

Annual Report and Financial Statements

For the year ended 31 July 2016



London's Leading University for Civic Engagement



Contents

Governors, executives and advisors	3
Message from the Chair of Governors	4
Vice-Chancellor's message	6
Strategic review	9
Corporate governance	35
Statement on internal control by the Board of Governors	39
Independent auditor's report	41
Financial statements and notes to the accounts	43
Consolidated and University statement of comprehensive income and expenditure	44
Consolidated and University statement of changes in reserves	45
Consolidated and University balance sheet	47
Consolidated cash flow statement	48
Accounting policies	49
Notes to the accounts	54



On the rise... the University of East London improved its ranking by 37 places in the 2016 National Student Survey.

Governors, executives and advisors

at 31 July 2016

Board of Governors

Mr Mark Stephens CBE (Chair)
 Mr Solomon Alexis
 Mr Stephen Amanwo
 Ms Jennette Arnold OBE
 Ms Sunny Crouch OBE
 Ms Sarah Davis
 Dr Mark Hannam (Deputy Chair)
 Dr Ian Jenkins
 Professor John Joughin
 Dr Omar Khan
 Mr David King
 Dr Nerys Mathias
 Professor Mark McDermott
 Mr Tommy McDonnell
 Mr Lee McGinty
 Mr Anthony Mullee
 Mr David Noyce
 Mr Andreas (Adrian) Patsalos
 Mr Paul Samuel
 Mr Jon Smith
 Ms Aniekan Umoren
 Ms Janette Withey

Period of office

appointed March 2016
 appointed July 2016
 resigned January 2016

appointed May 2016

appointed May 2016
 appointed May 2016

Vice-Chancellor's Group

Professor John Joughin
 Mr Dusty Amroliwala OBE
 Professor Nora Ann Colton
 Dr Stella Cottrell
 Mr John Headley
 Mrs Elizabeth Thussu

Vice-Chancellor & Chief Executive
 Deputy Vice-Chancellor & Chief Operating Officer
 Deputy Vice-Chancellor
 Pro-Vice-Chancellor (Learning, Teaching & Student Engagement)
 Director of Finance
 Head of Governance & Legal Services

Auditors

Grant Thornton UK LLP
 Melton Street
 Euston Square
 London NW1 2EP

Solicitors

Mills & Reeve LLP
 Francis House
 112 Hills Road
 Cambridge CB2 1PH

Bankers

Barclays Bank Plc
 P O Box 1006
 Barking IG11 8AT

Veale Wasbrough Vizards
 Barnards Inn
 London
 EC4A 1AD

Message from the Chair of Governors



These are times of change and uncertainty in the higher education sector, with the combined effects of Brexit, the hardening line on immigration adopted by the new government, and not least the Higher Education and Research Bill which is currently passing through Parliament.

The Board of Governors is pleased to note the University's improving results in terms of student satisfaction, degree completion and employability over the last year - showing that the changes made in recent years are bearing fruit.

We are also focused on the financial challenges facing us. 2015/16 marks our first deficit reported in some ten years, which was in line with our budget for the year. As we re-position UEL in the light of our Corporate Plan and newly approved Academic Strategy, our budget permits us to deliver on our current plans and to pay the sector recommended pay rise to our staff.

We have taken the difficult, but in the Board's view, correct decision to review the pensions provision offered to new support staff, moving from defined benefit to a generous defined contribution scheme. This change has been effected through the launch of our new subsidiary company, UEL Professional Services Ltd. We are disappointed not to have been able to manage our own funds

within the Local Government Pensions Scheme or indeed to offer alternative pension schemes to staff as a post-1992 university, and hence we have taken the only route open to us. Over the long term this decision will protect the University by limiting the impact of the growing pensions deficit on our solvency.

Lastly, on a more personal note, the death of Lord Brian Rix - our first Chancellor - was sad news, following the death of Lord Noon the previous year. Lord Rix's memory still very much lives on at UEL, not least in the form of the Rix Centre, whose work on applying new media to support people with learning disabilities goes from strength to strength.

I am delighted that Shabir Randeree CBE has been appointed as our new Chancellor. Shabir is an entrepreneur and philanthropist whose personal journey and values in many ways mirror those of UEL and our students.

On behalf of the Board, I would like to thank all the staff of the University for their hard work over the last year - and I look forward to a promising year ahead.

Mr Mark Stephens CBE
Chair of Governors



The Mayor of London, Sadiq Khan (right), was among the distinguished guests at Shabir Randeree's inauguration ceremony.

Meet our new Chancellor

We are delighted to announce the appointment of Shabir Randeree CBE as our new Chancellor, in succession to Lord Noon, who sadly died in 2015.

Shabir is a distinguished entrepreneur and philanthropist. He is currently Chair of DCD Group and has a background in finance, commercial real estate, venture capital and banking.

In the charitable and voluntary sector, Shabir is the Chair of Mosaic, a mentoring charity founded by HRH The Prince of Wales, and joined the Prince's Trust Council in July 2016. He is also Chair of Governors of Westminster Academy, a Champion of the Three Faiths Forum and former Chair and mentor for the Young Presidents' Organization (YPO) and London Business School programme, 'Growing Your Business'.

He recently joined the board of YPO International and was appointed a trustee of the Woolf Institute UK.

In 2013, he was appointed a CBE in recognition of his services to both business and education, as well as for his philanthropic support of charitable causes.

Vice-Chancellor's message



This has been another busy year for everyone at UEL. Perhaps the most important milestone of 2015/16 was the publication of our new Academic Strategy. This is our blueprint for the future education of our students at UEL and it will secure their future success – equipping all our students with a high-quality degree and the skills that they will require to enter the workplace or postgraduate study.

Overall it's been a year of further consolidation, progress and improvement. We obtained our best ever results for the National Student Survey (NSS). Overall satisfaction rose to 83%, a five percent improvement on the previous year, propelling UEL some 37 places up the NSS rankings. Meanwhile, the proportion of undergraduate students obtaining good honours (first or 2:1) has increased from 53.9% to 59.2%. More students are staying with us and progressing through their programmes: first-year non-completion rates dropped to 7.7%, compared to a benchmark of 9.7%. Finally our performance on securing Graduate Employability also improved substantially, rising by 7%.

The essence of UEL's mission remains consistent in its focus on helping our students adapt to the world of university, to complete

their studies in a timely fashion, with good degree classifications and a career at the end. I'm delighted to see that all these indicators are moving in the right direction. It has also been particularly pleasing to witness some of the other highlights of our students' achievements this year. Over the summer, UEL had a team of six competing at the Rio Olympic and Paralympic Games – four current students and two alumni. More recently, and for the first time, our University Challenge team made it through to the televised final phase of the show – a fantastic achievement.

In summary then, 2015/16 has been a very encouraging year for the University, but we still face some challenges. We have had to manage our finances in the context of a reduced income of £138m, posting a deficit at year end of £6.8m as anticipated in the budget agreed by the Board at the start of the year. Our financial recovery plans are aligned with the new Academic Strategy and the significant improvements in some of our KPIs as outlined above. As such, I'm very pleased to report that we have made a strong start to 2016/17 with increased enrolment of students, whilst our entry tariff remains higher than competitor universities in London

The result of the EU referendum was for many a surprise, and a concern. At UEL we value the contribution of EU students and colleagues to our university community, and – like many universities – we have long benefited from EU research and academic collaboration. We are living through a period of immense change for our sector as the Higher Education and Research Bill is debated in Parliament, together with changes in government bringing universities under the wing of the Department for Education.

However, within a changing context new opportunities always beckon. In many ways, we are rediscovering our roots as a former polytechnic with a renewed focus on higher technical, vocational and professional education. Working in partnership with Newham, Barking and Dagenham, Tower Hamlets and Hackney, we will provide the skills necessary to equip and train the future workforce of east London. I'm delighted to report that amongst our students this year we have our first ever degree level apprentices in areas such as construction and engineering. This September also saw the opening of the London Design and Engineering University Technical College (LDE UTC) on our Docklands campus. UEL

is the university sponsor with a number of other industry sponsors including Costain, Thames Water and Skanska. In the future, we expect many of these students to progress from the UTC to our degree and degree apprenticeship programmes.

I'd like to take this opportunity of thanking the Board of Governors for all of their ongoing support during the last year. Finally, of course, I'd like to thank all the staff for their hard work over the last year, and express my admiration and respect for all the amazing students who choose to study with us – some of whose stories you can read in the pages of this report.

A handwritten signature in black ink, reading "J Joughin". The signature is written in a cursive, flowing style.

Professor John J. Joughin
Vice-Chancellor
and Chief Executive

**Strategic
review**





UEL in a changing landscape

Like many other higher education institutions (HEIs) in the UK, UEL finds itself in the midst of a rapidly changing higher education landscape.

The Higher Education and Research Bill will bring competition and change to the sector, with a welcome focus on outcomes both for teaching and research. This bill signals a significant change to how higher education is organised in a far-reaching and impactful way. It will be critical for UEL to begin to plan for this new architecture both in terms of research and teaching. The new Teaching Excellence Framework (TEF) will shine a spotlight on student success defined through a set of metrics, flowing through to the ability of HEIs to increase tuition fees with inflation. UEL welcomes this focus while recognising such an approach has challenges for a modern university which delivers widening participation and access. In the 2016 National Student Survey we rose 37 places in the national ranking, and achieved strong results in certain survey areas which will be closely aligned to TEF.

< Engineering students have benefited from a month-work long placement with construction giant Costain, which has led to real employment.

Specifically, UEL achieved its best ever results for the categories: 'teaching on my course', 'assessment and feedback' and 'academic support'.

The opening of the London Design and Engineering University Technical College (LDE UTC) on our Docklands campus and the enrolment of the first apprentices onto UEL's new degree level apprenticeships programmes in September 2016 demonstrates UEL's commitment to vocational learning. We are also working in partnership with east London schools and colleges to develop access into higher education for our local communities. This commitment to our neighbourhood reaches back to our proud heritage as a former polytechnic and anchor institution to east London, contributing to transforming lives.



UEL makes University Challenge debut

Four students made history when they become the first UEL team to qualify for the BBC 2 quiz show University Challenge.

The quartet made their television debuts in a first-round match against the University of Glasgow – and triumphed over their opponents to progress to the second round

“ We got there on merit as a team. Hopefully, we've done ourselves proud, done our families proud and done the University proud

Christopher Ducklin, MSc Civil Engineering



Our corporate objectives

Last year's annual report described the launch of our Corporate Plan 2015-2020 and this year has seen the plan further embedded.

The Plan is based around UEL's mission as London's leading university for civic engagement, and sets out four key corporate objectives, as follows:

Objective 1:
'Learning by doing' – learning, teaching, employability and student success

We are connecting our students to a successful future by broadening their horizons, extending their understanding and knowledge, inspiring them to take on new challenges and improving their rates of educational attainment and graduate employment.

Objective 2:
Creating and disseminating knowledge and ideas that make a difference

Our research and enterprise is building a strong reputation nationally and internationally. We are focused on developing high-quality research that benefits society and builds on our highly successful Research Excellence Framework (REF) submission in 2014.

< UEL was the first university in the country to issue its entire first-year cohort with Samsung tablets in 2014 - and students continue to benefit from the University's relationship with the technology company.

Objective 3:
Connecting to students, staff and communities

We are exploring and exploiting new opportunities to build partnerships that benefit our students and communities, facilitated and supported by our staff.

Objective 4:
Developing our infrastructure

We are continuing to invest in technology and upgrading our estates and facilities. Our aim is to provide the right spaces, systems and support for our staff to perform at their best and for our students to reach their full potential.

In the following pages we tell the story of our University's progress during 2015/16 under the headings of our four key objectives.



Bringing solar power to The Gambia

Undergraduate Michelle Gibb lost her home while a student at UEL, leading her to defer her studies for a year.

She went to Mamuda, in The Gambia, to volunteer with community projects, which inspired her to start a charity bringing in solar power panels and compatible appliances to improve the lives of villagers. She has since resumed her degree course while running the charity.

“ The satisfaction of changing lives for the better in a sustainable way is great. I would like to see these people living sustainably and making life better for others.

Michelle Gibb, BSc (Hons) Sociology (Professional Development)

Objective 1: Learning by doing

Launch of UEL's Academic Strategy

During 2015/16 the Deputy Vice-Chancellor led the process of consulting on and launching UEL's new Academic Strategy. This sets out a blueprint for the UEL education of the future, providing a clear vision and direction for our students' success.

The Strategy responds to the changing policy landscape referred to earlier, together with trends of digitalisation, globalisation and demographic shifts – with a constant need to focus on graduate employability.

Overall, the Academic Strategy aims to provide a very clear statement of intent to shape operational policy and resource allocation decisions over the coming years. The Strategy is built around 12 principles, namely:

- > Delivering student success
- > Managing the pipeline of new students through partnerships and pathways
- > Ensuring there is an excellent academic portfolio, with depth and distinctiveness
- > Enhancing the experience of our undergraduates
- > Developing our pool of academic staff talent
- > Pursuing new disciplines and areas of inquiry
- > Transforming the curriculum

- > Developing new modes of delivery – such as competency based learning, e-learning and higher apprenticeships
- > Supporting and developing our postgraduate offering
- > Ensuring inclusivity, in line with our values
- > Enhancing research leadership
- > Building an interactive campus

The Academic Strategy will inform the planning process going forward. We also have a portfolio of projects and a student success framework to bring the 12 strategic principles to life.

A high-achieving year

UEL has a healthy culture of staff and students putting themselves forward for national awards and grants, and this year has yielded particularly impressive results.

Two of our architecture lecturers, Adam Willis and Lewis Jones, were part of the 'Assemble' design collective that won the Turner Prize 2015 – the UK's most prestigious visual arts award.

The Stratford-based collective was honoured for its imaginative renovation of empty homes in a previously run-down area of Toxteth, Liverpool. Students in UEL's School of Architecture, Computing and Engineering were involved in preliminary research for the project.

Fashion student Antonia Nae won the coveted Red Carpet Award at Graduate Fashion Week 2016. Her design was inspired by the texture and beauty of the nature around the Danube Delta in her native Romania. More than 40 universities and 1,000 student designers participated in the show.

Product Design student Ahmed Salah won his category in the national 2016 Student Design Awards organised by the Royal Society of Arts. He designed and made a 'Wudu Water saver' allowing Muslims to carry out religious washing before prayers while reducing the amount of water used. His product won him first place in the 'Sustainably Clean' category and a prize cheque for £2,500.

The City of London's Worshipful Company of Engineers awarded UEL engineering student Braiden Zhawi the annual Cadzow Smith Engineering Award and a £2,500 prize cheque for his contributions to UEL and demonstrable potential in the field of engineering.

Supporting our students

Enabling our students to fulfil their potential is at the centre of what we do. To this end, we have continued to develop and enhance our support services for teaching, learning and employability.

Our Centre for Excellence in Learning and Teaching (CELT), established to promote innovative and inspiring approaches to teaching across the University, was officially launched, complete with a new training suite.

This flexibly designed space provides staff development activities in our Docklands campus and can be used to model innovative ways of embedding technology into classroom delivery.

CELT provided a broad range of development opportunities throughout the year, with more than 500 staff members attending training sessions.

The quality of the learning resources and study spaces provided by our Library and Learning Services (LLS) is recognised and appreciated by our students. In the 2016 National Student Survey, our library resources and services achieved a 90 per cent satisfaction score – up four per cent from the previous year.

The refurbishment of the Docklands Library and the provision of additional study spaces at the Stratford Library contribute to this positive response.

Our Careers and Student Employability service (CaSE) continues to make significant progress in terms of student engagement. Figures for the academic year include:

- > 15,000-plus students seen through a combination of one-to-one guidance appointments and group activity
- > 7,500 students engaged with CaSE through in-School activity
- > 600 students attended the UEL Skills Academy
- > 1,100 students attended employer recruitment events on campus
- > 700 roles were promoted to students and graduates as managed vacancies
- > 350 students were matched in mentoring relationships
- > 200-plus students secured volunteering opportunities.

Over the last year, UEL students and graduates have secured employment and started their careers with a wide range of employers including Civil Service Fast Stream, Taylor Bennett Foundation, the Royal Opera House and Compass Group.

Our Student Support Hubs, which provide front-line support for any academic or non-academic issues students may have, have experienced huge levels of engagement. An internal survey recorded 88 per cent student satisfaction with our hub services – an improvement of 19 per cent on the previous year.

Since launching in January 2015, the hubs have managed 145,398 individual student queries through the helpdesk query management system and fielded 122,627 telephone calls.



Design collective 'Assemble', which included two UEL architecture lecturers, celebrate after winning the Turner Prize 2015.



Chris Turner graduated with a BA (Hons) Computer Games Design: Story Development and now works for Good Catch, part of the Endemol Shine Group.



Objective 2: Creating and disseminating knowledge and ideas that make a difference

< RIX Research and Media was shortlisted for a Times Higher Education award for its pioneering work with people with learning disabilities.

With 94 per cent of our research submissions rated internationally recognised or higher in the 2014 Research Excellence Framework, UEL continues to cement its reputation as one of the UK's leading modern universities for research, as well as London's leading university for civic engagement that makes a difference to people's lives.

The research we do at UEL makes a difference to our local communities in east London as well as communities nationally and globally – from influencing policy on conflict resolution, to shaping and conserving our urban and rural environments and helping people to live healthier and more independent lives.

Our research is central to helping achieve our commitment to

civic engagement and allows us to work in partnership with communities, business and decision makers, tackling the big issues of society. In order for these important societal challenges to be tackled, UEL is investing in key areas of strength where quality, partnership, impact and the intellectual environment can thrive.

Building on our Corporate Strategy and our research strengths, UEL has recently appointed Dr Lisa Mooney as Pro Vice-Chancellor for research and knowledge exchange. With a long-standing background in the study of collaborative research practices between academia and industry, she is well placed to drive the research and knowledge exchange agenda for the institution.

Some highlights on the past year that reflects the range, success and visibility of our research:

- > RIX Research and Media shortlisted for a prestigious Times Higher Education award for its pioneering work helping people with learning disabilities to communicate about their lives
- > Work undertaken by our Institute for Health & Human Development recognised for its contribution to the social, economic and cultural health

and wellbeing of communities in east London

- > Vital knowledge transfer work by our Sustainability Research Institute addressing issues about how we bring about resilient urban and rural community development
- > The launch of the first online health and wellbeing portal for refugees and asylum seekers, to support access to practical, current and relevant information, tools and resources.

In the past academic year, the University has won a significant range of research grants and contracts that reflect the success and recognition of our research at UEL. These include investment from Research Councils UK, charitable bodies, local government, business and industry, and those secured through European funds. We are particularly excited by the recent award for a new Doctoral Training Partnership, which brings us together with four leading universities across London, attracting £22m for a six-year programme of doctoral training across the humanities and social sciences.

2015/2016 has laid great foundations for our research and knowledge expertise at UEL, realising the true impact and profile our work in the real world.

Objective 3: Connecting to students, staff and communities

Civic engagement

We have more than 500 students participating annually alongside academics on community projects through some of our innovative schemes such as London Scholars and Global Scholars. Our Civic Engagement Fund has also given rise to range of community- based projects led by expert academics which are really making a difference in east London.

In the past year, UEL has funded 66 civic engagement projects from Newham to Nigeria, demonstrating our commitment to real-world, hands-on learning and our position as London's leading university for civic engagement. Projects ranged from raising antibiotic awareness in east London to teaching higher education courses to migrants in France to helping a celebrated children's charity develop a website for young people leaving care homes.

We want the public to have a greater understanding of how much civic engagement means at UEL, and in June we opened the doors of our Stratford campus for three days to showcase our civic engagement projects at our inaugural Voices East festival.



Community members enjoy a family fun day as part of UEL's inaugural summer civic engagement festival, Voices East.

Voices East opened with a lecture by Professor Carl Hart of Columbia University in New York. Other notable activities included a series of panel discussions, with experts speaking on subjects ranging from raising awareness of tuberculosis to responding to the refugee crisis to building education opportunities in east London. All of our civic engagement projects were prominently on display, and many project participants were on hand to discuss and promote their work. Our London and Global Scholars also gave special presentations.

Voices East also offered workshops, musical and dramatic performances, locally made food and a family fun day replete with a bouncy castle, face-painting, circus training and balloon animals.

Wherever the location, and whatever the goal, those who participate in UEL's civic engagement opportunities say their experiences make a difference to not just the communities they work with but also their own academic and personal development.

Widening participation

We are firmly committed to widening access to higher education and, during the past academic year, our Education and Community Partnerships (ECP) team reached out to hundreds of students from disadvantaged backgrounds to support their progression to university study.

A total of 180 students were given the opportunity to study on our New Beginnings programme – our acclaimed access course which gives mature students an intensive introduction to studying at a higher level.

In addition, more than 2,000 students benefited from our Matrix-accredited Information, Advice and Guidance service for mature students. The service supports people on an individual basis to make informed choices aligned to their career goals.

Our programme also featured over 300 events with schools and colleges. These included:

- > Bronze Crest Award Summer School: a three-day summer school aimed at Year 8 students and resulting in an accredited award from the British Science Association. It offered three Science, Technology, Engineering and Mathematics (STEM) projects – a chemistry experiment, a forensic experiment and a series of cosmology-based physics experiments.
- > Future Summer School series: This focused on transferable skills for specific sectors (Science, Creative, Sports and Business) that are highly valued by employers. It offered Year 12 students opportunities to link HE courses to career progression within a specific sector through workshops, employer presentations and role play.
- > UEL Science Clubs: A 10-week pilot project which featured university visits, practical experiments and tuition from UEL postgraduate students acting as science ambassadors. The aim was to introduce school pupils to STEM subjects and to encourage UEL students to share their passion for science with the next generation.

- > Debate Mate: ECP hosted the Debate Mate Cup Final in April. Up to 280 primary school children took part, with opportunities for our students to help pupils prepare for their debates.
- > EU Referendum Workshops: Students from two local sixth forms took part in an interactive EU referendum workshops which was designed for Year 12 students to help inform their understanding of the key issues concerning whether to remain in or leave the EU.
- > Thurrock's Next Top Boss: Gable Hall School won Thurrock's Next Top Boss Challenge 2016 with their response to a challenge set by the Education and Community Partnerships team during a Taster Day to create and develop an app to enhance the university experience for UEL students. ECP colleagues provided initial support by suggesting a business plan for the team to develop and implement.

UEL forged a unique link with the West Ham United Foundation to deliver a foundation degree course in Applied Community Sport.



Sport

UEL underlined its status as one of the UK's leading universities for high-performance sport with significant performances on the international and national stage.

Four students and two recent alumni were selected for the 2016 Rio Olympic and Paralympic Games – all of them products of the University's acclaimed Sports Scholarship programme.

At the Olympics, UEL swimmer Aimee Willmott reached the final of the 400 metres individual medley while boxer Lawrence Okolie reached the second round of the heavyweight boxing competition. Track athlete Bianca Williams was also selected for the women's 4x100 metres relay squad.

Recent graduate Adam Gemili captained Team GB's athletics team. Adam came agonisingly close to winning a track medal in the 200 metres, finishing just three thousandths of a second outside the bronze medal spot, while alumna Szandra Szogedi represented Ghana in the judo competition.

At the Paralympics, wheelchair athlete Vanessa Daobry finished fifth in the F34 shot put just 18 months after taking up the sport.

The University's Director of Sport, David Cosford, was also appointed by the British Olympic Association as a 'sports lead' for Rio 2016 and spent several weeks at the Team GB preparation camp in Belo Horizonte helping the British athletes prepare for their competitions.

At inter-university level, UEL won a total of 24 medals in British Universities and Colleges Sport (BUCS) competitions – the highest medal count in the University's history.

The success of UEL's high-performance sports programme owes much to the world-class facilities on available at the Docklands-based SportsDock complex. The sports centre is used not only by students and staff but by the local community and external sports teams and federations. Over the past year, it generated more than £1.2m in income for the University.

Increasing participation in sport and exercise across the University is a key objective and more than 3,300 students of all standards of ability participated regularly last year. In addition, we provided work opportunities for students through 16 graduate placements.



UEL helps Vanessa Daobry achieve Paralympic dream

Just 18 months after taking up the sport of wheelchair shot put, UEL student Vanessa Daobry competed for GB at the Rio Paralympics, placing fifth in the F34 final.

Vanessa said she would not have made it to Brazil without the incredible support from UEL's strength & conditioning and physiotherapy teams.

“

It was a total team effort. It wouldn't have happened without everyone's involvement in helping to make me into an athlete

Vanessa Daobry, BSc (Hons) Sport and Exercise Science.

Graduation and campus events

We have hosted a number of impressive events in the past year that have engaged students, staff, external stakeholders and members of the local community. Overall, graduation is undoubtedly the highlight of the academic year. The 2015 ceremonies hosted at Indigo at the O2 saw family, friends and tutors celebrate the success of more than 3,000 graduates. For the first time, the University live-streamed the graduation ceremonies to overflow crowds of family and friends.

We awarded honorary doctorates to former MP Steven Norris; ex footballer and Deputy Chief Executive of the Professional Footballers Association, Bobby Barnes; Hollywood producer Ashok Amritaj; UEL alumnus and Ford Cortina designer Dennis Roberts; Professor Dato'Sri Dr Zaleha Kamaruddin; Faisal Rahman OBE; Mor Dioum and Stephanie Yorath of the Victoria Climbié Foundation; and two long-serving members of the Board of Governors, Jane Calvert-Lee and Mike Brace CBE. Later in the year, we also awarded an honorary doctorate to Jason Leonard OBE, the former England rugby union international.

We welcomed a number of eminent speakers to our

Docklands, Stratford and USS campuses. A highlight was our 'UEL Presents...' lecture series, which featured celebrated actor Alison Steadman.

Other speakers who visited UEL included Turner Prize-winning artist Grayson Perry, who spoke to students from the School of Arts and Digital Industries.

This year's annual event at the House of Lords celebrated the life of our late former Chancellor, Lord Gulam Noon. The evening was attended by a mix of dignitaries, stakeholders, governors, staff and students, who shared personal stories about Lord Noon throughout the evening.

London Design and Engineering University Technical College

The London Design and Engineering UTC opened its doors to its first cohort of 180 pupils in September 2016. UEL is the university sponsor of LDE UTC in partnership with Costain, Thames Water, Skanska, and the Diocese of Chelmsford.

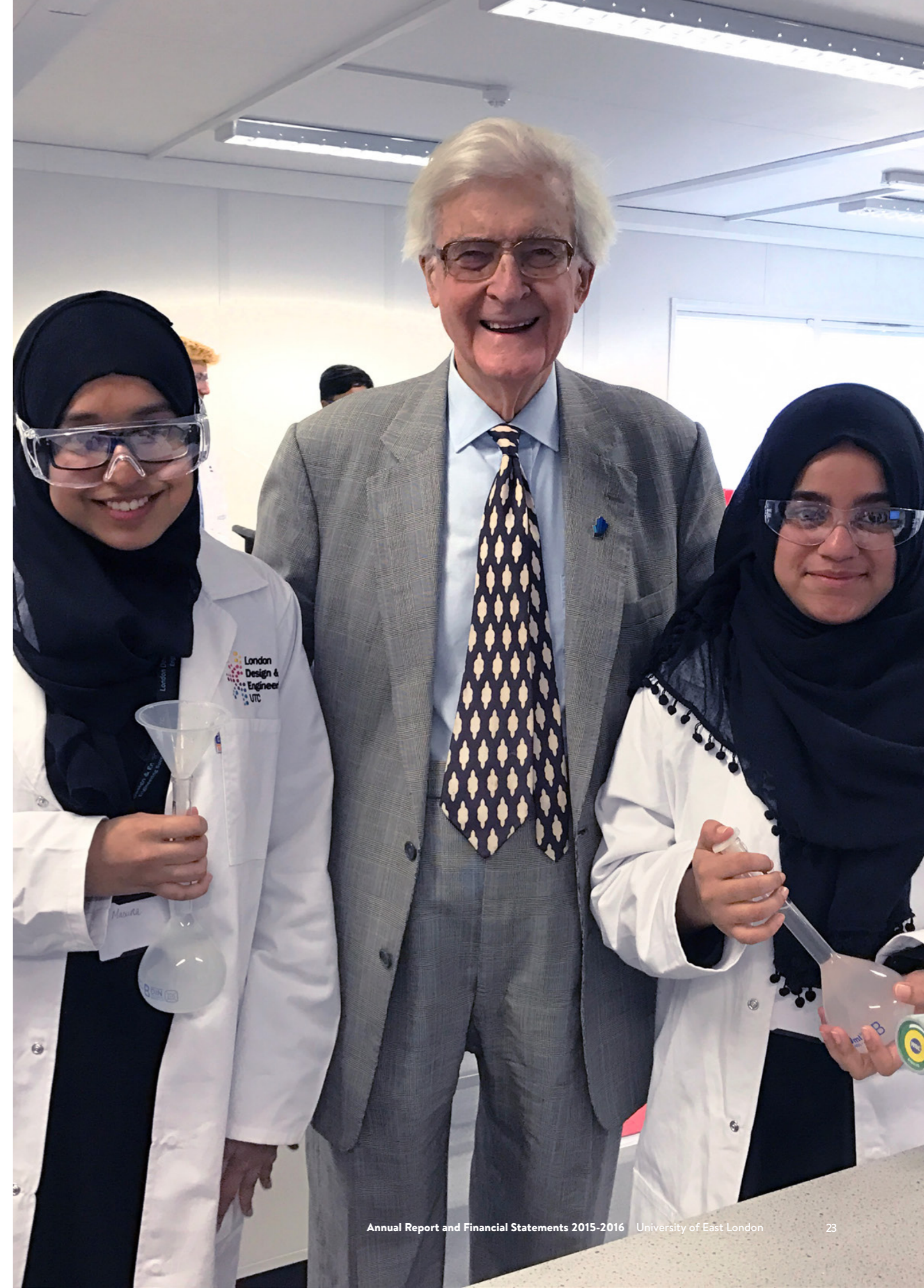
UTCs are government-funded schools for 14 to 19-year-olds which are sponsored by both a university and industry partners with a focus on technical, scientific and vocational subjects to fill skills gaps in the labour market.

We are delighted with the strong start – the LDE UTC received over 460 applications for the 150 places initially on offer. Overall, some 45% of places were taken by girls, which is very encouraging for an academy school focused on STEM subjects (science, technology, engineering and mathematics).

Whilst the school is currently housed in temporary premises, an exciting new development will soon be taking shape on land purchased by UEL to the west of the Docklands campus when work begins on the construction of the LDE UTC's permanent building.

Once completed, the LDE UTC will accommodate 650 full-time pupils.

Lord Baker, the former Education Secretary and co-founder of the Baker Dearing Educational Trust, pays a visit to the new LDE UTC.



Objective 4: Developing our infrastructure

Estates

Our Estates team has worked closely with the Education Funding Agency and the Greater London Authority to secure the acquisition of a four-acre site adjacent to the University's Docklands campus – one acre of which will be occupied by the LDE UTC as described earlier.

While the new development is focused on Docklands, our Stratford campus has also been enhanced by the opening of a refurbished and greatly expanded bioscience laboratory. The cost was met by a £1.2m grant from the Higher Education Funding Council for England (HEFCE) and a £1.2m contribution from UEL.

The Stratford Library, which opened in 2013, continues to draw admiring praise and won the 2016 Royal Institute of Chartered Surveyors London regional award for 'Design through Innovation'.

Information Technology

IT Services has completed its three-year transformation strategy, delivering a range of projects to support the University's business.

The new UEL website has been running for almost a year, providing a strong marketing platform that has been key to recruitment and an increase in the amount of early offers to future students. We believe it is one of the strongest in the higher education sector and has improved the image of the University with a consistent look and feel and strong back-end processes.

In the past year, we also launched a new UEL intranet for staff and students. This is accessible from anywhere and, as part of the Office365 suite of services, offers a stronger platform for communicating and sharing information internally.

Other projects successfully completed as part of the three-year strategy include student support through our CRM system, an online staff appraisal (PDR) system, the provision of Samsung tablets to new undergraduates and an upgrade of our financial system, Agresso.



UEL's colourful halls of residence are home to 1,300 students at our Docklands campus

Students and academics are benefiting from a newly refurbished, cutting-edge bioscience laboratory at UEL's Stratford campus



UEL offers paid employment opportunities for students in a variety of roles such as being an ambassador at Open Days.

University of
East London
Student Ambassador

Our people

Excellent progress has been made in the delivery of our People Strategy 2020, which was launched in 2015 to underpin the University's Corporate Plan, and has six key strands:

- > High Performing Organisation: The new Performance and Development Review (PDR) scheme for all staff was rolled out in May 2015 via an online platform. The first cycle is near completion.
- > Workforce: Significant progress was made in improving our workforce planning. Schools and services are now provided with better information, including the staff engagement index, PDR completion rates, turnover rates and diversity statistics for senior and other levels.
- > Equality and Diversity: More initiatives were implemented to further embed equality and diversity to help us meet our goal of achieving representation at a senior level of women and Black, Asian and Minority Ethnic (BAME) staff that mirrors the demographics of London. These include the roll-out of an 'unconscious bias' online training module.

- > Employee Engagement: Investors in People (IIP) is an internationally recognised standard of best practice in the development, engagement and management of staff. UEL's IIP assessment in October 2015 saw us progress from core accreditation to the Bronze Award – an important step towards our aim of achieving the IIP Gold Standard by 2020.
- > Health, Safety and Wellbeing: UEL has a strong track record of health and safety best practice, and the University was awarded a ninth consecutive RoSPA Gold medal in May 2016. Our Health & Safety Unit (HSU) has worked with Schools and services to ensure staff are made aware of the health, safety and wellbeing provision at UEL via induction and refresher training sessions as well as annual events. An Employee Assistance Programme was introduced in 2016 to enhance the wellbeing support available for staff.
- > Talent Management: Our focus in talent management is to attract, recruit, develop, deploy and retain talented people, and we have completed initial work on developing a clear employee proposition. We have completed the first phase of a skills audit and are working on the second.



From asylum seeker to first-class honours graduate

Jameel Shah has gone from an asylum-seeker who spoke no English to a university student graduating with first-class honours and winning a prestigious work placement in Canada. Jameel came to the UK in 2003, fleeing civil war in Afghanistan. After achieving a first at UEL, he won the Society of Sports Therapists' Student Travelling Scholarship to Canada.

“Deciding to study BSc Sports Therapy at UEL has been one of the best decisions I have ever made. Completing the degree with first-class honours has given me a strong foundation to build on and excel in my career

Jameel Shah, BSc (Hons)
Sports Therapy

UEL's Sustainability Research Institute is undertaking important research in areas such as urban biodiversity and peatland conservation.



Sustainability

UEL is strongly committed to environmental sustainability, and this commitment is embedded in our core day-to-day activities.

This year we continued to work on longer-term strategic sustainability plans that will help us save money, mitigate environmental impact and optimise space for work and study. We also celebrated a number of smaller achievements.

Staff came together in our Green Impact programme to implement changes that made their offices more environmentally friendly. A total of 23 teams representing Schools and services across the University – our highest number of participants ever – achieved

awards from the National Union of Students (NUS).

This year's Green Impact programme also garnered UEL a Green Apple Environment Award, bestowed by The Green Organisation to recognise, reward and promote environmental best practice around the world.

UEL successfully completed the Environmental Management ISO 14001:2004 surveillance audit in June, and we have already committed to signing up to the new ISO 14001:2015 accreditation in 2016-17.

We not only complied with but, where possible, went above and beyond environmental regulations.

We also renewed our energy supplier contracts. Our revised Carbon Management Plan will help us focus our resources on the initiatives and projects that offer the biggest savings in both cost and carbon.

We revived the Feed-in Tariff and applied for the Renewable Heat Incentive for the solar photo-voltaic panels and biomass boiler at our SportsDock facility in our Docklands campus. The panels and boiler secured us £21,000 last year – funds which are dedicated to sustainability-related projects. More than 90 per cent of UEL's electricity and gas meters have now been fitted with smart meters, and the development of UEL's smart metering systems remains a top priority.

UEL students take part in a cooking workshop for Bernardo's care leavers.



Providing guidance to care leavers

Early education students helped develop a website that offers advice to care leavers.

The team collaborated with the children's charity, Barnardo's, on Thinking of You (TOY) – an online platform which offers care leavers tools in areas ranging from employment to health.

“ We're so delighted to be able to do the joint work with UEL, and to have the university students come along and give up their time to support young people

Babette Bleach, Barnardo's children's services manager

Financial review

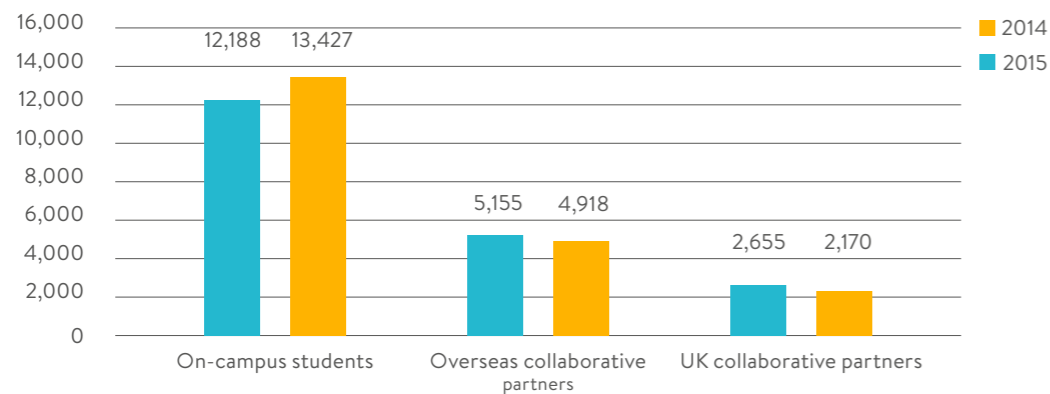
In 2015/16 the University recorded an operating deficit of £6.8m, in line with the budget approved by the Board of Governors in May 2015. The University planned to fund a deficit from existing surpluses during the process of re-positioning the institution with a focus on improved outcomes (some of which are highlighted in this report).

The following sections focus on student numbers, income, expenditure, the balance sheet and treasury management. We also look ahead to 2016/17 and beyond.

Student numbers

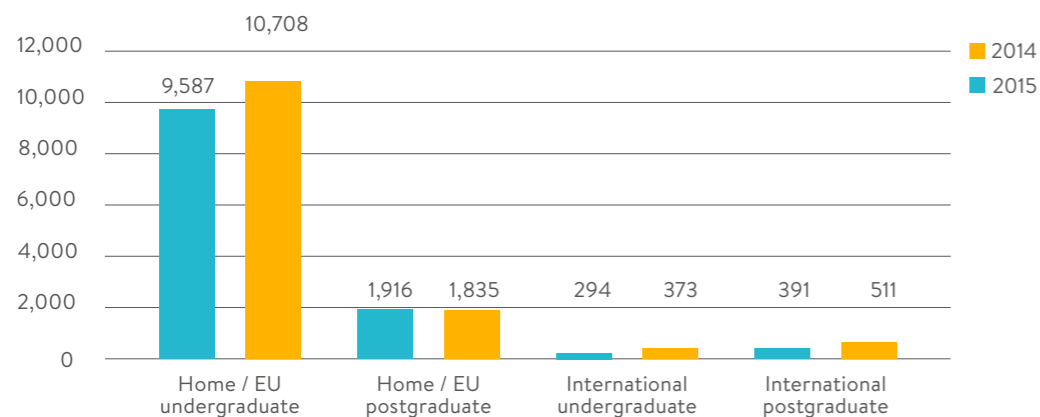
The total number of students at the census date of 1 December 2015 was 19,998. The following table shows a breakdown between students studying on our campuses and those studying UEL programmes at collaborative partner institutions.

Total Student Numbers



The on-campus numbers are further analysed between Home/EU and International students below.

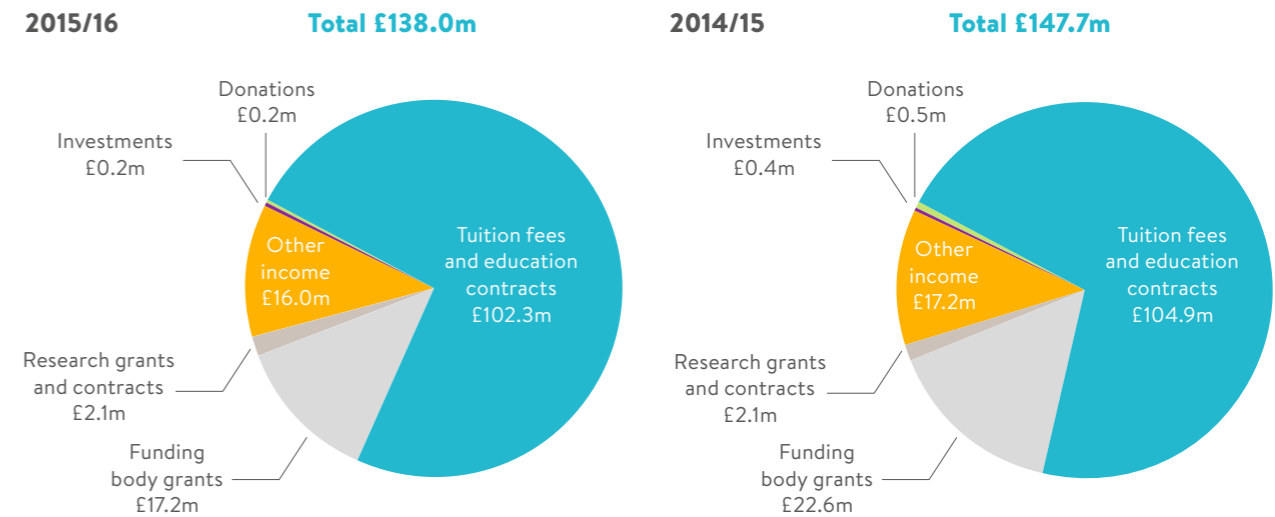
On campus Student Numbers



Income

Total income was £138.0m. This represents a decline of 6.6% versus the 2014/15 figure of £147.7m. The decline was due to two factors: the reduction in total student numbers shown above, and the inclusion of a non-current payment of back-dated grants by HEFCE in 2014/15, totalling some £6m.

The breakdown of the sources our income comes from is shown below:

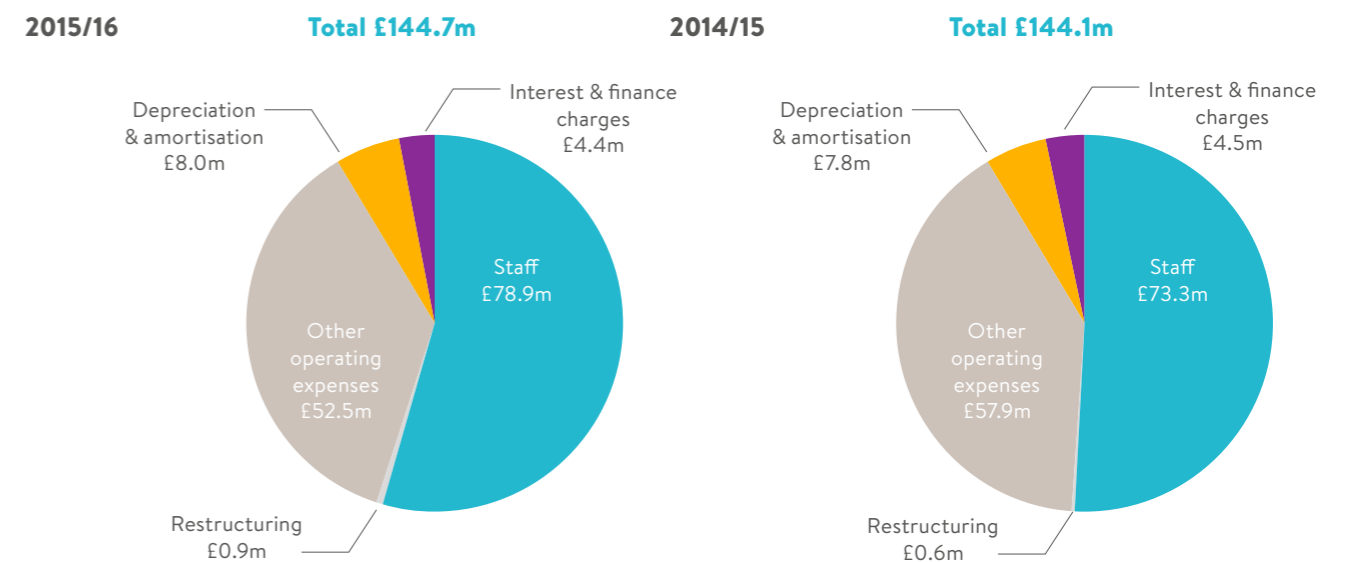


Expenditure

Total expenditure of £144.7m included loss on disposal of fixed assets and investments. Overall this represents an increase of £0.6m (0.4%) compared to the prior year. Staff costs increased from £73.3m in 2014/15 to £78.9m in 2015/16. This was driven by targeted recruitment in the areas of front line teaching, student support and marketing, combined with increased costs of national insurance and pensions provision.

There was a reduced spend on agency staff included in other operating costs (including agency staff, the year on year increase in staff costs was 4.2%). Other operating expenses which included loss on disposal of fixed assets and investments decreased by £5.4m (9.3%) to £52.5m. Depreciation, amortisation and financing costs increased from £12.3m to £12.4m.

A breakdown of expenses is shown below:



Statement of comprehensive income and expenditure

An operating deficit of £6.8m was recorded compared to a surplus of £3.6m in 2014/15. Please note that the latter included a one-off credit of £6m backdated grant payments. The 2014/15 surplus has been restated in line with the Education SORP with an additional charge of £1.2m in relation to net interest costs on pension scheme liabilities.

The 2014/15 figures are not directly comparable with last year's annual report and accounts, due to the impact of the Education SORP. The main impacts of the SORP on the balance sheet are as follows:

- > Reclassification of Deferred Capital Grant to creditors - falling due within one year or more than one year,
- > Creation of a provision for short term staff benefits (holiday pay accruals), and
- > Adoption of one time revaluation of the University's land which added £50m to the value of our fixed assets.

The overall impact of the SORP changes on our net assets was relatively minimal (the reduction in net assets due to the deferred capital grant creditor is offset by the increased land value) but the increase in pension provisions in the year contributed to a decrease in our total net assets from £106m to £86m.

Treasury management

Total cash and current investments held by the University and its subsidiary companies was £38.1m at 31 July 2016. £18.7m was held in sterling money market funds, £0.5m was held in the Columbia Threadneedle UK Social Bond Fund, and the remainder in our Barclays bank accounts. During the year the University disposed of the medium risk portfolio managed by Barclays Wealth, realising a loss of £0.5m. These funds were invested in sterling money market funds.

The University has a treasury management policy agreed by the Finance and Capital Projects Committee and each year the Committee sets a minimum liquid cash holding level for the year. In 2015/16 this holding was equivalent to 50 days of operating costs. The liquid cash holding was monitored on a monthly basis and remained in excess of the required threshold throughout the year.

Prospects for 2016/17 and beyond

The University anticipates a further deficit in 2016/17. The Board has approved a plan to return to surplus which aligns to the Academic Strategy and is comprised of student recruitment activity, a focus on improved student retention, new income streams and operating efficiencies. Actual and projected deficits are expected to be fully covered by accumulated surpluses.

Our medium term financial forecasts show continued solvency and the University can be considered a going concern.

As described in this Annual Report, the University has fully considered the implications of the new Higher Education and Research Bill, and we believe we are reasonably well prepared for the introduction of the Teaching Excellence Framework. We have also carried out a full risk assessment following the results on the EU referendum.

Public benefit statement

The University of East London is an exempt charity under the terms of the Charities Act 2006. In setting and reviewing the University's objectives and activities, Board has had due regard to the Charity Commission's guidance on the reporting of public benefit and particularly to its supplementary public benefit guidance on the advancement of education. This statement has been included in conformance with the formal reporting requirement of the Higher Education Funding Board for England (HEFCE) as the principal regulator of English higher education institutions under the Charities Act 2006.

Our charitable aims and objectives

The University published its Corporate Plan in January 2015. This sets out four key clear objectives which encapsulate our educational and charitable mission:

1. 'Learning by doing' – learning, teaching, employability and student success

We are connecting our students to a successful future by broadening their horizons, extending their understanding and knowledge, inspiring them to take on new challenges and improving their rates of educational attainment and graduate employment.

2. Creating and disseminating knowledge and ideas that make a difference

Our research and enterprise is building a strong reputation nationally and internationally. We are focused on developing high-quality research that benefits society and builds on our highly successful Research Excellence Framework (REF) submission in 2014.

3. Connecting to students, staff and communities

We are exploring and exploiting new opportunities to build partnerships that benefit our students and communities, facilitated and supported by our staff.

4. Developing our infrastructure

We are continuing to invest in technology and upgrading our estates and facilities. Our aim is to provide the right spaces, systems and support for our staff to perform at their best and for our students to reach their full potential.

Our progress throughout the year in pursuing these objectives is set out in the Strategic Review section of this Annual Report (pages 8–29).

**Corporate
governance**



The following statement is provided to enable readers of the Annual Financial Statements of the University to obtain a better understanding of the governance, management and legal structure of the institution.

Principles

The University endeavours to conduct its business in accordance with the seven “Nolan Principles” identified by the Committee on Standards in Public Life (selflessness, integrity, objectivity, accountability, openness, honesty and leadership) and in full accordance with the guidance to universities which has been provided by the Committee of University Chairs in the HE Code of Governance 2014.

Legal Status

The University is an independent corporation, established as a Higher Education Corporation under the terms of the Education Reform Act 1988 and the Further and Higher Education Act 1992. Its objects, powers and framework of governance are set out in its Instrument and Articles of Government. Its Instrument of Government was approved by the Privy Council on 5 March 1993. The current version of the Articles came into operation on 11 July 2006. The University is an exempt charity whose charitable affairs are regulated by the Higher Education Funding Council for England. The University operates on campuses in Stratford and at Docklands in East London.

Governance

The Articles require the University of East London to have a Board of Governors and an Academic Board, each with clearly defined functions and responsibilities, to oversee and manage its activities.

The Board of Governors, is the University’s governing body, which is responsible for ensuring the effective oversight and management of the institution and for planning its future development. The Board has ultimate responsibility for all the affairs of the institution, including setting its general strategic direction as follows:

- > the determination of the educational character, strategic vision and mission of the University and the oversight of its activities, consistent with the interests of key stakeholders;
- > maintaining long-term business plans, overseeing the effective and efficient use of resources, and safeguarding the solvency of the University and the Corporation;
- > approving annual estimates of income and expenditure;
- > ensuring the establishment and monitoring of systems of control and accountability, including financial and operational controls and risk assessment, procedures for handling internal grievances and for managing conflicts of interest;
- > the appointment, assignment, grading, performance monitoring, suspension, dismissal and determination of the pay and conditions of service of the holders of senior posts;
- > setting a framework for the pay and conditions of service of all other staff;
- > monitoring institutional performance against plans and approved KPIs benchmarked, where possible and appropriate, against other institutions.

In addition, deriving from UK and EU legislation and funding body regulations, the Board is also responsible for the overall legal and regulatory framework of the University and, specifically:

- > the trusteeship of charitable funds
- > the guardianship of degree awarding powers, which cannot be delegated, for example, to a partner institution, but which are exercised by Academic Board under its powers
- > ensuring compliance with the HEFCE’s Memorandum of Assurance and Accountability, with the Vice-Chancellor acting as Accountable Officer. This includes making arrangements for internal and external audit and approving financial regulations
- > ensuring compliance with all relevant bodies of UK legislation

The Board publishes its minutes on the website to promote transparency in how it carries out its responsibilities. The Board has agreed a Policy on Public Interest Disclosure, which is also published on the University website. The University maintains a Register of Interests of members of the Board

and members of the Vice-Chancellor’s Group and other senior managers, which may be consulted by arrangement with the Head of Governance and Legal Services, who is the Clerk to the Board. The Clerk provides independent advice on matters of governance to Board members and the University management and staff.

Reporting to the Board of Governors are the Audit Committee, the Finance and Capital Projects Committee, the Employment Committee, the Governance and Search Committee, the Remuneration Committee and the International Development and Commercial Activities Committee. These committees are chaired by, and their membership made up primarily from, the independent members of the Board. Chairs of Committees meet with the Chair of the Board before each Board meeting and this facilitates effective communication and business planning. In 2015/16 it was agreed that student representation should be extended to two Board committees, Finance and Capital Projects Committee, International Development and Commercial Activities Committee, as well as the Capital Projects Steering Group. There is staff governor representation on the Governance and Search Committee and the Finance and Capital Projects Committee includes a member of staff attending meetings as an observer. Members of the Vice-Chancellor’s Group attend as required.

The Academic Board is responsible for all matters relating to the research, scholarship, teaching and courses at the University, subject to the overall direction of the Board of Governors, drawing its membership entirely from the staff and the students of the institution. Reporting to the Academic Board are a number of key academic committees, all of which have particular roles to play in ensuring the quality of the student experience. Students are represented on all of these committees, which during 2015/16 were the Learning and Teaching Committee, the Regulations Committee, the Student Experience Committee, the Quality and Standards Committee, the Research Ethics Committee, the Academic Development Committee and the Research and Knowledge Exchange Committee. These

committees are responsible for developing, approving and monitoring the key strategies of the University’s core academic business. They receive regular reports from Schools and relevant Services and are in turn required to report regularly to the Academic Board. Following a review of Academic Board committees, the student and teaching related committees were streamlined under a new Education and Student Success Committee to focus on the new Academic Strategy and simplify the structure at both institutional and School level.

The University also has formal standing committees in the areas of Health and Safety and Equality and Diversity, which report direct to the Board and to the Academic Board as appropriate.

Management

The Vice-Chancellor and Chief Executive is the head of the institution and has a general responsibility to the Board of Governors for the organisation, direction and management of the institution. As Chief Executive of the University, the Vice-Chancellor exercises considerable influence upon the development of institutional strategy, the identification and planning of new developments and the shaping of the institutional ethos. Under the terms of the Memorandum of Assurance and Accountability (MAA) between HEFCE and the institution, the Vice-Chancellor is the designated Accountable Officer of the institution and in that capacity can be summoned to appear before the Public Accounts Committee of the House of Commons.

The Vice-Chancellor is supported by the Vice-Chancellor’s Group, which consists of the Deputy Vice-Chancellor, the Deputy Vice-Chancellor and Chief Operating Officer, the Pro-Vice-Chancellor (Research and Knowledge Exchange), the Director of Finance and the Head of Governance and Legal Services. The Vice-Chancellor’s Group works together with Deans of Schools and Directors of Services (VCGDD) on executive and operational management. The Deans, reporting to the DVC, are responsible for the management of the academic affairs of the Schools, while the professional and support services are managed by the Chief Operating Officer and other members of VCG as

appropriate. The University Leadership Team is a wider forum of academic and services managers that also meets on a regular basis.

Responsibilities of the Board

The Board of Governors is responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the institution and enable it to ensure that the financial statements are prepared in accordance with its instruments and articles, the Statement of Recommended Practice: Accounting for Further and Higher Education and other relevant accounting standards. In addition, within the terms and conditions of Memorandum of Assurance and Accountability agreed between the Higher Education Funding Council for England and the Board of Governors, the Board of Governors, through its designated office holder, is required to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the University of East London and of the surplus or deficit, cash flow and total recognised gains or losses for that year.

In preparing the financial statements, the Board of Governors has ensured that:

- > suitable accounting policies are selected and applied consistently;
- > judgements and estimates are made that are reasonable and prudent;
- > applicable accounting standards have been followed; and
- > financial statements are prepared on a going concern basis unless it is inappropriate to presume that the University of East London will continue in operation. The Board of Governors is satisfied that the University has adequate resources to continue in operation for the foreseeable future. The going concern basis is appropriate for the preparation of the financial statements.

The Board of Governors has taken reasonable steps to:

- > ensure that funds from the HEFCE are used only for the purposes for which they have been given and in accordance with the Memorandum of Assurance and Accountability with the Funding Council and any other conditions which the Funding Council may from time to time prescribe;
- > ensure that funds from the National College for Teaching & Leadership are used only for the purposes for which they have been given and in accordance with the terms and conditions of the organisation;
- > ensure that there are appropriate financial and management controls in place to safeguard public funds and funds from other sources;
- > safeguard the assets of the University of East London and to prevent and detect fraud; and
- > secure the economical, efficient and effective management of the University of East London's resources and expenditure.

The University's system of internal financial control is based on the following:

- > comprehensive Financial Regulations and Schedule of Delegation, detailing financial controls and procedures, approved annually by the Audit Committee and Board of Governors;
- > detailed annual income, expenditure and capital budgets and cash flow forecasts, involving variance reporting and updates of forecast outturns;
- > clearly defined and formalised requirements for the approval and control of expenditure, with investment decisions involving capital or revenue expenditure being subject to appropriate levels of appraisal and review as approved by the Board of Governors.

Statement on internal control by the Board of Governors

As the governing body of the University of East London, the Board of Governors has responsibility for maintaining a sound system of internal control in support of its policies, aims and objectives. In so doing it has a responsibility to safeguard the public and other funds for which it is responsible, in accordance with the duties assigned to the Board of Governors in the Articles of Government and Memorandum of Assurance and Accountability with HEFCE.

The system of internal control is designed to understand and manage, rather than eliminate, the risk of non-achievement of policies, aims and objectives; it can therefore only provide only a reasonable and not an absolute assurance of effectiveness.

It is based on an ongoing process to identify the principal risks to the delivery of our policies, aims and objectives, to evaluate the nature and extent of those risks and to ensure they are managed. This process has been in place for the year ended 31 July 2016 and up to the date of approval of the financial statements, the key elements of which are as follows:

- > the Board meets six times in the year to consider the strategic direction and plans of the University and to monitor performance against those plans using Key Performance Indicators;
- > there is clear definition of the responsibilities of and authority delegated to committees of the Board and the executive;
- > the University's Corporate Plan 2015-2020, adopted by the Board in January 2015 sets the framework of strategic aims and objectives against which risks are assessed and performance is monitored and reported;
- > a corporate Strategic Risk Register which assesses key risks at institutional level, is maintained and is reviewed regularly by the Risk Working Group, reporting to the Vice-Chancellor's Group as the Risk Management Committee;

- > all Schools and Services have risk registers, which are tested during the annual planning round, as well as forming part of their ongoing management processes;
- > the Strategic Risk Register is reviewed at every meeting of the Audit Committee and by the Board of Governors at least three times a year;
- > the Board and its Committees require regular management reports to draw attention to the attendant risks and how they are being managed. The Vice-Chancellor is expected to alert the Board to any emergent risks;
- > a report on risk management is submitted to the Board annually;
- > the Audit Committee receives regular reports from the independent Internal Auditors on the adequacy and effectiveness of the University's systems of internal control with recommendations, as appropriate, for improvements;
- > the work of the internal audit service is informed by an analysis of the operational, business and financial risks to which the University is exposed and upon which internal audit activity for 2015/16 was based;
- > members of the Vice-Chancellor's Group are tasked with implementing the various Internal Audit recommendations and reporting progress to the Audit Committee;
- > the Audit Committee monitors the effectiveness of the systems of internal control on the Board's behalf and provides regular reports to the Board;
- > the Internal Auditors provide an annual report to the Board of Governors on internal audit activity within the institution and an opinion on the adequacy and effectiveness of the institution's system of internal control, including internal financial control;
- > the Board receives and consider an annual report from the Audit Committee, which gives assurance on systems for:
 - > risk management, control and governance
 - > economy, efficiency and effectiveness (value for money)

- > management and quality assurance of data submitted to the Higher Education Statistics Agency, the Student Loans Company, HEFCE and other bodies.

The review by the Board of the effectiveness of the system of internal control is informed by the work of the internal auditors, BDO. They operate to the standards defined in the HEFCE Accountability and Audit Code of Practice and submits regular reports on the adequacy and effectiveness of the system of internal controls, together with recommendations for improvement. Our review of the effectiveness of the system of internal control is also informed by the work of the executive managers within

the University, who have responsibility for the development and maintenance of the internal control framework and by comments made by the external auditors in their management letter and other reports.

The Corporate Governance Statement was approved by the board on 24 November 2016 and signed on its behalf by:



Mark Stephens CBE
Chair of the Board
of Governors



Professor John Joughin
Vice-Chancellor
University of East London

Independent auditor's report to the Board of Governors of University of East London

We have audited the financial statements of University of East London (the 'University') for the year ended 31 July 2016 which comprise the consolidated and University comprehensive income and expenditure, consolidated and University statement of changes in reserves, the consolidated and University balance sheet, the consolidated cash flow, 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) including FRS 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland.

This report is made solely to the University's Governing Body, as a body, in accordance with the University's articles of government. Our audit work has been undertaken so that we might state to the University's Governing Body those matters we are required to state to it in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the University and the University's Governing Body as a body, for our audit work, for this report, or for the opinions we have formed.

Respective responsibilities of Governing Body and auditor

As explained more fully in the Governing Body's Responsibilities Statement set out on page 29, the Governing Body is responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view. 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.

Opinion on financial statements

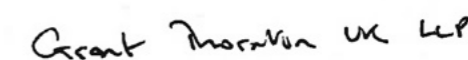
In our opinion the financial statements:

- > give a true and fair view of the state of the group's and the University's affairs as at 31 July 2016 and of the group's income and expenditure, gains and losses, changes in reserves and cash flows for the year then ended in accordance with United Kingdom Generally Accepted Accounting Practice; and
- > have been properly prepared in accordance with the Statement of Recommended Practice: Accounting for Further and Higher Education published in March 2014.

Opinion on other matters prescribed by HEFCE's Memorandum of assurance and accountability dated July 2016 and the funding agreement with the National College for Teaching and Leadership

In our opinion, in all material respects:

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



Grant Thornton UK LLP
Statutory Auditor, Chartered Accountants
London, 25 November 2016



**Financial
statements and
notes to the
accounts**

Consolidated and University statement of comprehensive income and expenditure

		2016	2016	2015	2015
	Notes	Consolidated £'000	University £'000	Consolidated £'000	University £'000
Income					
Tuition fees and education contracts	1	102,247	102,247	104,898	104,898
Funding body grants	2	17,224	17,224	22,592	22,592
Research grants and contracts	3	2,080	2,030	2,143	2,121
Other income	4	16,003	15,689	17,241	16,936
Investment income	5	233	233	409	409
Total income before endowments and donations		137,787	137,423	147,283	146,956
Donations	6	224	224	464	464
Total income		138,011	137,647	147,747	147,420
Expenditure					
Staff costs	7	78,907	78,907	73,256	73,256
Fundamental restructuring costs		880	880	612	612
Other operating expenses	9	52,101	51,737	57,944	57,618
Amortisation	11	344	344	1,363	1,363
Depreciation	12	7,619	7,616	6,438	6,435
Interest and other finance costs	8	4,429	4,429	4,528	4,528
Total expenditure		144,280	143,913	144,141	143,812
(Deficit) / Surplus before other gains losses and share of operating surplus/ deficit of joint ventures and associates		(6,269)	(6,266)	3,606	3,608
Loss on disposal of fixed assets		(43)	(43)	(3)	(3)
(Loss) / Gain of investments		(456)	(456)	37	37
(Deficit) / Surplus before tax		(6,768)	(6,765)	3,640	3,642
Taxation	10	0	0	0	0
(Deficit) / Surplus for the year		(6,768)	(6,765)	3,640	3,642
Unrealised surplus on revaluation of land and buildings	12	0	0	0	0
Actuarial (loss) in respect of pension schemes	27	(12,465)	(12,465)	(6,095)	(6,432)
Total comprehensive income for the year represented by:		(19,233)	(19,230)	(2,455)	(2,790)
Restricted comprehensive income	20	(68)	(68)	87	87
Unrestricted comprehensive income		(19,165)	(19,162)	(2,542)	(2,877)
		(19,233)	(19,230)	(2,455)	(2,790)

All items of income and expenditure relate to continuing activities

Consolidated and University statement of changes in reserves

Consolidated	Notes	Restricted £'000	Unrestricted £'000	Revaluation reserve £'000	Total £'000
Balance at 1 August 2015		128	49,480	55,972	105,580
(Deficit) from the income and expenditure statement		0	(6,768)	0	(6,768)
Other comprehensive income		0	(12,465)	0	(12,465)
Transfers between revaluation and income and expenditure reserve		0	0	0	0
Release of restricted funds spent in year	20	(68)	68	0	0
Total comprehensive income for the year		(68)	(19,165)	0	(19,233)
Balance at 31 July 2016		60	30,315	55,972	86,347

University	Notes	Restricted £'000	Unrestricted £'000	Revaluation reserve £'000	Total £'000
Balance at 1 August 2015		128	49,462	55,972	105,562
(Deficit) from the income and expenditure statement		0	(6,765)	0	(6,765)
Other comprehensive income		0	(12,465)	0	(12,465)
Transfers between revaluation and income and expenditure reserve		0	0	0	0
Release of restricted funds spent in year	20	(68)	68	0	0
Total comprehensive income for the year		(68)	(19,162)	0	(19,230)
Balance at 31 July 2016		60	30,300	55,972	86,332

Consolidated	Notes	Restricted £'000	Unrestricted £'000	Revaluation reserve £'000	Total £'000
Balance at 1 August 2014		41	52,022	55,972	108,035
Surplus from the income and expenditure statement		0	3,640	0	3,640
Other comprehensive income		0	(5,709)	0	(5,709)
Transfers between revaluation and income and expenditure reserve		0	139	0	139
Release of restricted funds spent in year	20	87	(87)	0	0
Additional provision for short term staff benefit		0	(525)	0	(525)
Total comprehensive income for the year		87	(2,542)	0	(2,455)
Balance at 31 July 2015		128	49,480	55,972	105,580

University	Notes	Restricted £'000	Unrestricted £'000	Revaluation reserve £'000	Total £'000
Balance at 1 August 2014		41	52,339	55,972	108,352
Surplus from the income and expenditure statement		0	3,642	0	3,642
Other comprehensive income		0	(6,046)	0	(6,046)
Transfers between revaluation and income and expenditure reserve		0	139	0	139
Release of restricted funds spent in year		87	(87)	0	0
Additional provision for short term staff benefit		0	(525)	0	(525)
Total comprehensive income for the year		87	(2,877)	0	(2,790)
Balance at 31 July 2016		128	49,462	55,972	105,562

Consolidated and University balance sheet

		2016 Consolidated £'000	2016 University £'000	2015 Consolidated £'000	2015 University £'000
	Notes				
Non-current assets					
Intangible assets	11	2,191	2,191	1,214	1,214
Fixed assets	12	240,922	240,906	244,725	244,707
Investments	13	34	234	34	34
		243,147	243,331	245,973	245,955
Current assets					
Stock	14	8	0	17	0
Trade and other receivables	15	7,283	7,854	9,354	9,469
Receivable after more than one year	15	90	90	91	91
Current Investments	16	550	550	9,133	9,133
Cash and cash equivalents	21	37,569	36,858	38,630	38,340
		45,500	45,352	57,225	57,033
Less: Creditors: amounts falling within one year	17	(27,521)	(27,572)	(35,881)	(35,689)
Net current assets		17,979	17,780	21,344	21,344
Total assets less current liabilities		261,126	261,111	267,317	267,299
Creditors: amounts falling due after more than one year	18	(72,117)	(72,117)	(72,928)	(72,928)
Provisions					
Pension provisions	27	(99,137)	(99,137)	(84,626)	(84,626)
Other provisions	19	(3,525)	(3,525)	(4,183)	(4,183)
Total net assets		86,347	86,332	105,580	105,562
Restricted Reserves					
Income and expenditure reserve restricted reserve	20	60	60	128	128
Unrestricted Reserves					
Income and expenditure reserve unrestricted		30,315	30,300	49,480	49,462
Revaluation reserve		55,972	55,972	55,972	55,972
		86,287	86,272	105,452	105,434
Total Reserves		86,347	86,332	105,580	105,562

The financial statements were approved by the Board of Governors on 24 November 2016 and signed on its behalf by:



Mr M Stephens
Chair of Governors



Professor J Joughin
Governor & Vice-Chancellor



Mr J Headley
Director of Finance

Consolidated cash flow

	Notes	2016 £'000	2015 £'000
Cash flow from operating activities			
(Deficit) / Surplus for the year		(6,768)	3,640
Adjustment for non-cash items			
Depreciation	12	7,619	7,565
Amortisation of intangibles	11	344	236
Release of capital grant	2 & 6	(1,130)	(1,842)
Release of donations	6	(68)	(87)
Exchange differences		(45)	0
Decrease/(Increase) in stock	14	9	(3)
Decrease/(Increase) in debtors		2,062	(2,350)
Decrease in creditors		(7,439)	(1,168)
Pension costs less contributions payable		(983)	(1,223)
(Decrease)/Increase in other provisions	19	(658)	658
Adjustment for investing or financing activities			
Loss/(Gain) on investments		456	(37)
Investment income		(233)	(409)
Interest payable	8	4,429	4,528
Decrease in pension provision		0	(1,835)
Loss on the sale of fixed assets		43	3
Net cash flow from operating activities		(2,362)	7,676
Cash flows from investing activities			
Proceeds from sales of fixed assets		3	87
Capital grants receipts		1,811	3,594
Withdrawal of deposits		8,582	6,089
(Loss) / Gain on investments		(456)	37
Investment income		243	386
Payments made to acquire fixed assets		(4,043)	(12,103)
Payments made to acquire intangible assets		(1,637)	(1,194)
Net cash flow from investing activities		4,503	(3,104)
Cash flows from financing activities			
Interest paid		(1,366)	(1,472)
New unsecured loan		464	0
Repayments of amounts borrowed		(2,300)	(1,867)
Net cash flow from financing activities		(3,202)	(3,339)
(Decrease)/increase in cash and cash equivalents in the year		(1,061)	1,233
Cash and cash equivalents at beginning of the year	21	38,630	37,397
Cash and cash equivalents at end of the year	21	37,569	38,630

Accounting policies

1. Accounting convention

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

2. Basis of consolidation

The consolidated financial statements incorporate the financial statements of the university and its subsidiary undertakings for the financial year to 31 July 2016. Intra-group transactions are eliminated on consolidation. The consolidated financial statements do not include those of the University of East London Students' Union as it is an independent association with separate control. The grant to the Students Union is disclosed in Note 9. The financial statements of our subsidiary are prepared in accordance with the requirements of the Companies Act 2006.

3. Income recognition

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

i) Tuition Fee income

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

ii) Investment income

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

iii) Grant funding

In line with the implementation of FRS 102, the University has adopted the accrual model for government revenue and capital grants.

Government revenue grants including funding council block grant and research grants are recognised in income over the periods in which the University recognises the related costs for which the grant is intended to compensate. Government capital grants received in respect of the acquisition, or construction of, fixed assets are recognised in income on a systematic basis over the expected useful life of the asset to which the grant relates. An annual transfer made to the income and expenditure account over the useful economic life of the asset, at the same rate as the depreciation charge on the asset for which the grant was awarded. The income shall be recorded within the Statement of Comprehensive Income under the relevant heading of funding body grants.

Where part of a government grant is deferred it is recognised as deferred income within creditors and allocated between creditors due within one year and due after more than one year as appropriate.

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

iv) Donations

Donations are non-exchange transactions which are accounted for using the performance method, and to be categorised as restricted or unrestricted donations depending on the circumstances. Donations with restrictions are recognised in income when the University is entitled to the funds. Income is retained within the restricted reserve

until such time that it is utilised in line with such restrictions at which point the income is released to general reserves.

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

4. Stocks

Stocks primarily comprise various consumables and are valued at the lower of cost and net realisable value.

5. Agency arrangements

The University acts as an agent in the collection and payment of funds received from some collaborative partners. Receipts from students and subsequent payments to partners are excluded from the statement of comprehensive income and expenditure account.

The University also acts as an agent in the collection and payment of training bursary to students under NCTL and NHS programmes. The administrative fees received from NCTL and NHS are included in the statement of comprehensive Income and Expenditure account.

6. Maintenance of premises

The University of East London has a recurrent maintenance programme which forms the basis of the ongoing maintenance of our estate. The cost of recurrent and routine corrective maintenance is charged to the income and expenditure account as it is incurred.

Major refurbishment projects undertaken as part of our estates strategy which increase our economic capacity are capitalised as assets in construction and depreciated over a five to ten year period from completion.

7. Fixed assets and depreciation

Fixed assets are stated at cost less accumulated depreciation. No revaluation has been carried on fixed assets prior to the date of transition to the 2015 FE HE SORP.

Land and buildings

Freehold land and long term leasehold land is

considered to have indefinite useful life and is not depreciated. A one-off valuation of the land was adopted at the date of transition to the 2015 FE HE SORP.

Freehold, leasehold buildings are depreciated on a straight line basis over their expected useful lives as follows:

Freehold buildings	50 years
Long Leasehold buildings	25 years
Short Leasehold buildings	3 years
Refurbishments	5 to 10 years

Equipment

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

General	8 years
Solar panels	25 years
Lifts (depends on type)	15 to 20 years
Boilers and chillers	15 years
Generators	25 years
Computers	5 years
Furniture	10 years
Vehicles	5 years

Assets costing more than £20,000 are initially capitalised at historical cost.

In cases where individual assets costing less than £20,000 each form part of a specific project which enhances the value of the business for a number of years, the expenditure on that project will be capitalised and depreciated over the estimated useful life of the enhancement.

Assets in the course of construction are not depreciated. On completion they are transferred to other fixed asset categories and depreciated accordingly.

Interest paid on loans to acquire tangible fixed assets is capitalised during the period of construction and written off over the life of the asset acquired.

The University of East London has adopted the transitional provisions of Financial Reporting

Standard (FRS) 102. Accordingly the book values at the implementation of FRS 102 have been retained and the valuations of those assets held at valuation have not been updated.

8. Intangible asset

In accordance with FRS 102, software costs have been reclassified as intangible assets and amortised on a straight line basis over a period of 5 years.

9. Pension scheme arrangements

The University participates in two defined benefits schemes: the London Borough of Barking and Dagenham Pension Scheme and the Teachers' Pension Scheme. It also operates a defined contribution scheme. All three schemes are funded by contributions from the university and employees.

For the London Borough of Barking and Dagenham defined benefit scheme, the University is obliged to provide the agreed benefits to current and former employees, and actuarial risk and investment risk are borne by the University. The assets of the scheme are held separately from those of the Group, in separate trustee administered funds. Pension scheme assets and liabilities are measured on an actuarial basis using the projected unit method and discounted at a rate equivalent to the current rate of return on a high quality corporate bond. The actuarial valuations are obtained at least triennially and are updated at each balance sheet date. The resulting defined benefit asset or liability, net of the related deferred tax, is presented separately after other net assets on the face of the balance sheet.

For the London Borough of Barking and Dagenham Pension Scheme the amounts charged to the Statement of Comprehensive Income and Expenditure account are the current service costs and gains and losses on settlements and curtailments. They are included as part of staff costs. Past service costs are recognised immediately in the Statement of Comprehensive Income and Expenditure account if the benefits have vested. If the benefits have not vested immediately, the costs are recognised over the period until vesting occurs. A notional interest cost on the pension liability or notional interest

earned on the surplus is shown as part of finance costs or interest earned. Actuarial gains and losses are recognised immediately in the Statement of Comprehensive Income and Expenditure.

It is not possible to identify the assets of the Teachers' Pension Scheme which are attributable to the university. This scheme is accounted for on a defined contribution basis and contributions to the scheme are included as expenditure in the period in which they are payable.

For defined contribution schemes the amount charged to the Statement of Comprehensive Income and Expenditure account in respect of pension costs and other post-retirement benefits is the contribution payable in the year. Differences between contributions payable in the year and contributions actually paid are shown as either accruals or prepayments in the balance sheet.

10. Employment benefits

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

11. Leases

Leasing agreements which transfer to the University substantially all the benefits and risks of ownership of an asset, are treated as if the asset had been purchased outright. The lease rentals consist of capital and interest elements. The assets are included in fixed assets and the capital elements are shown as obligations under finance leases, and the interest element is charged to the Statement of Comprehensive Income and Expenditure.

Rental costs under operating leases are charged to the Statement of Comprehensive Income and Expenditure account in the year the costs are incurred.

12. Financial Instruments

A financial instrument is a contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity.

The University only has financial assets and liabilities of a kind that qualify as basic financial instruments accounted for in accordance with section 11 of FRS 102. Cash, bank, debtors, creditors and loan balances are recorded at amortised cost. Interest earned on bank accounts and interest charged on loans are recorded as interest receivable and interest payable respectively in the period to which they relate. Bank charges are recorded as operating expenditure in the period which they relate.

The University has two bank loans where the capital amount is repaid on equal instalment and the interest element is repaid at a fixed interest rate each quarter. The balance of the principal sum is recorded in the Balance Sheet under liabilities and the interest repayment is charged to the Statement of Comprehensive Income and Expenditure account.

13. Investments

Fixed asset investments are stated at cost less provision for any impairment in value. Current asset investments are stated at net realisable value. Any increase or decrease in value arising on the revaluation of current asset investments is recognised in the Statement of Comprehensive Income and Expenditure. Investments in associates and subsidiaries are carried at cost less impairment in the University's accounts.

14. Cash and cash equivalents

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

Cash equivalents are short term, highly liquid investments that are readily convertible to know amounts of cash with insignificant risk of change in value. They include term deposits up to 3 months held as part of the university's treasury management activities. Investments with a maturity date in excess of 3 months at acquisition are classified as non-liquid resources and are treated as capital investments.

15. Taxation

The University is an exempt charity within the meaning of Schedule 3 of the Charities Act 2011

(formerly schedule 2 of the Charities Act 1993), and as such is a charity within the meaning of Paragraph 1 of Schedule 6 of the Finance Act 2010. Accordingly, the University is potentially exempt from taxation in respect of income or capital gains received within categories covered by sections 478-488 of the Corporation Tax Act 2010 (CTA 2010) (formerly enacted in Section 505 of the Income and Corporation Taxes Act 1988 (ICTA)) 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. All subsidiary companies are liable to Corporation Tax and Value Added Tax in the same way as any other commercial organisation.

The University is registered for Value Added Tax (VAT) and its principal activities are exempt from Value Added Tax, but certain ancillary supplies and services are liable to Value Added Tax at various rates. Expenditure includes irrecoverable Value Added Tax charged by suppliers to the University.

16. Provisions, contingent liabilities and contingent assets

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

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

A contingent asset arises where an event has taken place that gives the University a possible asset whose existence will only be confirmed by the occurrence or otherwise of uncertain future events not wholly within the control of the University. Contingent assets and liabilities are not recognised in the Balance Sheet but disclosed in the notes.

17. Foreign currency

Transactions in foreign currencies are translated to GBP at the foreign exchange rate ruling at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies at balance sheet date are translated to GBP at the rates of exchange ruling at that date. Foreign exchange differences arising on translations are recognised in surplus or deficit. Non-monetary assets and liabilities denominated in foreign currencies that are stated at fair value are retranslated to GBP at foreign exchange rates ruling at the dates the fair value was determined.

18. Reserves

Reserves are classified as restricted or unrestricted. Restricted reserves include balances where donors have designated a specific purpose and therefore the University is restricted in the use of these funds.

19. Going concern

After taking into account possible changes in performance and the risks discussed in the Operating and Financial Review, the Board of Governors has a reasonable expectation that the University and the Group have adequate resources to continue in operational existence for the foreseeable future. Accordingly, they continue to adopt the going concern basis in preparing the annual report and financial statements.

20. Transition to 2015 SORP

The University is preparing its financial statements in accordance with FRS 102 for the first time. While some of the reporting standard allow the University to have a choice, some of the requirements are mandatory. Consequently the University has applied the following requirements approved by the Board:

- > Accrual model for accounting of grant – both capital and revenue
- > One of revaluation of land

Mandatory requirements

- > Provision of short term staff benefits
- > Recognition of income from non-government grant immediately
- > Reclassification of reserves into restricted and unrestricted
- > Reclassification of donations
- > Reclassification of Deferred Capital Grant to creditors
- > Changes in terminology, formats and presentation of the financial statements

An explanation of how the transition to SORP has affected the reported financial position, financial performance and cash flows of the consolidated results of the University is provided in note 28.

21. Key judgement and estimates

In preparing the financial statements to conform with FRS 102, management are required to use judgements in applying estimates and assumptions which affect the reported amounts. The main items where these judgements and estimates have been made include:

a. Pension

The annual pension statement is provided by the external actuarial and the University adopt the assumptions on review. The pension valuations are carried out at least triennially and will set the contribution rate for the following years.

b. Short term staff benefits

The holiday pay accruals calculation is based on annual leave data supplied from the Human Resource department and assumptions have been made in areas where annual leave data was unavailable.

c. Land revaluation and depreciation

We have adopted a one off revaluation of the land at Docklands and Stratford campuses which includes long leasehold land. Long term leasehold land is considered to have indefinite useful life and is not depreciated.

Notes to the accounts year ended 31 July 2016

1	2016		2015	
	Consolidated	University	Consolidated	University
	£'000	£'000	£'000	£'000
Tuition Fees and Education Contracts				
UK Higher Education students	75,079	75,079	75,144	75,144
European Union (excluding UK students)	11,696	11,696	10,656	10,656
Non-European Union students	6,818	6,818	10,171	10,171
Part-time students	5,405	5,405	5,707	5,707
	98,998	98,998	101,678	101,678
Education contracts	3,249	3,249	3,220	3,220
	102,247	102,247	104,898	104,898

2	2016		2015	
	Consolidated	University	Consolidated	University
	£'000	£'000	£'000	£'000
Funding Body Grants				
Recurrent grant				
Higher Education Funding Council	15,775	15,775	19,809	19,809
Capital grant	579	579	1,079	1,079
Specific grants				
Higher Education Innovation Fund	389	389	856	856
National Scholarship Programme	0	0	520	520
Postgraduate Support Scheme / Collaborative outreach	217	217	0	0
Learning Gain	93	93	0	0
National College for Teaching & Leadership	171	171	328	328
	17,224	17,224	22,592	22,592

The recurrent grant included one off £582,971 backdated payment from HEFCE.

3	2016		2015	
	Consolidated	University	Consolidated	University
	£'000	£'000	£'000	£'000
Research Grants and Contracts				
Research Councils	335	335	574	574
UK based charities	129	129	197	197
European Commission	416	416	421	421
Other grants and contracts	1,200	1,150	951	929
	2,080	2,030	2,143	2,121

UK based charities includes income of £3,000 (2014/15: £nil) from The Henry Moore Foundation and £4,201 in 2014/15 from the Aldgate and Allhallows Foundation. Other grants and contracts include income of £209,012 in 2014/15 from the GLA Well London Project Funding (via the BIG Lottery Fund).

4	2016		2015	
	Consolidated	University	Consolidated	University
	£'000	£'000	£'000	£'000
Other Income				
Residences, catering and conferences	8,560	8,560	8,715	8,715
Collaborative agreements	1,675	1,675	1,589	1,589
Release of Non-HEFCE capital grants	552	552	569	569
Other income	5,216	4,902	6,368	6,063
	16,003	15,689	17,241	16,936

Non-research income includes income of £60,410 (2014/15: £19,515) from Sport England, £554 (2014/15: £17,012) from the Wates Family Enterprise Trust and £51,091 (2014/15: £4,394) from The Royal British Legion.

5	2016		2015	
	Consolidated	University	Consolidated	University
	£'000	£'000	£'000	£'000
Investment Income				
Other investment income	233	233	409	409

6	2016		2015	
	Consolidated	University	Consolidated	University
	£'000	£'000	£'000	£'000
Donations and Endowments				
Donations with restrictions	0	0	363	363
Donations with restrictions (restated)	0	0	87	87
Unrestricted donations	224	224	14	14
	224	224	464	464

7	2016		2015	
	Consolidated	University	Consolidated	University
	£'000	£'000	£'000	£'000
Staff costs				
Salaries	61,499	61,499	58,204	58,204
Social security costs	5,849	5,849	5,188	5,188
Total	11,559	11,559	9,864	9,864
	78,907	78,907	73,256	73,256

The staff costs exclude restructuring costs of £880k (2014/15: £612k)

	2016 £'000	2015 £'000
Emoluments of the Vice-Chancellor:		
Salary	250	224
Benefits	3	3
Pension contributions	41	32
	294	259

The emoluments of the Vice-Chancellor are shown on the same basis as for higher paid staff and exclude employer's national insurance contributions. The Vice-Chancellor's remuneration for 2015/16 is made up of a salary of £250,000 plus health insurance provided by the University. The University's pension contributions to the Teachers' Pension Scheme in respect of the Vice-Chancellor are paid at the same rates as for other academic staff. This represents employer's pension contributions of 16.4% from September 2015 (2014/15: 14.1%). No Board Members received any remuneration for the year 2015/16 and 2014/15. Four non-staff governors were paid £6,134 in expenses in 2015/16 (2014/15: five governors were paid £5,143).

The table below shows the number of higher paid staff, excluding the Vice-Chancellor, whose remuneration falls within the following bands:

	2016 No.	2015 No.
Higher paid staff		
£100,001 - £110,000	1	4
£110,001 - £120,000	2	0
£120,001 - £130,000	0	1
£130,001 - £140,000	0	1
£140,001 - £150,000	0	1
£150,001 - £160,000	2	2
£160,001 - £170,000	1	0
£170,001 - £180,000	0	1
£180,001 - £190,000	1	0
	7	10

The remuneration figures are calculated before deduction of any payments made under salary sacrifice schemes, include taxable benefits but exclude employer's pension contribution and employer's national insurance contributions.

Key management personnel are members of Vice-Chancellor's Group led by the Vice-Chancellor

Deputy Vice-Chancellor and Chief Operating Officer
Deputy Vice-Chancellor, Academic
Pro-Vice-Chancellor (Learning, Teaching & Student Engagement)
Head of Governance and Legal Services
Director of Finance

	2016 £'000	2015 £'000
Key management personnel compensation		
	940	845

The compensation consists of salary, benefits, employer's NI and pension contribution.

	2016 £'000	2015 £'000
Average staff numbers by major category		
Senior Management Staff	6	6
Teaching Staff	559	529
Research Staff	34	35
Professional, Administrative, Technical and Other Support Staff	736	710
	1,335	1,280

Included in the staff costs are salaries totalling £1,891,400 (2014/15: £2,093,457) paid to 760 (2014/15: 958) hourly paid and specialist lecturers. The number of staff paid cannot be readily converted into full time equivalents so has not been included in the staff number table above. If an average lecturer cost was used then the total spend would translate into 38 full time equivalent academic staff in 2015/16 (2014/15: 42 academic staff).

	2016 Consolidated £'000	2016 University £'000	2015 Consolidated £'000	2015 University £'000
8				
Interest and other finance costs				
Loan interest	1,355	1,355	1,471	1,471
Exchange differences	45	45	0	0
Net charge on pension scheme	3,029	3,029	3,057	3,057
	4,429	4,429	4,528	4,528

	2016 Consolidated £'000	2016 University £'000	2015 Consolidated £'000	2015 University £'000
9				
Analysis of total expenditure by activity				
Academic departments	9,784	9,784	9,932	9,932
Research grants and contracts	684	684	687	687
Bursaries and scholarships	8,180	8,180	9,427	9,427
Academic services	1,691	1,691	1,791	1,791
Administration and central services	11,642	11,642	13,957	13,957
Residences, catering and conferences	2,718	2,718	3,411	3,411
Other expenses	1,670	1,306	3,006	2,680
Information Technology	4,455	4,455	3,795	3,795
Premises	11,277	11,277	11,938	11,938
	52,101	51,737	57,944	57,618

Other expenses include

External auditor's remuneration: Fees payable for the audit of the university's annual accounts	47	47	56	56
The audit of the university's subsidiary, pursuant to legislation	6	0	3	3
Other audit services	7	7	10	10
Internal auditor's remuneration	107	107	95	95
Losses on disposal of tangible fixed assets	43	43	3	3
Students' Union grant	706	706	642	642
Rentals paid during the year under operating leases: Hire of plant and machinery	648	648	711	630

10

Taxation

The University and its subsidiary companies were not liable for Corporation Tax.

11	2016		2015	
	Consolidated £'000	University £'000	Consolidated £'000	University £'000
Intangible assets: Software				
Opening balance	1,214	1,214	2,577	2,577
Additions in the year	1,321	1,321	0	0
Amortisation charge for the year	(344)	(344)	(1,363)	(1,363)
Closing balance	2,191	2,191	1,214	1,214

The addition during the year relates to the purchase of software intangible assets.

12	Freehold Land and Buildings £'000	Leasehold Land and Buildings £'000	Equipment and furniture £'000	Assets in construction £'000	Total £'000
Fixed Assets Group Cost or valuation					
At 1 August 2015	241,255	28,790	25,144	51	295,240
Additions	777	0	1,388	1,694	3,859
Disposals	0	0	(1,242)	0	(1,242)
At 31 July 2016	242,032	28,790	25,290	1,745	297,857
Depreciation					
At 1 August 2015	37,229	514	12,772	0	50,515
Charge for the year	4,505	65	3,049	0	7,619
Disposals	0	0	(1,199)	0	(1,199)
At 31 July 2016	41,734	579	14,622	0	56,935
Net book value					
At 31 July 2016	200,298	28,211	10,668	1,745	240,922
At 31 July 2015	204,026	28,276	12,372	51	244,725
University Cost and valuation					
At 1 August 2015	241,255	28,790	25,124	51	295,221
Additions	777	0	1,387	1,694	3,857
Disposals	0	0	(1,242)	0	(1,242)
At 31 July 2016	242,032	28,790	25,269	1,745	297,836
Depreciation					
At 1 August 2015	37,229	514	12,770	0	50,513
Charge for the year	4,505	65	3,046	0	7,616
Disposals	0	0	(1,199)	0	(1,199)
At 31 July 2016	41,734	579	14,617	0	56,930
Net book value					
At 31 July 2016	200,298	28,211	10,652	1,745	240,906
At 31 July 2015	204,026	28,276	12,354	51	244,707
Leased assets included above:					
At 31 July 2016	0	28,211	0	0	28,211
At 31 July 2015	0	28,211	0	0	28,276

As part of the FRS 102 conversion, the University's land was revalued by Graham Bridgeman-Clarke FRICS to the value of £55,445,000 (an increase of £50,452,000). Capitalised interest of £970,258 (2014/15: £996,399) is included within Freehold land and buildings and is depreciated at the same rate as the building constructed with the loan.

	Subsidiary companies £'000	Other fixed assets investments £'000	Total £'000
13			
Non-Current Investments Consolidated			
At 1 August 2015	0	34	34
Additions	0	0	0
At 31 July 2016	0	34	34
University			
At 1 August 2015	0	34	34
Additions	200	0	200
At 31 July 2016	200	34	234

The non-current investments have been shown at cost. The £200,000 investment relates to the setup of the 100% owned subsidiary company, UEL Professional Services Ltd in January 2016.

Other non-current investments consist of :

	2016 £'000	2015 £'000
Universities UK	34	34

Consolidated and University

Universities UK	34	34
-----------------	----	----

	2016 £'000	2015 £'000
14		
Consolidated Stock	8	17

The stock held by Knowledge Dock Limited relates to fabric as cost per metre and consumables as cost per item.

	2016 Consolidated £'000	2016 University £'000	2015 Consolidated £'000	2015 University £'000
15				

Trade and other receivables

Amounts receivable within one year

Trade and other receivables	4,568	4,612	5,293	5,237
Amounts owed by subsidiary undertaking	0	281	0	183
Other debtors	92	210	77	73
Prepayments and accrued income	2,623	2,751	3,984	3,976
	7,283	7,854	9,354	9,469

Amounts receivable after more than one year

General prepayments and accrued income: Between one and two years	90	90	91	91
	7,373	7,944	9,445	9,560

	2016 Consolidated £'000	2016 University £'000	2015 Consolidated £'000	2015 University £'000
16				
Current Investments				
Investment managed by Fund Manager	0	0	8,637	8,637
Investment in social fund	550	550	496	496
Current investments	550	550	9,133	9,133

	2016 Consolidated £'000	2016 University £'000	2015 Consolidated £'000	2015 University £'000
17				
Creditors: Amounts falling due within one year				
Other loans repayable within one year	1,960	1,960	2,300	2,300
Trade creditors	12,105	12,425	14,375	14,308
Other creditors	445	445	300	300
Taxation and social security	2,369	2,335	2,216	2,216
Accruals and deferred income	10,642	10,407	16,690	16,565
	27,521	27,572	35,881	35,689

	2016 Consolidated £'000	2016 University £'000	2015 Consolidated £'000	2015 University £'000
18				
Creditors: Amounts falling due after more than one year				
Deferred income	47,820	47,820	47,136	47,136
Other loans – Bank (secured)				
Between one and two years	1,899	1,899	1,899	1,899
Between two and five years	5,699	5,699	5,698	5,698
In five years or more	16,295	16,295	18,195	18,195
Other loans – HEFCE (unsecured)				
Between one and two years	61	61	0	0
Between two and five years	182	182	0	0
In five years or more	161	161	0	0
	72,117	72,117	72,928	72,928

Analysis of secured and unsecured loans:

Due within one year or on demand	1,960	1,960	2,300	2,300
Due between one and two years	1,960	1,960	1,899	1,899
Due between two and five years	5,880	5,880	5,698	5,698
Due in five years or more	16,456	16,456	18,195	18,195
Due after more than one year	24,296	24,296	25,792	25,792
Total secured and unsecured loans	26,256	26,256	28,092	28,092

The bank loans were secured against the land and property at the Docklands campus. The bank would have rights to ownership of the land and buildings should the University default on the loan payment. The value of the financial assets pledged as collateral can be found in Note 12 above.

Details of loans	Principal Amount £'000	Term	Interest rate %	Borrower
Lender				
Barclays Bank	30,000	24 years	5.01	University
Barclays Bank	14,000	22 years	5.15	University
	44,000			
Other (HEFCE)	464	8 years	0.00	University
Total	44,464	2,191		

	2016 Consolidated and University £'000	2015 Consolidated and University £'000
19		

Provisions for liabilities

Balance at 1 August	4,183	3,525
Release of provisions	(658)	658
Balance at 31 July	3,525	4,183

The balance at 31 July relates to short term employees' benefits. £658k provision has been released as the liabilities have been resolved.

	2016 Consolidated and University £'000	2015 Consolidated and University £'000
20		

Restricted Reserves

Balances at 1 August 2015	128	41
New grants	0	0
New donations	0	450
Investment income	0	0
Capital grants utilised	0	0
Expenditure	0	(363)
	128	128
Release of restricted funds spent in year	(68)	0
At 31 July 2016	60	128

The restricted reserves relate to donations from the Noon Foundation (2014/15: £128,000).

	At 1 August 2015 £'000	Cash Flows £'000	At 31 July 2016 £'000
21			

Cash and cash equivalents Consolidated

Cash and cash equivalents	38,630	(1,061)	37,569
---------------------------	--------	---------	--------

Cash and cash equivalents University

Cash and cash equivalents	38,340	(1,482)	36,858
---------------------------	--------	---------	--------

	2016 Consolidated £'000	2016 University £'000	2015 Consolidated £'000	2015 University £'000
22				

Capital and other commitments

Commitments contracted for but not provided for in the financial statements	523	523	684	684
Authorised by the Board of Governors but not yet contracted for	2,155	2,155	4,531	4,531
	2,678	2,678	5,215	5,215

Commitments contracted at 31 July 2016 include £309,959 in respect of a new Health and Bioscience lab in University House at the Stratford Campus. It also included £100,546 in respect of UEL's share of the committed costs for University Square Stratford (USS) Campus. Projects authorised by the Board of Governors but not yet contracted include the purchase of land to the west of the Docklands Campus (£1,477,167), replacement of the temporary R Building in Stratford (£210,664) and UEL's share for USS (£231,364).

23 Contingent liabilities

The University does not have any contingent liabilities.

	2016 £'000	2015 £'000
24		

Lease obligations

Total rentals payable under operating leases:

Payable during the year	648	711
-------------------------	-----	-----

Equipment and Furniture
£'000

Future lease payments due

Due within one year	479
Due between two and five years	704
Due after five years	0
	1,183

25 Subsidiary undertakings

The subsidiary companies (all of which are registered in England & Wales), wholly-owned or effectively controlled by the University as follows:

Company	Principal Activity	Status
Knowledge Dock Ltd	The supply of consultancy and business rentals (the fabric printing business was closed in July 2016)	100% owned
UEL Professional Services Ltd	The supply of staff to the University of East London	100% owned

Related party transactions

Due to the nature of the institution's operations and the composition of the Board of Governors (being drawn from local public and private sector organisations) it is possible that transactions will take place with organisations in which a member of the Board of Governors may have an interest. All transactions are completed in accordance with the University of East London's financial regulations. All transactions involving organisations in which a member of the Board of Governors may have an interest are conducted at arm's length.

The consolidated financial statements do not include those of the University of East London Students' Union as the University has no significant influence on its policies. However, since the University's Board of Governors includes representatives from the elected members of the students' union, transactions between the University and the union are recorded here for completeness.

The following summarises the significant arm's length transactions (in excess of £20,000) with related parties during the year:

Company / Institution	Role of governor/ senior post holder	Opening debtor or (creditor) £	Income or (expenditure) for the year £	Closing debtor or (creditor) £
UEL Students' Union	Elected President			
Other services: income		1,773	(4,246)	(2,473)
Annual support grant		—	(706,000)	—

The student union other services income is a combination of utility costs, other recharges and printing services. The £706k is in regards to the annual support grant received by the Student Union inclusive of staff costs relating to responsibility allowances.

Pension Schemes

The University participates in two defined benefits schemes: the London Borough of Barking and Dagenham Pension Scheme and the Teachers' Pension Scheme. It also operates a defined contribution scheme by Friends Life. Two of the schemes are funded, but the Teachers' Pension Scheme is unfunded.

Details of the three pension schemes are set out as follows:

1. UEL Retirement and Savings Plan

The University has offered this defined contribution scheme operated by Friends Life as an alternative to the London Borough of Barking and Dagenham Pensions Scheme and the Teachers' Pension Scheme since 2013. In January 2016 the university's subsidiary company UEL Professional Services LTD started trading. This subsidiary company also operates the UEL Savings and Retirement Plan.

UEL pays 10% of salary but staff can make contributions of up to 4% of salary and the University will match this on the basis of a 1.5% for every 1% of the staff member's contribution up to a maximum of 6% in addition to the 10%, making a maximum of 16% employer contribution.

2. Teachers' Pension Scheme (England and Wales)

The latest actuarial valuation of the TPS was carried out as at 31 March 2012 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 on 9 June 2014. The key elements of the valuation and subsequent consultation are:

- employer's contribution rates set at 16.4% of pensionable pay (2015: 14.1%)
- an employer cost cap of 10.9% of pensionable pay will be applied to future valuations
- total scheme liabilities for service to the effective date of £191.5 bn, and notional assets of £176.6 bn, giving a notional past service deficit of £15.0 bn.

The new employer contribution rate of 16.4% was implemented on 1 September 2015.

The employer contribution rate is expected to be reassessed at the actuarial valuation to be carried out as at 31 March 2016 (and each subsequent four yearly valuation). The next revision to the employer contribution rate is expected to take effect from 1 April 2019. The financial position relative to the employer cost cap will also be reconsidered at each four yearly valuation¹.

It is not possible to identify the University's share of the underlying assets and liabilities of the TPS. Therefore contributions are accounted for as if the TPS were a defined contribution scheme and pension costs are based on the amounts actually paid (i.e. cash amounts) in accordance with paragraphs 28.10 of FRS102. In the year ending 31 July 2016 contributions by the Group to the scheme were £4.5 million (2015: £3.7 million).

3. London Borough of Barking and Dagenham Pension Scheme

This defined benefit scheme administered by London Borough of Barking and Dagenham Pension Fund, is subject to a triennial valuation by independent actuaries. The valuation used for FRS 102 disclosures has been based on the most recent actuarial valuation at 31 March 2013 and updated by Hymans Robertson to take account of FRS102 in order to assess the liabilities of the scheme as at 31 July 2016.

The contributions to the scheme by the University of East London is 28.3% of pensionable salaries for non-teaching staff (2015: 25.1%). The scheme actuary estimates that the employer's contribution for the year to 31 July 2017 would be approximately £6,649,000.

The major categories of plan assets as a percentage of total plan assets were:

Assets	2016	2015
Equities	69%	70%
Bonds	20%	21%
Property	7%	7%
Cash	4%	2%

¹ (source: http://www.gov.uk/government/uploads/system/uploads/attachment_data/file/324305/TPS_2012_valuation_report_FINAL_9_June_2014.pdf)

Assumptions

The financial assumptions used by the actuary were:

	2016	2015
Pension Increase rate	1.9% pa	2.6% pa
Salary Increase rate	3.4% pa	4.0% pa
Discount rate	2.4% pa	3.6% pa

The current mortality assumption is based on the Fund's Vita Curves with improvements in line with CMI 2010 model assuming current rates of improvement have peaked and will converge to a long term rate of 1.25% per annum. Based on these assumptions, the average future life expectancies at age 65 are summarised below:

	2016		2015	
	Males	Females	Males	Females
Current pensioners	21.8 years	24.0 years	21.8 years	24.0 years
Future pensioners	24.1 years	26.5 years	24.1 years	26.5 years

The assumptions used by the actuary are best estimates chosen from a range of possible actuarial assumptions.

The following table shows the fair value of the University's share of the scheme assets and liabilities in accordance with the requirements of FRS 102:

Analysis of changes to the balance sheet:

	Fair value of employer assets		Defined Benefit obligation		Net liability recognised in balance sheet	
	2016	2015	2016	2015	2016	2015
	£'000	£'000	£'000	£'000	£'000	£'000
Opening Balance	119,902	107,717	(204,528)	(184,799)	(84,626)	(77,082)
Contributions by member	1,754	1,464	(1,754)	(1,464)	0	0
Contributions by the employer	6,520	5,755	0	0	6,520	5,755
Contributions in respect of unfunded benefits	660	698	0	0	660	698
Estimated benefits paid	(5,039)	(5,254)	5,039	5,254	0	0
Estimated unfunded benefits paid	(660)	(698)	660	698	0	0
Expected return on assets	4,374	4,345	0	0	4,374	4,345
Actuarial gains/(losses)	9,459	5,875	(21,924)	(11,584)	(12,465)	(5,709)
Current service cost	0	0	(6,129)	(5,108)	(6,129)	(5,108)
Interest cost	0	0	(7,403)	(7,402)	(7,403)	(7,402)
Past service costs	0	0	0	(8)	0	(8)
Losses on curtailments	0	0	(68)	(115)	(68)	(115)
Closing Balance	136,970	119,902	(236,107)	(204,528)	(99,137)	(84,626)

2016
2015
£'000
£'000

The University's net pension liabilities were as follows:

Fair value of employer assets	136,970	119,902
Present value of funded obligations	(229,803)	(197,781)
Net under-funding in funded plans	(92,833)	(77,879)
Present value of unfunded obligations	(6,304)	(6,747)
Net pension liability	(99,137)	(84,626)

Analysis of amount charged to the income and expenditure account:

Current service cost	6,129	5,108
Past service cost (including curtailments)	68	123
Operating charge	6,197	5,231
Expected return on employer assets	(4,374)	(4,345)
Interest on pension scheme liabilities	7,403	7,402
Net Return	3,029	3,057
Net income and expenditure account cost	9,226	8,288

Analysis of Statement of Changes in Reserves

Actuarial return less expected return on pension scheme assets	9,459	5,875
Changes in assumptions underlying the present value of the scheme liabilities	(24,423)	(13,003)
Experience gains / (losses) on the scheme liabilities	2,499	1,419
Actuarial (losses) recognised in the Statement of Changes in Reserves	(12,465)	(5,709)

The Group pays contributions to the Fund at rates determined by the Fund's actuaries based on regular actuarial reviews of the financial position of the Fund. In the year ended 31 July 2016, contributions by the university to the scheme were £6.197 million (2015: £5.231 million).

2016
2015
2014
2013
2012
£'000
£'000
£'000
£'000
£'000

The experience gains and losses for the year ended 31 July were:

Difference between the expected and actual return on assets	9,459	5,875	(3,362)	7,169	(4,561)
Value of assets	136,970	119,902	107,717	103,376	90,287
Percentage of assets	6.9%	4.9%	(3.1%)	6.9%	(5.1%)
Experience gains/(losses) on liabilities	2,499	1,419	1,988	(103)	(1,885)
Present value of liabilities	236,107	204,528	184,799	165,064	154,641
Percentage of present value of liabilities	1.1%	0.7%	1.1%	(0.1%)	(1.2%)
Actuarial gains/(losses) recognised in Statement of Changes in Reserves	(12,465)	(5,709)	(13,530)	3,710	(19,078)
Present value of liabilities	236,107	204,528	184,799	165,064	154,641
Percentage of present value of liabilities	(5.3%)	(2.8%)	(7.3%)	2.2%	(12.3%)
Net pension liability	99,137	84,626	77,082	61,688	64,354

Transition to FRS102 and the 2015 SORP

As explained in the accounting policies, these are the University's first financial statements prepared in accordance with FRS² 102 and SORP³.

The accounting policies set out before Note 1 have been applied in preparing the financial statements for the year ended 31 July 2016, the comparative information presented in these financial statements for the year ended 31 July 2015 and in the preparation of an opening FRS 102 Statement of Financial Position at 1 August 2015.

In preparing its FRS 102, SORP based Statement of Financial Position, the University has adjusted amounts reported previously in financial statements prepared in accordance with its old basis of accounting (2007 SORP).

An explanation of how the transition to FRS 102 and the SORP has affected the University's financial position, financial performance and the cash flows is set out in the following tables.

Statement of comprehensive income and expenditure	2014/15		Effect of transition to 2015 SORP	2013	2012
	2007 SORP	STRGL ⁴			
	£'000	£'000			
Income					
Tuition fees and education contracts	104,898				104,898
Funding body grants	22,592				22,592
Research grants and contracts	2,143				2,143
Other income	17,645	166	(570)	I	17,241
Investment income	409				409
Total income before endowments and donations	147,687	166	570		147,283
Donations	0		464	II	464
Total income	147,687	166	(106)		147,747
Expenditure					
Staff costs	73,256				73,256
Fundamental restructuring costs	612				612
Other operating expenses	57,947	(3)		III	57,944
Depreciation & Amortisation	7,801				7,801
Interest and other finance costs	2,724		1,804	IV	4,528
Total expenditure	142,340	(3)	1,804		144,141
Surplus before other gains losses and share of operating surplus/deficit of joint ventures and associates	5,347	169	(1,910)		3,606
Loss on disposal of fixed assets		(3)			(3)
Gain of investments	37				37
Prior Year adjustment in respect of KD Gift Aid	166	(166)			0

- 2 FRS – Financial Reporting Standard
3 SORP – Statements of Recommended Practices
4 STRGL – Statement of total recognised gains and losses

	2014/15		Effect of transition to 2015 SORP	2013	2012
	2007 SORP	STRGL *			
	£'000	£'000			
Surplus / (Deficit) for the year	5,550	0	(1,910)		3,640
Unrealised surplus on revaluation of land and buildings					0
Actuarial (loss)/gain in respect of pension schemes	(7,513)		1,804	IV	(5,709)
Total comprehensive income for the year	(1,963)	0	(106)		(2,069)

Notes to the restatement of the 2014-15 statement of comprehensive income and expenditure

Ref		Amount
I	Reclassify donations from other income	(377)
	Release of Deferred Capital Grant	(193)
	Present from STRGL to SoCIE ⁵	166
		(404)
	Reclassify from STRGL to SoCIE:	166
	Prior Year adjustment in respect of Knowledge Dock Gift Aid *	166
II	Noon donations - Reclassify from creditors to restricted reserves	87
	Reclassify from other income to donations	377
		464
III	Loss on investment - presentation correction *	(3)
IV	Increase in pension finance costs	1,804

* This adjustment is not related to FRS 102 transition

5 SoCIE – Statement of Comprehensive Income and Expenditure

Balance Sheet	2014/15	Effect of	Ref	2015 SORP
	2007 SORP	transition to		2015 SORP
	£'000	2015 SORP		£'000
Non-current asset				
Intangible assets and goodwill	0	1,214	I	1,214
Fixed Assets	195,487	49,238	I	244,725
investments	34	0		34
	195,521	50,452		245,973
Current assets				
Stock	17	0		17
Trade receivables	9,445	0		9,445
Current investments	7,133	2,000	II	9,133
Cash and cash equivalents	40,630	(2,000)	II	38,630
	57,225	0		57,225
Less: creditors falling due within one year	(34,924)	(957)	III	(35,881)
Net current assets	22,301	(957)		21,344
Total assets less current liabilities	217,822	49,495		267,317
Creditors: amounts falling due after more than one year	(25,792)	(47,136)	IV	(72,928)
Provisions				
Pension provisions		(84,626)	V	(84,626)
Other provisions	(658)	(3,525)	VI	(4,183)
Net assets	191,372	(85,792)		105,580
Pension liability	(84,626)	84,626	V	0
Total net assets	106,746	(1,166)		105,580
Deferred capital grants	49,353	(49,353)	VII	0
Restricted reserves				
Income and expenditure - restricted reserve	0	128	VIII	128
Unrestricted reserves				
Income and expenditure - unrestricted reserve	0	45	IX	45
Pension Reserve	(84,626)	0		(84,626)
General Reserve	136,499	(2,438)	X	134,061
Revaluation reserve	5,520	50,452		55,972
Total Reserves	106,746	(1,166)		105,580

Notes to the restatement of the 2014-15 balance sheet

Ref		Amount
I	Intangibles - reclassify from Tangible to intangibles	1,214
	Fixed Assets - reclassify from Tangible to intangibles	(1,214)
	Fixed Assets - Revaluation of land	50,452
		49,238
II	Reclassify >3 months investment from cash to investment	2,000
III	Creditors	(957)
	Deferred Capital Grant - reclassify to Creditors<1 year	(1,130)
	13/14 release of non-government research grant from creditors & classify under Unrestricted reserve	17
	13/14 release of non-government research grant from creditors & classify under Unrestricted reserve	28
	13/14 release of donations from creditors & classify from under restricted reserves	41
	14/15 release of donations from creditors & classify from under restricted reserves	87
IV	Reclassify Deferred Capital Grant >1 year under creditors>1 year	(47,136)
V	Presentational - To show pension liability under Pension Provisions	(84,626)
VI	Other provisions relate to short term staff benefits	(3,525)
VII	To restate Deferred Capital Grant under Creditors < and > 1 year	(49,353)
VIII	Income and expenditure - restricted reserve	128
	14/15 release of donations from creditors & classify from under restricted reserves	87
	13/14 release of donations from creditors & classify from under restricted reserves	41
IX	Income and expenditure - unrestricted reserve	45
	13/14 release of non-government research grant from creditors & classify under Unrestricted reserve	17
	13/14 release of non-government research grant from creditors & classify under Unrestricted reserve	28
X	General Reserve	(2,438)
	Provision for short term staff benefits	(3,525)
	Release of Deferred Capital Grant (non-government sources) to SoCIE	1,087

Docklands Campus
University Way
London E16 2RD

Stratford Campus
Water Lane
London E15 4LZ

University Square Stratford
Salway Road
London E15 1NF

www.uel.ac.uk