plan and our procurement activity supports that goal. Liverpool Hope University recognises that in order to achieve its ambitious strategic objectives, we need our suppliers to be on board. When engaging suppliers, we utilise a number of routes to market including third party collaborative framework agreements, such as from the North Western Universities Purchasing Consortium (NWUPC), together with other consortia as well as awarding our own contracts through competitive tender and quotation activity.

Liverpool Hope University has a moral, ethical and social responsibility to consider the impacts of its activities on students, employees, wider stakeholder groups, as well as on the environment. In order for this to happen, all of our suppliers are given the opportunity to complete an on-line assessment tool to improve their environmental performance and ensure they are making a positive impact on society. The University has enjoyed a number of successes including; working with our travel management company to promote sustainable and value for money travel options and our waste management company to increase staff and student engagement. We also work closely with our Estates suppliers to look at energy saving projects and initiatives.

Statement of Directors' responsibilities in respect of Strategic Report, the Directors' Report and the Financial Statements

The Council (who are the Directors of the University company for the purposes of company law) are responsible for preparing the Strategic Report, the Directors' Report and the financial statements in accordance with the Memorandum of Assurance and Accountability issued by the OfS and applicable law and regulations.

Company law requires the directors to prepare financial statements for each financial year. Under that law they have elected to prepare the 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 2019 *Statement of Recommended Practice – Accounting for Further and Higher Education* and the requirements of the OfS Accounts Direction.

Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the University and of its income and expenditure, gains and losses and changes in reserves for that period. In preparing the University financial statements, the directors are required to:

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

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 the Companies Act 2006. 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 are also responsible under the Memorandum of Assurance and Accountability for:

- ensuring that funds from OfS and other funding bodies are used only for the purposes for which they have been given and in accordance with the Memorandum of Assurance and Accountability and any other conditions which OfS may from time to time prescribe;
- ensuring that there are appropriate financial and management controls in place to safeguard public funds and funds from other sources; and
- securing the economical, efficient and effective management of the university's resources and expenditure.

Directors' Report *(continued)*

Statement of Directors' responsibilities in respect of Strategic Report, the Directors' Report and the Financial Statements *(continued)*

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.

While the following is not a specific recreation of the constitutional provisions within the Articles of Government, the principal responsibilities of Council, adopted in December 2005, may be summarised as being:-

1. To approve the educational character, mission and strategic vision of Liverpool Hope University, 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 Vice-Chancellor & Rector, for the academic, corporate, financial, estate and personnel management of the institution, and other responsibilities as detailed in the constitution, and keeping those functions under regular review.
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 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 Council 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 Liverpool Hope University.
8. To appoint the head of the institution as Vice-Chancellor & Rector, and to put in place suitable arrangements for monitoring his/her performance.
9. To appoint a secretary to Council 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 Liverpool Hope University, to ensure that proper books of account are kept and resources used properly, effectively and efficiently, and to approve the annual budget and financial statements and have overall responsibility for the University'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 of the institution's legal obligations, including those arising from contracts and other legal commitments made in Liverpool Hope University's name.
13. To make such provision as it thinks fit for the general welfare of students, in consultation with senate, and for the operation of the Students' Union under a constitution approved by council.

Directors' Report *(continued)*

Statement of Directors' responsibilities in respect of Strategic Report, the Directors' Report and the Financial Statements *(continued)*

14. To act as trustee for any property, legacy, endowment, bequest or gift in support of the work and welfare of Liverpool Hope University.
15. To ensure that Liverpool Hope University's constitution is followed at all times and that appropriate advice is available to enable this to happen.

A handwritten signature in black ink, appearing to read 'Peter Winn', with a stylized, cursive script.

Revd Canon P Winn
Director and Chair of Council

Statement of Corporate Governance

This statement of corporate governance explicitly relates to the period 1st August 2019 – 31st July 2020, up to and including the date when the financial statements are approved. The institution endeavours to conduct its business in accordance with the seven principles identified by the Committee on Standards in Public Life (selflessness, integrity, objectivity, accountability, openness, honesty and leadership), and with the guidance to institutions of higher education from the Committee of University Chairmen in its Guide for Members of HE Governing Bodies in the UK.

Liverpool Hope University is an incorporated body whose legal status is that of a company limited by guarantee, a registered charity and a University with taught and research awarding powers.

Its objects, powers and framework of governance are set out in the articles of association which were approved by the Privy Council in 1996. The current version of the articles was approved by the Privy Council with effect from 20th April 2005. The articles require Liverpool Hope University to have a governing body and a senate, each with clearly defined functions and responsibilities to oversee and manage its activities.

The University Council is the executive governing body, responsible for matters including the finance, property and staffing of the institution. It is specifically required to determine the educational character and mission of the institution and to set its general strategic direction. The governing body has a majority of independent members and the chair is elected from among the independent members. There is also provision for the appointment of co-opted members, and representatives of the academic staff and the student body. No members of University Council receive any reimbursement for the work they do for that body.

Subject to the overall responsibility of the governing body, Senate has oversight of the academic affairs of Liverpool Hope University and draws its membership entirely from the staff and the students of the institution, save for 4 Network of Hope College Principals. It is particularly concerned with general issues relating to the learning and teaching and research work of Liverpool Hope University.

The Chief Executive Officer (Vice Chancellor and Rector) is the head of Liverpool Hope University and has a general responsibility to the governing body for the organisation, direction and management of the institution. As Chief Executive, the head of the institution exercises considerable influence upon the development of institutional strategy, the identification and planning of new developments, and shaping of the institutional ethos. The University Senior Executive Team all contribute in various ways to these aspects of the work, working in close collaboration with the Vice Chancellor and University Council which has ultimate responsibility for the University's strategic direction, education character and use of resources.

Members of University Council make an annual declaration of interests and further to declare any interests in relation to matters under discussion at meetings. The University also makes an annual declaration on matters that confirm that they are "fit and proper" as defined under the Framework for the Office for Students. University Council has adopted a Statement of Primary responsibilities reflecting sector guidance. This statement reflects the University Council's understanding of its responsibilities in relation to governance and internal control.

In accordance with the articles of association, a secretary to the governing body has been appointed. The Head of Legal Services, Governance and Risk is Clerk to University Council and in that capacity, she provides independent advice on matters of governance to all members of University Council.

Although the governing body meets four times per year, much of its detailed work is handled by committees, including a Finance and General Purposes Committee, an Audit Committee, a Staffing Committee; Health and Safety Standing Committee; A Nominations Committee and a Remuneration Committee. The decisions of these Committees are formally reported to the full University Council by the respective chairs.

Statement of Corporate Governance *(continued)*

Audit Committee

The Audit Committee meets three times per year, with the University's External and Internal Auditors in attendance. The Committee considers detailed reports together with recommendations for the improvement of the University's systems of internal control, management responses and implementation plans and regularly reviews the University's progress and risk register. Whilst senior executives attend meetings of the Audit Committee as necessary, they are not members of the Committee. The Committee is empowered to meet the External and Internal Auditors on their own for independent discussions.

Finance and General Purposes

The Finance and General Purposes Committee meet three times per year and maintains an oversight of the University's financial and capital development strategies and the financial policy framework.

Staffing Committee

The Staffing Committee is responsible for supporting the strategic direction, performance measurement and service development of the human resource function within the University. It also has an oversight of compliance with equal opportunities and other employment law matters.

Council Standing Committee on Health and Safety

To develop and monitor the implementation of the University's Health and Safety Policy, Safety Management System and the associated procedures and codes of practice. To keep under review the University's compliance with health and safety legislation and to monitor trends in accidents and dangerous occurrences.

Senior Salaries Remuneration Panel

To determine and review the salaries, terms and conditions of the Head of the institution and such other members of staff as Council deems appropriate. This Panel reports annually to Council and comprises the Pro-Chancellor, the Chair of Audit Committee, the Chair of Finance Committee and the Vice Chancellor. The Committee meets annually to set the salaries of the members of the senior team.

The remuneration package of the Vice Chancellor is set by the Remuneration Panel, which comprises the Pro-Chancellor, the Chair of Audit Committee and the Chair of Finance Committee. The Vice Chancellor does not attend this meeting.

The Remuneration Committee has an established policy of placing the Vice Chancellor's salary within the top decile of heads of institutions that were granted University status in 2005 dependent on satisfactory performance. This recognises his experience as one of the longest serving Vice Chancellor's in the sector and his pivotal role in both the creation of the strategic vision for the University and driving forward its implementation.

His performance is monitored and assessed by regular meetings with the Pro-Chancellor and progress against a range of external metrics in areas such as SSRs (Staff Student Ratios), NSS (National Student Survey) performance, student retention, quality of academic staff and financial management.

The Council believe that his strategic guidance, experience and continuity of leadership is essential for the University as the HE sector enters a further period of uncertainty.

Nominations Committee

To seek out and recommend new lay/independent co-opted members to the appointing body, taking account of the current skills mix of Council and the diversity of the current membership.

Statement of Internal Control

This statement of internal control explicitly relates to the period 1st August 2019 – 31st July 2020, up to and including the date when the financial statements are approved. The key elements of the University's system of internal financial control, which is designed to discharge the responsibilities set out above, include the following:

- Clear definitions of the responsibilities of, and the authority delegated to, members of the University Senior Executive Team and other senior managers;
- A comprehensive medium and short-term planning process, supplemented by detailed annual income, expenditure, capital and cash flow budgets;
- Regular reviews of academic performance and monthly reviews of financial performance involving variance reporting and updates of forecast outturns;

University Council has the responsibility for reviewing the effectiveness of the system of internal control. Consistent with the Risk Management Strategy approved, the following processes have been established:

- University Council meets four times a year to consider the plans and strategic direction of the institution.
- Periodic reports from the chairman of the Audit Committee concerning internal control are received together with regular reports from managers on the steps they are taking to manage risks in their areas of responsibility, including progress reports on key projects.
- A report on discussions of risk at the University Senior Executive Team is delivered to Audit Committee who provides oversight on risk.
- The Audit Committee receives regular reports from the internal auditor, which include the internal auditor's independent opinion on the adequacy and effectiveness of the institution's system of internal control, together with recommendations for improvement.
- An organisation-wide risk register is operational.
- Reports are received from budget holders and project managers on internal control activities.
- Policies such as the Code of Practice on Whistleblowing, Declarations of Interest, Financial and other Irregularities, including Fraud Policy and an Anti-Bribery Policy have been periodically reviewed and revised.

Control Weaknesses Identified

The annual review of the Internal Auditors indicated no significant internal control weaknesses or outstanding actions for areas of significant risk.

Role of the External Auditor

The University external auditors perform an interim audit mid-year to review control procedures prior to year-end substantive testing. Throughout the year, communication between the University and external auditors is key critical to obtain reasonable assurance the University's financial information is free from material misstatement, fraud and errors.

Role of the Internal Auditor

The University's internal auditors continue to monitor the systems of internal control, risk management controls and governance processes in accordance with an agreed plan of input and report their findings to management and the Audit Committee. Management is responsible for the implementation of agreed audit recommendations, and internal audit undertakes periodic follow-up reviews to ensure such recommendations have been implemented.

Statement of Internal Control *(continued)*

Both Internal and External auditors are in attendance at Audit Committee, they have to present their detailed plan for the forthcoming year. These plans are prepared in accordance with University requirements, accounting standards and direction of funding bodies. Value for money is evaluated prior to making a recommendation to Council.

INDEPENDENT AUDITOR'S REPORT TO THE COUNCIL OF LIVERPOOL HOPE UNIVERSITY

REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS

Opinion

We have audited the financial statements of Liverpool Hope University ("the University") for the year ended 31 July 2020 which comprise the Statement of Comprehensive Income, the Statement of Changes in Reserves, the Statement of Financial Position, the Statement of Cash Flows and related notes, including the accounting policies.

In our opinion the financial statements:

- give a true and fair view of the state of the University's affairs as at 31 July 2020, and of the University's income and expenditure, gains and losses and changes in reserves, and of the University'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 2019 *Statement of Recommended Practice – Accounting for Further and Higher Education*;
- meet the requirements of the Accounts Direction dated 25 October 2019 issued by the Office for Students; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

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 University 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

The Council has prepared the financial statements on the going concern basis as they do not intend to liquidate the University or to cease their operations, and as they have concluded that the University's financial position means that this is realistic. They have also concluded that there are no material uncertainties that could have cast significant doubt over their ability to continue as a going concern for at least a year from the date of approval of the financial statements ("the going concern period").

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

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

Other information

The Council is responsible for the other information, which comprises the Strategic Report, Directors' Report, Statement of Corporate Governance and Statement of Internal Control. Our opinion on the financial statements does not cover the other information and, accordingly, we do not express an audit opinion or, except as explicitly stated below, 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;
- in our opinion the information given in the Strategic Report, Directors' Report, Statement of Corporate Governance and Statement of Internal Control, which together constitute the strategic report and the directors' report for the financial year, is consistent with the financial statements; and
- in our opinion those reports have been prepared in accordance with the Companies Act 2006.

Matters on which we are required to report by exception

Under the Companies Act 2006, we are required to report to you if, in our opinion:

- adequate accounting records have not been kept by the parent University, or returns adequate for our audit have not been received from branches not visited by us; or
- the parent University's financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

We have nothing to report in these respects.

Council responsibilities

As explained more fully in their statement set out on page 12, the Council (who are the Directors of the University company for the purposes of company law) is responsible for: the preparation of the financial statements and for being satisfied that they give a true and fair view; such internal control as it determines is necessary to enable the 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 by the Accounts Direction dated 25 October 2019 issued by the Office for Students ('the Accounts Direction').

In our opinion, in all material respects:

- funds from whatever source administered by the Group or the University for specific purposes have been properly applied to those purposes and managed in accordance with relevant legislation;
- income has been applied in accordance with the University's articles of government for post 1992 institutions; and
- funds provided by the Office for Students, UK Research and Innovation (including Research England), the Education and Skills Funding Agency and the Department for Education have been applied in accordance with the relevant terms and conditions.

Matters on which we are required to report by exception

We are required by the Accounts Direction to report to you where the University has an access and participation plan that has been approved by the Office for Students' director of fair access and participation and the results of our audit work indicate that the University's expenditure on access and participation activities for the financial year disclosed in Note 10 has been materially misstated.

We are also required by the Accounts Direction to report to you where the results of our audit work indicate that the University's grant and fee income, as disclosed in Note 6 to the financial statements has been materially misstated.

We have nothing to report in these respects.

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

This report is made solely to the Council, in accordance with Chapter 3 of Part 16 of the Companies Act 2006 and paragraph 13(2) of the University's Articles of Government and section 124B of the Education Reform Act 1988. Our audit work has been undertaken so that we might state to the Council those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the University and the Council for our audit work, for this report, or for the opinions we have formed.

Debra Chamberlain (Senior Statutory Auditor)
for and on behalf of KPMG LLP, Statutory Auditor
Chartered Accountants
1 St Peter's Square
Manchester
M2 3AE

Date

Statement of Principal Accounting Policies

1. Basis of preparation

The University is a company limited by guarantee, and was incorporated on 26 November 1996. Under the terms of the Memorandum and Articles of Association, the members of the University Governing Council have each undertaken to contribute a maximum of £1 in the event of winding up of the company.

These financial statements have been prepared in accordance with United Kingdom Accounting Standards, including Financial Reporting Standard 102 (FRS 102), the Statement of Recommended Practice (SORP): Accounting in Further and Higher Education (2019 edition), the Charities SORP (2019) and the Companies Act where appropriate. They have also been prepared in accordance with the 'carried forward' powers and duties of previous legislation (Further and Higher Education Act 1992 and the Higher Education Act 2004) and the new powers of the Higher Education and Research Act 2017 during the transition period to 31 July 2019, the Accounts Direction issued by the Office for Students (OfS), the Terms and conditions of funding for higher education institutions issued by the Office for Students and the Terms and conditions of Research England Grant. The University is a public benefit entity and therefore has applied the relevant public benefit requirement of the applicable UK laws and accounting standards.

The fixed assets were valued at 31st July 2014, the University chose to freeze the valuation at that date and use the deemed cost going forward in accordance with FRS 102. Capital grants are accounted for using the performance model as opposed to the accruals model. A requirement for holiday pay involves an accrual for unused annual leave as an expense. Pension fund changes relate to interest computations and the inclusion of the USS scheme.

2. Going Concern

The University's activities, together with the factors likely to affect its future development, performance and position, are set out in the Strategic Report which forms part of the Council's Report. The Council's Report also describes the financial position of the Institution, its cash flows, liquidity position and borrowing facilities.

The financial statements have been prepared on a going concern basis which the Council consider to be appropriate for the following reasons.

The Council have prepared cash flow forecasts for a period up to July 2022. After reviewing these forecasts the Council is of the opinion that, taking account of severe but plausible downsides, including the anticipated impact of COVID-19, the University will have sufficient funds to meet their liabilities as they fall due over the period of 12 months from the date of approval of the financial statements (the going concern assessment period).

Specific scenarios that have been stress tested include a 10% reduction in student recruitment compared to the known 2020/21 levels, an additional 10% student attrition in each of the 2 academic years and a £1.4m reduction in residences income in 2020/21 as well as the covid-19 impact on pay and non-pay expenditure. On this basis liquidity levels are forecast to remain strong. At the time of writing the student numbers are higher than in the previous year.

Consequently, the Council is confident that the University will have sufficient funds to continue to meet their liabilities as they fall due for at least 12 months from the date of approval of the financial statements and therefore have prepared the financial statements on a going concern basis.

3. Basis of accounting

The financial statements have been prepared under the historical cost convention as modified by the deemed cost of certain fixed assets.

4. Basis of consolidation

The financial statements include the University only as there are no trading subsidiaries in existence.

The financial statements do not include those of Liverpool Hope Students' Union as it is a separate organisation in which the University has no control or significant influence over policy decisions.

Statement of Principal Accounting Policies *(continued)*

5. Format of the accounts

The directors have taken advantage of the Companies Act 2006 to adapt the format of the accounts to reflect the special nature of the Company's business.

6. Recognition of income

The recurrent grants from the Office for Students (OfS) and Engineering and Physical Sciences Research Council (EPSRC) represent the funding allocation which is attributable to the current financial year and is credited direct to the statement of comprehensive income.

Grants intended to support the acquisition of tangible fixed assets are credited to the statement of comprehensive income when the University becomes entitled to them, subject to any performance related conditions being met.

Tuition fees represent student fees received and receivable attributable to the current accounting period.

Income to which the University is entitled from research grants and contracts is released to the statement of comprehensive income in proportion to the degree of completion of the associated activity, with reference to expenditure. The University uses the accruals method of accounting for research grants and contracts.

The University acts as an agent in the payment of training bursaries from the National College for Teaching and Leadership (NCTL). Related payments received and subsequent disbursements to students are excluded from the statement of comprehensive income and are shown separately in note 18.

7. Retirement benefits

The University operates a defined benefit scheme for staff, the Enhanced Pension Provision (EPP). The scheme is a defined benefit scheme which is externally funded and contracted out of the State Second Pension (S2P).

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 statement of comprehensive income in the periods during which services are rendered by employees.

Defined Benefit Plan

A defined benefit plan is a post-employment benefit plan other than a defined contribution plan. The University's net obligation in respect of defined benefit pension plans and other post-employment benefits is calculated separately for each plan by estimating the amount of future benefit that employees have earned in return for their service in the current and prior periods; that benefit is discounted to determine its present value, and the fair value of any plan assets (at bid price) and any unrecognised past service costs are deducted. The liability discount rate is the yield at the balance sheet date on AA credit rated bonds denominated in the currency of, and have maturity dates approximating to the terms of the University obligations. When the calculation results in a benefit to the University the recognised asset is limited to the total of any unrecognised past services costs and the present value of benefits available in the form of any future refunds from the plan, reductions in future contributions to the plan or on settlement of the plan and takes into account the adverse effect of any minimum funding requirements.

The USS is a multi-employer scheme for which it is not possible to identify the assets and liabilities to the University members due to the nature of the scheme and therefore this scheme is accounted for as a defined contribution retirement benefit scheme. A liability is recorded within provisions for liabilities and charges for any contractual commitment to fund past deficits within the USS scheme (Note 23).

Retirement benefits for employees of the University are provided by defined benefit schemes, which are funded by contributions from the University and its employees.

The principal schemes for the University's staff are the Teacher's Pension Scheme (TPS) for academic and related staff, the Greater Manchester Pension Fund (GMPF) and the Merseyside Pension (MPF) for non-academic staff. These are defined benefit schemes which are externally funded and contracted out of the State Earnings Related

Statement of Principal Accounting Policies *(continued)*

Pension Scheme. Contributions to the scheme are charged to the comprehensive statement of income so as to spread the cost of pensions over employee's working lives with the University in such a way that the pension cost is a substantially level percentage of present and future pensionable payroll. Variations from regular costs are spread over the expected average remaining lifetime of members of the schemes after making allowances for further withdrawals. The contributions are determined by qualified actuaries.

8. Employment benefits

Short term employment benefits such as salaries and compensated absences are recognised as an expense during the year in which the employees render service to the organisation. Any unused benefit is accrued and measured as the additional amount the University expects to pay as a result of the unused entitlement.

9. Maintenance of premises

The cost of routine corrective maintenance is charged to the statement of comprehensive income as incurred.

10. Operating Leases

Costs in respect of operating leases are charged to the statement of comprehensive income as incurred on a straight-line basis over the lease term.

11. Provisions

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

The calculation of the cost of early retirement provisions charged to the statement of comprehensive income in the year of retirement is based on the total capital cost of providing enhanced pensions with allowance for future investment returns at 2.5% in excess of price inflation.

An amount is included in provisions for liabilities and charges representing the extent to which the capital cost charged exceeds actual payments made. The provision will be released against the cost to the University of enhanced pension entitlements over the estimated life expectancy of each relevant employee. (See note 23).

12. Fixed assets

In 1980 the two former colleges, St. Katharine's and Christ's and Notre Dame, entered into a Deed of Adherence with the Liverpool Institute of Higher Education under which they provided their respective properties to the Institute. These were superseded in 1998 by similar Deeds of Arrangement of Membership with Liverpool Hope.

St. Katharine's College (Warrington Training College Incorporated), was granted a 99 year lease in 1963 from the Central Board of Finance of the Church of England for the properties provided to the Institute under the Deed of Adherence. The lease is renewable upon request for a second and final 99 years from 2062.

Christ's and Notre Dame College property is owned by the Trustees of Christ's and Notre Dame College. Under the Deed of Adherence the property of the College was made available for the use of the Institute. These buildings have been included on the balance sheet since 2004/05 to reflect the fact that the University carries the majority of the benefits and liabilities of the buildings.

Statement of Principal Accounting Policies *(continued)*

Under the terms of the Deed of Adherence neither College shall withdraw from Liverpool Hope without the agreement of the remaining College and the consent of the Secretary of State for Education.

Subject to the appropriate agreements, written notice must be given at least five years prior to any withdrawal and, in the first instance, may only be given to expire no earlier than 31st August 2023.

Within the Trust Deed and the Deeds of Adherence between the Colleges and the Institute, those elements of the tangible fixed assets which are additions and/or improvements to buildings also become the property of the respective College Trustees.

Fixed assets land and buildings were subject to a full revaluation as at 31st July 2014 under a policy of periodic reappraisal at least every five years. The revaluation was undertaken by Eddisons, a firm of chartered surveyors and the basis of valuation has varied depending upon the nature of the property. The majority of properties were valued on a depreciated replacement cost basis, others such as St Michaels & St Julies at Aigburth and Gerard Manley Hopkins at Everton at market value. The accounting policy hitherto had been to revalue all land and buildings within a class of revalued assets but for practical purposes there was one instance where this had not been possible and the property has always been carried at depreciated historical cost, namely the refurbishment of HE teaching facilities at St. Mary's 6th Form College, Blackburn. The net book value of the refurbishment in the financial statements as at 31st July 2020 is £52,500 (2019 - £63,000).

The revaluation carried out as at 31st July 2014 will serve henceforth as deemed cost in accordance with the SORP and no further revaluations will be taking place.

Where buildings are acquired with the aid of specific grants the assets are capitalised and depreciated on the basis shown below. The related grants are treated as income and released to the statement of comprehensive income within the year in which the grant is received.

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

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

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

Building refurbishment works are capitalised subject to a minimum threshold of £20,000 per refurbishment project. Such costs are not depreciated until the works are completed. Costs of refurbishment projects costing less than £20,000 are written off to the statement of comprehensive income in the period in which they are incurred.

Equipment costing less than £10,000 per individual item or group of related items constituting a single suite of equipment is written off to the statement of comprehensive income in the period of acquisition. All other equipment is capitalised at cost.

All assets are depreciated over their useful economic lives as follows, and a full year's depreciation is charged in the year of acquisition or transfer:

Land & Buildings		
	Buildings existing at 31 st July 2014	As estimated*
	New buildings	50 years
	Building refurbishments (greater than £20,000)	10-30 years
Vehicles		
	Motor vehicles	5 years
Equipment		
	Computer equipment	5 years
Furniture & fittings		
		10 years

Statement of Principal Accounting Policies *(continued)*

*As part of the revaluation carried out on 31st July 2014, the estimated useful lives of the existing buildings were reassessed in consultation with the firm of chartered surveyors who had carried out the revaluation. Estimates varied from building to building, ranging from a minimum of 10 years to a maximum of 60 years.

13. Taxation Status

The University is considered to pass the tests set out in Paragraph 1 Schedule 6 Finance Act 2010 and therefore it meets the definition of a charitable company for UK corporation tax purposes. Accordingly, the University is potentially exempt from taxation in respect of income or capital gains received within categories covered by Chapter 3 Part 11 Corporation Tax Act 2010 or Section 256 of the Taxation of Chargeable Gains Act 1992, to the extent that such income or gains are applied exclusively for charitable purposes. Subsidiary companies are liable for corporation tax for charitable purposes.

The University is partially exempt in respect of Value Added Tax, so that it can only recover a minor element of VAT charged as inputs. Irrecoverable VAT on inputs is included in the costs of such inputs and added to the cost of tangible fixed assets as appropriate, where the inputs themselves are tangible fixed assets by nature.

14. Bursaries and Scholarships

The University provides bursaries and scholarships to students from its own revenue funds. These bursaries and scholarships are shown in the statement of comprehensive income, as expenditure, and not deducted from income.

The University also distributes bursaries on behalf of the National College for Teaching and Leadership. The University only acts as agent and has no interest in these funds. As such, these transactions are not recognised in the statement of comprehensive income.

15. Cash Flows, Cash and Cash Equivalents

Cash flows comprise increases or decreases in cash. 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. They include term deposits, government securities and loan stock held as part of the University's Treasury Management activities and policies.

16. Finance Leases

Fixed assets held under hire purchase agreements and the related hire purchase obligations are recorded in the balance sheet and these assets are depreciated over their useful life.

On 31st March 2011 the University acquired the remaining lease on Gerard Manley Hopkins Hall, a 188 bed student accommodation block at their Everton campus. The remainder of the lease was acquired for a premium of £625,000 payable to the former lease holder, also requiring the payment of an annual rent payable to the lessor, at time of acquisition, of £376,494 (currently £504,156) with inflationary increases every 5 years until the termination of the lease in November 2038. At the end of the term the University has the option to buy the freehold for 25% of market value and this outcome has been treated in the accounts as a foregone conclusion. Taking all aspects of the lease into account the University is accounting for it as a hire purchase, at the rate of interest implicit in the minimum lease payments (including the payment to acquire the freehold at the end of the term), and therefore including the asset at open market value of the property (£6,261,151 adjusting for dilapidations) at 31st March 2011.

Statement of Principal Accounting Policies *(continued)*

17. Accounting Estimates and Judgements

Preparation of financial statements requires management to make estimates, judgement and assumptions that affect the application of accounting policies and reported amounts of assets and liabilities, income and expenses. These estimates and judgements are continually evaluated and are based on professional advice, historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

Management consider the areas set out below to be those where critical accounting judgements have been applied and the resulting estimates and assumptions may lead to adjustments to the future carrying amounts of assets and liabilities:

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

Recoverability of Debtors: The provision for bad debts is based on our estimate on the expected recovery of the debt. Assumptions are made based on the level of debtors who have defaulted historically.

Pensions: The University operates 3 defined benefit pension schemes, the Teacher's Pension Scheme (TPS), the Greater Manchester Pension Fund (GMPF) and the Merseyside Pension (MPF). The present value of the University obligations is dependent on a number of factors including life expectancy, salary increases, asset valuations, liability periods and discount rates on corporate bonds. A qualified actuary estimates these values so management can determine net pension obligations in the balance sheet. This does not include an obligation to make a contribution to fund past deficit payments.

18. Financial Instruments

The University's principal financial instruments are cash, investments and loans. The core objective of these instruments is to meet the financing needs of the University's operations. The fair value of each category of University's financial instruments are the same as their carrying value in the statement of financial position. The University has adopted to apply the provisions of both Section 11 and Section 12 of FRS102 in full.

Statement of Comprehensive Income
Year ended 31st July 2020

	<i>Note</i>	2020 £	2019 £
Income			
Funding council grants	<i>1</i>	3,013,983	3,076,834
Tuition fees and short course fees	<i>2</i>	41,751,189	41,819,792
Research grants and contracts	<i>3</i>	256,769	486,830
Other operating income	<i>4</i>	5,236,238	6,387,136
Investment income	<i>5</i>	157,547	131,574
		<hr/>	<hr/>
Total income before other grants and donations		50,415,726	51,902,166
Donations and other grant income		255,616	396,466
		<hr/>	<hr/>
Total Income		50,671,342	52,298,632
		<hr/>	<hr/>
Expenditure			
Staff costs	<i>7</i>	30,328,908	29,893,874
Other operating expenses	<i>8</i>	12,171,362	15,319,215
Depreciation	<i>12</i>	3,789,526	4,248,726
Interest and other finance costs	<i>9</i>	1,270,434	1,176,431
		<hr/>	<hr/>
Total expenditure	<i>11</i>	47,560,230	50,638,246
		<hr/>	<hr/>
Operating surplus		3,111,112	1,660,386
Actuarial (loss)/gain in respect of pension scheme		(8,026,167)	(7,091,361)
		<hr/>	<hr/>
Total comprehensive income for the year		(4,915,055)	(5,430,975)
		<hr/>	<hr/>
Represented by:			
Restricted comprehensive income for the year		-	-
Unrestricted comprehensive income for the year		(4,915,055)	(5,430,975)
		<hr/>	<hr/>
		(4,915,055)	(5,430,975)
		<hr/>	<hr/>

Statement of Changes in Reserves
Year ended 31st July 2020

	Unrestricted Reserve £	Revaluation Reserve £	Total £
Balance at 1 August 2019	72,909,196	33,390,212	106,299,408
Operating surplus	3,111,112	-	3,111,112
Actuarial loss in respect of pension scheme	(8,026,167)	-	(8,026,167)
Transfers	893,320	(893,320)	-
Balance at 31 July 2020	68,887,461	32,496,892	101,384,353

Statement of Changes in Reserves
Year ended 31st July 2019

	Unrestricted Reserve £	Revaluation Reserve £	Total £
Balance at 1 August 2018	77,391,652	34,338,731	111,730,383
Operating surplus	1,660,386	-	1,660,386
Actuarial loss in respect of pension scheme	(7,091,361)	-	(7,091,361)
Transfers	948,519	(948,519)	-
Balance at 31 July 2019	72,909,196	33,390,212	106,299,408

Statement of Financial Position

As at 31st July 2020

	Note	2020 £	2019 £
Non-current assets			
Tangible assets	12	122,135,153	123,060,171
		<u>122,135,153</u>	<u>123,060,171</u>
Current assets			
Debtors	13	1,971,114	2,154,094
Cash at bank and in hand		7,698,698	10,288,816
Investments	14	16,000,000	8,500,000
		<u>25,669,812</u>	<u>20,942,910</u>
Creditors: amounts falling due within one year	15	(4,849,819)	(5,946,570)
		<u>20,819,993</u>	<u>14,996,340</u>
Net current assets			
		<u>142,955,146</u>	<u>138,056,511</u>
Total assets less current liabilities			
Creditors: amounts falling due after more than one year	16	(10,951,887)	(11,454,591)
Provisions for liabilities and charges	23	(730,906)	(1,195,512)
		<u>131,272,353</u>	<u>125,406,408</u>
Net assets excluding pension liability			
Pension liability	24	(29,888,000)	(19,107,000)
		<u>101,384,353</u>	<u>106,299,408</u>
Total net assets			
		<u>101,384,353</u>	<u>106,299,408</u>
Restricted Reserves:			
Unrestricted Reserves:			
Income and expenditure reserve		68,887,461	72,909,196
Revaluation reserve		32,496,892	33,390,212
		<u>101,384,353</u>	<u>106,299,408</u>
Total funds			
		<u>101,384,353</u>	<u>106,299,408</u>

The financial statements on pages 28 to 48 were approved by the University Council on 24th November 2020, and signed on its behalf by:



Mr J Norbury
Chair of Finance & General
Purposes Committee



Revd Canon P Winn
Chair of University Council



Professor G. Pillay
Rector & Vice Chancellor

Statement of Cash Flows
Year ended 31st July 2020

	2020 £	2019 £
Cash flow from operating activities		
Surplus for the year	3,111,112	1,660,386
Adjustment for non-cash items		
Depreciation	3,789,526	4,248,726
Investment income	(157,547)	(131,574)
Interest payable	1,270,434	1,176,431
Decrease/(Increase) in Debtors	182,980	(498,656)
(Decrease)/Increase in Creditors	(1,095,405)	657,300
Increase/(Decrease) in Provisions	(20,882)	(21,205)
Pension costs	1,867,000	1,882,000
Adjustment for investing or financing activities		
Capital grants utilised in year	(255,616)	(396,466)
Net cash inflow from operating activities	<u>8,691,602</u>	<u>8,576,942</u>
Cash flows from investing activities		
Capital grants received	255,616	396,466
Payments to acquire fixed assets	(2,864,508)	(5,387,667)
New Deposits	(7,500,000)	(3,250,000)
	<u>(10,108,892)</u>	<u>(8,241,201)</u>
Cash flows from financing activities		
Other interest received	157,547	131,574
Interest paid	(826,326)	(845,002)
Repayments of borrowed amounts	(504,050)	(481,096)
	<u>(1,172,829)</u>	<u>(1,194,524)</u>
(Decrease) in cash	<u><u>(2,590,119)</u></u>	<u><u>(858,783)</u></u>

Notes

(forming part of the financial statements)

1 Funding council grants

	2020 £	2019 £
Recurrent Grant - OfS	1,402,557	1,645,649
Specific		
Engineering and Physical Sciences Research Council - EPSRC	1,207,750	1,017,699
Higher Education Innovation Fund	403,676	413,486
	3,013,983	3,076,834

2 Tuition fees and short course fees

	2020 £	2019 £
Full-time students	37,887,280	37,874,507
Full-time students charged overseas fees	825,207	650,368
Part-time students	604,828	735,813
	39,317,315	39,260,688
Total fees paid by or on behalf of individual students		
Short course fees	2,433,874	2,559,104
	41,751,189	41,819,792

3 Research grants and contracts

	2020 £	2019 £
Research councils	28,009	43,144
Research charities	82,804	79,956
Industry and commerce	118,236	228,593
Other	27,720	135,137
	256,769	486,830

4 Other operating income

	2020 £	2019 £
Residences, catering and conferences	4,448,107	5,589,762
Other income	788,131	797,374
	5,236,238	6,387,136

Notes (continued)

5 Investment income

	2020	2019
	£	£
Interest receivable	157,547	131,574

6 Grant and fee income

	2020	2019
	£	£
Grant income from the OfS	1,626,137	2,017,149
Grant income from other bodies	1,643,462	1,456,151
Fee income for taught awards (exclusive of VAT)	40,333,231	40,166,308
Fee income for research awards (exclusive of VAT)	351,157	407,874
Total	43,953,987	44,047,482

Note: excludes research grants and contracts as they are shown separately in Note 3

7 Staff costs (including directors' emoluments)

	2020	2019
	£	£
Wages and salaries	23,460,501	23,810,391
Social security costs	2,293,885	2,324,996
Other pension costs	4,574,522	3,758,487
	30,328,908	29,893,874

The average numbers of staff employed by the University (FTE)

	2020 Number FTE	2019 Number FTE
Academic	276	294
Administrative and technical	238	239
Manual and ancillary	99	97
	613	630

Notes (continued)

Emoluments of the Vice-chancellor & Rector	2020	2019
	£	£
Salary	299,716	293,244
Benefits (Company Car)	8,456	6,124
Pension	69,204	48,327
Total	377,376	347,695

The emoluments of the Vice-chancellor & Rector are shown on the same basis as for higher paid staff (excluding employer's social security contributions). The University's pension contributions to the Teachers Pension Scheme are paid on behalf of the Vice-Chancellor & Rector at the same rate as for other academic staff (23.68%).

The Remuneration Committee has an established policy of placing the Vice Chancellor's salary within the top decile of heads of institutions that were granted University status in 2005 dependent on satisfactory performance. This recognises his experience as one of the longest serving Vice Chancellor's in the sector and his pivotal role in both the creation of the strategic vision for the University and driving forward its implementation.

The median salary has been calculated in accordance with the guidance provided by the OfS, determining the full-year, full-time equivalent for each worker employed during the year and ranking them from high to low. In the absence of specific guidance for determining the mid-point value within this list, the University has chosen to do so by making a cumulative total of the full-time equivalent fraction (FTE) for each worker and then finding the midpoint of that cumulative total, thus taking full account of the relative statistical significance of individual workers according to their FTEs.

All payments to directors are in respect of services as members of staff and relate to the period of office. Where appropriate these emoluments are also included in the bands for higher paid staff.

Basic Salary Ratio (Based on a median pay rate of £35,665): 8.40 times (2019: £33,163; 8.84 times)

Total Remuneration Ratio (Based on a median pay rate of £42,380): 8.90 times (2019: £38,393; 9.06 times)

The number of staff, including senior post-holders and the Vice Chancellor & Rector, who received remuneration excluding employer pension contributions in the following ranges was:

	2020	2019
	Number	Number
£100,000 - £104,999	1	-
£115,000 - £119,999	-	1
£120,000 - £124,999	1	-
£130,000 - £134,999	-	1
£135,000 - £139,999	1	2
£145,000 - £149,999	1	-
£295,000 - £299,999	-	1
£305,000 - £309,999	1	-
	5	5

Key Management Personnel

2020	2019
£	£
1,311,147	1,224,252

Notes (continued)

While administration of the University is controlled and managed by the University Council, the day to day operations are conducted by the University Senior Executive Team, the Academic Leadership Team and the Operational Leadership Team. The figure disclosed comprises total gross salaries of the University Senior Executive Team excluding employer's pension and national insurance contributions.

Severance Payments - Payments were made to 3 individual members of staff equating to £13,915.

8 Other operating expenses

	2020 £	2019 £
Residences, catering and conference operating expenses	376,940	420,943
Teaching departments	2,130,996	2,957,841
Books and periodicals	600,007	563,550
Heat, light, water and power	1,392,256	1,658,032
Repairs and general maintenance	1,334,896	1,677,948
Grants to Liverpool Hope Students' Union	252,150	257,150
External auditors' remuneration	49,200	49,200
Other support services	429,613	587,190
Administration and central services	4,305,421	5,639,926
Other income generating activities	217,432	311,584
Other operating expenses	1,082,211	1,195,280
Reimbursement of Trustees' expenses	240	571
	<hr/>	<hr/>
	12,171,362	15,319,215
	<hr/>	<hr/>

One Trustee was reimbursed for expenses directly connected with their duties as Trustees. In 2019/20 these expenses were for travel amounting to £240. In 2018/19 the expenses related to travel and conferences and amounted to £571.

9 Interest and other finance costs

	2020 £	2019 £
Interest payable on bank loans not wholly repayable within five years	294,299	321,785
Pension fund interest payable	444,108	331,429
Interest payable on finance lease	532,027	523,217
	<hr/>	<hr/>
	1,270,434	1,176,431
	<hr/>	<hr/>

10 Access and Participation

	2020 £
Access Investment	475,182
Financial Support	240,517
Disability Support	544,025
Research and Evaluation	-
	<hr/>
	1,259,724
	<hr/>

Notes (continued)

As a small institution, the access and participation activities are embedded within the operations of the University and cannot be easily identified as stand-alone costs for the target student population. Many elements of expenditure are subjective in nature therefore, the total costs are used and then a percentage of these costs shown as countable expenditure: 42% for Access Investment as 40%- 45% of the student population qualify for APP, Financial Support includes 85% of Learning Support Fund. £623,971 of these costs are included in the staff costs figure within Note 7

<https://www.hope.ac.uk/media/aboutus/governancedocuments/Liverpool%20Hope%20University%20Access%20and%20Participation%20Plan%20submitted%2004-11-19%20.pdf>

11 Analysis of expenditure

	Staff costs	Depreciation	Interest payable	Other operating expenses	Total
	£	£	£	£	£
Academic departments	18,575,659	-	-	2,130,996	20,706,655
Academic support services	1,727,564	-	-	1,282,501	3,010,065
Other support services	1,875,308	-	-	681,763	2,557,071
Administration and central services	4,250,297	-	-	4,305,421	8,555,718
General education expenditure	-	-	-	57,629	57,629
Premises	2,491,254	-	-	3,118,680	5,609,934
Other income generating activities	322,064	-	-	217,432	539,496
Residences, catering and conferences	1,086,762	-	-	376,940	1,463,702
Depreciation	-	3,789,526	-	-	3,789,526
Interest payable	-	-	1,270,434	-	1,270,434
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
Total per Statement of Comprehensive Income	30,328,908	3,789,526	1,270,434	12,171,362	47,560,230
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>

12 Fixed Assets

	Assets in the course of construction	Land and Buildings	Equipment	Vehicles	Total
	£	£	£	£	£
Deemed cost					
At 1 August 2019	976,762	136,264,397	8,890,247	156,050	146,287,456
Additions at cost	515,858	1,551,668	796,982	-	2,864,508
Disposals at cost	-	-	-	-	-
Transfers	(928,817)	928,817	-	-	-
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
At 31 July 2020	563,803	138,744,882	9,687,229	156,050	149,151,964
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
Depreciation					
At 1 August 2019	-	15,663,347	7,469,400	94,538	23,227,285
Eliminated on disposals	-	-	-	-	-
Charge for the year	-	3,444,912	329,236	15,378	3,789,526
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
At 31 July 2020	-	19,108,259	7,798,636	109,916	27,016,811
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
Net book value					
At 31 July 2019	976,762	120,601,050	1,420,847	61,512	123,060,171
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
At 31 July 2020	563,803	119,636,623	1,888,593	46,134	122,135,153
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>

Notes (continued)

Included is £6,154,875 which relates to Gerard Manley Hopkins Hall, acquired at an imputed cost of £6,261,151 in March 2011. The substantive nature of the acquisition was that of a hire purchase arrangement with rental payments due for 27½ years from the date of acquisition. The property is being depreciated over its remaining useful economic life of 42 years.

Fixed assets include £8,266,000 in relation to land. The land has not been depreciated in the accounts.

13 Debtors

	2020 £	2019 £
Amounts falling due within one year		
Trade debtors	1,036,125	1,209,981
Sundry debtors	26,554	79,965
Prepayments and accrued income	908,435	864,148
	<u>1,971,114</u>	<u>2,154,094</u>

14 Investments

	2020 £	2019 £
Deposits maturing in one year or less		
There are 2 deposits on fixed rate terms one for £6,000,000 with Santander on a 12 month time deposit and one for £10,000,000 with Barclays on a 4 month time deposit.	16,000,000	8,500,000
	<u>16,000,000</u>	<u>8,500,000</u>

15 Creditors: amounts falling due within one year

	2020 £	2019 £
Loans	530,575	504,050
Trade creditors	378,567	591,670
Social security and other taxation payable	1,119,521	1,112,932
Accruals and deferred income	2,821,156	3,737,918
	<u>4,849,819</u>	<u>5,946,570</u>

16 Creditors: amounts falling due after more than one year

	2020 £	2019 £
Loans secured on residential and other property repayable by 2030	4,787,754	5,318,329
Obligations under hire purchase agreement	6,164,133	6,136,262
	<u>10,951,887</u>	<u>11,454,591</u>

Notes (continued)

Analysis of secured and unsecured loans:	2020	2019
	£	£
Due within one year or on demand (Note 15)	530,575	504,050
Due between one and two years	558,173	530,575
Due between two and five years	1,499,288	1,615,090
Due in five years or more	2,730,293	3,172,664
Debt due after more than one year	4,787,754	5,318,329
Total secured and unsecured loans	5,318,329	5,822,379

<i>Interest/terms on loans</i>	Original Value	Interest rate	Basis	Number of years remaining
	£	%		
Alexander Jones Building	600,000	1.44	Fixed	3
Sports centre	1,900,000	7.35	Fixed	3
Cloisters/Hermitage	420,000	1.06	Fixed	8
Student accommodation	8,300,000	5.72	£7m Fixed	10
		1.10	£1.3m Variable	

The loans are secured on the relevant assets of the University. All loans are repaid by instalments over the period of the loan.

17 Lease Obligations

Total payable under hire purchase agreement	2020	2019
	£	£
Later than 5 years	6,164,133	6,136,262
Total payment due	6,164,133	6,136,262

18 Reconciliation of cash flow to Statement of Financial Position

	2019	Cash flows	2020
	£	£	£
Cash at bank	10,288,816	(2,590,118)	7,698,698

19 Capital commitments

	2020	2019
	£	£
Commitments contracted for at 31 st July	406,925	821,726
Contracts authorised but not contracted	-	-

Notes (continued)

20 Training bursary payments

	2020 £	2019 £
Grant paid by National College for Teaching and Leadership (NCTL)	4,039,200	3,519,300
Payments to trainees	(3,986,700)	(3,432,400)
Grant due to NCTL at end of year	52,500	86,900

During the year the University administered the Training Bursary Scheme for PGCE students. The University acts only as paying agent. The grants and related disbursements are therefore excluded from the statement of comprehensive income.

21 Related party disclosures

Due to the nature of the University's operations and the composition of the University Council (being drawn from local public and private sector organisations), it is inevitable that transactions will take place with organisations in which a Member of the Board may have an interest. All transactions involving organisations in which a member of the board of governors may have an interest are conducted at arm's length and in accordance with the University's financial regulations and normal procurement procedures. Council members declare their interests and the University updates the register of interests annually.

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

	Income	Expenditure
The Right Reverend Paul Bayes		
Diocesan of Liverpool	6,745	
Mr Charles Mills		
Trustee, St Mary's College	-	3,060
Governor, Everton Free School	-	5,300
Mr Ultan Russell		
Hon Secretary, Josephine Butler Memorial Trust	400	-
Dr Penny Haughan		
Chair of Governors, Locking Stumps Community Primary School	5,880	-

The nature of expenditure transactions relates to payments to schools on behalf of students or secondment agreements for primary teaching staff. All payments were made during the financial year 2019/20 and there were no debtors or creditors at the year end.

22 Connected Charitable Institutions

The University is connected to one charitable institution, Liverpool Hope Carter Preston Foundation which was set up in its current state in April 2012. The University appoints two of the trustees. The Foundation has no income or expenditure. Heritage assets were valued by the insurer at £330,411 and the Foundation has £126,359 in its current account as at 31 July 2020.

Notes (continued)

23 Provisions for liabilities and charges

	Obligation to fund deficit on USS pension £	Pension enhancement on termination £	Total pension provision £
At 1 st August 2019	1,030,480	165,032	1,195,512
Movement in year	(458,399)	(20,882)	(479,281)
Interest cost	17,312	3,796	21,108
Actuarial loss	-	(6,433)	(6,433)
	<u>589,393</u>	<u>141,513</u>	<u>730,906</u>

The obligation to fund the past deficit on the Universities Superannuation Scheme (USS) arises from the contractual obligation with the USS to deficit payments in accordance with the deficit recovery plan. In calculating this provision, management have estimated future staff levels within the USS scheme for the duration of the contractual obligation and salary inflation. Key assumptions are set out below:

	2020	2019
Discount Rate	0.73%	1.68%
Salary Growth	2.50%	3.70%

In September 2020, the Trustee of the USS Pension Scheme (USS) launched a consultation with Universities UK on key aspects of the scheme's 2020 valuation. The scope of this exercise covers a wide range of potential outcomes, reflecting issues still to be resolved on employer support as well as uncertainties for the higher education sector and financial markets in general. Based on the proposals put forward, the Trustees have indicated that the fund's deficit at 31 March 2020 could range from between £9.8bn and £17.9bn. This would represent a significant deterioration from the £3.6bn deficit established under the 2018 valuation (and against which the current recovery plan is set) and a return to the levels of shortfall experienced under the previous 2017 valuation (£11.8bn).

At this stage, an outcome is far from agreed and the USS Trustee has until 30 June 2021 to conclude the valuation. As an early indication of the scale of the impact, it has been estimated that the cost of continuing to offer current benefits in this context could reach between 40.8% to 67.9% of payroll. However, this range is purely an illustration and is before any other measures are considered to reduce the deficit and is still being widely debated across the sector and by the Trustee of the Pension Scheme. For the 2019-20 financial year however, this is considered a non-adjusting event.

24 Pension and similar obligations

The University's employees belong to three principal pension schemes, the Teachers' Pension Scheme England and Wales (TPS) for academic and related staff, the Greater Manchester Pension Fund (GMPF) and the Merseyside Pension Fund (MPF) for non-academic staff. The total pension cost for the period was £4,647,294 (2019: £3,876,992).

	2020 £	2019 £
As at 1 August	19,107,000	10,489,000
(Decrease)/increase in liability	10,781,000	8,618,000
	<u>29,888,000</u>	<u>19,107,000</u>
As at 31 st July (see note 22 for further details)	29,888,000	19,107,000
	<u>29,888,000</u>	<u>19,107,000</u>
The University's pension liability is analysed as follows:	£	£
Greater Manchester Pension Fund	28,917,000	17,880,000
Merseyside Pension Fund	971,000	1,227,000
	<u>29,888,000</u>	<u>19,107,000</u>

Notes (continued)

Teachers' Pension Scheme (TPS)

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

The Teachers' Pension Budgeting And Valuation Account

Although members may be employed by various bodies, their retirement and other pension benefits are set out in regulations made under the Superannuation Act 1972 and are paid by public funds provided by Parliament. The TPS is an unfunded scheme and members contribute on a 'pay as you go' basis – these contributions, along with those made by employers, are credited to the Exchequer under arrangements governed by the above Act.

The Teachers' Pensions Regulations 2010 require an annual account, the Teacher's Pension Budgeting and Valuation Account, to be kept of receipts and expenditure (including the cost of pension increases). From 1 April 2001, the Account has been credited with a real rate of return, which is equivalent to assuming that the balance in the Account is invested in notional investments that produce that real rate of return.

Valuation of the Teachers' Pension Scheme

The latest actuarial review of the TPS was carried out as at 31 March 2016 and in accordance with The Public Service Pensions (Valuations and Employer Cost Cap) Directions 2014. The valuation report was published by the Department for Education (the Department) on 9 June 2014. The key results of the valuation are:

- employer contribution rates were set at 16.4% of pensionable pay;
- total scheme liabilities for service to the effective date of £191.5 billion, and notional assets of £176.6 billion, giving a notional past service deficit of £14.9 billion
- an employer cost cap of 10.9% of pensionable pay.

The new employer contribution rate for the TPS was implemented in September 2015.

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

<http://www.teacherspensions.co.uk/news/employers/2014/06/publication-of-the-valuation-report.aspx>

Scheme Changes

Following the Hutton report in March 2011 and the subsequent consultations with trade unions and other representative bodies on reform of the TPS, the Department published a Proposed Final Agreement, setting out the design for a reformed TPS to be implemented from 1 April 2015.

The key provisions of the reformed scheme include: a pension based on career average earnings; an accrual rate of 1/57th; and a Normal Pension Age equal to State Pension Age, but with options to enable members to retire earlier or later than their Normal Pension Age. Importantly, pension benefits built up before 1 April 2015 will be fully protected.

Notes (continued)

In addition, the Proposed Final Agreement includes a Government commitment that those within 10 years of Normal Pension Age on 1 April 2012 will see no change to the age at which they can retire, and no decrease in the amount of pension they receive when they retire. There will also be further transitional protection, tapered over a three and a half year period, for people who would fall up to three and a half years outside of the 10 year protection.

Regulations giving effect to a reformed Teachers' Pension Scheme came into force on 1 April 2014 and the reformed scheme commenced on 1 April 2015.

The pension costs paid to TPS in the year amounted to £2,584,548 (2019: £1,868,957).

Greater Manchester Pension Fund (GMPF)

The GMPF is a funded defined benefit scheme, with the assets held in a separate trustee administered fund. The total contribution made for the year ended 31 July 2020 was £2,258,000 of which employer's contributions totalled £1,678,000 and employee's contributions totalled £580,000. The agreed contribution rates for future years are 19.1% for employers and ranges between 5.5% to 12.5% for employees, dependent on salary.

The following information is based upon a full actuarial valuation of the fund as 31 March 2013 updated to 31 July 2019 by a qualified independent actuary.

	2020	2019	2018
Rate of increase in salaries	2.90%	3.20%	3.20%
Rate of increase in pensions in payment/inflation	2.10%	2.40%	2.40%
Discount rate for liabilities	1.40%	2.10%	2.80%
Commutation of pension to lump sums	55.00%	55.00%	55.00%

At 31 July 2020, in order to reflect the impact of proposals by the UK Chancellor and the UK Statistics Authority (UKSA) to align RPI with CPIH (a variant of the Consumer Prices Index that includes an estimate of housing costs), the CPI assumption methodology was reassessed. Based on the sensitivity information provided by the actuary, we expect the impact of this change in approach to be a c.£1,800k increase in the DBO as the CPI assumption is now 0.1% higher than it would have been under the previous methodology. Whilst not an audit adjustment, given the change has led to a material change, the impact should be disclosed in the Company's financial statements since it is a change in accounting estimate under FRS 102.10.18, and also because of the FRC's focus on accounting estimates generally

The current mortality assumptions include sufficient allowance for future improvements in mortality rates. The assumed life expectations on retirement age 65 are:

	At 31 July 2020	At 31 July 2019	At 31 July 2018
Retiring today			
Males	20.50	20.60	21.50
Females	23.10	23.10	24.10
Retiring in 20 years			
Males	22.00	22.00	23.70
Females	25.00	24.80	26.20

Notes (continued)

The University's share of assets in the scheme (which is estimated at 0.2% of total scheme assets) and the expected rates of return were:

	Value at 31 July 20 £000	Value at 31 July 19 £000	Value at 31 July 18 £000
Equities	35,549	37,812	34,481
Bonds	9,020	7,672	8,113
Property	3,714	4,384	3,549
Cash	4,775	4,932	4,564
	<hr/>	<hr/>	<hr/>
Share of total market value of assets	53,058	54,800	50,707
Present value of scheme liabilities			
- Funded	(81,947)	(72,646)	(60,650)
- Unfunded	(28)	(34)	(36)
	<hr/>	<hr/>	<hr/>
Deficit in the scheme	(28,917)	(17,880)	(9,979)
	<hr/>	<hr/>	<hr/>

Asset values are at bid value for 2019 while prior years are reported at mid market value. This adjustment has been made in the current year as the value is not material.

Analysis of the amount charged to the statement of comprehensive income

	2020 £000	2019 £000	2018 £000
Current service cost	(3,859)	(3,008)	(3,222)
Past service cost (including curtailments)	294	(550)	(0)
	<hr/>	<hr/>	<hr/>
Total service cost	(3,565)	(3,558)	(3,222)
	<hr/>	<hr/>	<hr/>

Analysis of pension finance income

	2020 £000	2019 £000	2018 £000
Interest income on plan assets	1,163	1,435	1,246
Interest cost on defined benefit obligation	(1,562)	(1,741)	(1,631)
	<hr/>	<hr/>	<hr/>
Total net interest	(399)	(306)	(385)
	<hr/>	<hr/>	<hr/>
Total defined benefit recognised in the statement of comprehensive income	(3,964)	(3,864)	(3,607)
	<hr/>	<hr/>	<hr/>

Notes (continued)

Movement in deficit during year	2020	2019
	£000	£000
Deficit in scheme	(17,880)	(9,979)
Movement in year:		
Current service charge	(3,859)	(3,008)
Past service charge (including curtailments)	294	(550)
Net interest/return on assets	(399)	(306)
Contributions	1,678	1,578
Remeasurements recognised in the statement of comprehensive income	(8,751)	(5,615)
	<hr/>	<hr/>
Deficit in the scheme at end of year	(28,917)	(17,880)
	<hr/>	<hr/>

History of experience gains or losses

	2020	2019	2018	2017	2016
	£	£	£	£	£
Difference between the expected and actual return on assets	(3,826)	1,528	2,737	5,253	2,839
Value of Assets	53,058	54,800	50,707	45,644	38,504
% of scheme assets	(7.21%)	2.79%	5.4%	11.51%	7.37%
Experience gains and losses on scheme liabilities	3,818	(2)	(1)	4,174	458
Total present value of liabilities	(81,975)	(72,680)	(60,686)	(59,106)	(57,223)
% of Total present value of scheme liabilities	(4.66%)	(0%)	(0%)	(7.06%)	(0.80%)
Actuarial gain/(loss) recognised in statement of comprehensive income	(8,751)	5,615	5,520	6,110	(3,392)
% of the present value of liabilities	10.68%	7.73%	(9.01%)	(11.18%)	5.93%
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>

On 26 October 2018, the High Court handed down a judgment involving the Lloyds Banking Group's defined benefit pension schemes. The judgment concluded the schemes should be amended to equalise pension benefits for men and women in relation to guaranteed minimum pension benefits, "GMP". The Government will need to consider this outcome in conjunction with the Government's recent consultation on GMP indexation in public sector schemes before concluding on any changes required to LGPS schemes.

Merseyside Pension Fund (MPF)

The MPF is a funded defined benefit scheme, with the assets held in separate trustee administered funds. The total contribution made for the year ended 31 July 2020 was £124,000 of which employer's contributions totalled £117,000 and employees' contributions totalled £7,000. The agreed contribution rates for future years are 56.2% for employers and ranges between 5.5% to 12.5% for employees, dependent on salary.

The following information is based upon a full actuarial valuation of the fund as at 31 March 2016 updated to 31 July 2020 by a qualified independent actuary.

	2020	2019	2018
	£000	£000	£000
Rate of increase in salaries	3.80%	3.80%	3.70%
Rate of increase in pensions in payment/inflation	2.40%	2.40%	2.30%
Discount rate for liabilities	1.50%	2.00%	2.80%
Commutation of pension to lump sum	50.00%	50.00%	50.00%

Notes (continued)

The current mortality assumptions include sufficient allowance for future improvements in mortality rates. The assumed life expectations on retirement age 65 are:

	At 31 July 2020	At 31 July 2019	At 31 July 2018
Retiring today			
Males	20.90	22.20	22.00
Females	24.00	25.00	24.80
Retiring in 20 years			
Males	22.50	25.20	25.00
Females	25.90	27.90	27.80

The University's share of assets in the scheme (which is estimated at 0.1% of total scheme assets) and the expected rates of return were:

	Value at 31 July 20 £000	Value at 31 July 19 £000	Value at 31 July 18 £000
Equities	2,918	2,926	2,963
Bonds – government	264	506	465
Bonds – other	1,657	1,697	1,617
Property	542	566	515
Cash & other	1,950	1,749	1,595
Total market value of assets	7,331	7,444	7,155
Present value of scheme liabilities			
- Funded	(8,294)	(8,663)	(7,678)
- Unfunded	(8)	(8)	(8)
	(971)	(1,227)	(531)

Asset values are at bid value for 2020 while prior years are reported at mid market value. This adjustment has been made in year as the value is not material.

Analysis of the amount charged to the income and expenditure account

	2020 £000	2019 £000	2018 £000
Employer service cost (net of employee contributions)	(42)	(41)	(43)
Past service cost	(54)	(19)	-
Total operating credit/(charge)	(96)	(60)	(43)

Notes (continued)

Analysis of pension finance income/(costs)

	2020 £000	2019 £000	2018 £000
Interest on plan assets	147	198	169
Interest on pension scheme liabilities	(171)	(211)	(196)
	<hr/>	<hr/>	<hr/>
Pension finance costs	(24)	(13)	(27)
	<hr/>	<hr/>	<hr/>
	2020 £000	2019 £000	2018 £000
Actual return on plan assets	(61)	427	468
Experience gains and losses arising on the scheme liabilities	-	-	-
Change in financial and demographic assumptions underlying the scheme liabilities	341	(1,208)	58
	<hr/>	<hr/>	<hr/>
Total remeasurement included within statement of comprehensive income	280	(781)	526
	<hr/>	<hr/>	<hr/>

Movement in deficit during year

	2020 £000	2019 £000	2018 £000
Deficit in scheme at beginning of year	(1,227)	(531)	(1,140)
Movement in year:			
Current service charge	(42)	(41)	(43)
Contributions	117	159	154
Past service costs	(54)	(19)	-
Administration costs	(1)	(1)	(1)
Settlements and Curtailments	-	-	-
Net interest/return on assets	(24)	(13)	(27)
Actuarial loss	260	(781)	526
	<hr/>	<hr/>	<hr/>
Deficit in scheme at end of year	(971)	(1,227)	(531)
	<hr/>	<hr/>	<hr/>

Notes (continued)

History of experience gains or losses

	2020 £000	2019 £000	2018 £000	2017 £000	2016 £000
Difference between the expected and actual return on assets	(81)	427	468	601	642
Value of assets	7,331	7,444	7,155	6,844	5,827
% of scheme assets	(1.10%)	5.74%	6.54%	8.78%	11.02%
Experience gains and losses on scheme liabilities	-	-	-	-	-
Total present value of liabilities	(8,302)	(8,671)	(7,686)	(7,984)	(7,687)
% of Total present value of scheme liabilities	0.00%	0.00%	0.00%	0.00%	0.00%
Actuarial gain/(loss) recognised in statement of comprehensive income	260	781	547	547	(355)
% of the present value of liabilities	(3.13%)	9.01%	(7.12%)	(6.85%)	4.62%

25 Financial Instruments

The University operates a treasury management function which is responsible for managing the credit, liquidity and interest risk. These financial risks are managed within the parameters specified in the approved Treasury Management Policy. The Treasury Management Policy adopts the key recommendations of the Code of Practice on Treasury Management in Public Service as issued by the Chartered Institute of Public Finance and Accountancy (CIPFA) as recommended by Higher Education Funding Council for England (HEFCE) and is reviewed, updated and approved annually.

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

Credit risk arises from bank balances, investments, student debtor and commercial customers. Student and commercial debtors are reviewed on an ongoing basis and a bad debt provision is made if recovery becomes uncertain, or written off if deemed irrecoverable.

Liquidity risk refers to the risk that the University will not be able to meet its financial obligations as they fall due. Daily, weekly and monthly monitoring of cash position and regular cashflow forecasts are part of the control environment and planning throughout the year. The University policy is to maintain a balance of no more than £10m with any single banking organisation.

Interest rate risk refers to the likelihood that changes in interest rates will result in fluctuations in the value of balance sheet items.

The fair values of each category of the University's financial instruments are the same as their carrying value on the statement of financial position.

Notes *(continued)*

Financial Assets	2020	2019
Investments	16,000,000	8,500,000
Trade & Other Receivables	1,062,680	1,289,946
Cash & Cash Equivalents	7,698,697	10,288,816
	<hr/>	<hr/>
	24,761,377	20,078,762
	<hr/>	<hr/>

Financial Liabilities	2020	2019
Loans	5,318,329	5,822,379
Trade & Other Payables	378,567	591,670
	<hr/>	<hr/>
	5,696,896	6,414,049
	<hr/>	<hr/>

26 Reconciliation of Net Debt	2020
Net Debt at 1 August 2019	1,669,825
Movement in Cash & Cash Equivalents	(2,590,118)
Other non-cash changes	4,704,057
	<hr/>
Net Debt at 31 July 2020	3,783,764
	<hr/>
Change in Net Debt	2,113,939
	<hr/>

Analysis of Net Debt:	2020	2019
Cash & Cash Equivalents	7,698,698	10,288,816
Borrowings: amounts falling due within 1 year		
Secured loans	530,575	504,050
Borrowings: amounts falling due after 1 year		
Secured loans	4,787,754	5,318,329
Obligations under finance lease	6,164,133	6,136,262
	<hr/>	<hr/>
	10,951,887	11,454,591
	<hr/>	<hr/>
Net Debt	3,783,764	1,669,825
	<hr/>	<hr/>