



Sheffield Hallam University

Financial statements for the
year ended 31 July 2008

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Contents

	Page
Board of Governors report	4
Constitution and powers	4
Scope of the financial statements	4
Strategic and operational review	4
Financial review	17
Corporate governance	19
Responsibilities of the University's Board of Governors	22
Going concern	23
Independent auditors' report	24
Consolidated income and expenditure account	26
Consolidated statement of historical cost surpluses and deficits	27
Consolidated statement of total recognised gains and losses	28
Consolidated balance sheet	29
University balance sheet	30
Consolidated cash flow statement	31
Notes to the accounts	32
Board of Governors	57

Board of Governors report

for the year ended 31 July 2008

The Governors of Sheffield Hallam University submit their annual report and audited accounts for the year ended 31 July 2008.

Constitution and powers

Sheffield Hallam University is a higher education corporation (HEC) as defined under the Education Reform Act 1988.

The powers of the HEC are defined in Section 124 of the 1988 Act as amended by the Further and Higher Education (FHE) Act 1992, and subject thereto any relevant regulations, orders or directions made by the Secretary of State or Privy Council. These powers include the power to provide higher and further education and to carry out research and to publish the results of such research.

The Corporation has exempt charitable status by virtue of the 1988 Act.

Scope of the financial statements

The financial statements presented by the Governors comprise the consolidated results of the University and its subsidiary companies. The subsidiary companies undertake activities which, for legal or commercial reasons, are more appropriately channelled through a limited company. These activities include

Collegiate Properties (2) Limited – contracting and property management

Collegiate Properties (3) Limited – equipment leasing

Collegiate Library Services Limited – provision of library services to the University

O&N Contracting Limited – property leasing

Sheffield Hallam University Enterprises Limited – non-property related trading activities

Virtual Learning Systems Limited – web-based learning services (e-learning)

Collegiate Charitable Trust is also consolidated. The Trust's main activity is the leasing of property.

The subsidiary companies transfer their profits by means of covenants and grants to the University. The Trust returns taxable profits to the University by way of a grant.

Strategic and operational review

This review contains certain forward looking statements with respect to the financial condition, results, operations and business of the University. These statements and forecasts involve risk and uncertainty because they relate to events and depend on circumstances that occur in the future. There are a number of factors that could cause actual results or developments to differ materially from those expressed or implied by these forward looking statements.

Sheffield Hallam University is one of the largest higher education institutions in the UK. Our educational portfolio is characterised by excellent teaching and innovative approaches to delivery with a strong emphasis on the application of knowledge to the world of work and professional practice and contributing to economic and social development.

The financial environment within which the University operates has become increasingly challenging driven by a range of factors including the rapid growth in the volume and complexity of the activities it undertakes, core funding from Government not keeping pace with this growth, public agendas becoming more complex and

demanding with universities needing to respond to a broader range of stakeholders and increasing market pressures requiring universities to differentiate themselves to succeed.

In addition, Government looks increasingly for universities to play a broader role for example in up-skilling the population, social inclusion, widening participation, economic development, regional policy, cultural development and regeneration and research and development, especially in science and technology. This broadening of activity inevitably puts pressure on resources.

At the same time cost bases are increasing as a result of a number of factors including pressure from students to improve facilities in the light of increased fees, the inflationary impact of both pay awards and pay modernisation, increases in pension costs and other inflationary pressures for example energy.

The external environment in which universities operate has meant that they have had to look to grow, but competition, both domestic and international and student demographic pressures limit the capacity of institutions to respond in this way. Consequently the University needs to offer increasingly competitive academic services to maintain/increase market share, exploit niche positions and increase fees where possible. However a key response will be to manage our cost base by increasing efficiency while maintaining effectiveness.

Strategic direction and objectives

The University's 2008-13 Corporate Plan set out the University's **vision**

By 2013, we will be recognised nationally and internationally for the excellence of our learning and teaching, for the outstanding quality of the student experience, and as an exemplar in innovation, applied research and knowledge transfer.

The University's **purpose** is

- to provide a high quality, vibrant and challenging learning experience
- to undertake research and innovation which has significant real world impact
- to act as a catalyst in economic and social transformation

The four **key themes** which constitute the central focus of the University's Corporate Plan are

Developing our education portfolio

The University's education portfolio will continue to be characterised by excellent teaching and innovative approaches to delivery with a strong emphasis on the application of knowledge to the world of work and professional practice and contributing to economic and social development. The combination of the projected downturn in the number of 18 to 20 year olds, the increasingly competitive market for full-time students and the constraints on the University's physical estate mean that the University does not plan to significantly increase the overall number of home-based students. The University will take opportunities for measured growth where it generates real additional resource or income, or where it supports strategic positioning and reinforces reputation for quality. The majority of the University's programmes will continue to be full-time and undergraduate, but the proportion of students on postgraduate and CPD programmes will grow. We will take opportunities to increase direct recruitment of international students and grow the number of EU students where such recruitment can counter-balance the demand from home students. In addition, the University aims to respond to the new business engagement challenge and the latent demand for more flexible forms of delivery by developing our capacity in e-learning and developing new employer partnerships particularly in the area of executive education.

Inspiring our students

It is imperative that the University puts the student first, not only in terms of its approach to learning, teaching and course development, but in all aspects of its provision, facilities and services. The University's Corporate Plan sets out a clear set of imperatives and actions in three main areas – supporting student transition, progression and achievement, excellent and inspirational learning and teaching, and a new approach to quality.

Board of Governors report

for the year ended 31 July 2008

Excelling in innovation

The University will seek to be competitive in selected areas of research at a national and an international level, by providing focused support for areas of research strength, while identifying and investing in emerging areas of potential growth. The University remains committed to maintaining research of the highest quality, whilst the research funding challenge will be addressed. The University will seek to maximise opportunities to benefit from the increased emphasis which funding bodies are now placing on the application of new knowledge for economic and social benefit. There will be a sharper focus on developing the quality of academic research activity, the professionalism and business focus of knowledge transfer activity and strengthening the productive links between the two domains.

Raising our profile

Over the period of the Corporate Plan the University aims to build on its reputation as one of the leading new universities and to develop its institutional profile at regional, national and international levels. At a regional level, the University recognises that the success of the region and the University are inter-related and the University's role in the region is therefore underpinned by a strategic commitment to social, cultural and economic transformation, extending educational opportunity and civic engagement. Nationally, the University will focus efforts on establishing a reputation for providing an outstanding student experience and becoming an exemplar for innovation, applied research and knowledge transfer.

The University will seek to deliver these themes through the following **strategic enablers**

Managing and developing our people

The University's People Strategy focuses on the importance of the University's people, setting out particular priorities and principles for staff, managers and senior leaders as the University starts to deliver the Corporate Plan.

Improving effectiveness

The University will complement the development of our academic programmes, research and knowledge transfer by ensuring that support processes and services are effective and efficient.

Enhancing our estate

The University's estate is in good condition, with a remarkably high percentage of build in very good condition. Although the University has invested to meet particular needs, it has particular problems in other areas of the University. The University aims to provide a high quality estate that supports the development of its academic activities, enhances the student and staff experience and projects its academic identity. The goal will be achieved by implementing the University's Estates Strategy.

Maintaining financial sustainability

The University is in a sound financial position with positive reserves and access to external funding needed to support capital investment. However, along with the rest of the sector it faces a series of major challenges including increased marketisation, demographic change and government intervention. The impact of pay modernisation, annual pay awards and pension scheme funding represent key financial challenges for the University. The University's financial strategy will seek to ensure that the University continues to operate in a way that is financially sustainable. The University must be academically led, but underpinned by the Financial Strategy and supported at an operational level by robust financial management.

In parallel with the work on the new Corporate Plan the University is developing a new Financial Strategy whose goal is to ensure that the University operates in a way that is financially sustainable. The implications of pursuing this goal are that

- in aggregate taken over all of its activities the University will recover the full costs of what it does
- the University will invest in its staff and infrastructure to deliver the corporate plan and meet the needs of all of our stakeholders

In turn this requires the University to

- ensure that its strategies provide clear direction and will be supported by implementation plans that deliver future needs and manage risk
- measure performance in delivering strategies
- balance expenditure and income to generate the surplus needed to allow investment
- ensure that activity levels can be supported by its income base
- manage risk and be ready to deal with the associated financial challenges

Given the inevitable constraints on our resources we need to make well informed decisions which reflect priorities. The strategic planning and day-to-day decision making cannot be driven solely academically or financially but must bring together both sets of cultures and needs.

Financial sustainability will be built on the successful implementation of the University's academic strategies. The Learning, Teaching and Student Experience Strategy is critical because it is from this strategy that the majority of the University's financial capacity is generated. The overarching goal is for the University to provide an outstanding student experience by integrating academic rigour with rich opportunities for personal development and active engagement with the world of work. The University will build on its track record of providing courses which are characterised by high academic and professional standards, engaging a wide diversity of students in effective learning processes and providing opportunities that enable students to succeed in the changing work environment.

The Innovation, Research and Knowledge Transfer Strategy is the second key driver for financial sustainability. The overarching goal is for the University to become a national exemplar for innovation, research and knowledge transfer which is characterised by its focus on economic and social transformation underpinned by international excellence in selected areas of applied academic research. The success with which fundamental research and academically driven applied research leads to customer specified research and consultancy is critical to the achievement of financial targets.

Support services delivered from within faculties and by departments play a key role in delivering the student experience and supporting our work with customers more generally.

The activities within departments are diverse and stretch from the management of the Learning Centres through to the processing of financial transactions. Given the challenging future financial environment the allocation of resources to these services will be prioritised against a defined set of criteria to ensure maximum added value. This prioritisation will continue to be supported by benchmarking and zero based budgeting techniques based on Departmental activity reviews.

The future success of the University will be delivered by its staff. Equally, the cost of employing people makes up the largest element of the cost base and we invest more of our overall budget in people than our competitors. It is essential that we have the right workforce to deliver our objectives and that it is well led and managed. Our people strategy will be based on a set of priorities which reflect our belief that business and people principles must go hand-in-hand.

In order to ensure that our workforce is efficient and effective we will develop a strategic approach to workforce planning which is underpinned by high quality market intelligence and integrates the development of individual Faculties and Departments with the University's key priorities.

To be able to respond to the financial challenges ahead the University will need to develop new ways of working and a culture which, as a matter of routine, encourages staff to evaluate the effectiveness and implications of their actions. This implies a need to assess the effectiveness of actions and performance in relation to agreed priorities, strategies and governing principles, and to consider whether, in light of actual experience, there is a need to adjust the original agreed priorities and strategies.

Board of Governors report

for the year ended 31 July 2008

The University's financial projections are based on an assumption that the academic strategies of the University will allow us to maintain broadly our current overall student numbers. This could imply increasing market share and this position will be supported by yet further commitment to market focussed new programme development, underpinned by further improved market intelligence and increased recruitment activity.

Overall, we expect to remain within the existing Higher Education Funding Council for England (HEFCE) contract although we will explore the potential to bid for Additional Student Numbers including those to be co-funded by employers as a result of our employer engagement strategy.

There is the potential to increase international numbers but this has not been assumed in the projections.

The University needs to create financial headroom in order to meet the financial challenges that we are facing and also to allow targeted investment to support the delivery of the corporate plan priorities. In addition, contingent action plans will be developed and implemented should any of the risks set out in the risk log crystallise.

Future investment will be carefully managed so that it is adequate to deliver the corporate plan but is only deployed when it is clear that it can be resourced sustainably.

A balanced approach to creating financial headroom will include seeking opportunities to

- make improvements in the cost base
- eliminate non-strategic, non financially contributing activities
- grow income

Estates strategy and plan

In order to achieve its corporate objectives the University needs to ensure that its estate is efficient, fit-for-purpose and inspirational, providing the best possible experience for the entire Sheffield Hallam community and the city beyond.

The investments in the Arundel Building which opened earlier this year and in the landmark building works on Furnival Street alongside the major refurbishments of the Harmer and Sheaf Buildings, due to be completed early next year, demonstrate the University's commitment to providing high quality accommodation for students and staff.

The University has been developing a new Corporate Plan and in parallel an Estates Masterplan. The Masterplan will guide investment in the estate over the next 25 years. The work to produce the Masterplan has included validating capacity and determining development needs to meet the requirements of the Corporate Plan and identifying those parts of the estate that will need investment, including redevelopment, major maintenance, acquisitions and disposals.

The Masterplan will drive the production of a new Estates Strategy and Implementation Plan. This in turn will inform the revision of the Financial Strategy and Long Term Financial Plan. This process will ensure that estates developments remain affordable and fundable.

Key performance indicators

The purpose of the University's performance measurement framework is to provide information about our business performance which will support the achievement of long-term goals. The University uses a balanced scorecard approach to performance measurement. The balanced scorecard is a strategic management tool providing four different perspectives on strategy delivery and resultant business performance. These are

- financial sustainability – what the University must do to remain financially viable
- customer promise – what customers/clients value that lead them to choose us in preference to a competitor

- business delivery – what changes to our existing approaches and provision are needed to remain viable and competitive
- forward thinking – what must be done to ensure we have the staff capabilities, technology, and organisational systems we will need in the future

For each dimension of the scorecard, the report provides an overview of performance using coloured ‘traffic lights’ which indicate whether performance is on track or signal potential areas for management attention.

A review of the scorecard was undertaken in 2008 and its findings will inform the further development of the University’s performance measurement framework in light of the new Corporate Plan.

Current and future development and performance of the business

The University is continuing to grow and increase its revenue generated. Since 2003-04 overall student numbers have increased by 9%, much of that growth having taken place in the last three years.

The University has diversified the range of programmes offered by renewing the educational portfolio. The formation of the Faculties has played a key role in this, enabling the University to develop new areas of provision based on existing strengths and exploiting emerging opportunities at the interfaces between traditional subject disciplines. Associated with the renewal and creation of academic programmes, the University has strengthened student recruitment and ensured that its position in relation to its main teaching funding contracts is secure.

Sheffield Hallam is the second largest provider of nursing education and training in England. As well as providing training for an additional 2,500 pre-registration nurses, postgraduate and CPD programmes and research activity in health have all been increased.

A leading position in the provision of programmes for sport has been achieved, within an overall theme of wellbeing and healthy lifestyles. Taught programmes are complemented by a strengthening profile in sport research.

New programmes have been developed in creative practice at the interfaces between design, engineering, computing and communication, which correspond to the application of new technologies and design in the wider economy. This has counteracted the effect of the national decline in demand for traditional provision in engineering and computing and strengthened art and design by its applied dimension.

Planned growth in international activities has been achieved. The number of international students has increased by 50% since 2003-4 with students coming from 120 different countries. Direct recruitment of international students is complemented by an increasing number of collaborative partnerships with overseas institutions, in particular in China, India and Malaysia.

Sheffield Hallam is the largest provider of placement learning opportunities in England, and almost nine out of ten of our graduates are in employment or further study within six months of leaving the University.

Sheffield Hallam is one of the highest performing new universities for research and knowledge transfer and, in terms of income, is competitive with a number of older universities. The University has consistently improved its Research Assessment Exercise (RAE) grades and held its position for the last three years as the most successful new University. In the last RAE three units of assessment were awarded a five rating – art and design, history, and materials and metallurgy.

In order to meet the increases in student numbers as well as meet the expectation of the students and the new ways of delivering courses, the numbers of staff employed as well as the Estate has been developed.

Resources

Staff

The University employs 4,280 permanent and temporary staff which equates to 3,040 full time equivalents, which includes 816 hourly paid lecturing staff that are used flexibly to meet the changing requirements of the

Board of Governors report

for the year ended 31 July 2008

business. It further employs 1,816 casual staff on a 'call off' basis to meet key demand periods and staff shortages. On average the University employs 300 agency staff per annum for temporary cover of recruitment gaps, projects and short term cover.

Reputation/brand

The University's corporate reputation is carefully managed and protected by the Department of Corporate Communications. Their role is to enhance and protect the University's reputation in its key areas of strength.

Sheffield Hallam University has an impressive reputation as a leading post 1992 university. This comes from a combination of our teaching success, excellent student experience, top class facilities, a strong research base and our promotional and campaigns activity.

The University went through a rebrand in 2006, which examined our core values and iterated our vision. We also developed a visual identity which has since been used as the basis of all our marketing activity.

The strength of our marketing and corporate communications activity has been externally validated through winning a number of regional, industry and national awards.

Licences, patents, copyright and trademarks

Universities are a source of innovative ideas which flow from the university to support economic transformation. The focus on the commercialisation of intellectual capital is an important component of the wider knowledge transfer agenda. This is explicit in a number of Government reports, for example The Route to the Top and Innovation Nation, and in the Regional Development Agencies economy and innovation strategies. Such commercialisation is closely, but not exclusively, related to research quality in developing opportunities for commercial innovation.

The management of Intellectual Property (IP) and development of routes-to-market for commercial applications lies with the Enterprise Centre. They control and administer a partially externally financed Strategic Investment Fund (SIF) of around £200,000, which includes a budgeted amount of £75,000 to cover patent applications, patent maintenance, University trade marks and brands and specialist legal advice relating to IP issues, spin-out companies and commercial contracts.

The number of live patents at 31 July 2008 was 74 (31 Granted Patents and 43 Pending Applications) with 15 of these being filed in 2007-8. A range of advice on IP and commercial issues was given to staff and students during the year by staff within the Enterprise Centre and 63 new ideas from staff and students were also appraised.

The remainder of the SIF is invested in promising commercial prospects within the University pipeline and in 2008 the nature and quality of this pipeline was reviewed by external consultants. Their conclusions, which generally support the present approach, were disseminated across the University.

There remains a selective focus on the opportunities to create spin-outs, where this is the optimum route. Such spin-out companies access external equity funding and potentially provide source of secondary income to the University in the form of research or knowledge transfer contracts or the purchase of services. During the year a spin-out was established for the development and sale of antibodies. The University's shareholding is 24.9% and external finance was raised from the South Yorkshire Investment Fund.

The University continues to provide training and incubation facilities. The incubation for students is located in The Hatchery, located in the adjacent Workstation, and is for students who wish to form their own business. The well established and successful business start-up competition, Enterprise Challenge, is now in its seventh year. In the last three years it has produced winners who went onto regional and national awards for entrepreneurship.

Risks and uncertainties

Understanding our key risks and developing appropriate responses to those risks are key to the University's success.

The University's corporate risk register currently consists of eleven key strategic risk areas identified by the University Executive Group. Each key risk or uncertainty is further analysed and the root causes deemed to be of significant concern are identified. The risk register also identifies any opportunities that might arise, quantifies the degree of risk posed, explains current and/or planned countermeasures and records any change in level of risk over time. Risk owners have been assigned to each key risk area and they are responsible for regularly reviewing the risk statements and reporting on changes in levels of threat or opportunity.

The University is exposed to a variety of risks and uncertainties which may have a financial or reputational impact on the University and which may also impact the achievement of its objectives. The principal risks and uncertainties facing the University have been categorised into headline risk areas. The University's approach to risk management is set out in the corporate governance section on page 19. The key headline risks, potential impacts on the University and the mitigation strategies are summarised below.

Corporate positioning

In the context of a competitive pricing environment as a result of (i) the removal of the undergraduate fee cap and (ii) the HEFCE funding model being amended there is a risk that the University does not have a clear view of its desired corporate position and/or does not establish an appropriate pricing policy which reflects its desired corporate position and the realities of the market.

Key to ensuring that the risk is mitigated is the fact that the new University Corporate Plan articulates a clear value proposition regarding the University's positioning in the sector. Other mitigation strategies include agreeing the University's pricing and incentives policies and developing a model and service for market intelligence.

Consumerism

There is a risk that the expectations of new students will not be understood, managed and responded to. As a consequence this may compromise the integrity of the academic experience, impact on employability and influence difference course choices and/or undermine the University's recruitment prospects. There is therefore a possibility that the University will be unable to meet minimum standards of expectation and value for money or to change behaviours and influence student choice.

To mitigate this risk, there is a need to invest in research to ensure that the expectations of new students are understood, managed and responded to appropriately including taking consistent action in response to the range of internal research evidence and feedback from current students about the delivery of the University's promise.

Demographic change

Downturn in school leavers post 2010 might result in increased competitive pressures in core undergraduate markets and/or risk to long term sustainability of some courses/subject areas, especially those with strong widening participation profiles.

The University has completed an initial analysis of local implications of the impact of downturn in school leavers post 2010. Further mitigating action includes the need to create a student recruitment strategy and portfolio development in the light of analysis.

Financial sustainability

The University might be unable to generate a sufficient level of income in relation to costs to deliver its services with a sufficiently high level of quality, resulting in inability to sustain the University's desired positioning and reputation.

To mitigate this risk the University has established clear and achievable Corporate Plan objectives which quantify investment requirements and is committed to the delivery of its long term financial plan.

Board of Governors report

for the year ended 31 July 2008

Research positioning and performance

There is a risk of a reduction in the quality and volume of the University's research activity caused by (i) an insufficient emphasis on renewing the University's intellectual capital and its effective exploitation through business development activity (ii) insufficient value placed on research for staff progression and recruitment and/or (iii) an inadequate level of investment. The reduction in quality and volume of research would significantly impair the University's academic character and capacity to realise its vision.

In mitigation the new Corporate Plan has identified the University's research position in the sector and associated strategy.

Workforce planning

There may be a mismatch between the University's staffing capacity and future business needs as a consequence of (i) skills gaps arising from the changing age profile of the University's academic workforce, (ii) changes in the profile of the working population, (iii) the pace of change in the portfolio, (iv) increased competition from other organisations for University staff and/or (v) changes in student demands for study. This may result in a mismatch between the skills we have and the skills we need, impact on the ability to realise potential competitive advantage and desired positioning and/or mean that the University is unable to respond to changes and opportunities as fast as its competitors.

The corporate plan includes a commitment to develop and implement an investment strategy that supports the recruitment, retention and development of staff to support the future staffing requirement. Additional mitigating actions include the development and implementation of employment policies and practices that maximise the attractiveness of the University as an employer and undertaking work to refresh the employer brand.

Economic growth and decline

Economic decline in global markets, variations in exchange rates and political instability might result in reduced recruitment. To mitigate this, an agreed model and service for market intelligence is to be developed, the international strategy will aim to diversify the University's international activities and the student recruitment strategy will take account of political and economic changes.

Regional engagement

If the University is not sufficiently positioned to be able to take advantage of Government policy initiatives to encourage city/regional growth this might result in the University failing to (i) be involved in the setting of local policies, (ii) attract more students, (iii) attract more CPD/employer engagement activity and/or (iv) attract more business development activity.

The development and implementation of a Regional engagement strategy has been identified as the appropriate treatment of this risk.

Major incidents

A major incident such as extreme weather conditions, a terrorist attack or an outbreak of pandemic flu might result in the (i) damage to or loss of premises or equipment, (ii) loss of staff resources and/or (iii) serious injury to staff or students. This could result in inability of the University to carry out day to day operations, a negative impact on reputation, potential loss of earnings and/or failure to achieve business objectives. Actions to mitigate this risk include a commitment to annually test the University's major incident plan and work to develop business continuity plans for core systems and faculties and departments.

Information systems and business processes

The University may not be able to implement appropriate information systems and processes to support business requirements resulting in (i) inability of the University to provide an appropriate level of services to students and staff, (ii) a negative impact on reputation, (iii) failure to achieve business objectives and/or (iv) a waste of resources through duplication and manual workarounds. To mitigate this risk work to undertake business analysis, evaluate requirements and agree appropriate approach is on-going and detailed action plans for systems development will be implemented and monitored.

Employee relations

The existing benefits of partnership working may not be sustained in a changing environment due to the impacts of Pay Modernisation, the drive for more flexibility, developments in national pay bargaining and/or possible changes to pension provision leading to deterioration in employee relations. Action to mitigate the risk has included the establishment of a group to monitor employee relations developments and recommend actions and contingency plans.

Health and Safety

The University is committed to providing a safe working environment for its staff, students and visitors and for that purpose employs professionally qualified staff to identify and report on problems, to organise training and to provide advice and information. To enable the Board of Governors to discharge its responsibility for health and safety, it receives regular reports together with an annual report on performance.

Work continues on implementing the revised Health and Safety policy statement (introduced during 2007), and has resulted in increased engagement of managers in all key areas. A particularly significant example is that Faculty Health and Safety Committees are now chaired by Executive Deans. This increases the likelihood that health and safety needs are integrated into business planning and management processes. There have been redirected efforts to improve the health and safety arrangements relating to students, with a particularly positive partnership with the Hallam Union of Students. An improved health and safety management audit process has been developed to better fit the University policy, and the implementation programmes that have been supporting its introduction. These developments will further increase the positive contribution effective health and safety management makes to the University.

Sustainability

The breadth and extent of the University's activities are such that they have a considerable environmental impact. The aim of the University is to minimise adverse environmental effects through initiatives which are compatible with effective and efficient operation. All staff and students are encouraged to recognise their potential contribution to the achievement of the University's environmental aims. Leadership is provided by the Facilities Directorate.

The key achievements and developments during the year were

- reduction in total water consumption by 11%
- electricity consumption fell by 2.2%
- due to a much colder winter than the previous year, the amount of energy used for heating rose by 25% for district heat, 1.5% for gas and 18% in oil use. Due to a planned replacement programme this will be the last year that the university uses oil as a heating fuel which will have a beneficial environmental impact on carbon emissions.
- pilot schemes, using new technology, to reduce power consumption used by ICT equipment was trialled at various locations around the estate. This is informing the roll out plan across more of the estate over the coming year which will also track energy consumption and carbon reductions.
- reduce, re use and recycling schemes for paper, glass, batteries, green garden waste and other products resulted in a reduction of 148 tonnes of waste. 95% of the remainder goes to the district energy recovery facility which in turn is used to heat over 50% of our buildings.
- further work on supporting staff and students to reduce the reliance on cars and university space being used for car parking also contributed to carbon emission savings and this year was awarded the HE sectors annual sustainability award, the Green Gown, for continuous improvement
- activities to reduce carbon emissions and our environmental impact within our internal operations and from those created by students on the local community were recognised in our sixth annual benchmarking in the

Board of Governors report

for the year ended 31 July 2008

Yorkshire and Humber Business in the Environment index where the University increased its performance from 84% to over 90%, winning the only HE sector gold place in the overall index results

- working with and supporting the Hallam Union of Students created many new campaigns and in particular earned the joint accolade of Fair trade status which also contributed to their achievement of a Silver standard in the Sound impact award
- over 107 activities and events took place to raise staff and student awareness of sustainability issues
- during the year, the University joined the Higher Education Carbon Management Programme which lasts at least three years and requires programme participants to reduce its carbon footprint, re-enforcing its determination to reduce its environmental impact from our operations
- the University is also committed to sustainability in its broadest sense and in recognition of this was highly commended by *The Times Higher* for our contribution to sustainable development and locally by the *Sheffield Telegraph* for outstanding environmental performance. We are strongly committed to enhancing our positive socio-economic impact on the city of Sheffield and the wider region through our employment policies, recruitment strategies and investments in our estate. The University works with local and regional partners to enhance the regeneration impact of our activities and mitigate any potentially negative dimensions (such as studentification).

Overall leadership in these aspects was provided by the Pro Vice-Chancellor for Strategic Planning and Sustainability. In addition, the University's Financial Strategy (led by the Director of Finance) embodies robust and forward-looking processes to ensure financial sustainability.

Diversity

The University is committed to treating people equally irrespective of origins or background. It also believes that diversity and inclusivity, of and for both students and staff, will help to encourage the dynamism, enterprise and excellence necessary to continue to be a leading university.

In April 2002, the Board of Governors approved a Racial Equality Policy (in compliance with the Race Relations Amendment Act 2000). In February 2003, HEFCE included the University's policy in its list of those considered to be 'exemplars' in the sector. Progress towards achieving the goals in the implementation plan has been reported regularly to the Board of Governors and to HEFCE. In 2004, the Board of Governors and the Academic Board approved policies and guidance notes on religious and sexual orientation equality to take account of the University's obligations which came into force in December 2003. During 2005-2006, the University undertook work to ensure that it was compliant with age discrimination legislation which came into effect in October 2006. In December 2006, it published its Disability Equality Scheme in compliance with the Disability Discrimination Act 2005 and in April 2007, it published its Gender Equality Scheme in compliance with the Sex Discrimination Act 1975, as amended by the Equality Act 2006. In February 2008, the Board of Governors approved an interim Equality and Diversity Strategy. A small team has been established to support the development and implementation of the strategy. Considerable work has been undertaken to support an integrated approach to monitoring and reporting, and further work is taking place to embed equality and diversity into the planning process.

Employee involvement

The University is committed to developing its staff so that they have the skills, expertise and enterprise necessary to meet the University's challenging goals. Investors in People recognition has been achieved in a number of business units across the University and other quality benchmarks are used to monitor the excellence of the organisation and the products and services that we deliver.

The University continues to build on its partnership approach to progressing change and problem resolution, developing better employment relationships at all levels between managers, staff and their representatives. This approach has been widened to embrace the Information and Consultation Regulations through the introduction of Information and Consultation Representatives at both University and local level.

This year's annual partnership event explored the relationships between local trade union representatives and middle managers to further enhance local relationships and build on the work achieved by local consultation forums. It also looked at the University's Risk Register, in relation to employee relations, and suggested approaches which may mitigate those risks.

The University undertakes a staff experience survey on a biennial basis. The methodology for improving the response rate and targeting salient issues through focus groups is being discussed by senior managers and the 'Work Foundation' has been appointed to deliver the 2008 Staff Experience Survey in October/November 2008. Action plans and subsequent action following the survey is logged and displayed on the staff website. The Information and Consultative Committees and Local Joint Consultative Committees are kept abreast of the process and outcomes. The University also intends to undertake a follow up stress survey in order to evaluate the impact of the action plans created as a result of the first survey. The timing of this survey is likely to be in the autumn of 2009.

Over the past 12 months the Corporate Communications Department has maintained and enhanced existing tools and processes to help engage staff and strengthen internal communications right across the University. These initiatives include the introduction of an electronic networking forum U-Chat which encourages academic and professional services staff to integrate by sharing ideas, opinions and best practice, not just about their work but also about their interests, topical issues and social activities.

A 'fast facts' site introduced to the staff intranet last year is a repository for facts, figures and information about the University which staff can tap into when they need a quick overview or material for presentations, funding bids etc. It is regularly updated and includes templates for presentations.

The University's fortnightly electronic newsletter *eview* (short-listed for a national PR industry award in autumn 2008) goes from strength to strength with more contributions, increased readership and a burgeoning classifieds section.

In summer 2008, an internal communications survey was launched via *eview* – and with paper copies to staff with no access to email. Staff are being asked to comment on all aspects of internal communication and engagement across the University in an effort to improve and enhance systems.

The University's core briefing is sent out once a month to managers and supervisors to feed information down to their teams in face-to-face meetings, and the University's quarterly staff magazine – *newview* – continues to generate regular active input from staff and students. (*newview* has also been short-listed for a national award in autumn 2008.)

A formal internal communications advisory group will be set up in autumn 2008 to contribute towards the development of a comprehensive internal communications strategy, review mechanisms for effective internal communications; identify particular areas for improvement and recommend ways of making communications more effective and efficient.

There are also plans to hold an annual Staff Involvement Day where staff can discover and learn more about the various opportunities and benefits available while working at Sheffield Hallam. The involvement day will include such things as advice on pay and pensions, travel, continuing education, health and safety and services such as counselling, occupational health, stop smoking etc.

A project to examine and improve communications between the University and its students is also planned for 2008-09. The introduction of an all-student electronic newsletter for the new academic year 08-09 is the first step.

Student satisfaction, feedback and evaluation

The National Student Survey (NSS) has run annually since 2005 as a part of the HEFCE Teaching Quality Information (TQI) requirements. It is a national survey of all final year undergraduate students, including those on Higher National qualifications and Foundation Degrees, and students funded by the Teaching and Development

Board of Governors report

for the year ended 31 July 2008

Agency and the National Health Service. The University response rate for the NSS 2008 was 63%, an improvement of 2.5% on 2007.

The NSS is an important indicator of student satisfaction and highlights a number of broad areas of strength and areas of improvement for the University; the issues are developed into University actions by a cross-University Monitoring Sub-Committee workshop for consideration and action by Academic Development Committee and Academic Board. The NSS results also act as a focus for action at subject level. Examples of developments that have been influenced by the National Student Survey results are the Assessment for Learning Initiative and work on timetabling, both institutionally and in faculties.

The University has consistently good results (between 73% and 86% of students agree with the statements for all questions in 2007 and 2008) for 'Learning Resources', 'Personal Development' and 'The Teaching on my Course'. The latter is supported by the free text comments, many of which show a high regard for teaching staff and the relationships students form with staff. General satisfaction is high at 80% for both 2007 and 2008.

Collaborative provision

The University has 77 collaborative partners; 59 in the UK and 18 overseas. Collaborative partners are defined as those with whom the University works in partnership to offer university credit and/or awards to students not based at the University. These 77 partnerships range in variety from low risk articulation arrangements, which allow for recognition of an external partners' curriculum as direct entry with specific credit for students onto university awards, through to higher risk licence agreements whereby the University undergoes a full approval process to approve the partner as fit to offer a University award, in full or in part, on its own premises using its own staff. In between are a wide range of collaborative, student exchange, course support, study centre and credit rating agreements. Approximately 3,000 students are registered for university provision through these collaborative arrangements.

The range of collaborations across all four faculties is part of the University's commitment to a number of different objectives. The University has, for instance, in place over 30 agreements covering the offer of foundation degrees by colleges mostly within the South Yorkshire region, but some nationally. This is part of a commitment to widening participation and to partnership working with Further Education (FE) to extend the offer of higher education to students outside the Higher Education (HE) sector.

A significant partner is Sheffield College, with whom the University has a unique relationship. The College has made a decision to work almost exclusively with the University as an HE partner and offers over 20 University-validated foundation degrees. As well as a collaborative contract with the College, the University has a Memorandum of Understanding which commits the two institutions to working in partnership across a range of areas, including cooperation on the recruitment of international students based in the UK and on widening participation and raising aspirations. The University's relationship with the College is significant in terms of community engagement and its commitment to the City of Sheffield, but it also has a significant business imperative; students from the College represent approximately 10% of annual recruitment to the University each year and this is expected to increase as the trend for students to study nearer to home increases. The conversion rate for applicants from the College has increased from 30% in 2002-03 to 51% in 2007-08. Other significant and growing partnerships in the region include Rotherham College of Arts and Design and Chesterfield College.

Other collaborations support the University's international strategy. Working with selected partners in target markets assists in the enhancement of the University's reputation overseas and creates an environment for staff and student exchange and joint research, as well as student recruitment. One significant overseas partner is the Tunku Abdul Rahman College (TARC) in Malaysia. The University has had a contract with TARC for ten years. The partnership is based around an articulation arrangement whereby the University recognises TARC's advanced diplomas and has designed a series of top ups that enable the students to attend at the University during the summer semester in order to achieve a university honours degree. In 2008, 530 TARC students enrolled and there are now more than four thousand Sheffield Hallam graduates in Malaysia. The partnership

involves three out of the four faculties of the university (Organisation and Management (O&M), Arts, Computing Engineering and Sciences (ACES) and Development and Society (D&S)).

The University has overseas partnerships in the following countries – China, Hong Kong, Malaysia, Singapore, Oman, India, Sri Lanka, New Zealand, Australia, Czech Republic, Switzerland and Greece.

Associate School and College Partnerships (ASCP)

The ASCP was established in 2005 as a key recommendation of the 11-19 Regional Recruitment Strategy. Its objective is to underpin and potentially enhance progression to the University whilst raising aspirations towards higher education more generally. The University now has 101 partners, which also includes a bilateral agreement with The Sheffield College (the primary feeder of students to the University). Partnership is offered on the basis of – geographical proximity to the University (defined as the ‘travel to study area’ of the University); long standing relationship with and proximity to the University; or feeder status, i.e. institutions generating more than ten applicants.

Partnership status affords a number of benefits to schools and colleges, for example, access to the Sheffield Hallam Access Bursary and enhanced support for nominated students via our COMPACT scheme. Participants agree that the establishment of a single point of contact has been a significant benefit in enhancing inter-institutional relationships. Requests for visits to and from the University have increased from partner institutions which have led to improvements in communication and co-ordination of activity with ASC partners across the University. Analysis of recruitment since ASCP formation illustrates a clear increase in applications from partner institutions, a pattern which is anticipated to have continued in 2008 recruitment (to be confirmed following HESA data analysis).

Financial review

Results for the year

The University’s Consolidated Income, Expenditure and Results for the year to 31 July 2008 are summarised as follows

	2008 £000	2007 £000
Income	192,916	177,249
Expenditure	191,046	172,391
Surplus on Continuing Operations	1,870	4,858
Surplus on Sale of Fixed Assets	-	-
Surplus for the Year	1,870	4,858

The University had another financially successful year, recording an operating surplus for the eleventh consecutive year. The operating surplus for the year of £1.9m represents 1.0% of operating income (2006-07: 2.7%). The surplus for 2007-08 has decreased on prior year by £3.0m as a result of additional expenses in respect of the pension scheme.

Board of Governors report

for the year ended 31 July 2008

Income increased by £15.7m which was due to a combination of increased fee income from full time home and EU students (£9.6m), increased fees from research grants (£2.5m) and increased fees from NHS contracts (£4.3m).

There was a £2.4m decrease in other income as a result of the phased transfer of the Nursing and Midwifery contract from the University of Sheffield, reducing the amount charged for seconded staff to teach students already studying at the time the contract transferred (£1.6m) and residences, catering and conferences (£0.9m).

Staff costs increased by £11.6m, if restructuring costs are excluded. This was as a result of increased staff numbers, pay modernisation costs of £3.0m and the FRS17 pension adjustment of £1.4m, increasing the percentage of income from prior year by 0.7% to 65.2%.

The University adopted in full the provisions of FRS17 in 2006 in accordance with the financial standard. The assets of the LGPS are measured using closing market values. LGPS liabilities are measured using the projected unit method and discounted at the current rate of return on a high quality corporate bond of equivalent term and currency to the liability. The increase in the present value of the liabilities of the scheme, expected to arise from employee service in the period, charged to the operating surplus is £3.5m (2007 £2.1m charged). The expected return on the scheme's liabilities, arising from the passage of time, are included in pension finance costs £0.6m (2007 £0.6m). Actuarial gains and losses are recognised in the statement of total recognised gains and losses. In the year end to 31 July 2008 there was a loss of £30.0m (2007 gain of £8.5m).

Depreciation decreased by £0.2m to 5.1% of income versus 5.7% in prior year.

Interest payable decreased on prior year by £0.7m, which was as a result of restructuring the University's loan facilities in the prior year.

Other operating expenses increased by £7.8m, in line with increased income, from 25.9% to 27.7%. There was increased spend in scholarships and bursaries; premises and infrastructure and new business development.

Fixed assets have increased by £30.6m (2006-07: £13.6m) with a significant addition to the estate of a new building used by the Faculty of Art, Computing, Engineering and Sciences at a cost of £15.7m in the current year with an estimated final cost of £25m, as well as refurbishment of properties at both City and Collegiate Crescent campuses.

Total net assets (excluding pension liability) have risen from £130.8m to £141.4m and within that figure, the Income and Expenditure Reserve increased by £15.2m to £81.6m (before accounting for the Pension liability of £60.4m versus £26.3m in 2006-07).

The consolidated statements incorporate the results of the University's wholly owned subsidiary companies and of the Collegiate Charitable Trust. As already indicated these organisations undertake a variety of activities, including trading, premises refurbishment and equipment leasing. On turnover of £6.31m (2006-07: £12.95m) they generated a pre-tax profit of £0.8m (2006-07: £1.75m).

Capital structure and treasury policies

The University has continued its review of its long term borrowing requirements in line with the capital strategy and long term plan. The University has in place a long term funding facility with Barclays Bank, which consists of a seven year revolving credit facility of up to a maximum of £74.0m, followed by a 23 year term loan which will provide funding for the capital programme and some short term working capital. It will also be used to re-finance existing loans. The facility has had no funds drawn down on it during the year.

Existing longer term borrowings have fallen from £15.3m to £13.1m. It is the University's intention to repay £6.3m of these loans in the current year.

The University has a Treasury Management Policy that has been agreed by the Board of Governors to manage risk. The policy states the minimum liquidity level which must be maintained and procedures to limit exchange rate exposure. All institutions used must exceed approved ratings and investment limits with each institution are restricted.

Cash flows and liquidity

The University's ability to generate cash from its operating activities remains an important element of its financial strategy and 2007-08 saw another strong performance in this area, with cash inflow from operating activities totalling £13.7m (2006-07: £15.6m). Along with deferred capital grant receipts of £7.0m (2006-07: £12.3m) and the receipt from the sale of Norfolk Park student residence of £11.5m, the University has been able to invest £40.7m in its fixed asset base whilst retaining current cash balances of £22.6m (2006-07: £32.1m) at 31 July 2008.

Payment of creditors

The University is fully committed to the prompt payment of its supplier's invoices and supports the Confederation of British Industry's (CBI) Prompt Payment Code. The University aims to pay invoices in accordance with agreed contractual conditions or, where no such specific conditions exist, within 30 days of receipt of goods or services or the presentation of a valid invoice, whichever is the later. To support this commitment, the University will monitor its performance on creditor payment against both sector and industry norms and report regularly to Governors thereon.

Corporate governance

The University's approach to corporate governance

The University is committed to exhibiting best practice in all aspects of corporate governance. It aims to conduct its business in accordance with the principles identified in the Committee on Standards in Public Life (originally the **Nolan Committee**) and the **Committee of University Chairs** (CUC) Guide for Members of Governing Bodies of Universities and Colleges. The Board of Governors has adopted the CUC's Governance Code of Practice and work is ongoing to ensure that governance practice remains consistent with the principles of the Code. In line with the recommendation in the CUC Governance Code of Practice, the Board of Governors will formally undertake its five yearly review of compliance with the Code during 2009-10. In addition whilst the University, being a higher education corporation as defined under the Education Reform Act 1988 with charitable status, does not fall within the regulation of the London Stock Exchange, the Board of Governors intends to ensure that the University complies with the provisions of its Combined Code on Corporate Governance which can be applied to universities. As a result the University has developed a system of reviewing the entire system of internal control which concentrates on a risk based approach, with the aim of integrating corporate governance into the overall management process.

The Board of Governors has responsibility for maintaining a sound system of internal control that supports the achievement of its objectives, whilst safeguarding the public and other funds and assets for which it is responsible. Such a system is designed to manage rather than eliminate the risk of failure to achieve objectives; it can therefore only provide reasonable and not absolute assurance of effectiveness.

The Board of Governors has responsibility for reviewing the system of internal control (including the effectiveness of the University's risk management processes). The system of internal control is based on an on-going process designed to identify the principal risks; to evaluate the nature and extent of those risks; and to manage them effectively and economically. The Board of Governors is of the view that this has been fully in place for the year ended 31st July 2008 and up to the date of approval of the annual report and financial statements, that it is regularly reviewed by the Board of Governors and that it accords with the internal control guidance for directors on the Combined Code as deemed appropriate for higher education.

The University engages in risk management because it is good business practice and brings identified benefits rather than merely to comply with external direction. The following have been established

- a risk management policy
- a register of corporate risks, which is reviewed on an annual basis in the light of information from the business planning process, key risks in the external environment and the current risk register

Board of Governors report

for the year ended 31 July 2008

- a statement of the University's risk appetite
- a Risk Management Group, which is responsible for the continuing development of the risk management process and for monitoring and reviewing the risk register
- the University has embedded its approach to risk management within its business planning process with the aim of engaging all levels of staff with management responsibility
- risk management is embedded in the University's approach to the management of change and, specifically, in the governance of corporate projects
- the Audit Committee receives reports from the head of internal audit, which include internal audit's independent opinion on the adequacy and effectiveness of the University's system of internal control; together with any recommendations for improvement
- the Audit Committee receives regular reports on risk management
- the Board of Governors receives periodic reports from the Chair of the Audit Committee concerning internal control and requires regular reports from managers on steps they are taking to manage risks in their areas of responsibility including progress reports on key strategies and initiatives

No formal risk management training/workshops were provided during 2007-08 but support was given to faculties and departments as requested. Additional guidance on writing risk statements was provided and this led to some improvement in the quality of the risk registers returned as part of the annual planning process, although there is still further scope for improvement of risk identification at faculty and department level.

The University's review of effectiveness of internal control is informed by the work of internal audit, which operates to standards set out in the Code of Ethics and International Standards (March 2004) of the Institute of Internal Auditors (IIA) and that organisation's 'Position statement on the role of internal audit in enterprise-wide risk management' (September 2004). The review of the effectiveness 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 University's business planning process requires faculties and departments to identify and record risks (both threats and opportunities) associated with their annual operating plans, including the local implications of any key issues arising from their analysis of the external context, with reference to the University's PEST analysis. The senior management considers the local risk assessments and action plans when reviewing the University's key corporate risks.

At their meetings in November 2008, the Audit Committee and Board of Governors respectively carried out an annual assessment of the effectiveness of risk management for the year ended 31st July 2008 and taking into account events since 31st July 2008.

The Board of Governors is committed to continuous monitoring of its performance. Discussion of the Annual Report of the Board of Governors and its committees gives the Board an opportunity to reflect on its practice and recommend improvements.

New governors participate in an induction programme and each year all governors are given the opportunity to attend training and development activities on various aspects of their responsibilities. In 2007-08, the University held workshops for Governors on the development of a new estate strategy and masterplan for the University and the financial benchmarking review undertaken by Tribal Education. In addition, workshops were arranged relating to specific responsibilities – development of the University's pension strategy (for members of the Employment Committee).

Internal financial controls

The key elements of the University's system of internal financial control, which is designed to discharge the responsibilities set out above, include the following

- clear definitions of the responsibilities of, and the authority delegated to, heads of academic and administrative departments
- a comprehensive medium and short-term planning process, supplemented by detailed annual income, expenditure, capital and cash flow budgets
- regular reviews of academic performance and monthly reviews of financial results involving variance reporting and updates of forecast outturns
- clearly defined and formalised requirements for approval and control of expenditure
- a formalised treasury management policy
- comprehensive Financial Regulations detailing financial controls and procedures
- a professional Internal Audit team whose annual programme is approved by the Audit Committee

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

Summary of the University's structure of corporate governance

The University's Board of Governors comprises lay, staff and student members appointed under the Instrument of Government of the University, the majority of whom are non executive. The roles of Chair and Deputy Chair of the Board of Governors are separate from the role of the Vice-Chancellor. The matters specifically referred to the Board of Governors for decision are set out in the Articles of Government of the University and the Board meets six times a year for this purpose. In addition, discussions are held on issues of strategic development to the University.

By custom and under the Financial Memorandum with HEFCE, the Board of Governors holds to itself the responsibilities for the ongoing strategic direction of the University, approval of major developments and the receipt of regular reports from Executive Officers on the day-to-day operations of its business and its subsidiary companies.

The policy implications of strategic developments in higher education as they affect the experience of University students are kept under review through a University/Students Union Liaison Group. The President of the Students' Union is a member of the Board ex officio, and reports to each meeting on student matters.

The Board of Governors operates with a committee structure comprising a Finance Committee, an Employment Committee, a Remuneration Committee, a Nominations Committee and an Audit Committee. All of these committees are formally constituted with terms of reference and comprise mainly lay members of the Board of Governors, one of whom is designated to chair meetings. Governors are also represented on the Academic Board's Honorary Awards Committee.

The Vice-Chancellor and Clerk to the Board of Governors have held regular meetings with the Board Officers (i.e. Chair and Deputy Chair of the Board and the Chair of each of its subcommittees) in order to coordinate effectively the business of the Board and to brief Board Officers on key developments between Board/Committee meetings.

The Finance Committee monitors progress in respect of the strategic development of the University on behalf of the Board of Governors in the areas of finance, estate and capital programmes. The Committee approves – the policy framework and associated regulations for the investment of surplus funds and borrowing requirements; tenders, quotations and contracts for items of expenditure above the limits stated in the Financial Regulations;

Board of Governors report

for the year ended 31 July 2008

the write-off of irrecoverable debts; insurance arrangements and arrangements for the execution of estate, building and other capital programmes within the strategic framework and annual capital budgets approved by the Board. It recommends to the Board of Governors – financial policies within the strategic framework approved by the Board; Financial Regulations; the sale or acquisition of property or land within the strategic framework approved by the Board above the limits stated in the Financial Regulations; estate, building and other capital programmes within the strategic framework approved by the Board and annual revenue and capital budgets and longer term projections. Finally, it advises management on finance operating and receives reports on the activities of University companies.

The Employment Committee monitors progress in respect of the strategic development of the University on behalf of the Board of Governors in the areas of human resource and employment matters. It makes recommendations to the Board on the Human Resources Strategy and employment policies. The Committee approves major agreements entered into with trades unions and advises management on personnel operating procedures, staffing strategies and human resources development.

The Remuneration Committee determines salaries and conditions of service of Board appointments which are the Vice-Chancellor, the Director of Finance and the Secretary and Registrar and Clerk to the Board. More generally, it advises the Vice-Chancellor on salaries and conditions of service of senior managers.

The Nominations Committee considers nominations for filling vacancies in the Board of Governors membership under the Instrument of Government. Such nominations are subject to the formal approval of the Board of Governors.

The Audit Committee meets normally four times annually, with the external and internal auditors in attendance. The Committee considers detailed internal audit reports and recommendations for the improvement of the University's systems of internal control, together with management's response and implementation plans. It oversees the University's risk management process on behalf of the Board of Governors. It also receives and considers reports from the Higher Education Funding Council for England as they affect the University's corporate governance and assurance processes and monitors adherence with the regulatory requirements. It reviews the University's annual financial statements together with the accounting policies. Whilst senior executives attend meetings of the Audit Committee as necessary, they are not members of the Committee. The Committee has the formal opportunity to meet with the auditors in private without University management to enable them to raise any issues and concerns at one meeting each year and may raise urgent matters at any time via the Committee Chair.

Responsibilities of the University's Board of Governors

In accordance with the Education Reform Act 1988 and the Articles of Government, the Board of Governors is responsible for the administration and management of the affairs of the University and its subsidiary companies (Group) and is required to present audited financial statements for each financial year.

The Board of Governors is responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the Group and to enable it to ensure that the financial statements are prepared in accordance with the University's Articles of Government, the Statement of Recommended Practice on Accounting for Further and Higher Education and other relevant accounting standards. In addition, within the terms and conditions of a Financial Memorandum agreed between the Higher Education Funding Council for England and the Board of Governors of the University, 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 Group and of the surplus or deficit and cash flows for that year.

In causing the financial statements to be prepared, the Board of Governors has ensured that

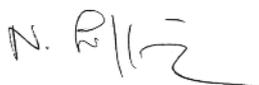
- suitable accounting policies are selected and applied consistently
- judgements and estimates are made that are reasonable and prudent
- applicable accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements
- it is appropriate for the financial statements to be prepared on the going concern basis

The Board of Governors has taken reasonable steps to

- ensure that funds from the Higher Education Funding Council for England and the Training and Development Agency for Schools, grants and income for specific purposes and from other restricted funds administered by Sheffield Hallam University have been applied only for the purposes for which they were received and in accordance with the Financial Memoranda with the Funding Councils and any other conditions which the Funding Councils may from time to time prescribe
- ensure that there are appropriate financial and management controls in place to safeguard public funds and funds from other sources
- safeguard the assets of the Group and prevent and detect fraud and other irregularities
- secure the economical, efficient and effective management of the Group's resources and expenditure

Going concern

After making enquiries the Board of Governors has a reasonable expectation that the University has adequate resources to continue in operational existence for the foreseeable future. For this reason they continue to adopt the going concern basis in preparing the financial statements.



N Jeffrey
Chairman of the Board of Governors

25 November 2008



P A Jones
Vice-Chancellor

Independent auditors' report

to the Board of Governors of Sheffield Hallam University

We have audited the Consolidated and University financial statements (the 'financial statements') of Sheffield Hallam University for the year ended 31 July 2008 which comprise the Consolidated Income and Expenditure Account, the Consolidated Balance Sheet, the Consolidated Cash Flow Statement, the Consolidated Statement of Total Recognised Gains and Losses and the related notes. These financial statements have been prepared in accordance with the accounting policies set out therein.

This report is made solely to the Board of Governors, in accordance with paragraph 13(2) of the University's Articles of Government and section 124B of the Education Reform Act 1988. Our audit work has been undertaken so that we might state to the Board of Governors 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 Board of Governors, for our audit work, for this report, or for the opinions we have formed.

Respective responsibilities of the University's Board of Governors and auditors

The University Board of Governors' responsibilities for preparing the Operating and Financial Review and the financial statements in accordance with the Accounts Direction issued by the Higher Education Funding Council for England, the Statement of Recommended Practice: Accounting for Further and Higher Education, applicable law and UK Accounting Standards (UK Generally Accepted Accounting Practice) are set out in the Statement of Responsibilities on page 22.

Our responsibility is to audit the financial statements in accordance with relevant legal and regulatory requirements and International Standards on Auditing (UK and Ireland).

We report to you our opinion as to whether the financial statements give a true and fair view and are properly prepared in accordance with the Statement of Recommended Practice – Accounting for Further and Higher Education. We also report to you whether income from funding bodies, grants and income for specific purposes and from other restricted funds administered by the University have been properly applied only for the purposes for which they were received and whether, in all material respects, income has been applied in accordance with the Statutes and, where appropriate, with the Financial Memorandum with the Higher Education Funding Council for England, the Financial Memorandum with the Training and Development Agency for Schools. We also report to you whether in our opinion the Operating and Financial Review is not consistent with the financial statements.

In addition we report to you if, in our opinion, the University has not kept proper accounting records, or if we have not received all the information and explanations we require for our audit.

We read the Operating and Financial Review and the Corporate Governance Statement and consider the implications for our report if we become aware of any apparent misstatements within them or material inconsistencies with the financial statements.

Basis of opinion

We conducted our audit in accordance with International Standards on Auditing (UK and Ireland) issued by the Auditing Practices Board and the Audit Code of Practice issued by the Higher Education Funding Council for England. An audit includes examination, on a test basis, of evidence relevant to the amounts and disclosures in the financial statements. It also includes an assessment of the significant estimates and judgments made by the University's Board of Governors in the preparation of the financial statements and of whether the accounting policies are appropriate to the Group and University's circumstances, consistently applied and adequately disclosed.

We planned and performed our audit so as to obtain all the information and explanations which we considered necessary in order to provide us with sufficient evidence to give reasonable assurance that the financial

Independent auditors' report
to the Board of Governors of Sheffield Hallam University

statements are free from material misstatement, whether caused by fraud or other irregularity or error. In forming our opinion we also evaluated the overall adequacy of the presentation of information in the financial statements.

Opinion

In our opinion

- the financial statements give a true and fair view, in accordance with UK Generally Accepted Accounting Practice, of the state of the Group and the University's affairs as at 31 July 2008 and of the Group's surplus of income over expenditure for the year then ended
- the financial statements have been properly prepared in accordance with the Statement of Recommended Practice: Accounting for Further and Higher Education
- in all material respects, income from the Higher Education Funding Council for England, the Training and Development Agency for Schools, grants and income for specific purposes and from other restricted funds administered by the University during the year ended 31 July 2008 have been applied for the purposes for which they were received; and
- in all material respects, income during the year ended 31 July 2008 has been applied in accordance with the University's statutes and, where appropriate, with the Financial Memorandum with the Higher Education Funding Council for England and the Training and Development Agency for Schools

KPMG LLP
Chartered Accountants and Registered Auditors
1 The Embankment
Neville Street
Leeds
LS1 4DW

25 November 2008

Consolidated income and expenditure account

for the year ended 31 July 2008

	Note	2008 £000	2007 £000
Income			
Funding body grants	2	80,526	80,756
Tuition fees and education contracts	3	76,305	60,447
Research grants and contracts	4	12,468	10,014
Other income	5	21,592	24,182
Endowment and investment income	6	2,025	1,850
Total income		192,916	177,249
Expenditure			
Staff costs	7	126,166	114,318
Depreciation	8	9,883	10,118
Other operating expenses	9	53,578	45,826
Interest and other finance costs	10	1,419	2,129
Total expenditure	11	191,046	172,391
Surplus after depreciation of tangible fixed assets at valuation and before tax		1,870	4,858
Taxation		-	-
Surplus after depreciation of assets at valuation and tax		1,870	4,858
Disposal of fixed assets		-	-
Surplus for the year retained within general reserves		1,870	4,858

All results are from continuing operations.

Consolidated statement of historical cost surpluses and deficits
for the year ended 31 July 2008

	Note	2008 £000	2007 £000
Surplus on continuing operations before taxation		1,870	4,858
Realisation of property revaluation gains of previous years	22	8,814	-
Difference between historical cost depreciation and the actual charge for the year calculated on the re-valued amount	22	351	390
Historical cost surplus for the year before taxation		11,035	5,248
Historical cost surplus for the year after taxation		11,035	5,248

Consolidated statement of total recognised gains and losses

for the year ended 31 July 2008

	Note	2008 £000	2007 £000
Surplus on continuing operations after depreciation of assets at valuation, disposal of assets and tax		1,870	4,858
New endowments	16	5	8
Endowment income retained for the year	16	17	(11)
Revaluation of assets held for resale	22	-	6,518
Revaluation of Heritage Assets	22	515	-
Actuarial gain/(loss) in respect of the pension scheme	25	(30,049)	8,475
Total recognised gains/(losses) since last annual report		(27,642)	19,848
Reconciliation			
Opening reserves and endowments		71,048	51,200
Total recognised gains/(losses) for the year		(27,642)	19,848
Closing reserves and endowments		43,406	71,048

Consolidated balance sheet

as at 31 July 2008

	Note	2008 £000	2008 £000	2007 £000	2007 £000
Fixed assets					
Tangible assets	12	161,728		131,106	
Investments	15	42	161,770	42	131,148
<hr/>					
Endowment asset investments	16		568		546
Current assets					
Assets held for resale		-		11,245	
Stocks and stores in hand		196		230	
Debtors	17	16,337		14,231	
Short term deposits		22,380		31,885	
Cash at bank and in hand		211		222	
<hr/>					
			39,124	57,813	
Creditors – amounts falling due within one year	18	51,937		57,675	
<hr/>					
Net current assets/(liabilities)			(12,813)		138
<hr/>					
Total assets less current liabilities			149,525		131,832
<hr/>					
Creditors – amounts falling due after more than one year	19	6,810		-	
Provisions for liabilities and charges	20	1,308	8,118	1,082	1,082
<hr/>					
Net assets excluding pension liability			141,407		130,750
Pension liability	25		60,430		26,294
<hr/>					
Total net assets			80,977		104,456
<hr/>					
Represented by					
Deferred capital grants	21		37,572		33,408
Endowments					
Expendable	16		568		546
Reserves					
Income and expenditure including pension reserve	24	21,180		40,166	
Revaluation reserve	22	20,970		29,620	
Capital reserve	23	687		716	
			42,837		70,502
<hr/>					
Total funds			80,977		104,456
<hr/>					

The financial statements on pages 26 to 56 were approved on behalf of the Board of Governors on 25 November 2008.

N Jeffrey, Chairman of the Board of Governors

P A Jones, Vice-Chancellor

University balance sheet

as at 31 July 2008

	Note	2008 £000	2008 £000	2007 £000	2007 £000
Fixed assets					
Tangible assets	13	154,621		123,413	
Investments	15	15,807	170,428	15,807	139,220
Endowment asset investments					
	16		568		546
Current assets					
Assets held for resale		-		11,245	
Stocks and stores in hand		196		230	
Debtors	17	16,768		16,467	
Short term deposits		22,380		31,885	
Cash at bank and in hand		56		95	
				39,400	59,922
Creditors – amounts falling due within one year	18	52,272		57,991	
Net current assets/(liabilities)			(12,872)		1,931
Total assets less current liabilities			158,124		141,697
Creditors – amounts falling due after more than one year	19	22,575		16,257	
Provisions for liabilities and charges	20	1,308	23,883	1,082	17,339
Net assets excluding pension liability			134,241		124,358
Pension liability	25		60,430		26,294
Total net assets			73,811		98,064
Represented by					
Deferred capital grants	21		37,572		33,408
Endowments					
Expendable	16		568		546
Reserves					
Income and expenditure including pension reserve	24	14,014		33,774	
Revaluation reserve	22	20,970		29,620	
Capital reserve	23	687		716	
			35,671		64,110
Total funds			73,811		98,064

The financial statements on pages 26 to 56 were approved on behalf of the Board of Governors on 25 November 2008.

N Jeffrey, Chairman of the Board of Governors

P A Jones, Vice-Chancellor

Consolidated cash flow statement
for the year ended 31 July 2008

	Note	2008 £000	2007 £000
Cash inflow from operating activities	28	13,748	15,550
Return on investments and servicing of finance	30	1,386	404
Capital expenditure and financial investment	31	(22,107)	(15,546)
Cash inflow before use of liquid resources and financing		(6,973)	408
Management of liquid resources		9,483	4,781
Financing		(2,190)	(5,130)
Increase in cash		320	59
Movement in Net Funds			
Increase in cash in the period		320	59
(Decrease) in liquid resources		(9,483)	(4,781)
Repayment of debt	29	2,190	5,130
Change in net cash		(6,973)	408
Net cash at 1 August		16,934	16,526
Net cash at 31 July	32	9,961	16,934

Notes to the accounts

1 Statement of principal accounting policies

Accounting convention

The financial statements of the University have been prepared under the historical cost convention, as modified by the revaluation of certain land and buildings, and in accordance with both the Statement of Recommended Practice: Accounting for Further and Higher Education (the SORP) issued in September 2007 and applicable Accounting Standards.

Basis of consolidation

The consolidated financial statements consolidate the financial statements of the University and its wholly owned subsidiary undertakings (Sheffield Hallam University Enterprises Ltd, Collegiate Properties (2) Ltd, Collegiate Properties (3) Ltd, O&N Contracting Ltd, Virtual Learning Systems Ltd and Collegiate Library Services Ltd) together with those of the Collegiate Charitable Trust.

The University and its subsidiaries prepare accounts to the 31 July.

The consolidated financial statements do not include those of the University's Union of Students as it is a separate legal entity over which the University does not exercise control or significant influence over policy decisions.

Recognition of income

Income from Specific Grants from the Higher Education Funding Council for England, Specific Endowments and Donations, Research Grants, Contracts and Other Services Rendered is included to the extent of the expenditure incurred during the year, together with any related contributions towards overhead costs. Income received in excess of expenditure is held as a deferred creditor; expenditure in excess of related income is charged during the year in which it is incurred. All income from short-term deposits is credited to the Income and Expenditure Account on a receivable basis.

Recurrent grants from the Funding Councils are recognised in the period in which they are receivable.

Non recurrent grants from Funding Councils and or other bodies receivable in respect of the acquisition or construction of fixed assets are treated as deferred capital grants and amortised in time with depreciation over the life of the assets.

Funds the University receives and disburses as paying agent on behalf of a funding body are excluded from the income and expenditure of the institution where the institution is exposed to minimal risk or enjoys minimal economic benefit related to the transaction.

Foreign currencies

Transactions denominated in foreign currencies are recorded at the rate of exchange ruling at the dates of the transactions. Monetary assets and liabilities denominated in foreign currencies are translated into sterling at year end rates. The resulting exchange differences are dealt with in the determination of income and expenditure for the financial year.

Leases

Fixed assets held under finance leases and the related lease obligations are recorded in the Balance Sheet at the fair value of the leased assets on the inception of the lease. The excess of lease payments over recorded lease obligations are treated as finance charges which are amortised over each lease term to give a constant rate of charge on the remaining balance of the obligations.

Rental costs under operating leases are charged to expenditure in equal annual amounts over the periods of the leases.

Land and buildings

Land and buildings were revalued at 31 March 1992 on the basis of current market value for continuation of existing use where appropriate. Where buildings are in specialist use and there is no general market value then the valuation was carried out on the basis of depreciated replacement cost, in accordance with the Royal

Institution of Chartered Surveyors Guidance Notes concerning asset valuation. Land and buildings acquired since 31 March 1992 are included at cost.

The University adopted the transitional provisions of Financial Reporting Standard 15 (FRS15) and determined not to subsequently revalue its Fixed Assets from the amounts currently included within the Financial Statements.

Equipment

Designated equipment financed from Funding Council grants and other equipment is capitalised on the basis of nature. Equipment is capitalised if it is tangible, has a life of more than one year and has a resale value for the duration of its life. The life of the asset is dependent on its categorisation within 16 categories, ranging from two to ten years.

Subsequent expenditure on existing fixed assets

Where significant expenditure is incurred on tangible fixed assets it is charged to the income and expenditure account in the period it is incurred, unless it meets one of the following criteria, in which case it is capitalised and depreciated on the relevant basis

- market value of the fixed asset has subsequently improved
- assets capacity increases
- substantial improvement in the quality of output or reduction in operating costs
- significant extension of the assets life beyond that conferred by repairs and maintenance

Heritage assets

Works of art and other valuable artefacts (heritage assets) have been capitalised and recognised at the cost or value of the acquisition, where such a cost or valuation is reasonably obtainable.

Depreciation

Land

Land is not depreciated.

Buildings

Depreciation on new and existing buildings is provided on a straight line basis over their expected useful lives, generally 50 years. It is provided on structural additions over the remaining useful life, and on major refurbishments over 10 years.

Leased buildings

The fitting out costs of leased buildings are depreciated over the lesser of the assets' lives or the expected occupancy period.

Other tangible fixed assets

Furniture and fixed equipment for new and refurbished buildings are depreciated on a straight line basis over the life according to the relevant category. Depreciation on all other equipment is calculated on a straight line basis from the month of purchase, over the lifespan of the asset category. The categories are

- motor vehicles and office equipment – three years
- computers – four years
- furniture – five years
- scientific equipment – two to ten years

Assets under construction

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

Notes to the accounts

Heritage assets

Heritage assets are not depreciated since their long economic life and high residual value mean that any depreciation would not be material.

Stocks

Stocks are valued at the lower of cost and net realisable value.

Cash flows and liquid resources

Cash flows comprise increases or decreases in cash. Cash includes cash in hand, deposits repayable on demand and overdrafts. Deposits are repayable on demand if they are in practice available within 24 hours without penalty. No investments, however liquid, are included in cash.

Liquid resources comprise assets held as a readily disposable store of value. They include term deposits, government securities and loan stock held as part of the University's treasury management activities. They exclude any such assets held as Endowment Asset Investments.

Provisions

Provisions are recognised when the University has a present legal or constructive obligation where, 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.

Maintenance of premises

The University has a rolling long-term maintenance plan which is reviewed periodically and forms the basis of the ongoing maintenance of the estate. The cost of long-term and routine corrective maintenance is charged to the Income and Expenditure Account as incurred.

Taxation status

The University is an exempt charity within the meaning of Schedule 2 of the Charities Act 1993 and as such is a charity within the meaning of Section 506(1) of the Taxes Act 1988. Accordingly, the University is potentially exempt from taxation in respect of income or capital gains received within categories covered by Section 505 of the Taxes Act 1988 or Section 256 of the Taxation of Chargeable Gains Act 1992 to the extent that such income or gains are applied exclusively to charitable purposes. The University receives no similar exemption in respect of Value Added Tax.

The University's subsidiary companies are subject to corporation tax and VAT in the same way as any commercial organisation.

Research and development expenditure

Income from grants, contracts and other services rendered is included to the extent of the completion of the contract or service concerned.

Investments

Fixed assets investments are carried at historical cost less any provision for impairment in their value.

Listed investments held as fixed assets or endowment assets are stated at market value.

Current asset investments, which may include listed investments, are stated at the lower of their cost and net realisable value.

Local Government Pension Scheme

The assets of the LGPS are measured using closing market bid price. LGPS liabilities are measured using the projected unit method and discounted at the current rate of return on a high quality corporate bond of equivalent term and currency to the liability. The increase in the present value of the liabilities of the scheme expected to arise from employee service in the period is charged to the operating surplus. The expected return on the scheme's assets and the increase during the period in the present value of the scheme's liabilities, arising from the passage of time, are included in pension finance costs. Actuarial gains and losses are recognised in the statement of total recognised gains and losses.

2 Funding body grants

	2008 £000	2007 £000
Higher Education Funding Council for England		
Recurrent grant	66,683	66,956
Specific grants	3,361	3,788
Training and Development Agency		
Recurrent grant	7,127	6,891
Specific grants	454	205
Deferred capital grants released in year (Note 21)		
Buildings	1,977	1,987
Equipment	924	929
	80,526	80,756

3 Tuition fees and education contracts

	2008 £000	2007 £000
Full-time UG home and EU students	34,254	24,826
Full-time PG home and EU students	2,862	2,715
Part-time home and EU students	6,795	6,569
Overseas students	12,879	11,484
Fees from NHS contracts	17,149	12,831
Other fees and support grants	2,366	2,022
	76,305	60,447

4 Research grants and contracts

	2008 £000	2007 £000
OST Research Councils	1,963	1,164
UK-based charities	622	722
UK central government bodies/local authorities, health and hospital authorities	7,131	6,193
UK industry, commerce and public corporations	1,039	644
EU government bodies	1,506	845
EU other	53	158
Other overseas	59	43
Other sources	95	245
	12,468	10,014

Notes to the accounts

5 Other income

	2008	2007
	£000	£000
Residences, catering and conferences	4,706	5,627
Other services rendered	7,206	7,203
Release of deferred capital grants (non HEFCE)	(33)	399
Other income	9,713	10,953
	21,592	24,182

6 Endowment and investment income

	2008	2007
	£000	£000
Transferred from restricted expendable endowments (Note 16)	7	33
Income from short term investments	2,018	1,805
Other interest receivable	-	12
	2,025	1,850

7 Staff

Staff Costs	2008	2007
	£000	£000
Wages and salaries	101,528	94,006
National Insurance costs	8,189	7,344
Superannuation costs (Note 25)	15,431	12,242
Restructuring costs	1,018	726
	126,166	114,318

Emoluments of the Vice-Chancellor	2008	2007
	£000	£000
Salary	190	181
Other benefits	1	123
	191	304
Pension contributions	27	22
	218	326

The pension contributions represent the University's employer's contributions to the USS Pension Scheme and are paid at the same rate as for other employees.

Remuneration of other higher paid staff, excluding employer's pension contributions, fall within the following bands	2008	2007
£100,000 - £109,999	5	-
£110,000 - £119,999	1	2
£120,000 - £129,999	4	3
£130,000 - £139,999	2	-
£140,000 - £149,999	1	-
£190,000 - £199,999	1	-
£200,000 - £209,999	1	-

The average number of persons employed during the year was made up as follows	2008	2007
Faculty/Research Institute based	1,902	1,739
Academic support departments	276	292
Administration	638	608
Other	234	229
	3,050	2,868

The staff numbers are full time equivalents. Academic support departments mainly comprise staff of Communication and IT Services and the Learning Centre.

Compensation for loss of office payable to two senior post-holders	2008 £000	2007 £000
Compensation payable	74	-

The severance pay was in accordance with the Institutions remuneration committee.

8 Depreciation

	2008 £000	2007 £000
The depreciation charge has been funded by		
Deferred capital grants released (Note 21)	2,868	3,315
General income	6,664	6,413
Revaluation reserve released (Note 22)	351	390
	9,883	10,118

Notes to the accounts

9 Other operating expenses

	2008	2007
	£000	£000
Premises costs	7,289	5,965
Furniture and supplies	1,572	1,732
Equipment and consumables	2,617	2,342
Operating lease expenditure	1,095	1,035
Books and periodicals	2,254	2,034
Staff development and training	974	977
Staff travel expenses	2,346	2,039
Other staff costs	602	690
Students grants and expenses	8,794	5,316
Grants to Sheffield Hallam University Union of Students	1,300	1,236
Computers and IT	3,381	2,980
Printing and stationery	1,269	1,265
Marketing and publicity	2,376	1,906
Hospitality	467	325
Postage and communications	1,176	1,096
Professional services	10,293	8,615
External auditors' remuneration – Audit: University	39	42
Subsidiaries	8	9
– Other services	30	21
Internal audit services	85	114
Course and exam expenses	2,542	2,044
Bad debts	311	630
Agency staff	2,268	1,254
Other expenses	490	2,159
	53,578	45,826

10 Interest and other finance costs

	2008	2007
	£000	£000
Loan wholly repayable within five years	-	1,282
Loans not wholly repayable within five years	857	-
Refinancing costs	-	244
Pension finance costs (Note 25)	562	603
	1,419	2,129

11 Analysis of total expenditure by activity

	2008	2007
	£000	£000
Academic departments	93,019	85,263
Academic services	18,201	17,131
Administration and central services	32,074	26,829
Premises	17,829	17,290
Residences, catering and conferences	4,497	4,801
Research grants and contracts	12,908	9,623
Other expenses	12,518	11,454
	191,046	172,391

12 Tangible fixed assets – consolidated

	Land and Buildings			Assets in course of construction	Equipment	Heritage assets	Total
	Freehold	Long leasehold	Short leasehold				
	£000	£000	£000	£000	£000	£000	£000
Cost or Valuation							
At 1 August 2007							
Valuation	27,966	-	-	-	-	-	27,966
Cost	129,530	556	1,951	12,003	28,906	-	172,946
Additions at cost	105	-	-	30,538	9,628	-	40,271
Transfers at cost	5,900	-	-	(7,568)	1,668	-	-
Disposals at cost	-	-	-	-	(6,373)	-	(6,373)
Revaluation in year	-	-	-	-	-	515	515
At 31 July 2008							
Valuation	27,966	-	-	-	-	515	28,481
Cost	135,535	556	1,951	34,973	33,829	-	206,844
	163,501	556	1,951	34,973	33,829	515	235,325
Depreciation							
At 1 August 2007	51,151	70	1,951	-	16,634	-	69,806
Charge for year	4,752	62	-	-	5,069	-	9,883
Transfers to assets held for resale							
At cost	-	-	-	-	-	-	-
At valuation	-	-	-	-	-	-	-
Eliminated on disposals	-	-	-	-	(6,092)	-	(6,092)
At 31 July 2008	55,903	132	1,951	-	15,611	-	73,597
Net Book Value							
At 31 July 2008	107,598	424	-	34,973	18,218	515	161,728
At 1 August 2007	106,345	486	-	12,003	12,272	-	131,106

The land and buildings were revalued as at 31 March 1992 by Fuller Peiser, an independent firm of chartered surveyors, in accordance with the fixed assets accounting policy outlined in Note 1.

Notes to the accounts

13 Tangible fixed assets – University

	Land and Buildings			Assets in Course of Construction	Equipment	Heritage Assets	Total
	Freehold	Long Leasehold	Short Leasehold				
	£000	£000	£000	£000	£000	£000	£000
Cost or Valuation							
At 1 August 2007							
Valuation	27,966	-	-	-	-	-	27,966
Cost	112,532	16,321	1,951	12,003	28,883	-	171,690
Additions at cost	105	-	-	30,538	9,623	-	40,266
Transfers at cost	7,133	-	-	(7,568)	1,668	-	1,233
Disposals at cost	-	-	-	-	(6,371)	-	(6,371)
Revaluation in year	-	-	-	-	-	515	515
At 31 July 2008							
Valuation	27,966	-	-	-	-	515	28,481
Cost	119,770	16,321	1,951	34,973	33,803	-	206,818
	147,736	16,321	1,951	34,973	33,803	515	235,299
Depreciation							
At 1 August 2007	46,535	11,134	1,951	-	16,623	-	76,243
Charge for year	4,466	821	-	-	5,065	-	10,352
Transfers to assets held for resale							
At cost	173	-	-	-	-	-	173
At valuation	-	-	-	-	-	-	-
Eliminated on disposals	-	-	-	-	(6,090)	-	(6,090)
At 31 July 2008	51,174	11,955	1,951	-	15,598	-	80,678
Net Book Value							
At 31 July 2008	96,562	4,366	-	34,973	18,205	515	154,621
At 1 August 2007	93,963	5,187	-	12,003	12,260	-	123,413

The land and buildings were revalued as at 31 March 1992 by Fuller Peiser, an independent firm of chartered surveyors, in accordance with the fixed assets accounting policy outlined in Note 1.

14 Heritage assets

The University has identified a number of assets which are of historic and artistic value which are being maintained principally for their contribution to knowledge and culture. The collection has been independently valued by Vivienne Milburn Limited Antiques Values and Auctioneers at a value of £515,070, the assets have been capitalised at this value.

15 Investments

	Consolidated		University	
	2008 £000	2007 £000	2008 £000	2007 £000
Fixed Asset Investments				
Investment in subsidiary companies at cost	-	-	9,750	9,750
Loan to Collegiate Properties (2) Limited	-	-	6,015	6,015
Loan to Collegiate Library Services Limited	-	-	-	-
Other investments	42	42	42	42
	42	42	15,807	15,807

Subsidiary Undertakings	Principal Activity	Country of Registration	Percentage of Ordinary Shares Held
3D Imaging Technology Limited	Dormant	England and Wales	100
Collegiate Library Services Limited	Provision of library services to the University	England and Wales	100
Collegiate Properties Limited	Dormant	England and Wales	100
Collegiate Properties (2) Limited	Contracting and property leasing	England and Wales	100
Collegiate Properties (3) Limited	Equipment leasing	England and Wales	100
Hallam Biotechnology Limited	Dormant	England and Wales	100
Hallam Immunotech Limited	Dormant	England and Wales	100
Hallam Proteonics Limited	Dormant	England and Wales	100
O&N Contracting Limited	Property leasing	England and Wales	100
Sheffield Hallam Innovation and Enterprise Limited	Dormant	England and Wales	100
Sheffield Hallam Property Company Limited	Dormant	England and Wales	100
Sheffield Hallam University Enterprises Limited	Non-property related trading activities	England and Wales	100
Virtual Learning Systems Limited	Web-based learning services	England and Wales	100
Yorkshire and Humberside Science Limited	Science Training	England and Wales	25

The University also consolidates the Collegiate Charitable Trust. The Trust's financial statements are prepared to 31 July 2008.

Notes to the accounts

16 Endowment assets

	Consolidated and University	
	2008 £000	2007 £000
Restricted Expendable Endowments		
At 1 August	546	549
Income for year	24	22
New endowments	5	8
Transferred to Income and Expenditure account	(7)	(33)
At 31 July	568	546
Representing		
Prize funds	231	226
Other funds	337	320
	568	546

The University's fixed asset endowments are held as short term cash deposits.

17 Debtors

	Consolidated		University	
	2008 £000	2007 £000	2008 £000	2007 £000
Amounts falling due within one year				
Trade debtors	10,855	8,977	10,125	8,111
Prepayments	1,363	1,427	1,357	1,416
Accrued income	4,006	3,721	5,173	4,333
Loans	113	106	113	1,836
Amounts owed by group undertakings	-	-	-	771
	16,337	14,231	16,768	16,467

18 Creditors – amounts falling due within one year

	Consolidated		University	
	2008	2007	2008	2007
	£000	£000	£000	£000
Bank overdrafts	54	385	54	385
Mortgages and unsecured loans	6,333	15,334	6,333	15,334
Obligations under finance leases	-	-	-	817
Payments received on account	15,236	13,848	15,037	13,796
Trade creditors	8,164	6,177	8,164	6,176
Social security and other taxation payable	3,374	3,745	3,369	3,709
Accruals and deferred income	18,776	18,186	18,503	17,774
Amounts owed to group undertakings	-	-	812	-
	51,937	57,675	52,272	57,991

Amounts repayable within one year in respect of bank loans outstanding at 31 July 2008 may be analysed as follows

Lender	Date loan obtained	Final repayment date	Interest rate	Consolidated and University	
				Balance outstanding	Balance outstanding
				2008	2007
				£000	£000
Barclays Bank	1999	2014	fixed	1,362	9,534
Barclays Bank	1999	2014	variable	4,971	5,800
				6,333	15,334

In the prior year, all loans were classified as amounts repayable within one year as the existing loans were to be repaid under a refinancing package. Due to commercial reasons, the University maintained the existing loans which have now been partly reclassified as repayable in more than one year.

19 Creditors – amounts falling due after more than one year

	Consolidated		University	
	2008	2007	2008	2007
	£000	£000	£000	£000
Loans repayable secured on residential and other property				
Between one and five years				
Secured loans	6,810	-	6,810	-
Over five years				
Secured loans	-	-	-	-
Obligations under finance leases				
Between one and five years				
Equipment	-	-	-	492
Over five years				
Leasehold obligation to group undertakings	-	-	15,765	15,765
	6,810	-	22,575	16,257

Notes to the accounts

Amounts repayable after more than one year in respect of bank loans outstanding at 31 July 2008 may be analysed as follows

Lender	Date loan obtained	Final repayment date	Interest rate	Consolidated and University	
				Balance outstanding	Balance outstanding
				2008 £000	2007 £000
Barclays Bank	1999	2014	fixed	6,810	-
				6,810	-

20 Provisions for liabilities and charges

	Consolidated and University				
	Legal £000	Pensions £000	Restructuring £000	Funding £000	Total £000
At 1 August 2007	100	585	397	-	1,082
Created in year Income and Expenditure account	-	143	283	500	926
Utilised in year	(70)	(179)	(324)	-	(573)
Released in year	(30)	(71)	(26)	-	(127)
At 31 July 2008	-	478	330	500	1,308

The pension provision is in respect of pension enhancements payable on behalf of staff who had taken early retirement.

The restructuring provision is in respect of redundancy payments and other one-off costs arising from the reorganisation of various elements of the University's academic portfolio.

The funding provision is in respect of any findings from the recent but as yet unreported audit of the University's HEFCE grant funding.

21 Deferred capital grants

	Consolidated and University		
	Funding Councils £000	Other Grants £000	2008 Total £000
At 1 August			
Buildings	29,575	1,420	30,995
Equipment	2,332	81	2,413
Total	31,907	1,501	33,408
Cash Received			
Buildings	5,102	91	5,193
Equipment	1,839	-	1,839
Total	6,941	91	7,032
Released to Income and Expenditure account			
Buildings	1,977	(63)	1,914
Equipment	924	30	954
Total	2,901	(33)	2,868
At 31 July			
Buildings	32,700	1,574	34,274
Equipment	3,247	51	3,298
Total	35,947	1,625	37,572

22 Revaluation reserve

	Consolidated and University	
	2008 £000	2007 £000
Balance brought forward at 1 August	29,620	23,492
Release in respect of assets sold in year	(8,814)	-
Revaluation of assets held for resale	-	6,518
Release to Income and Expenditure reserve equivalent to depreciation on revaluation	(351)	(390)
Revaluation of Heritage Assets	515	-
Balance at 31 July	20,970	29,620

Notes to the accounts

23 Capital reserve

	Consolidated and University	
	2008	2007
	£000	£000
Balance brought forward at 1 August	716	745
Release to Income and Expenditure reserve	(29)	(29)
Balance at 31 July	687	716

24 Income and expenditure reserve

	Consolidated		University	
	2008	2007	2008	2007
	£000	£000	£000	£000
Surplus after depreciation of assets at valuation, disposal of assets and tax	1,870	4,858	1,095	4,331
Release from revaluation reserve	351	390	351	390
Release from capital reserve	29	29	29	29
Actuarial gain/(loss) in respect of the pension scheme	(30,049)	8,475	(30,049)	8,475
Release in respect of assets sold in the year	8,814	-	8,814	-
	(18,986)	13,752	(19,760)	13,225
Balance at 1 August	40,166	26,414	33,774	20,549
	21,180	40,166	14,014	33,774
Balance represented by				
Pension reserve	(60,430)	(26,294)	(60,430)	(26,294)
Income and expenditure reserve	81,610	66,460	74,444	60,068
	21,180	40,166	14,014	33,774

25 Pension costs

The University's employees belong to three principal pension schemes, the Teachers' Pension Scheme (TPS), the Universities Superannuation Scheme (USS) and the Local Government Pension Scheme (LGPS).

Total pension cost for the year	2008	2007
	£000	£000
Teachers Pension Scheme – contributions paid	6,489	5,204
Universities Superannuation Scheme – contributions paid	1,010	810
Local Government Pension Scheme – FRS17 charge	7,932	6,227
Enhanced pension charge to Income and Expenditure Account (staff costs)	-	-
Total Pension Cost	15,431	12,242

Teachers' Pension Scheme (TPS)

The University participates in the Teachers' Pension Scheme, a defined benefit scheme which is unfunded. Contributions from both members and employers are credited to the Exchequer, which is then responsible for meeting the cost of all benefits. The TPS is a multi-employer pension scheme and it is not possible to identify each institution's share of the underlying (notional) assets and liabilities of the scheme. Contributions to the scheme are therefore accounted for as if it were a defined contribution scheme, with the cost recognised within the surplus/deficit for the year in the income and expenditure account being equal to the contributions payable to the scheme for the year.

Actuarial valuations are carried out on a notional set of investments every five years using the prospective benefits method. The assumptions and other data which have the most significant effect on the determination of the contribution level are as follows

Latest actuarial valuation	31.03.04
Investment returns per annum	6.50%
Salary scale increases per annum	5.00%
Pension increases per annum	3.50%
Value of notional assets at date of last valuation	£163,240m
Value of liabilities at date of last valuation	£166,500m
Next actuarial valuation due	31.03.08

As part of the actuarial valuation, the Government Actuary undertakes a review of the level of employers' contributions. The contribution rate determined at the 2001 valuation remained payable from 1 April 2004 to 31 December 2006. The rate was increased to 14.1% from 13.5% from 1 January 2007.

Notes to the accounts

Universities Superannuation Scheme (USS)

The University participates in the Universities Superannuation Scheme (USS), a defined benefit scheme which is externally funded and contracted out of the State Earnings-Related Pension Scheme. The assets of the schemes are held in a separate trustee-administered fund. It is not possible to identify each institution's share of the underlying assets and liabilities of the scheme and hence contributions to the scheme are accounted for as if it were a defined contribution scheme, with the cost recognised within the surplus/deficit for the year in the income and expenditure account being equal to the contributions payable to the scheme for the year.

The scheme is valued every three years by actuaries using the projected unit method. The assumptions and other data which have the most significant effect on the determination of the contribution level are as follows

Latest actuarial valuations	31.03.05
Investment returns per annum – past service	5.00%
Investment returns per annum – future service	6.00%
Salary scale increases per annum	3.70%
Pension increases per annum	2.70%
Market value of assets at date of last valuation	£21,740m
Next actuarial valuation due	31.03.08
Expected completion by	31.03.09

The actuary also valued the scheme on a number of other bases as at the valuation date. Using the Minimum Funding Requirement prescribed assumptions introduced by the Pensions Act 1995, the scheme was 126% funded at that date; under the Pension Protection Fund regulations introduced by the pensions Act 2004 it was 110% funded; on a buy-out basis (i.e. assuming the Scheme has discontinued on the valuation date) the assets would have been approximately 74% of the amount necessary to secure all the USS benefits with an insurance company; and using the FRS17 formula as if USS was a single employer scheme, the actuary estimated that the funding level would have been approximately 90%. The contribution rate is 14.0%.

Local Government Pension Scheme (LGPS)

The University participates in the Local Government Pension Scheme (LGPS), a defined benefit scheme which is externally funded and contracted out of the State Earnings-Related Pension Scheme. There are some 100 separate funds within the scheme, administered locally by administering authorities. The University participates in the South Yorkshire Pension Fund (SYPF).

The SYPF is valued every three years by a qualified independent actuary using the projected unit method, the rates of contribution payable being determined by the actuary with the approval of the administering authority. The last full actuarial valuation was carried out at 31 March 2007.

The SYPF is structured in such a way that the actuary has been able to identify the University's share of the underlying assets and liabilities on a consistent and reasonable basis.

The total contributions made for the year ended 31 July 2008 was £6.619m of which employers contributions totalled £4.407m and employees contributions totalled £2.212m. The current contribution rates are 13.05% (2007: 13.05%) for employers and employees are on a sliding scale based on earnings, the rate varying between 5.5% and 7.2% (2007: 6%).

The following information is based upon a full actuarial valuation of the fund at 31 March 2007 updated to 31 July 2008 by a qualified independent actuary.

Principal actuarial assumptions

	2008	2007
Rate of increase in salaries	5.30%	4.95%
Rate of increase in pensions in payment	3.80%	3.20%
Discount rate	5.90%	5.80%
Inflation assumption	3.80%	3.20%
Proportion of employees opting to take a commuted lump sum	50.00%	50.00%

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

	At 31 July 2008	At 31 July 2007
<i>Retiring today</i>		
Males	20.3	19.7
Females	23.1	22.6
<i>Retiring in 20 years</i>		
Males	21.3	22.2
Females	24.0	25.0

Scheme assets

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

	Long term rate of return expected at 31 July 2008	Value at 31 July 2008 £000	Long term rate of return expected at 31 July 2007	Value at 31 July 2007 £000	Long term rate of return expected at 31 July 2006	Value at 31 July 2006 £000
Equities	7.50%	73,117	7.50%	79,705	7.00%	68,261
Government Bonds	4.80%	17,403	4.90%	17,928	4.40%	16,323
Other Bonds	5.90%	8,877	5.80%	7,631	5.10%	7,844
Property	6.50%	12,498	6.50%	14,173	6.00%	11,977
Other	5.00%	4,906	5.75%	1,696	4.50%	1,590
		116,801		121,133		105,995

Notes to the accounts

The following amounts at 31 July 2008 were measured in accordance with the requirements of FRS17

	2008 £000	2007 £000
Total fair value of assets	116,801	121,133
Present value of scheme liabilities	(177,231)	(147,427)
(Deficit) in the scheme – Net pension (liability)	(60,430)	(26,294)

Analysis of the amount charged to the Income and Expenditure account

	2008 £000	2007 £000
Employer service cost (net of employee contributions)		
Current service cost	(6,041)	(5,962)
Past service costs/gain	(1,891)	(266)
Total Operating Charge/Credit	(7,932)	(6,227)

Analysis of pension finance income/(costs)

	2008 £000	2007 £000
Expected return on pension scheme assets	8,130	6,546
Interest on pension scheme liabilities	(8,692)	(7,149)
Pension Finance Income/(Costs)	(562)	(603)

Amounts recognised in the Statement of Total Recognised Gains and Losses

	2008 £000	2007 £000
Actual return less expected return on pension scheme assets	(15,703)	6,209
Experience gains and losses arising on scheme liabilities	-	-
Change in financial and demographic assumptions underlying the scheme liabilities	(14,346)	2,266
Total actuarial loss recognised in the Statement of Total Recognised Gains and Losses	(30,049)	8,475

Reconciliation of opening and closing balances at the present value of plan liabilities

	2008	2007
	£000	£000
(Deficit) on scheme at 1st August	(26,294)	(32,092)
Movement in year		
Current service costs	(6,041)	(5,962)
Contributions	4,407	4,154
Past service costs	(1,891)	(266)
Other finance (costs)/income	(562)	(603)
Actuarial gain/(loss)	(30,049)	8,475
(Deficit) on scheme at 31st July	(60,430)	(26,294)

Asset and liability reconciliation**Reconciliation of liabilities**

	2008	2007
	£000	£000
Liabilities at start of period	147,427	138,087
Service cost	6,041	5,962
Interest cost	8,692	7,149
Employee contributions	2,212	2,061
Experience gains and losses on scheme liabilities	-	-
Actuarial (gain)/loss	14,346	(2,266)
Benefits paid	(3,378)	(3,832)
Past service cost	1,803	-
Curtailments and settlements	88	266
Liabilities at end of period	177,231	147,427

Reconciliation of assets

	2008	2007
	£000	£000
Assets at start of period	120,895	105,783
Expected return on assets	8,143	6,533
Actuarial gain/(loss)	(15,478)	6,196
Employer contributions	4,407	4,154
Employee contributions	2,212	2,061
Benefits paid	(3,378)	(3,832)
Assets at end of period	116,801	120,895

The estimated contribution to the defined benefit scheme for the year 2008-09 is £5,035,000.

Notes to the accounts

History of Experience Gains of Losses	2008	2007	2006	2005	2004
	£000	£000	£000	£000	£000
Actual return less expected return on pension scheme assets	(15,703)	6,209	6,307	10,806	1,758
% of Scheme Assets	13.30%	5.10%	6.00%	11.90%	2.40%
Experience gains and losses arising on scheme liabilities	(14,346)	2,266	(7,628)	(18,347)	(1,816)
% of Scheme Liabilities	8.21%	1.55%	5.50%	15.00%	1.90%
Total amounts recognised in Statement of Total Recognised Gains and Losses	(30,049)	8,475	(1,321)	(7,541)	(58)
% of Scheme Liabilities	16.80%	5.70%	0.95%	6.17%	0.06%

26 Lease obligations

	Consolidated		University	
	2008	2007	2008	2007
	£000	£000	£000	£000
The net finance lease obligations to which the University is committed are				
Within one year	-	-	-	817
Between one and five years	-	-	-	492
Over five years	-	-	15,765	15,765
	-	-	15,765	17,074
Operating lease commitments for the financial year, on leases expiring				
Within one year	16	81	16	81
Between one and five years	278	183	278	183
Over five years	771	771	1,344	3,153
	1,065	1,035	1,638	3,417

27 Capital commitments

	Consolidated		University	
	2008	2007	2008	2007
	£000	£000	£000	£000
Commitments contracted at 31 July	8,806	20,901	8,806	20,901
Authorised but not contracted at 31 July	7,240	15,258	7,240	15,258
	16,046	36,159	16,046	36,159

28 Reconciliation of consolidated operating surplus to net cash inflow from operating activities

	2008	2007
	£000	£000
Operating surplus	1,870	4,858
Depreciation	9,883	10,118
Deferred capital grants released to income	(2,868)	(3,315)
Investment income	(2,025)	(1,850)
Interest payable	857	1,526
Decrease in stocks	33	(79)
(Increase) in debtors	(2,354)	(2,689)
Increase in creditors	4,039	4,627
(Decrease) in provisions	226	(323)
Profit on sale of fixed assets	-	-
FRS17 Retirement Benefit Charge	4,087	2,677
	13,748	15,550
Net cash inflow from operating activities	13,748	15,550

29 Analysis of changes in consolidated financing during the year

	Finance Leases £000	Mortgages and Loans £000	Total £000
Balances at 31 July 2007	-	15,334	15,334
New leases/loans	-	-	-
Capital repayments	-	(2,190)	(2,190)
Net amount (repaid) in year	-	(2,190)	(2,190)
Balances at 31 July 2008	-	13,144	13,144

30 Returns on investments and servicing of finance

	2008	2007
	£000	£000
Income from endowments	24	22
Income from short term investments	2,264	1,894
Interest paid	(902)	(1,512)
	1,386	404

Notes to the accounts

31 Capital expenditure and financial investment

	2008 £000	2007 £000
Tangible assets acquired	(40,670)	(27,813)
Receipts from sale of fixed assets	11,526	-
	(29,144)	(27,813)
Deferred capital grants received	7,032	12,259
Endowments received	5	8
	7,037	12,267
	(22,107)	(15,546)

32 Analysis of changes in net funds

	2007 Consolidated £000	Cash Flows £000	2008 Consolidated £000
Cash at bank and in hand	(163)	320	157
Endowment bank balance	546	22	568
	383	342	725
Debt due less than 1 year			
Secured loans	(15,334)	2,190	(13,144)
Short term deposits	31,885	(9,505)	22,380
	16,934	(6,973)	9,961

33 Analysis of the surplus for the financial period

The Consolidated Income and Expenditure Account reports a surplus of £1.870m of which £1.210m relates to covenants/grants, and £0.067m was retained in the subsidiary companies.

34 Contingent liabilities

The University's HESES07 return was audited in July 2008 as part of HEFCE's arrangements for cyclical assurance audit. Follow-up from the audit is on-going and the report of the audit has not yet been made. A provision for 2007-8 has been made in these financial statements. There is a possibility that recommendations from the audit may have an impact on the University's HEFCE grant funding for past years, but it is uncertain whether this will be the case and the amount of any impact cannot be reliably quantified at this stage.

35 Access funds

	2008 £000	2007 £000
Funding Council Access grants	899	1,046
Interest earned	20	22
	919	1,068
Disbursed to students	(845)	(935)
Grants to be disbursed	(74)	(133)

Funding Council Access grants are available solely for students, with the University acting only as a paying agent. The grants and related disbursements are therefore excluded from the Income and Expenditure Account. The University receives income towards the cost of administering these funds and both this income and the related expenditure are included within the Income and Expenditure Account.

36 Training and Development Agency

	2008 £000	2007 £000
Initial Teacher Training Bursaries		
Funds received	4,167	4,276
Disbursed to students	(4,006)	(3,833)
Unspent funds to be recovered	161	443
Secondary Shortage Subjects Scheme		
Funds received	101	247
Disbursed to students	(75)	(131)
Funds carried forward to be disbursed in following year	26	116

These funding streams are available solely for students, with the University acting only as a paying agent. The income and related disbursements are therefore excluded from the Income and Expenditure Account. The University receives income towards the cost of administering these funds and both this income and the related expenditure are included within the Income and Expenditure Account.

37 Related Party Transactions

The Governors have considered the requirements of FRS8 – Related Party Disclosures which apply to these financial statements. The standard requires disclosure of, inter alia, transactions with related parties of the University.

Notes to the accounts

In the normal course of business the University transacts with private and public sector organisations a certain number of which Governors and senior managers of the University are directors, officers or partners. All such transactions are undertaken on an arm's length basis in accordance with normal agreements with customers and suppliers. The Governors do not consider that disclosure of transactions with such organisations is required under the standard because none of the Governors or senior managers, or members of their close family, have a controlling interest in the organisations in which they are directors, employees or partners.

Nonetheless the Governors consider it appropriate to disclose the following transactions for the period covered by the Financial Statements where a parent company directorship or partner status in a professional firm is involved.

Professor Philip Jones, Vice-Chancellor and member of the Board of Governors, was a director of Yorkshire Universities which received payments of £32,267.25 (2006-07: £37,175.00) in relation to membership subscriptions and payments arising from membership.

Mr Michael Longden, a Governor, was an associate director at Irwin Mitchell Solicitors, which provided professional services for the University. All such services were unconnected with Mr Longden and were undertaken by a different part of the firm. Mr Longden had no involvement in the University's arrangements for selection of, instructions to or payment of the University's various lawyers. Payments to Irwin Mitchell during the year in respect of such services amounted to £122,811.69 (2006-07: £137,175.47).

Mr James Newman, a Governor, was a non-executive director of the Scott Wilson Group PLC which received payments of £16,681.48 (2006-07: nil) for engineering consultancy advice.

The University maintains a register of Governors' and senior managers' interests which is available for inspection at the University Secretariat.

Isadora Aiken OBE
Chris Chapman
Mohammed Dajani
Geoff Dawson
Dr Philip Drury
Frank Eul
Samantha Gill (student nominee July 2008 to June 2009)
Martin Havenhand
Will Haywood (student nominee July 2007 to June 2008)
Nicholas Jeffrey (Chairman)
Professor Philip Jones (Vice-Chancellor)
Daniel Khan OBE
John Lambert (Deputy Chair)
Michael Longden
Patrick Maddock
Sarah McQueen (student nominee July 2007 to June 2008)
James Newman
Christine O'Leary
Beryl Seaman CBE
Marion Simon MBE
Russell Swannack (student nominee July 2008 to June 2009)
Jo Swinhoe
Peter Westland

Finance Committee

Chris Chapman
Mohammed Dajani
Geoff Dawson (Deputy Chair from 6 March 2008)
Frank Eul (Chairman)
Nicholas Jeffrey
Professor Philip Jones (Vice-Chancellor)

Board of Governors

for the year ended 31 July 2008

John Lambert

Marion Simon MBE (from 18 February 2008)

Jo Swinhoe (Deputy Chair to 6 March 2008))

Employment Committee

Chris Chapman

Dr Philip Drury

Professor Philip Jones (Vice-Chancellor)

Martin Havenhand

John Lambert

Michael Longden

Beryl Seaman CBE (Deputy Chair)

Marion Simon MBE (Chair)

Nominations Committee

Lorna Daly

Geoff Dawson

Dr Philip Drury (from 17 October 2007)

Professor Philip Jones (Vice-Chancellor)

Nicholas Jeffrey (Chairman)

Will Haywood (from 17 October 2007 to June 2008)

John Lambert (Deputy Chair)

Christine O'Leary

Marion Simon MBE

Remuneration Committee

Frank Eul

Nicholas Jeffrey (Chairman)

John Lambert

James Newman

Marion Simon MBE

Professor Philip Jones (Vice-Chancellor)

Audit Committee

Dr Philip Drury (Deputy Chairman)

Martin Havenhand

Michael Longden

James Newman (Chairman)

Beryl Seaman CBE

Nicola Rankin (external co-option)

Jenny Brown (external co-option)

Providers of Financial Services

External Auditors	KPMG LLP 1 The Embankment Neville Street Leeds LS1 4DW
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Internal Auditors	Uniac Suite 1D Armstrong House Oxford Road Manchester M1 7ED
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Bankers	HSBC Church Street Sheffield S1 1HH
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Insurers	Universities Mutual Association Limited Woburn House 20 Tavistock Place London WC1H 9HW
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