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**Report and financial statements**  
**Year ended**  
**31 July 2015**

Company registration number 04931031  
Registered Charity numbers 1101607 & SC043946

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## **Report of the Directors (including the Strategic Report)**

### **Strategic plan**

The Higher Education Academy (HEA) is the national body which champions teaching quality. We provide value to the HE sector by focusing on the contribution of teaching as part of the wider student learning experience.

The HEA works in partnership with institutions and individual educators to support and continuously improve teaching quality. At the core of its work is the Professional Standards Framework, which is a benchmark for standards throughout the stages of an individual's career, enabling institutions and individuals to continuously develop teaching quality. To date, over 65,000 individuals have become Fellows of the HEA. The HEA also has 238 institutional subscribers across the UK and internationally as of the end of July 2015.

The HEA has started in 2014-15 refocussing its business model, and aligning resources, to ensure it has a sustainable future. This is as a result of an announcement in April 2014 that the UK's four Funding Councils were reducing the HEA's grant funding from £11m in 2014-15, to £6.5m in 2015-16 and to zero in 2016-17.

A new five-year corporate strategy to 2020 has been created based on developing further existing successful services and introducing new services, including a membership scheme, which have been identified through extensive market research and which add to the HEA's core proposition of continuously improving teaching quality.

### **Corporate strategy**

The corporate strategy includes a new vision, mission and values as detailed below.

**Vision:** The HEA is globally recognised for inspiring excellent teaching as an essential driver of student success.

**Mission:** Improving learning outcomes by raising the quality and status of teaching in higher education. This will be delivered by:

- raising the quality and status of teaching through professional standards;
- promoting continuous professional development,
- developing a hub of recognised best practice;
- providing thought leadership in support of better teaching

### **Values:**

- **Progressive** – we recognise that improvement is continuous. We are curious, restless, committed pursuers of positive change.
- **Agile** – we are focused, intuitive and flexible in our service.
- **Collaborators** – we work in partnership to achieve shared goals.
- **Trusted** – we are relentless in our drive to generate trust through our credibility, knowledge and expertise.

## Business Plan

To deliver the corporate strategy a three-year business plan has been developed with the following objectives:

- To establish sustainable funds in order to achieve our charitable purpose
- To be recognised as the leader in driving teaching excellence.
- To be a proud, energised and customer-focused business

The business plan focuses on maintaining and sustaining subscriber income, building consultancy work in the UK and internationally, and reconnecting with discipline communities through a professional membership platform

The HEA will provide a tailored service to meet the needs of four distinct audiences:

- Vice Chancellors, Principals, Pro-Vice Chancellors Learning and Teaching, Deputy Vice Chancellors;
- Executive Deans / Heads of Faculty or schools,
- Individuals;
- Governments / Ministries

## 2014-15 performance

The HEA's main strategic objectives during 2014-15 were to:

- support institutions to embed learning and teaching enhancement in order to enhance their students' learner journey,
- support individuals through the further professionalisation of teaching and continuing professional development;
- develop HEA staff through an inclusive and empowering approach to both people management and development.

## Financial overview

For the financial year ended 31 July 2015 there was a deficit of £94k (compared to a surplus of £1,570k in 2013-14) As anticipated income reduced by £2,313k (12.5%), mainly as a result of the reduction in grant funding, and expenditure was reduced by £649k (3.8%)

The financial results for the year are summarised below

	2015	2014	Change	
	£000	£000	£000	%
Total Income	16,231	18,544	(2,313)	(12.5)
Total Expenditure	16,325	16,974	649	3.8
<b>(Deficit)/Surplus</b>	<b>(94)</b>	<b>1,570</b>	<b>(1,664)</b>	<b>(106.0)</b>

## Income

The reduction in income was predominantly as a result of the expected cuts in funding body grants. The analysis of income is shown below:

	2015	2014	Change	
	£000	£000	£000	%
Funding body grants	12,669	14,982	(2,313)	(15.4)
Institutional subscriptions	2,549	2,374	175	7.4
Other income	960	1,150	(190)	(16.5)
Investment income	53	38	15	39.5
<b>Total Income</b>	<b>16,231</b>	<b>18,544</b>	<b>(2,313)</b>	<b>(12.5)</b>

### Funding body grants

Funding body grants of £12,669k were received in 2014-15, a reduction of £2,313k (15.4%) on 2013-14. This was in line with the reductions notified in April 2014.

### Institutional subscriptions

Total income from institutional subscribers was £2,549k (2013-14, £2,374k). The total number of institutional subscribers continued to increase during 2014-15, with a total of 238 (2013-14, 222). Over 240 institutions have already subscribed to the HEA during 2015-16.

### Other income

The HEA generated other income of £960k (2013-14, £1,150k) via a number of additional activities including:

- individuals applying for HEA Fellowship through direct recognition based on their experience;
- staff development and change programmes, such as the HEA's new Executive Development Programme, and Leading Transformation in Learning and Teaching (LTLT) course;
- consultancy services for a number of Higher Education Institutions and Government bodies both within the UK and internationally.

## Expenditure

Total expenditure reduced by £649k (3.8%) with staff costs reducing by £3,575k (42.3%) and other expenses increasing by £2,926k (34.3%).

	2015	2014	Change	
	£000	£000	£000	%
Staff costs	4,871	8,446	3,575	42.3
Other operating expenses	11,292	8,268	(3,024)	(36.6)
Depreciation	149	248	99	39.9
Interest and other finance costs	13	12	(1)	(8.3)
<b>Total Expenditure</b>	<b>16,325</b>	<b>16,974</b>	<b>649</b>	<b>3.8</b>

The reduction in staff numbers, following the restructure of the HEA at the end of 2013-14, accounts for the reduced staff costs. The increase in other operating expenses, which have increased by £3,024k (36.6%), reflects the increased use of associates and contractors to deliver the funders' grant letter requirements, and invest in market research and stabilisation of infrastructure in order to contribute to the delivery of the HEA's new business plan.

### **Balance sheet and liquidity**

Reserves at 31 July 2015 are £4,860k (2013-14, £4,954k) which includes £350k retained to support business development and income generation.

The reserves policy was amended in November 2014 to increase the level of reserves held to between six and twelve months of fixed costs. This followed the notification of future year funding reductions and is deemed to be sufficient to meet the future needs of the HEA during this period of change.

The Finance Committee continue to review the HEA's level of reserves and liquidity on a regular basis to ensure it is adequate to accommodate its medium term plans.

### Capital expenditure

	<b>£000</b>
Computer Equipment	224
Fixtures and Fittings	4
<b>Total capital expenditure</b>	<b>228</b>

There was a significant investment in computer equipment during the year, which included new and substantially improved hardware.

### **Cashflow**

	<b>£000</b>
Cash at bank and in hand at 1 August 2014	8,364
Deficit for the year	(94)
Adjustment for non-cash movements included in surplus	152
Adjustment for changes in working capital	1,539
Capital expenditure	(228)
Net cash movement	1,369
Cash at bank and in hand at 31 July 2015	9,733

There was a net inflow of cash of £1,369k (2013-14, £2,661k) leaving the HEA with a cash position of £9,733k at the year end. This reflects monies held to complete ongoing work in 2015-16 and the need to retain a cash position to support the HEA's business development strategy

### Financial sustainability and going concern

The Finance Committee has reviewed and reported to the Board on the business plan, financial forecasts and the required reserve levels. The Audit Committee has reviewed and reported to the Board on the assessment of strategic risks. Finance Committee and the Board have also received reports on non-financial indicators which are of significance to longer term financial sustainability.

On the basis of these assurances, the Board has approved these plans and is satisfied that the HEA will operate in a financially sustainable manner. The Board considers that the HEA has sufficient resources to continue in operational existence for the foreseeable future and continues to adopt the 'going concern' basis in preparing the financial statements.

### 2014-15 Key Performance Indicators performance report

The table below highlights the relevant KPIs, however, there are 23 KPIs that are monitored over the year by the senior leadership team, Finance Committee and the Board. Of the 23 KPIs, 13 met or exceeded the year end target and 10 were below the year end target.

Description	14-15 actual year- end	14-15 target year- end	13-14 actual year- end
Number of HEA subscribers (compared to previous reporting period)	238	Above 210	222
Number of Associate Fellows (descriptor 1)	11,754	11,000	8,300
Number of Fellows (descriptor 2)	50,205	50,000	42,800
Number of Senior Fellows (descriptor 3)	2,767	1,500	1,230
Number of Principal Fellows (descriptor 4)	400	500	200
Number of institutions who have a CPD framework accredited	102	100	70
Income generated from subscription, consultancy, events, recognition, but excluding UK-wide grant funding (000s)	£3,695	£3,830	£3,472
Income generated through commercial products and services inc consultancy, events, and recognition (000s)	£1,145	£1,272	£1,108
The internal annual HEA staff survey shows an increase in HEA staff engagement	650	648	636



## **Principal risks and uncertainties**

The HEA maintains a strategic risk register which details the high-level risks. The senior leadership team is responsible for identifying risks and the appropriate response actions. The strategic risk register is reviewed by Audit Committee at each of its meetings and an annual review is undertaken by the Board.

The key risks to note during 2014-15 were.

- Being unable to deliver on the operational plans for 2014-15 which would lead to a loss of sector credibility and would undermine future sustainability. Operational and financial performance were monitored by the senior leadership team on a regular basis and activities adjusted to meet operational targets
- Not progressing income generation activity to move to becoming self-sustainable following the reduction in funding body grants. As a result the HEA has developed a three-year business plan that maps out how it will deliver its strategic goals without receiving funding body grants
- Not meeting the needs of a diverse range of stakeholders leading to a loss of subscribers and discipline communities. A revised marketing and communication strategy was introduced to ensure there was on-going community specific communication and engagement.
- A lack of clarity from staff on the HEA's strategy as a result of the significant restructure undertaken at the end of the previous academic year following the reductions in funding body grants. There was continuous communication with staff over the year on the HEA's future strategy and ongoing line-management to ensure delivery against the operational plan

## **Public benefit**

The HEA's public benefit is reflected in its strapline, "Inspiring teaching, Transforming learning", so that students who take part in higher education are given every opportunity through their academic experience, to be in a position to make a positive contribution to society wherever they are and throughout their lives. Students will also be better equipped to make this contribution in a competitive global environment with an understanding of their responsibility to a sustainable world for their generation and those that follow.

The HEA does this by:

- providing strategic advice and co-ordination to the higher education sector, government, funding bodies and others on policies and practices that will impact on and enhance the student learning experience;
- supporting and advancing curriculum and pedagogic development across the whole spectrum of higher education activity,
- facilitating the continuing professional development and increasing the professional standing of all staff in higher education through its work to support institutional enhancement initiatives and individual progression.

In doing this, the HEA contributes to the world-wide reputation, success and value of the United Kingdom's higher education sector

The HEA is a registered charity and the Board continues to have due regard to the Charity Commission's guidance on public benefit. This has informed the development of the HEA's business

plan ensuring that any services delivered through the HEA continue to deliver its charitable aims. The Board also considers the potential risks and ethical issues that might arise as a result of the HEA supporting HE outside the UK, and the need to mitigate the risk of international activity where appropriate

## **HEA beneficiaries**

The HEA operates across the higher education community, and works with higher education providers (HEPs) and their staff, funding bodies; higher education mission groups; professional, statutory and regulatory bodies; sector agencies; and groups representing external stakeholders.

## **Institutional enhancement**

### Accreditation

A total of 102 institutions had their CPD provision accredited and re-accredited (2013-14, 70). This will support more individuals to gain recognition as HEA Fellows through their institution's staff development schemes. 143 institutions are now accredited (both taught and CPD provision) to award HEA Fellowship.

### Strategic enhancement programmes

100 institutional teams engaged in the HEA's six strategic enhancement programmes. There was representation from different mission groups sharing good-practice within different institutional contexts:

- Embedding Employability into the Curriculum – 37 HEPs.
- Internationalising the Curriculum – 13 HEPs.
- Engaged Student Learning – 20 HEPs
- Flexible Learning – 9 HEPs
- Retention and Attainment – 11 HEPs
- Career Progression and Staff Transitions – 10 HEPs.

The HEA funded 34 Vice-Chancellor Strategic Excellence Awards to address strategic issues facing the sector and develop institutional strategies including approaches to measure teacher excellence and learning gain, and will provide evidence to inform the evolution of the Teaching Excellence Framework (TEF)

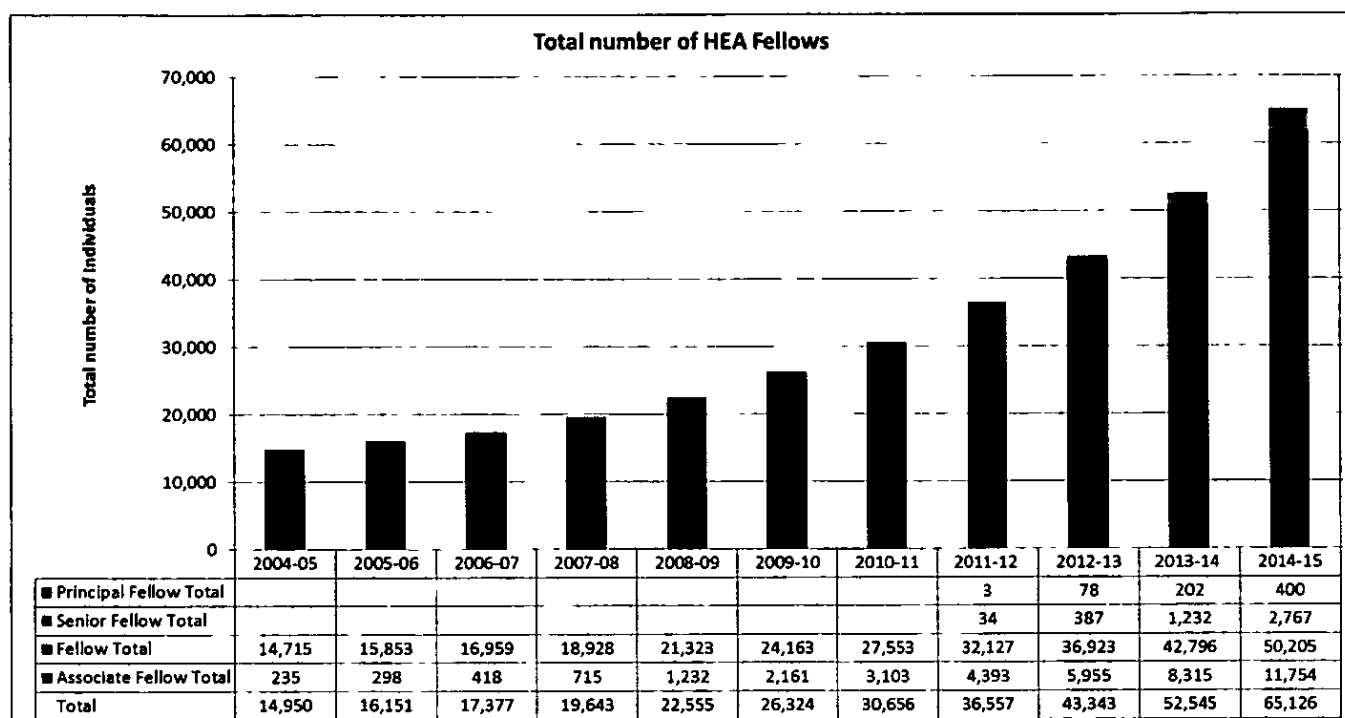
### Student experience surveys

24 institutions (2013-14, 35) participated in the HEA's UK Engagement Survey (UKES), 100 (2013-14, 95) participated in the HEA's Postgraduate Taught Experience Survey (PTES) and 124 (2013-14, 122) participated in the HEA's Postgraduate Research Experience Survey (PRES). These surveys continue to give institutions a better understanding of their students' experiences.

## **Individual enhancement**

### Recognition

65,000 HEA Fellows were recognised against all descriptors of the UKPSF. This is a 24% increase in the total number of HEA Fellows since 1 August 2014, as shown in the graph below.



The HEA awarded a further 55 National Teaching Fellowships, which received wide-spread coverage in both national and local press that helped raise the status of learning and teaching across the sector. The HEA also funded 58 National Teaching Fellows to report on innovative approaches to pedagogy.

#### Individual CPD support

The HEA consolidated a number of smaller events from 2013-14 into 13 major enhancement conferences. However the HEA continued to run other events such as Fellowship writing retreats, and masterclasses on developing accredited provision. Feedback from delegates found that 88% agreed or strongly agreed that they enjoyed the event - agreeing it was relevant, appropriate and met their expectations.

The HEA ran two staff development programmes which supported 65 senior staff (PVCs and Deans) to enhance their leadership of learning, teaching, and the student experience.

- The Executive Development Programme (EDP) is designed to enhance the leadership of learning and teaching of those in senior and executive roles,
- The Leading Transformation in Learning and Teaching (LTLT), run in partnership with the Leadership Foundation, is designed to enhance the skills, approaches and insights needed to lead course and programme teams.

The HEA led a number of strategic network events including its PVC Network meetings and convened three PVC working groups to inform sector developments on the Teaching Excellence Framework, Learning Gain, and External Examining. The HEA also collaborated with the sector to examine how a Grade Point Average (GPA) system could enhance the reporting of student achievement in the UK.

#### Resources to enhance learning and teaching

The HEA has developed six frameworks in collaboration with the sector to discuss and shape policies, practices, processes and partnerships to address strategic priorities.

Toolkits were created to support each of the frameworks and support a range of other areas of frontline practice. Each toolkit provides links to discipline resources to enhance teaching practice across each of the four discipline cluster areas.

### **Social responsibility**

The HEA is committed to being a socially responsible organisation, seeking to minimise adverse impacts on the environment wherever possible and to operate in accordance with sustainable development principles as outlined in its Corporate Social Responsibility policy. All HEA employees are supported to undertake voluntary activities in the community through flexible working arrangements and one additional day's leave each year.



**Professor Rama Thirunamachandran (Chair)**



**Professor S Marshall (Chief Executive)**

**18 November 2015**

## **Statement of principal accounting policies**

### **Basis of preparation**

The financial statements have been prepared under the historical cost convention and in accordance with the Statement of Recommended Practice (SORP) Accounting for Further and Higher Education 2007, the Companies Act 2006 and in accordance with applicable Accounting Standards.

### **Recognition of income**

Recurrent income receivable from the funding bodies represents the funding allocation attributable to the current financial year and is recognised in the income and expenditure accounts.

Income from specific grants, contracts and other services is accounted for on an accruals basis and recognised in the accounts when the conditions for their receipt have been complied with and there is reasonable assurance that the grant or contribution will be received. This is generally equivalent to the sum of the relevant expenditure incurred during the year and any related contributions towards overhead costs.

All income from short-term deposits is credited to the income and expenditure account in the period in which it is earned

### **Grants made**

Where grants made are not utilised, a claw-back is recognised as a debtor in the balance sheet. The associated grant income is then deferred until the original conditions for its receipt have been complied with

### **Pension schemes**

The institution participates in the Universities Superannuation Scheme (USS), a defined benefit scheme which is contracted out of the State Second Pension (S2P). The assets of the scheme are held in a separate trustee-administered fund. Because of the mutual nature of the scheme, the scheme's assets are not hypothecated to individual institutions and a scheme-wide contribution rate is set. The institution is therefore exposed to actuarial risks associated with other institutions' employees and is unable to identify its share of the underlying assets and liabilities of the scheme on a consistent and reasonable basis and therefore, as required by FRS 17 "Retirement benefits", accounts for the scheme as if it were a defined contribution scheme. As a result, the amount charged to the income and expenditure account represents the contributions payable to the scheme in respect of the accounting period.

### **Tangible fixed assets**

Tangible assets are capitalised where they are capable of being used for a period that exceeds one year. Laptops, desk top computers, servers and printers are capitalised, irrespective of cost. All other equipment (excluding computer software and licences), furniture and fittings are capitalised at cost where the aggregated or individual cost is £1,000 or more.

## **Depreciation**

All tangible fixed assets are depreciated on a straight line basis over their useful economic life as follows:

Equipment	-	three years
Computer equipment	-	three years
Furniture and fittings	-	five years

## **Leased assets**

Costs in respect of operating leases are charged to expenditure on a straight-line basis over the lease term.

## **Liquid resources**

Liquid resources include sums on short-term deposits with recognised banks, building societies and government securities

The HEA has no significant exposure to cashflow interest rate risk as it does not have any loans or interest charging facilities in place.

## **Provisions**

Provisions are recognised when the HEA has a present financial obligation as a result of a past event and it is probable that a transfer of economic benefit will be required to settle the obligation, and a reliable estimate can be made of its value

## **Contingent liabilities**

Contingent liabilities are disclosed by way of a note, when the definition of a provision is not met and includes three scenarios. a possible rather than a present obligation: a possible rather than a probable outflow of economic benefits, an inability to measure the economic outflow

## **Taxation**

The HEA is an charity within the meaning of schedule 3 of the Charities Act 2011 and as such is a charity within the meaning of section 467 Corporation Tax Act 2010 (CTA 2010)

Accordingly, the HEA is potentially exempt from taxation in respect of income or capital gains received within categories covered by part 11 of CTA 2010 or section 256 of the Taxation of Chargeable Gains Act 1992, to the extent that such income or gains are applied to exclusively charitable purposes

The HEA receives no similar exemption in respect of Value Added Tax.

## **Reserves**

The HEA's 2014-15 reserves policy sets a target level of six to twelve months fixed costs. This is deemed appropriate to ensure sufficient funds are available to maintain the programme of work in the event of an unexpected loss of income. This policy allows directors to meet their obligations under the Companies Acts and to comply with Charity Commission guidance.

The HEA may establish a designated reserve, where reserves are earmarked for a particular purpose

## Income and expenditure account for the year ended 31 July 2015

	Notes	2015 £000	2014 £000
<b>Income</b>			
Funding body grants	1	12,669	14,982
Other income	2	3,509	3,524
Investment income	3	53	38
<b>Total income</b>		<u>16,231</u>	<u>18,544</u>
<b>Expenditure</b>			
Staff costs	4	(4,871)	(8,446)
Other operating expenses	6	(11,292)	(8,268)
Depreciation	8	(149)	(248)
Interest and other finance costs	7	(13)	(12)
<b>Total expenditure</b>		<u>(16,325)</u>	<u>(16,974)</u>
<b>(Deficit)/Surplus for the year retained within the Income and Expenditure reserve</b>	21	<u>(94)</u>	<u>1,570</u>

The income and expenditure account is in respect of continuing activities for the HEA.

There were no gains and losses other than those reported in the income and expenditure account.

The accompanying accounting policies and notes form an integral part of these financial statements.



## Balance sheet as at the 31 July 2015

	Notes	2015 £000	2014 £000
<b>Fixed assets</b>			
Tangible assets	8	<u>330</u>	<u>254</u>
		<b>330</b>	<b>254</b>
<b>Current assets</b>			
Debtors	9	<u>1,733</u>	<u>2,378</u>
Cash at bank and in hand		<u>9,733</u>	<u>8,364</u>
		<b>11,466</b>	<b>10,742</b>
Creditors, amounts falling due within one year	10	<u>(6,818)</u>	<u>(5,891)</u>
Provisions for liabilities	11	<u>(118)</u>	<u>(151)</u>
<b>Net current assets</b>		<b>4,530</b>	<b>4,700</b>
<b>NET ASSETS</b>		<b>4,860</b>	<b>4,954</b>
<b>Reserves</b>			
I & E reserve	21	<u>4,510</u>	<u>4,604</u>
Designated Reserve	21	<u>350</u>	<u>350</u>
<b>TOTAL RESERVES</b>		<b>4,860</b>	<b>4,954</b>

The financial statements on pages 15 to 27 were approved by the Board on 18 November 2015 and were signed on its behalf by:



**Professor Rama Thirunamachandran (Chair)**  
The Higher Education Academy  
Company number 04931031

The accompanying accounting policies and notes form an integral part of these financial statements.

## Cashflow statement for the year to 31 July 2015

	Notes	2015 £000	2014 £000
<b>Net Cash inflow from operating activities</b>	12	<b>1,557</b>	2,653
Returns on investment and servicing of finance	13	40	26
Capital expenditure and financial investment	14	(228)	(18)
<b>Increase in cash in the year</b>		<b><u>1,369</u></b>	<u>2,661</u>
<b>Reconciliation of net cash flow to movement in net funds</b>			
Increase in cash in the year	15	<b>1,369</b>	2,661
Change in net debt resulting from cash flows		<u>-</u>	<u>-</u>
<b>Movement in net funds in the period</b>		<b>1,369</b>	2,661
<b>Net funds at 1 August</b>		<b><u>8,364</u></b>	<u>5,703</u>
<b>Net funds at 31 July</b>		<b><u><u>9,733</u></u></b>	<u><u>8,364</u></u>

The accompanying accounting policies and notes form an integral part of these financial statements.

## Notes to the financial statements

### Funding body grants, other income, investment income

#### 1 Funding body grants

	2015 £000	2014 £000
Higher Education Funding Council for England	9,461	11,520
Scottish Funding Council	1,532	1,524
Higher Education Funding Council for Wales	525	613
Department for Employment and Learning	193	247
Jisc	271	589
Department for Business, Innovation & Skills (BIS)	492	387
Other funding body grants	195	102
	<u>12,669</u>	<u>14,982</u>

Other funding body grants are made up of grants from other sources including the Leadership Foundation.

The HEA was funded by Jisc to host Jisc TechDis. Following a restructure within Jisc in 2013-14 centralised funding for TechDis ceased on 31 December 2014.

#### 2 Other income

	2015 £000	2014 £000
Institutional subscriptions	2,549	2,374
Other income	960	1,150
	<u>3,509</u>	<u>3,524</u>

#### 3 Investment income

	2015 £000	2014 £000
Interest receivable	53	38
	<u>53</u>	<u>38</u>

## 4 Staff

The average number of persons (including senior post-holders) employed by the HEA during the year, expressed as full-time equivalents was.

	2015 No.	2014 No
Academic practice	33	61
Research and policy	28	33
Organisational effectiveness	31	60
TechDis	1	11
	<b>93</b>	<b>165</b>

	2015 £000	2014 £000
Staff costs for the above persons.		
Wages and salaries	4,063	7,189
Social security costs	293	452
Pension costs	515	805
	<b>4,871</b>	<b>8,446</b>

	2015 £000	2014 £000
Staff costs by strategic aim		
Academic practice	2,135	3,575
Research and policy	1,396	1,824
Organisational effectiveness	1,179	2,594
TechDis	161	453
	<b>4,871</b>	<b>8,446</b>

2014-15 payroll costs and average full-time equivalent numbers reflect staffed operations throughout the restructure. Severance payments made during 2014-15 and included above are £104k (2013-14, £834k).

## 5 Senior post-holders

The number of higher paid post-holders who received emoluments, excluding pension contributions and benefits in kind in the following ranges was.

Senior post holders		
	2015 No.	2014 No
£80,000 to £99,000	1	2
£100,000 to £119,000	1	1
£120,000 to £139,000	-	-
£140,000 to £159,000	1	1
	<u>3</u>	<u>4</u>

### Emoluments of the Chief Executive

	2015 £000	2014 £000
Salary	158	152
Benefits in kind	3	3
Pension Contributions	25	24
Total emoluments	<u>186</u>	<u>179</u>

The pension contributions in respect of the Chief Executive are in respect of employer's contributions to the USS pension scheme and are paid at the same rate as for other employees

## 6 Other operating expenses

	2015 £000	2014 £000
Academy operational costs	7,667	4,886
Indirect staff costs	775	537
Rent and rates	375	328
Travel and subsistence	684	1,026
Postage, printing, stationery and telephone	185	297
Professional fees	317	258
Office equipment and computer maintenance	671	393
General expenses	112	84
Public relations and fundraising	152	187
Recruitment costs	154	88
Loss on disposal of asset	3	2
Restructure	197	182
	<u>11,292</u>	<u>8,268</u>

The increase in 'academy operational costs' is due to an increase in associates and contracting costs.

	2015 £000	2014 £000
Other operating expenses include:		
Auditors' remuneration		
- External auditor's remuneration in respect of audit services	30	34
- External auditor's remuneration in respect of non-audit services	50	24
- Internal audit	18	44
Hire of buildings – operating leases	<u>330</u>	<u>330</u>

## 7 Interest and other finance costs

	2015 £000	2014 £000
Bank charges	<u>13</u>	<u>12</u>

## 8 Tangible fixed assets

	Computer equipment £000	Equipment £000	Fixtures & fittings £000	Total £000
<b>Cost or valuation</b>				
Opening balance	764	7	468	1,239
Additions	224	-	4	228
Disposals	(207)	-	-	(207)
At 31 July 2015	781	7	472	1,260
<b>Depreciation</b>				
Opening balance	682	7	296	985
Provision for the period	86	-	63	149
Disposals	(204)	-	-	(204)
At 31 July 2015	564	7	359	930
<b>Net book value</b>				
At 31 July 2015	217	-	113	330
<b>Net book value</b>				
At 31 July 2014	82	-	172	254

## 9 Debtors

	2015 £000	2014 £000
Amounts falling due within one year:		
Debtors	1,477	1,902
Other debtors	51	51
	<b>1,528</b>	<b>1,953</b>
Prepayments	132	269
Accrued income	73	156
	<b>1,733</b>	<b>2,378</b>

## 10 Creditors: amounts falling due within one year

	2015 £000	2014 £000
Trade creditors	651	38
Other tax and social security	35	13
Grant income deferred	3,930	4,215
Other accruals and deferred income	2,202	1,620
Other creditors	-	5
	<b>6,818</b>	<b>5,891</b>

## 11 Provisions for liabilities

	<b>Onerous lease £000</b>	<b>Other £000</b>	<b>Total £000</b>
As at 1 August 2014	39	112	151
Provided for during the year	-	104	104
Utilised during the year	(25)	(112)	(137)
At 31 July 2015	<u>14</u>	<u>104</u>	<u>118</u>

The onerous lease provision will be released in 2015-16. Other provisions relating to restructure costs will also be released in 2015-16

## 12 Reconciliation of consolidated operating surplus to net cash flow from operating activities

	<b>2015 £000</b>	<b>2014 £000</b>
<b>(Deficit)/Surplus for the year</b>	<b>(94)</b>	<b>1,570</b>
Depreciation (note 8)	149	248
Decrease/(increase) in debtors (note 9)	645	532
(Decrease)/increase in creditors (note 10 & 11)	894	327
Interest receivable (note 3)	(53)	(38)
Bank charges (note 7)	13	12
Loss on disposal of assets (note 8)	3	2
Net cash inflow from operating activities	<u>1,557</u>	<u>2,653</u>

## 13 Returns on investments and servicing of finance

	<b>2015 £000</b>	<b>2014 £000</b>
Interest receivable	53	38
Bank charges	(13)	(12)
Net cash inflow from returns on investments and servicing of finance	<u>40</u>	<u>26</u>



## 14 Capital expenditure and financial investment

	Year ended 31 July 2015	Year ended 31 July 2014
	£000	£000
Capital expenditure	(228)	(18)
Net cash outflow from capital expenditure and financial investment	(228)	(18)

## 15 Analysis of changes in net funds

	At 1 August 2014 £000	Cashflow £000	At 31 July 2015 £000
Cash at bank and in hand	8,364	1,369	9,733
Total	8,364	1,369	9,733

## 16 Pensions and similar obligations

The company participates in the Universities Superannuation Scheme (USS), a defined benefit scheme which is contracted out of the State Second Pension (S2P). The assets of the scheme are held in a separate fund administered by the trustee, Universities Superannuation Scheme Limited. The company is required to contribute a specified percentage of payroll costs to the pension scheme to fund the benefits payable to the company's employees. In 2015, the percentage was 16% (2014: 16%). The company is unable to identify its share of the underlying assets and liabilities of the scheme on a consistent and reasonable basis and therefore, as required by FRS 17 "Retirement benefits", accounts for the scheme as if it were a defined contribution scheme.

The total cost charged to the profit and loss account is £515k (2014: £805k) as shown in note 4. There was neither a prepayment nor an accrual at the end of the financial year in respect of these contributions. The disclosures below represent the position from the scheme's financial statements.

The latest available triennial actuarial valuation of the scheme was at 31 March 2014 ("the valuation date"), which was carried out using the projected unit method and is currently being audited by the scheme auditor. Based on this, the triennial actuarial valuation of the scheme as at 31 March 2014 remains unaudited as at the date of release of the HEA's financial statements for the year ended 31 July 2015. Based on this 2014 valuation it is expected that employer contributions will increase to 18% from 1 April 2016.

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

FRS 17 liability numbers have been produced using the following assumptions:

	2015	2014
Discount rate	3.3%	4.5%
Pensionable salary growth	3.5% in the first year and 4.0% thereafter	4.4%
Price inflation (CPI)	2.2%	2.6%

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

Male members' mortality SINA ["light"] YoB tables – No age rating

Female members' mortality SINA ["light"] YoB tables – rated down 1 year

Use of these mortality tables reasonably reflects the actual USS experience. To allow for further improvements in mortality rates the CMI 2009 projections with a 1.25% pa long term rate were also adopted for the 2014 FRS17 figures, for the March 2015 figures the long term rate has been increased to 1.5% and the CMI 2014 projections adopted, and the tables have been weighted by 98% for males and 99% for females. The current life expectancies on retirement at age 65 are:

	2015	2014
Males currently aged 65 (years)	24.2	23.7
Females currently aged 65 (years)	26.3	25.6
Males currently aged 45 (years)	26.2	25.5
Females currently aged 45 (years)	28.6	27.6

	2015	2014
<b>Existing benefits</b>		
Scheme assets	£49.0bn	£41.6bn
FRS 17 liabilities	£67.6bn	£55.5bn
FRS 17 deficit	£18.6bn	£13.9bn
FRS 17 funding level	72%	75%

## 17 Capital commitments

There were no capital commitments contracted for at 31 July 2015 (2014 £nil).

## 18 Financial commitments

At 31 July 2015 the HEA had annual commitments under non-cancellable operating leases as follows.

	2015 £000	2014 £000
<b>Land and buildings</b>		
Expiring within one year	-	-
Expiring within two and five years inclusive	330	51
Expiring in over five years	-	279
	<b>330</b>	<b>330</b>

## 19 Contingent liabilities

A contingent liability exists in relation to the pension valuation recovery plan, since the company is an employer of members within the scheme. The contingent liability relates to the amount generated by past service of current members and the associated proportion of the deficit. Given that the scheme is a multi-employer scheme and the company is unable to identify its share of the underlying assets and liabilities, the contingent liability is not recognised as a provision on the balance sheet. The associated receivable from the scheme in respect of the reimbursement of the company's expenditure is similarly not recognised.

## 20 Related party transactions

Due to the nature of the HEA's operations and the composition of the Board (being drawn from the higher education sector), it is inevitable that transactions will take place with organisations in which a director of the board or a member of the HEA may have an interest. All transactions involving organisations in which a director of the Board or a member of the HEA may have an interest are conducted at arms' length and in accordance with the HEA's financial regulations and normal procurement procedures.

During the period there were no material transactions (neither income nor expenditure) with organisations with which any director of the Board or member of the HEA may have an interest.

The following transactions were identified for disclosure under Financial Reporting Standard 8: Related Party Disclosures.

Director/Trustee	Institution	Receipts £000	Payments £000	Owed to (Owed from) £000
Professor D Nutbeam	University of Southampton	23	121	4
Professor A J Chapman	Cardiff Metropolitan University	12	23	(11)
Professor M Mannion	Glasgow Caledonian University	21	4	-
Professor J Kay	University of Exeter	50	24	(41)
Professor R Thirunamachandran	Canterbury Christchurch University	9	7	-
R Bunting	Buckinghamshire New University (from 1/02/15 to 31/07/15)	9	-	-
R Bunting	University of Portsmouth (from 1/08/14 to 31/01/15)	-	2	-
M Dunn	National Union of Students	-	156	-
G Donnelly	Oxford Brookes University	17	57	(17)
G Donnelly	University of Cumbria	7	-	-
A Carey	Cranfield University	5	-	-
J Last	Norwich University of the Arts	2	-	(2)

## 21 Reserves

	Designated reserve £000	I & E reserve £000	Total £000
As at 31 July 2014	350	4,604	4,954
Surplus for the period	-	(94)	(94)
At 31 July 2015	350	4,510	4,860

A designated reserve was established in 2011-12 to support business development.

## **Corporate Governance and Internal Control Statement**

The HEA is a registered charity and was incorporated as a company limited by guarantee on 14 October 2003. The HEA is committed to demonstrating best practice in all aspects of corporate governance, following good practice guidance relevant to its status. This summary describes the manner in which the HEA has applied this guidance. Its purpose is to help the reader of the accounts understand how the principles have been applied.

The HEA 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). These are known as the Nolan Principles.

It also has regard to voluntary Governance Code of Practice contained in the Committee of University Chairmen's 'Guide for Members of Higher Education Governing Bodies in the UK', published in December 2014.

### **Board of Directors**

Professor Don Nutbeam, Vice-Chancellor at the University of Southampton, was appointed as Chair with effect from 1 August 2014. Professor Rama Thirunamachandran, Vice Chancellor at Canterbury Christchurch University took over as Chair of the Board on 1 August 2015 after Professor Don Nutbeam stood down from the Board as a result of his retirement from the University of Southampton.

The Board of Directors, which meets formally four times a year, is responsible for the HEA's long-term strategy and objectives and for providing overall financial and organisational control. In this role it brings independent judgement to issues of strategy, performance, resources and standards of conduct.

In order to monitor and scrutinise progress, the Board is provided with regular and timely information on the overall financial performance of the HEA together with other information such as performance against targets, and proposed capital expenditure.

The Board conducts its business through four committees, Finance, Audit, Governance and Nominations, and Remuneration. Each committee has terms of reference, reviewed annually and approved by the Board. The decisions of these committees are formally reported to the Board. Minutes of Board meetings are available on the HEA website.

<https://www.heacademy.ac.uk/about/governance/minutes-board-meetings>

The Company Secretary maintains a register of financial and personal interests of the directors and trustees. The register is available for inspection at the registered office. All directors/trustees are able to take independent professional advice in furtherance of their duties at the HEA's expense and have access to the Company Secretary, who is responsible to the Board for ensuring compliance with all applicable procedures and regulations. The appointment and removal of the Company Secretary are matters for the Board as a whole.

Formal agendas, papers and reports are supplied to directors/trustees in a timely manner, prior to Board meetings. Additional briefings are also provided as necessary, including a monthly newsletter.

The Board has an independent non-executive membership. The Board considers that each of its members is independent of management and free from any business or other relationship, which could materially interfere with the exercise of their independent judgement.

There is a clear division of responsibility in that the roles of the Chair and Chief Executive are held by separate individuals

The Chair is responsible for leading the Board and ensuring its effectiveness.

The Chief Executive is the head of the HEA and has a general responsibility to the Board for the organisation, direction and management of the HEA. The Board is responsible for the appointment and removal of the Chief Executive.

## **Appointments to the Board**

Any new appointments to the Board are a matter for the consideration of the Board as a whole (other than those that are the responsibility of nominating bodies as specified in the Articles of Association).

## **Governance and Nominations Committee**

The Governance and Nominations Committee meets at least once a year and was chaired by Professor Don Nutbeam as Chair of the Board. A further four Board Directors comprise the committee which is responsible for the selection and nomination of any new member for the Board's consideration. The committee recommended to the Board in November 2014 that Iain Rolland, a co-optee of Audit Committee, be co-opted to the Board for a one year term of office.

## **Audit Committee**

The Audit Committee meets at least three times a year and is chaired by Geoff Donnelly. A further two Board Directors, plus two co-opted members comprise the current committee. In addition both the internal and external auditors attend the meetings. The committee is responsible for advising the Board on the following key issues:

- reviewing the integrity of the financial statutory statements and work of the external auditors prior to recommending the approval of the annual accounts;
- reviewing the effectiveness of internal control and risk management arrangements,
- the extent to which satisfactory arrangements are in place to promote value for money through economy, efficiency and effectiveness;
- to review the effectiveness and independence of the internal and external auditors and ensuring the appropriate implementation of recommendations.

At least once a year, the internal and external auditors meet the committee for independent discussion, without the presence of HEA management.

The Audit Committee also advises the Board on the appointment of external auditors and their remuneration for both audit and non-audit work. It has delegated authority to appoint internal auditors and set their terms of engagement.

## **Finance Committee**

Finance Committee meets at least four times a year and was chaired by Professor Rama Thirunamachandran until the end of July 2015. On 1 August 2015, Anthony Carey took over as Chair of the committee. A further four Board Directors comprise the current committee which is responsible for advising the Board on the following key issues:

- formulation of finance and resource objectives in the HEA's strategic and operating plans, including the recommendation of an annual budget and medium-term financial forecast,

- the financial health and solvency of the HEA, including the safeguarding of its assets;
- monitoring the progress of the organisation's business development activities

## **Remuneration Committee**

The Remuneration Committee meets at least once a year and was chaired by Professor Don Nutbeam as Chair of the Board. A further three Board Directors, including the Chair of Finance Committee, comprise the membership with delegated authority to review the performance of the Chief Executive and the other senior post holders appointed by the Board and to set the remuneration and conditions of service (including any severance arrangements) for all senior post holders, with particular responsibility to represent the public interest.

All Board committees operate in accordance with written terms of reference which outline their responsibilities in more detail and are reviewed annually and approved by the Board.

## **Internal control**

### Scope of responsibility

The Board is ultimately responsible for the HEA's system of internal control and for reviewing its effectiveness. However, such a system is designed to manage rather than eliminate the risk of failure to achieve business objectives, and can provide only reasonable, not absolute assurance, against material misstatement or loss.

The Board has delegated the day-to-day responsibility to the Chief Executive for maintaining a sound system of internal control that supports the achievement of the HEA's policies, aims and objectives while safeguarding the funds and assets for which they are responsible. The Chief Executive is also responsible for reporting to the Board any material weaknesses or breakdowns in internal control.

### The purpose of the system of internal control

A system of internal control is designed to manage risk to a reasonable level rather than eliminate all risk of failure to achieve policies, aims and objectives; it can therefore only provide reasonable and not absolute assurance of effectiveness. The HEA's system of internal control is developed through processes designed to identify and prioritise the risks to the achievement of HEA policies, aims and objectives, to evaluate the likelihood of those risks being realised and the impact should they be realised, and to manage them efficiently, effectively and economically. The system of internal control is continuously being improved with assistance from the HEA's internal auditors.

### Capacity to handle risk

The Board has reviewed the key risks to which the HEA is exposed, together with the operating, financial and compliance controls that have been implemented to mitigate those risks. In the opinion of the Board, a formalised process for identifying, evaluating and managing the HEA's significant risks has been in place throughout the year and up to the date of approval of the annual report and accounts, and a process for identifying, evaluating and managing operational risks has been developed.

In July, the HEA received its annual risk assessment letter from HEFCE, which confirmed the HEA was in the "not at higher risk" category.

### The risk and control framework

The system of internal control is based on a framework of regular management information, administrative procedures including the segregation of duties, and a system of delegation and accountability. In particular, it includes:

- comprehensive budgeting systems with an annual budget, which is reviewed and agreed by the Board,
- regular reviews by the Board of periodic and annual financial reports which indicate financial performance against forecasts;
- setting targets to measure financial and other performance,
- clearly defined capital investment control guidelines; and
- the adoption of formal project management disciplines, where appropriate.

The HEA has an internal audit service, which operates in accordance with the requirements of the HEFCE Audit Code. The work of the internal audit service has been informed by an analysis of the risks to which the HEA is exposed, and annual internal audit plans are based on this analysis. The analysis of risks and the internal audit plans are endorsed by the HEA's Board on the recommendation of the Audit Committee. Annually, the Head of Internal Audit (HIA) provides the Audit Committee with a report on internal audit activity in the HEA. The report includes the HIA's independent opinion on the adequacy and effectiveness of the HEA's system of internal control, risk management controls and governance processes.

### Review of effectiveness

The Chief Executive has responsibility for reviewing the effectiveness of the system of internal control. The review of the effectiveness of the system of internal control is informed by:

- the work of the internal auditors,
- the work of the executive managers within the HEA who have responsibility for the development and maintenance of the internal control framework,
- comments made by the HEA's financial statements auditors in their management letters.

The Senior Leadership Team and the Audit Committee receive regular reports from internal audit, which include recommendations for improvement. The Audit Committee's role in this area is confined to a high-level review of the arrangements for internal control.



**Professor Rama Thirunamachandran (Chair)**



**Professor S Marshall (Chief Executive)**

**18 November 2015**



## Statement of the Directors' and trustees' responsibilities

The Directors and trustees are responsible for preparing the operating and financial review and the financial statements in accordance with applicable law and regulations.

Company and charity law requires the directors and trustees to prepare financial statements for each financial year. Under that law, the directors and trustees prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable laws). 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 and profit or loss of the Academy for that period. In preparing these financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently,
- make judgments and accounting 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,
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Academy will continue in operation.

The Directors and trustees are responsible for keeping adequate accounting records that are sufficient to show and explain the HEA's transactions and disclose with reasonable accuracy at any time the financial position of the HEA and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Directors and trustees must ensure that there are appropriate financial and management controls in place in order to safeguard public and other funds and to ensure they are used properly. In addition, directors and trustees are responsible for securing economical, efficient and effective management of the HEA's resources and expenditure.

The Directors confirm that

- so far as each Director is aware, there is no relevant audit information of which the company's auditor is unaware,
- the Directors have taken all the steps that they ought to have taken as Directors in order to make themselves aware of any relevant audit information and to establish that the auditors are aware of that information.

The Directors and trustees are responsible for the maintenance and integrity of the corporate and financial information included on the HEA's website. Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

**Signed on behalf of the Board**

A handwritten signature in black ink, appearing to read 'R.S. Thirunamachandran', with a stylized flourish at the end.

**Professor Rama Thirunamachandran (Chair)  
HEA**

**Company No. 04931031  
18 November 2015**

# **Independent auditor's report to the members of The Higher Education Academy**

We have audited the financial statements of The Higher Education Academy ('the HEA') for the year ended 31 July 2015 which comprise the statement of principal accounting policies, the income and expenditure account, the balance sheet, the cash flow statement and the related notes. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice)

This report is made solely to the HEA's members, as a body, in accordance with section 44(1)(c) of the Charities and Trustee Investment (Scotland) Act 2005 and Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the HEA's members 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 HEA and the HEA's members as a body, for our audit work, for this report, or for the opinions we have formed.

## **Respective responsibilities of directors and trustees, and auditor**

As explained more fully in the Statement of the directors' and trustees' responsibilities set out on page 32, the directors and trustees (the trustees are also the directors of the charitable company for the purposes of company law) are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view.

We have been appointed as auditor under section 44(1)(c) of the Charities and Trustee Investment (Scotland) Act 2005 and under the Companies Act 2006 and report in accordance with regulations made under those Acts. Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors.

## **Scope of the audit of the financial statements**

A description of the scope of an audit of financial statements is provided on the Financial Reporting Council's website at [www.frc.org.uk/auditscopeukprivate](http://www.frc.org.uk/auditscopeukprivate).

## **Opinion on financial statements**

In our opinion the financial statements

- give a true and fair view of the state of the HEA's affairs as at 31 July 2015 and of its deficit, and its income and expenditure, recognised gains and losses and cash flows for the year then ended,
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice and the 2007 Statement of Recommended Practice Accounting for Further and Higher Education; and
- have been prepared in accordance with the requirements of the Companies Act 2006, the Charities and Trustee Investment (Scotland) Act 2005 and regulation 8 of the Charities Accounts (Scotland) Regulations 2006 (as amended).

## **Opinion on other matter prescribed by the Companies Act 2006**

In our opinion the information given in the Report of the Directors, incorporating the Strategic Report for the financial year for which the financial statements are prepared is consistent with the financial statements

## **Opinion on other matters prescribed by HEFCE's Memorandum of assurance and accountability dated June 2014**

In our opinion, in all material respects.

- funds from whatever source administered by the HEA for specific purposes have been properly applied to those purposes and managed in accordance with the relevant legislation;
- funds provided by HEFCE have been applied in accordance with the Memorandum of assurance and accountability and any other terms and conditions attached to them; and
- the requirements of HEFCE's accounts direction have been met.

## **Matters on which we are required to report by exception**

We have nothing to report in respect of the following matters where the Companies Act 2006 and the Charities Accounts (Scotland) Regulations 2006 (as amended) require us to report to you if, in our opinion:

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

Grant Thornton UK LLP

Peter Edwards  
Senior Statutory Auditor  
for and on behalf of Grant Thornton UK LLP  
Statutory Auditor, Chartered Accountants  
Leeds

18 November 2015

## Directors and Trustees

The Board of Directors and trustees who served during the year and up to the date of signature of this report were as listed below.

### Appointed by Universities UK and Guild HE

- Professor Don Nutbeam, Chair of the Board and Vice-Chancellor, University of Southampton;
- Professor Tony Chapman, Vice-Chancellor, Cardiff Metropolitan University;
- Professor John Last, Vice-Chancellor, Norwich University of the Arts;
- Professor Mike Mannion, Vice-Principal and Pro-Vice-Chancellor (Research), Glasgow Caledonian University

### Appointed by the UK Higher Education Funding Councils

- Professor Janice Kay, Provost, University of Exeter;
- Professor Rama Thirunamachandran, Vice-Chancellor and Principal, Canterbury Christ Church University.

### Appointed by the Board of Directors

- Rebecca Bunting, Vice-Chancellor, Buckinghamshire New University;
- Megan Dunn, Vice President, National Union of Students;
- Anthony Carey, Partner, Mazars LLP;
- Geoff Donnelly, Chair of Governors, Oxford Brookes University; Board member, University of Cumbria,
- Johnny Rich, Managing Director, Push,
- Sara Parkin, Founding Director of Forum for the Future;
- Iain Rolland, Head of Internal Audit, Rural Payments Agency.

No trustees received any payment for their duties other than reimbursement of travel and subsistence expenses incurred in the course of their duties. Ten claimants have been reimbursed a total of £2,251 during the year.

Related party transactions are reported in note 20 to the financial statements

### Auditors

A formal tender process was undertaken in November 2014 and Grant Thornton were reappointed as external auditors from 2014-15 for a three year period.

### Professional advisers

External auditors:  
Grant Thornton UK LLP  
Statutory Auditor  
Whitehall Riverside  
Leeds LS1 4BN

Internal auditors.  
RSM  
(formerly Baker Tilly Risk Advisory Services LLP)  
Springfield House  
76 Wellington Place  
Leeds  
LS1 2AY

**Bankers:**

The Royal Bank of Scotland Plc  
York Branch  
6 Nessgate  
York  
YO1 9FY

Yorkshire Bank Plc  
York Branch  
46 Coney Street  
York  
YO1 9NQ

Handelsbanken UK  
Unit 5, Tudor Court  
Nether Poppleton  
York  
North Yorkshire  
YO26 6RS

Barclays Bank Plc  
25 James Street  
Harrogate  
North Yorkshire  
HG1 1QX

**Solicitors:**

DAC Beachcroft LLP  
100 Fetter Lane  
London  
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Lupton Fawcett  
Denison Till  
Yorkshire House  
East Parade  
Leeds  
LS1 5BD

Bond Dickinson  
St Ann's Wharf  
112 Quayside  
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Mills and Reeves  
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Cambridge CB2 1PH

Serenwood Limited  
Oakdene  
82 The Fairway  
Leeds  
LS17 PD

Aaron & Partners LLP  
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Abbey Lawn  
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