





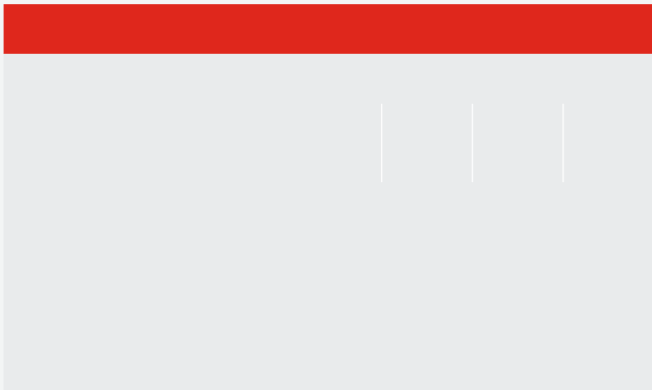


University overview

Durham University, founded in 1832, is England's third oldest university. At its heart sits the medieval world heritage site of Durham Cathedral and Castle. The University has inherited a continuous line of learning and scholarship dating from the greatest European scholar of the seventh century, Bede, to the present day. The University now comprises 25 departments across three faculties and employs over 4,000 staff FTE (full-time equivalent) and around 18,000 students with 30% of staff and 21% of students of non-UK origin. There are currently 16 colleges, though this is set to increase. Students benefit from the strong collegiate nature of the University, combining rigorous hard work on their degree courses with a strong commitment to activities outside the curriculum. The colleges are a great source of friendship, well-being, pastoral and scholarly support.



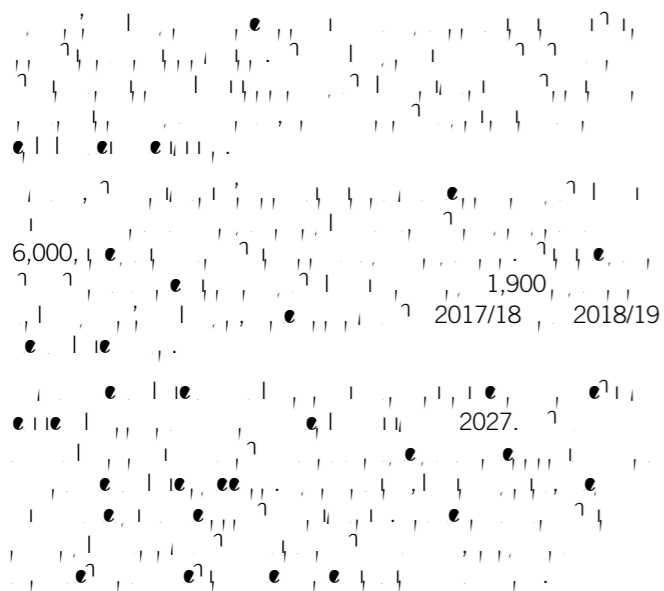
Durham University League Table Performance





Future plans

Between 2017 and 2027 the size and shape of Durham University will change as follows:



Proposed Staff Number Growth

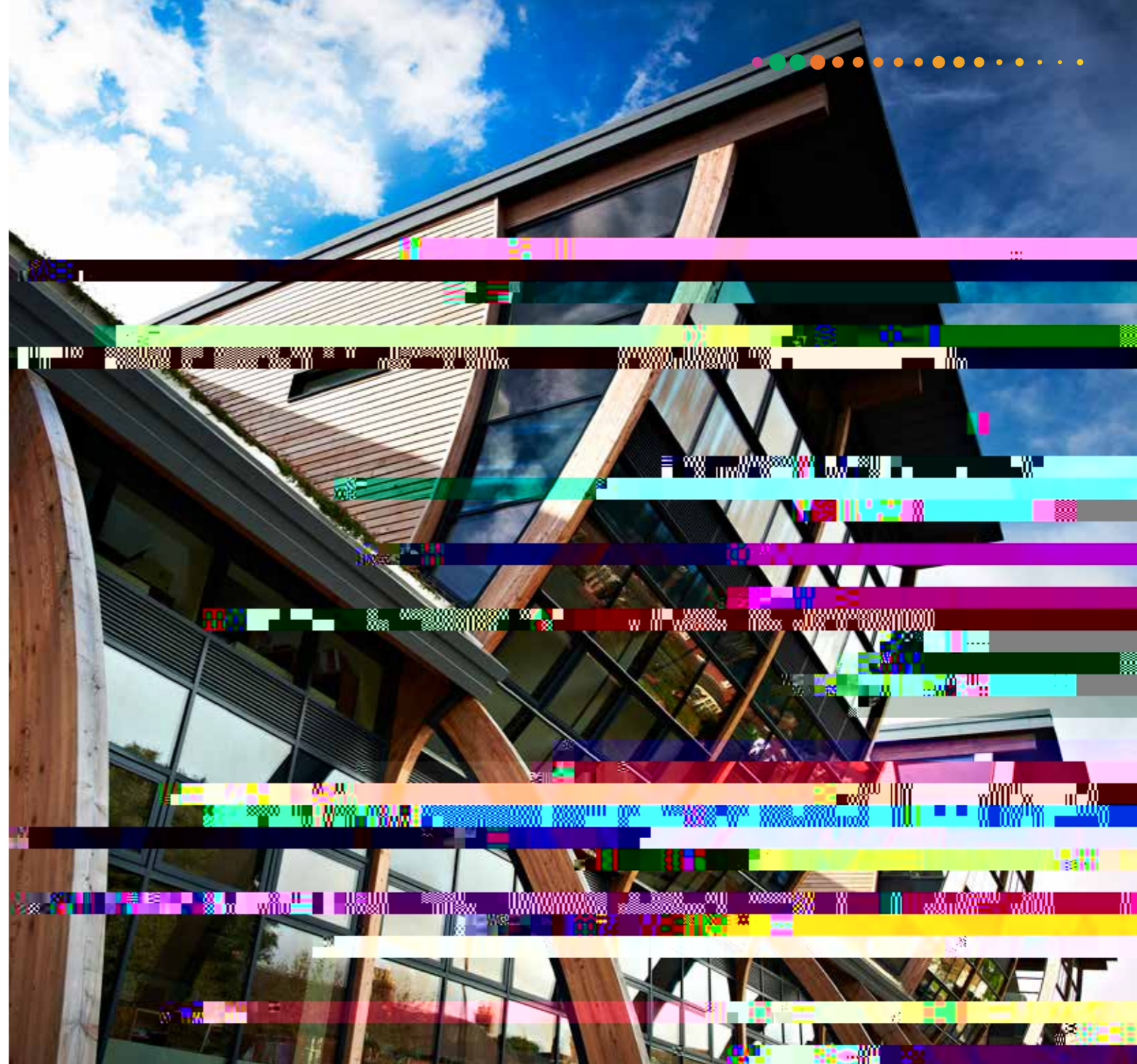
| Academic Teaching Staff* | 2015/16 FTE | 2026/27 FTE | % Growth |
|--------------------------|-------------|-------------|----------|
| Total | 1,009 | 1,319 | 30.7% |

* Academic Teaching Staff includes all staff who are employed on a full-time basis and are responsible for the delivery of the University's academic programmes.

Risk Management

The University's Risk Management Framework is designed to identify, assess and manage risks to the University's strategic objectives. The framework is based on the following principles:

| Risk | Key Controls |
|-------------------------|--------------|
| Strategic Objectives | B A |
| Operational Objectives | () A |
| Financial Objectives | A |
| Reputational Objectives | () A |



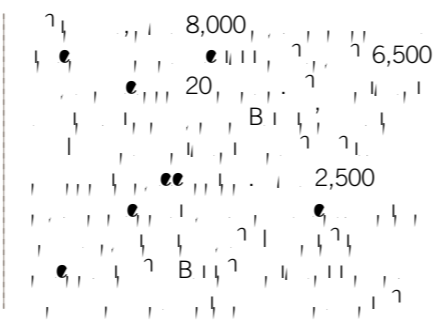
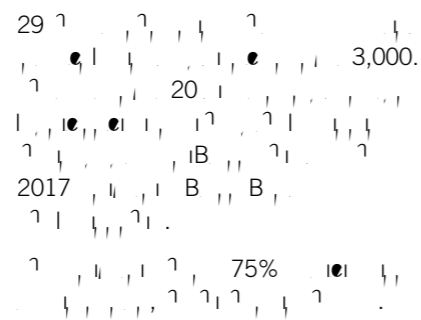
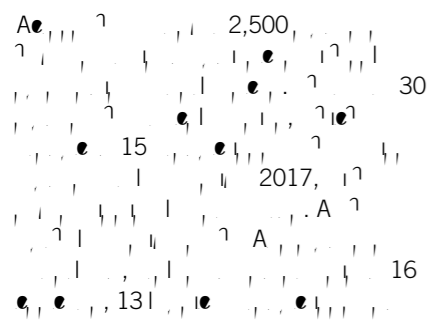






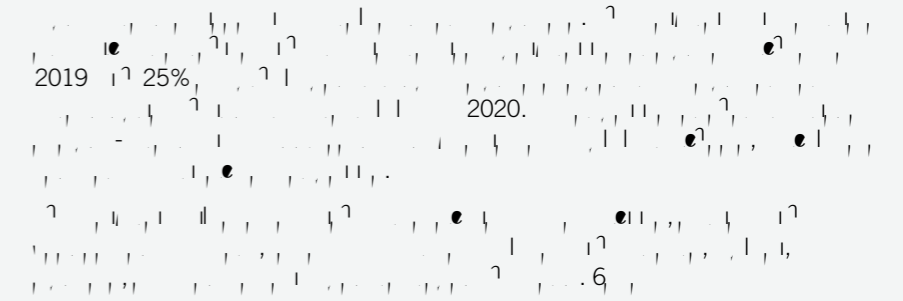


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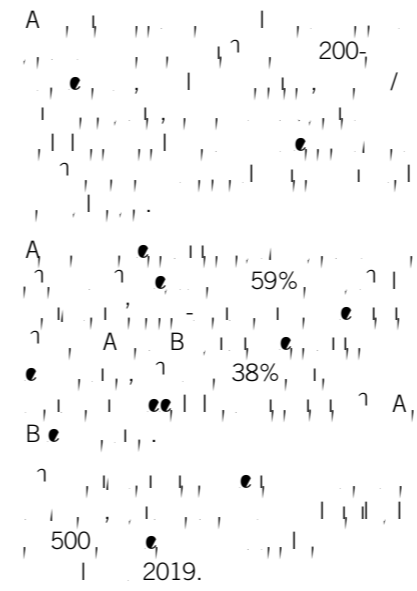
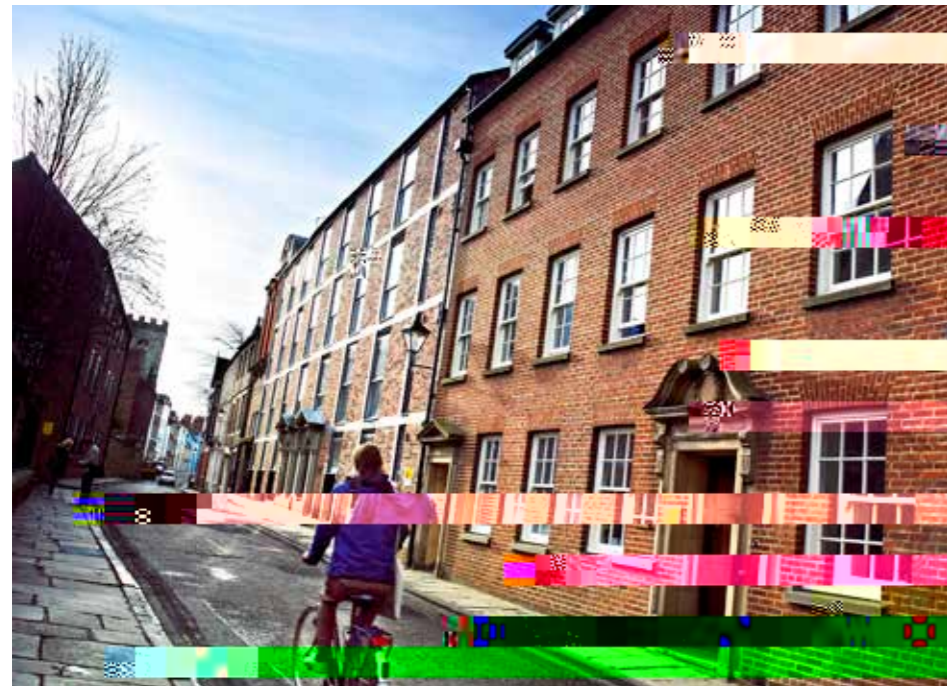
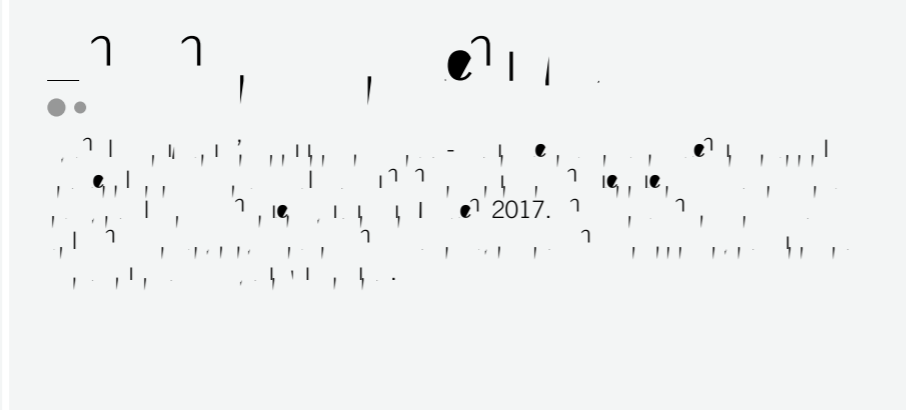
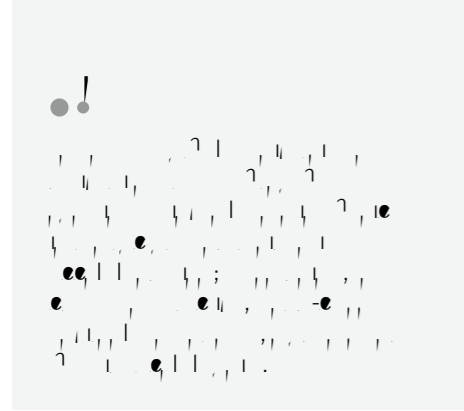


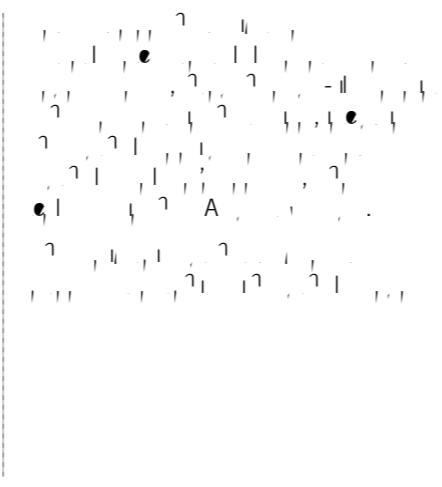
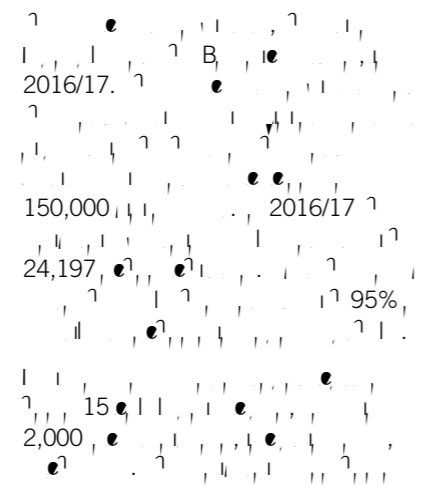
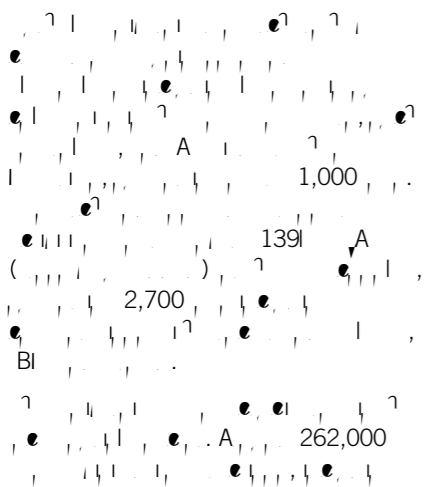
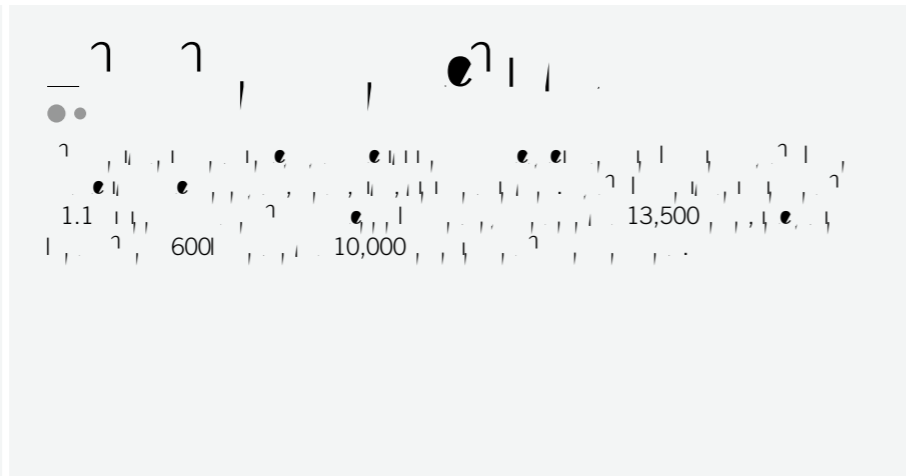
The University will identify and build mutually beneficial, productive relationships with key international peers, developing partnerships with up to ten key international peers in North America, Europe and East Asia.

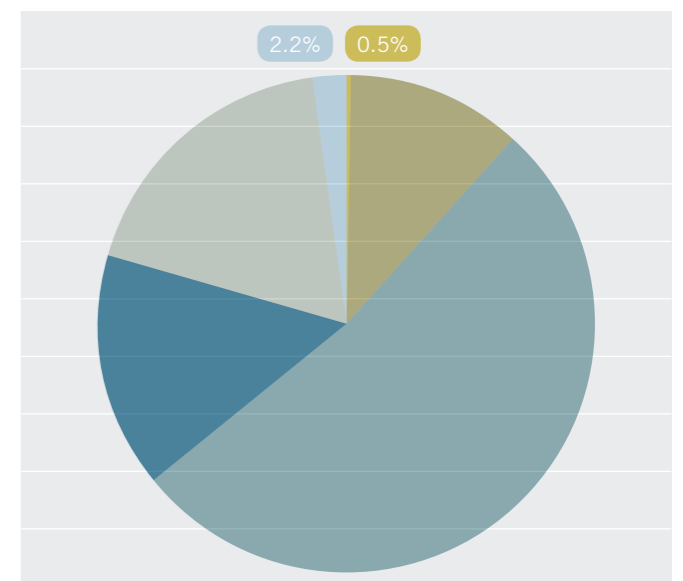


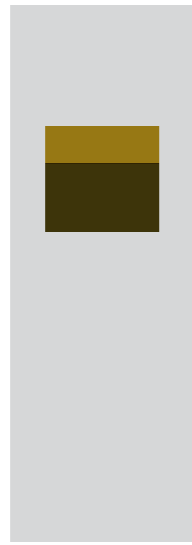
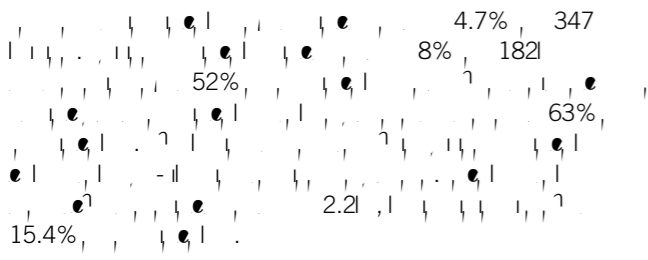


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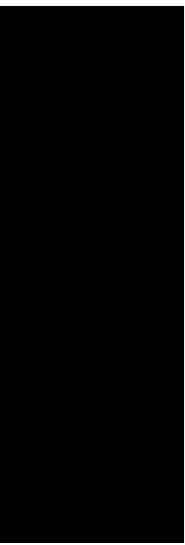
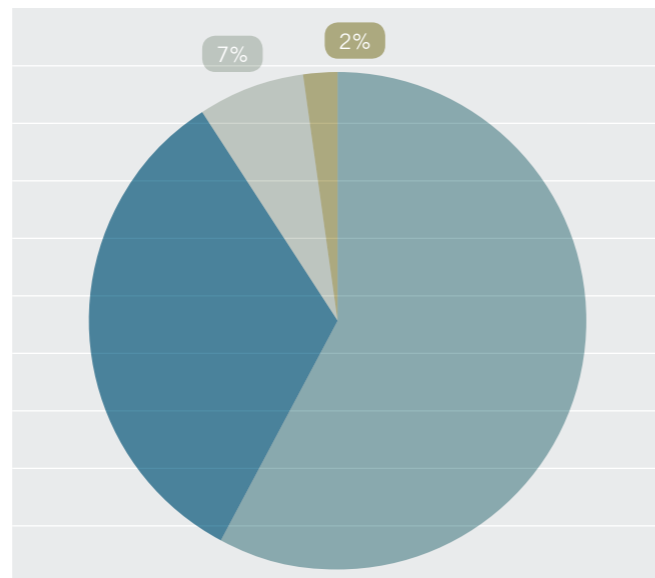
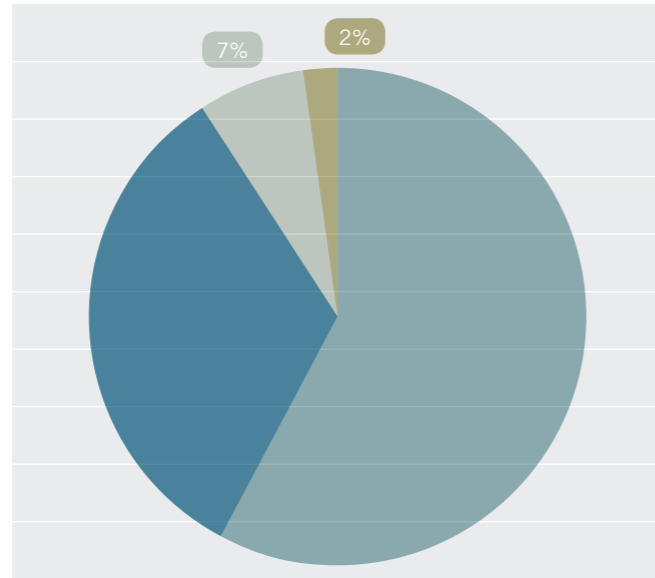






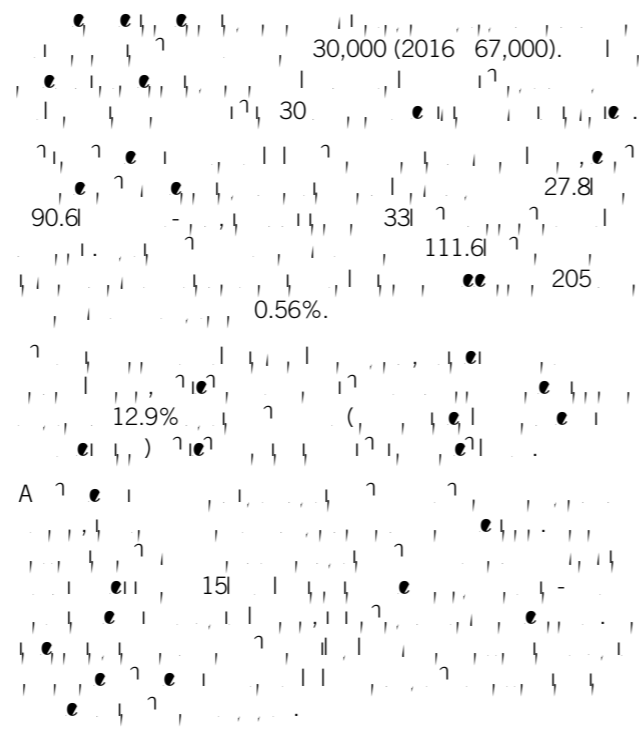
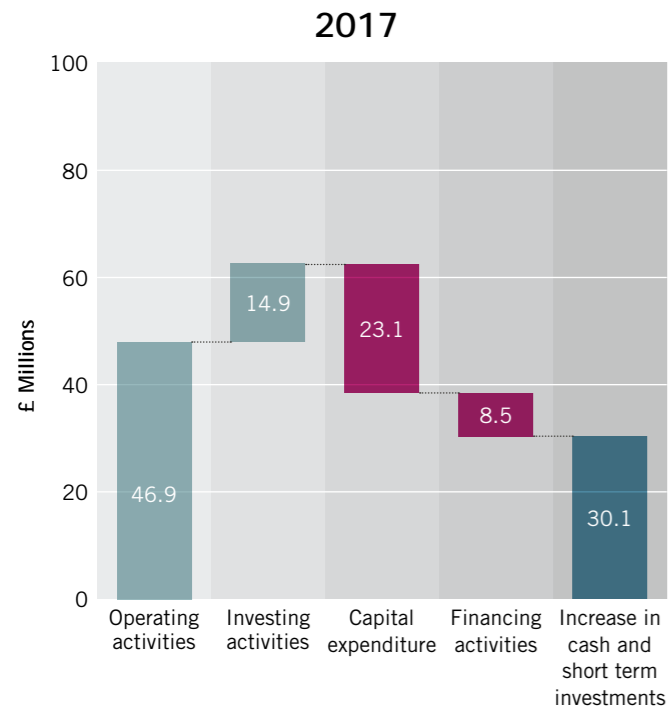
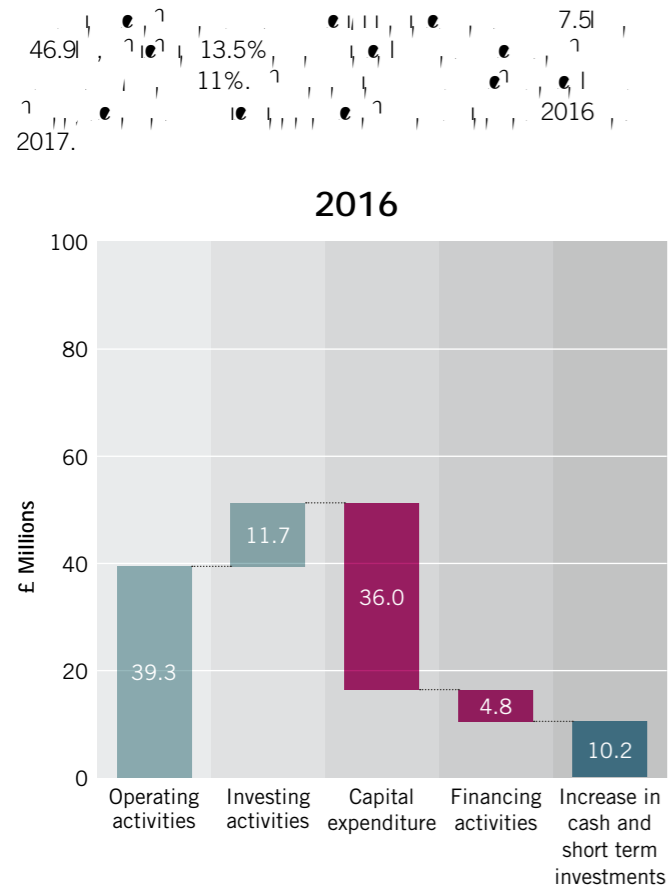


2017

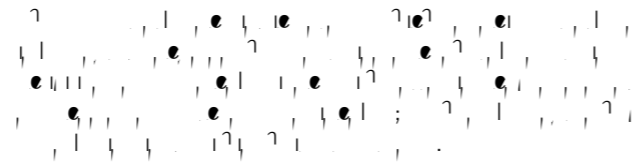




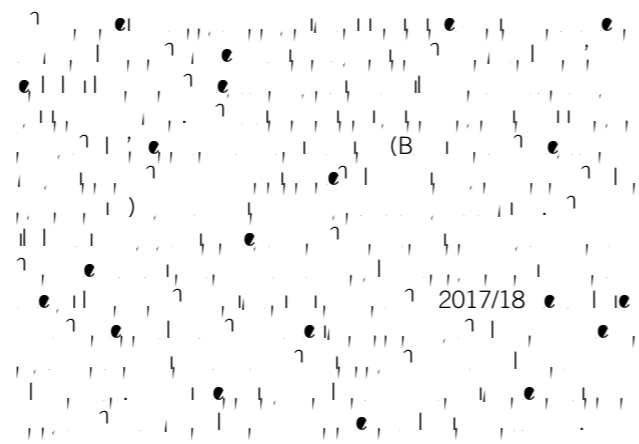
Cash generation, liquidity and financing



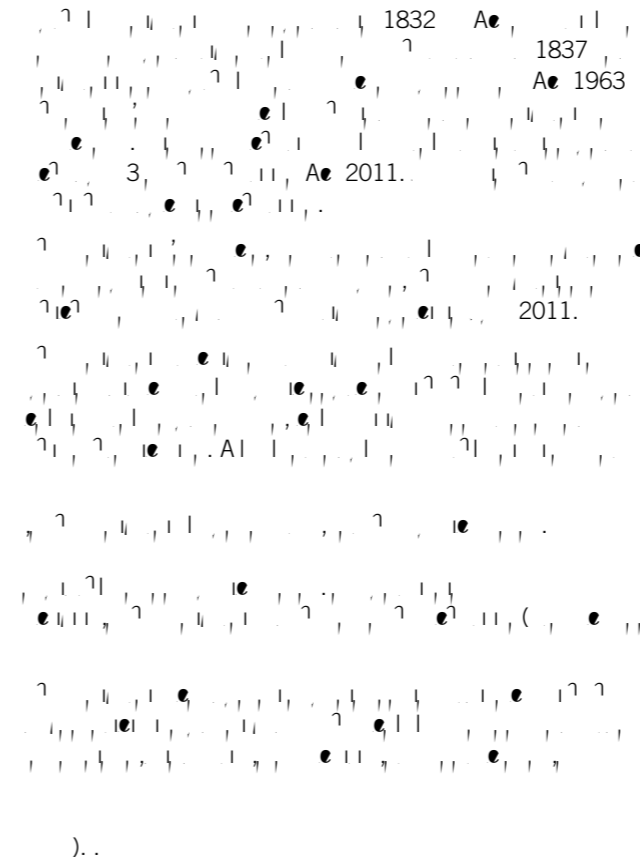
Monitoring financial performance



Outlook



Framework





2018.
2016/17
A. A. ()



University Strategy Implementation Committee
2017-2027
2017

| University Strategy Implementation Committee Membership 2016/17 | | Meetings attended |
|---|-------------|-------------------|
| | | |
| | | 1/1 |
| | Prof. A. B. | 1/1 |
| | | |
| | | |
| | Prof. C. D. | 1/1 |
| | Prof. E. F. | 1/1 |
| | Prof. G. H. | 1/1 |
| | Prof. I. J. | 1/1 |
| | Prof. K. L. | |

| Nominations Committee Membership 2016/17 | | M S4016/17 |
|--|--|------------|
| | | |
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Remuneration Committee
2017/18

| Remuneration Committee Membership 2016/17 | | Meetings attended |
|---|-------------|-------------------|
| | | |
| | | 2/2 |
| | | 2/2 |
| | | |
| | Prof. A. B. | 1/2 |
| | | |
| | Prof. C. D. | 1/2 |
| | Prof. E. F. | 2/2 |

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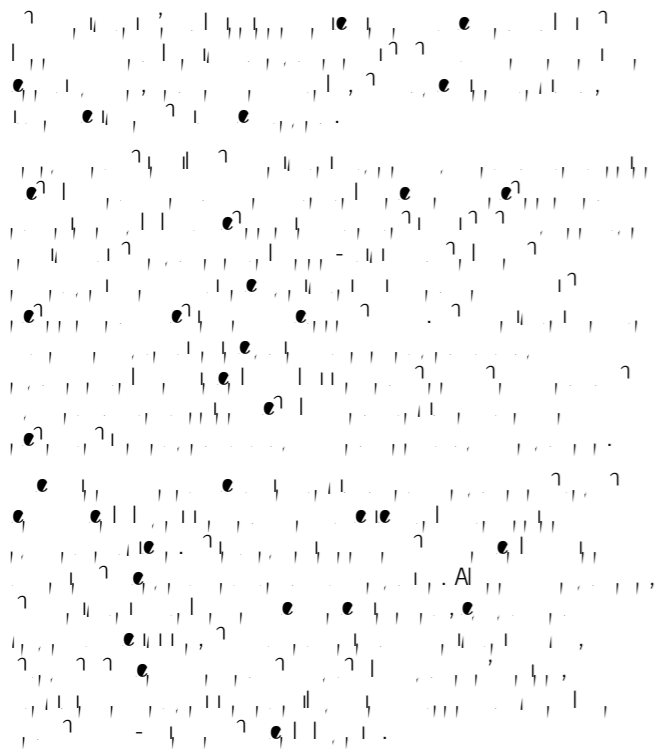
Responsibilities of Council in the preparation of the Financial Statements

The Council is responsible for the preparation of the financial statements in accordance with the applicable financial reporting framework. The Council is also responsible for the oversight of the financial reporting process, including the appointment and oversight of the external auditors. The Council is responsible for the approval of the financial statements and for the communication of the financial statements to the shareholders.

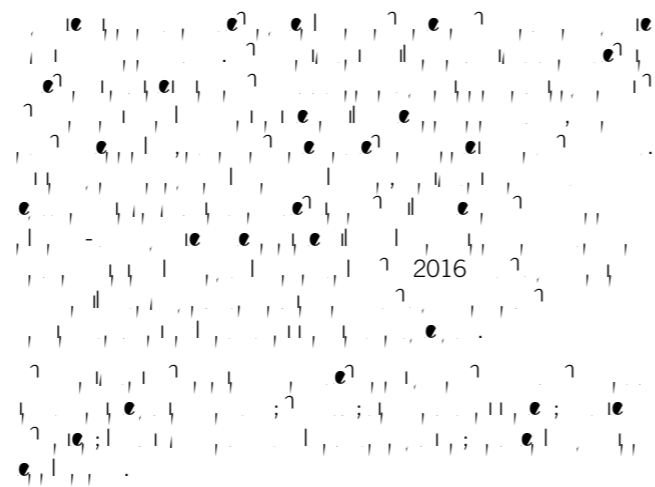
8



Education and Aspiration Raising



Research and Knowledge Exchange







Consolidated and University Statement of Comprehensive Income and Expenditure -
Year ended 31 July 2017

| | Consolidated | University | 2016 | 2016 |
|---|----------------|----------------|-----------------|-----------------|
| | 2017 | 2017 | 2016 | 2016 |
| | £'000 | £'000 | '000 | '000 |
| Income | | | | |
| 1 | 181,719 | 181,719 | 168,446 | 168,446 |
| 2 | 39,403 | 39,403 | 39,750 | 39,750 |
| 3 | 53,362 | 53,362 | 51,458 | 51,458 |
| 4 | 62,949 | 62,791 | 62,895 | 62,335 |
| 5 | 10,948 | 10,948 | 1,981 | 1,979 |
| 6 | 12,773 | 12,773 | 7,404 | 7,541 |
| Total income | 361,154 | 360,996 | 331,934 | 331,509 |
| Expenditure | | | | |
| 7 | 185,255 | 185,255 | 184,023 | 183,839 |
| 22 | 5,564 | 5,564 | - | - |
| 9 | 107,326 | 107,168 | 101,268 | 101,014 |
| 12 | 22,427 | 22,406 | 21,774 | 21,751 |
| 10 | 7,352 | 7,333 | 19,679 | 19,669 |
| Total expenditure | 327,924 | 327,726 | 326,744 | 326,273 |
| Surplus before other gains and share of operating surplus of joint venture | 33,230 | 33,270 | 5,190 | 5,236 |
| | 3,328 | 3,328 | - | - |
| | 3,883 | 3,883 | 366 | 366 |
| | - | - | - | - |
| Surplus before tax | 40,441 | 40,481 | 5,556 | 5,602 |
| 11 | - | - | (77) | (77) |
| Surplus for the year | 40,441 | 40,481 | 5,479 | 5,525 |
| 8 | 8,075 | 8,075 | (16,846) | (16,846) |
| Total comprehensive income for the year | 48,516 | 48,556 | (11,367) | (11,321) |
| Represented by: | | | | |
| 23 | 4,350 | 4,350 | 1,357 | 1,357 |
| 7,404 | | | | |



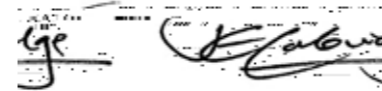



Consolidated and University Balance Sheets - 31 July 2017

| | Note | Consolidated 2017 £'000 | University 2017 £'000 | 2016 '000 | 2016 '000 | | Note | Consolidated 2017 £'000 | University 2017 £'000 | 2016 '000 | 2016 '000 |
|--------------------------------|------|-------------------------------|-----------------------------|----------------|----------------|--|------|-------------------------------|-----------------------------|--------------|--------------|
| Non-current assets | | | | | | | | | | | |
| Investments | 12 | 467,406 | 468,016 | 468,403 | 468,992 | | | | | | |
| Property, plant and equipment | 12 | 37,034 | 37,034 | 37,006 | 37,006 | | | | | | |
| Intangible assets | | | | | | | | | | | |
| Deferred tax assets | | | | | | | | | | | |
| Other non-current assets | | | | | | | | | | | |
| Restricted Reserves | | | | | | | | | | | |
| Reserves for specific purposes | 23 | 71,982 | 71,982 | 67,632 | 67,632 | | | | | | |
| Other restricted reserves | 25 | 11,846 | 11,846 | 6,215 | 6,215 | | | | | | |
| Unrestricted Reserves | | | | | | | | | | | |
| Reserves for general purposes | | 316,068 | 317,650 | 277,533 | 279,075 | | | | | | |
| Total | | 399,896 | 401,478 | 351,380 | 352,922 | | | | | | |

Approved for issue on behalf of the Council on 30 July 2017

R Gillespie



 S Corbridge


S McGill




Consolidated Cash Flow Statement for the year ended 31 July 2017

| | Note | 2017 £'000 | 2016 '000 |
|--|-------|-----------------|-----------------|
| Cash flow from operating activities | | 40,441 | 5,479 |
| Adjustment for non-cash items | | | |
| Depreciation and amortisation | 12 | 22,427 | 21,774 |
| Impairment losses | | (3,883) | (366) |
| Share-based payments | 16 | 43 | 80 |
| Financial income | 17 | 1,302 | 2,753 |
| (Gain)/Loss on disposal of subsidiaries | 20/21 | (9,091) | 9,809 |
| (Gain)/Loss on disposal of investments | 22 | (2,233) | 6,631 |
| Gain/(Loss) on disposal of property, plant and equipment | 22 | 5,584 | (288) |
| Adjustment for investing or financing activities | | | |
| Dividends received | 5 | (1,892) | (1,981) |
| Interest received | 10 | 5,328 | 5,560 |
| Interest paid | 6 | (147) | (662) |
| (Gain)/Loss on disposal of property, plant and equipment | | (3,326) | 56 |
| Change in provisions | | (7,665) | (9,538) |
| Net cash flow from operating activities | | 46,888 | 39,307 |
| Cash flows from investing activities | | | |
| Acquisition of subsidiaries | | 6,261 | 223 |
| Acquisition of investments | | 7,665 | 9,538 |
| Acquisition of property, plant and equipment | | 1,892 | 1,981 |
| Disposal of property, plant and equipment | | (23,085) | (35,958) |
| Disposal of investments | | (950) | - |
| Disposal of property, plant and equipment | | (2,372) | (15,568) |
| Net cash flow from investing activities | | (10,589) | (39,784) |

Cash flows from financing activities

| | | |
|---|------------------|----------------|
| Dividends paid | (5,374) | (5,532) |
| Interest received | 147 | 662 |
| Interest paid | - | 3,157 |
| Change in provisions | (3,260) | (3,107) |
| Net cash flow from financing activities | (8,487) | (4,820) |
| Increase / (decrease) in cash and cash equivalents in the year | 19 27,812 | (5,297) |
| Balance at the start of the year | 19 62,742 | 68,039 |
| Balance at the end of the year | 19 90,554 | 62,742 |
| Reconciliation of cash and cash equivalents | 27,812 | (5,297) |



| | Consolidated 2017 £'000 | University 2017 £'000 | 2016 '000 | 2016 '000 |
|--|-------------------------------|-----------------------------|----------------|----------------|
| 1. Tuition fees and education contracts | | | | |
| Tuition fees | 105,210 | 105,210 | 102,366 | 102,366 |
| Education contracts | 63,265 | 63,265 | 53,488 | 53,488 |
| Other education contracts | 3,446 | 3,446 | 2,270 | 2,270 |
| Other education contracts | 2,525 | 2,525 | 2,820 | 2,820 |
| Other education contracts | 5,843 | 5,843 | 5,626 | 5,626 |
| Other education contracts | 1,430 | 1,430 | 1,876 | 1,876 |
| | <u>181,719</u> | <u>181,719</u> | <u>168,446</u> | <u>168,446</u> |

2. Funding body grants

| | | | | |
|--|--|--|--|--|
| | | | | |
| | | | | |

| | | | | |
|--|--|--|--|--|
| | | | | |
| | | | | |



7. Staff costs *continued*

| | Consolidated 2017 | University 2017 | 2016 | 2016 |
|-------------------------------------|----------------------|--------------------|----------------|----------------|
| | £'000 | £'000 | '000 | '000 |
| Analysis of staff costs by activity | 111,541 | 111,541 | 108,728 | 108,731 |
| Academic | 16,706 | 16,706 | 14,108 | 14,108 |
| Administrative | 5,662 | 5,662 | 5,553 | 5,553 |
| Professional | 13,629 | 13,629 | 13,567 | 13,380 |
| Research | 21,378 | 21,378 | 22,466 | 22,466 |
| Teaching | 9,746 | 9,746 | 9,671 | 9,671 |
| Other | 4,172 | 4,172 | 4,215 | 4,215 |
| Unallocated | 2,441 | 2,441 | 5,715 | 5,715 |
| | <u>185,275</u> | <u>185,275</u> | <u>184,023</u> | <u>183,839</u> |

Emoluments of the Vice-Chancellor

| | 2017 | 2016 |
|--------|------------|------------|
| | £'000 | '000 |
| Salary | 286 | 231 |
| Other | 16 | 39 |
| | <u>302</u> | <u>270</u> |

Emoluments of the Acting Vice-Chancellor

| | 2017 | 2016 |
|--------|----------|-----------|
| | £'000 | '000 |
| Salary | - | 24 |
| Other | - | - |
| | <u>-</u> | <u>24</u> |

| | 2015 | 2015/16 |
|--------|------------|------------|
| | £'000 | '000 |
| Salary | 286 | 231 |
| Other | 16 | 39 |
| | <u>302</u> | <u>270</u> |

Remuneration of other higher paid staff

| | 2017 | 2016 |
|---------|-----------|-----------|
| | No. | No. |
| 100,000 | 15 | 7 |
| 110,000 | 11 | 14 |
| 120,000 | 8 | 5 |
| 130,000 | 4 | 2 |
| 140,000 | 1 | 4 |
| 150,000 | 3 | 1 |
| 160,000 | 1 | 1 |
| 170,000 | 1 | 1 |
| 180,000 | 1 | 1 |
| 190,000 | 1 | - |
| | <u>46</u> | <u>36</u> |

Compensation for loss of office paid to senior post-holders

| | 2017 | 2016 |
|----------|-------|------|
| | £'000 | '000 |
| Academic | - | 248 |

Key management personnel

| | 2017 | 2016 |
|--------------------------|------|------|
| | No. | No. |
| Key management personnel | - | 2 |

Key management personnel

| | 2017 | 2016 |
|--------------------------|-------|-------|
| | £'000 | '000 |
| Key management personnel | 1,977 | 1,998 |

| | 2017 | 2016 |
|--------------------------|------|------|
| | No. | No. |
| Key management personnel | 11 | 11 |



| Staff numbers | 2017 | 2016 |
|------------------|--------------|--------------|
| | No. | No. |
| Accountancy | 1,603 | 1,621 |
| Administration | 1,063 | 1,037 |
| Arts and Culture | 670 | 670 |
| Education | 619 | 614 |
| Total | 3,955 | 3,942 |

Council members

The Council members are elected by the citizens of the Municipality. The Council members are elected for a period of four years. The Council members are elected by the citizens of the Municipality. The Council members are elected by the citizens of the Municipality.

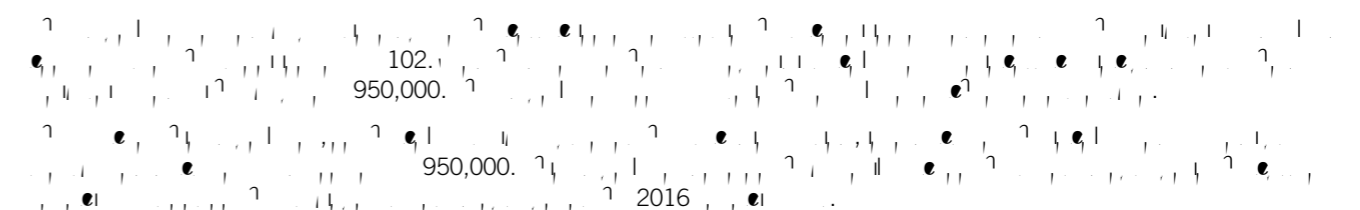
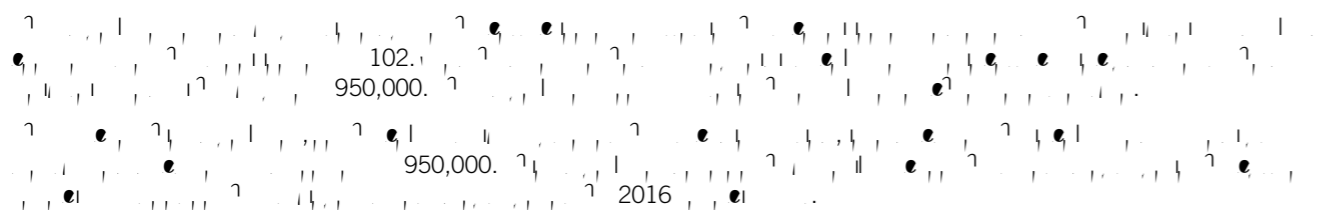




12. Tangible assets

| | Consolidated | | | | |
|---------------------------------------|-----------------------------|-----------|--------------------------------------|-----------------|---------|
| | Freehold Land and Buildings | Equipment | Assets in the Course of Construction | Heritage Assets | Total |
| | £'000 | £'000 | £'000 | £'000 | £'000 |
| Cost | | | | | |
| At 1 August 2016 as previously stated | 527,914 | 137,755 | 12,162 | 37,006 | 714,837 |
| Acquisitions | (950) | - | - | - | (950) |
| At 1 August 2016 restated | 526,964 | 137,755 | 12,162 | 37,006 | 713,887 |
| Disposals | - | - | 24,393 | - | 24,393 |
| Impairment | 16,539 | 12,866 | (29,433) | 28 | - |
| Reversal of impairment | (3,247) | (3,788) | - | - | (7,035) |
| At 31 July 2017 | 540,256 | 146,833 | 7,122 | 37,034 | 731,245 |
| Depreciation | | | | | |
| At 1 August 2016 | 109,616 | 98,862 | - | - | 208,478 |
| Charge | 10,677 | 11,750 | - | - | 22,427 |
| Disposals | (313) | (3,787) | - | - | (4,100) |
| At 31 July 2017 | 119,980 | 106,825 | - | - | 226,805 |
| Net Book Value | | | | | |
| At 31 July 2017 | 420,276 | 40,008 | 7,122 | 37,034 | 504,440 |
| At 1 August 2016 | 417,398 | 38,893 | 12,162 | 37,006 | 505,409 |

| | University | | | | |
|---------------------------------------|-----------------------------|-----------|--------------------------------------|-----------------|---------|
| | Freehold Land and Buildings | Equipment | Assets in the Course of Construction | Heritage Assets | Total |
| | £'000 | £'000 | £'000 | £'000 | £'000 |
| Cost | | | | | |
| At 1 August 2016 as previously stated | 526,457 | 137,885 | 12,162 | 37,006 | 713,510 |
| Acquisitions | (950) | - | - | - | (950) |
| At 1 August 2016 restated | 525,507 | 137,885 | 12,162 | 37,006 | 712,560 |
| Disposals | - | - | 24,393 | - | 24,393 |
| Impairment | 16,539 | 12,866 | (29,433) | 28 | - |
| Reversal of impairment | (3,247) | (3,788) | - | - | (7,035) |
| At 31 July 2017 | 538,799 | 146,963 | 7,122 | 37,034 | 729,918 |
| Depreciation | | | | | |
| At 1 August 2016 | 107,699 | 98,863 | - | - | 206,562 |
| Charge | 10,656 | 11,750 | - | - | 22,406 |
| Disposals | (313) | (3,787) | - | - | (4,100) |
| At 31 July 2016 | 118,042 | 106,826 | - | - | 224,868 |
| Net Book Value | | | | | |
| At 31 July 2017 | 420,757 | 40,137 | 7,122 | 37,034 | 505,050 |
| At 1 August 2016 | 417,808 | 39,022 | 12,162 | 37,006 | 505,998 |





| Heritage asset acquisitions | 2017 £'000 | 2016 '000 | 2015 '000 | 2014 '000 | 2013 '000 |
|--|---------------|--------------|--------------|--------------|--------------|
| Acquisitions of tangible heritage assets | 10 | 30 | - | 103 | 102 |
| Acquisitions of intangible heritage assets | 18 | 53 | 10 | 77 | 1,824 |
| | <u>28</u> | <u>83</u> | <u>10</u> | <u>180</u> | <u>1,926</u> |



14. Investment in joint venture

On 1 July 2016, the Group acquired an 8% shareholding in the joint venture, which is accounted for as an investment in a joint venture. The shareholding was acquired at a cost of £16,000 (2016: £12,500). The Group's shareholding in the joint venture is accounted for as an investment in a joint venture. The Group's shareholding in the joint venture is accounted for as an investment in a joint venture. The Group's shareholding in the joint venture is accounted for as an investment in a joint venture.

| | 2017 £'000 | 2016 '000 |
|---------------------------------------|---------------|--------------|
| Income and expenditure account | | |
| Income | 49 | 44 |
| Expenditure | - | - |
| Balance Sheet | | |
| Investment in joint venture | 13 | 24 |
| Share of net assets | (13) | (24) |
| Net assets | - | - |

The Group's shareholding in the joint venture is accounted for as an investment in a joint venture. The Group's shareholding in the joint venture is accounted for as an investment in a joint venture. The Group's shareholding in the joint venture is accounted for as an investment in a joint venture. The Group's shareholding in the joint venture is accounted for as an investment in a joint venture. The Group's shareholding in the joint venture is accounted for as an investment in a joint venture.

15. Investments in subsidiary companies

The Group's investments in subsidiary companies are as follows:

| Name | Principal Activities | Percentage of Shares and Class |
|-------------|----------------------|--------------------------------|
| ABC Limited | Manufacturing | 100% |
| DEF Limited | Trading | 100% |
| GHI Limited | Trading | 100% |



| | Consolidated 2017 £'000 | University 2017 £'000 | 2016 '000 | 2016 '000 |
|--|-------------------------------|-----------------------------|---------------|---------------|
| 16. Stock | | | | |
| Inventory | 439 | 439 | 482 | 482 |
| Prepaid expenses | 20 | - | 20 | - |
| | <u>459</u> | <u>439</u> | <u>502</u> | <u>482</u> |
| 17. Trade and other receivables | | | | |
| Accounts receivable | 8,518 | 8,518 | 6,404 | 6,404 |
| Other receivables | 9,579 | 9,579 | 10,357 | 10,357 |
| Prepaid expenses | 674 | 674 | 770 | 770 |
| Other receivables | - | - | 2,528 | 2,528 |
| | <u>18,771</u> | <u>18,771</u> | <u>20,059</u> | <u>20,059</u> |
| 18. Current investments | | | | |
| Equity investments | 4,332 | 4,332 | 4,381 | 4,381 |
| Debt investments | 33,000 | 33,000 | 30,628 | 30,628 |
| | <u>37,332</u> | <u>37,332</u> | <u>35,009</u> | <u>35,009</u> |

At 31st July 2017, the University's current investments were £37,332,000, an increase of 1.2% from £35,009,000 at 31st July 2016.

19. Cash and cash equivalents

| | At 1st August 2016 £'000 | Cash Flows £'000 | At 31st July 2017 £'000 |
|--|--------------------------------|---------------------|-------------------------------|
| | 62,742 | 27,812 | 90,554 |

20. Creditors: amounts falling due within one year

| | Consolidated 2017 £'000 | University 2017 £'000 | 2016 '000 | 2016 '000 |
|------------------|-------------------------------|-----------------------------|---------------|---------------|
| Accounts payable | 3,457 | 3,457 | 3,457 | 3,457 |
| Other payables | 17,254 | 17,112 | 16,472 | 16,472 |
| Accruals | 22,751 | 22,751 | 24,937 | 24,937 |
| Other creditors | 4,360 | 4,360 | 4,299 | 4,299 |
| | <u>24,905</u> | <u>24,905</u> | <u>22,322</u> | <u>22,181</u> |
| | <u>72,727</u> | <u>72,585</u> | <u>71,487</u> | <u>71,346</u> |

Deferred income

| | Consolidated 2017 £'000 | University 2017 £'000 | 2016 '000 | 2016 '000 |
|--|-------------------------------|-----------------------------|--------------|--------------|
| | 1,211 | 1,211 | 1,174 | 1,174 |



21. Creditors: amounts falling due after more than one year

| | Consolidated | University | | |
|--|----------------|----------------|----------------|----------------|
| | 2017 | 2017 | 2016 | 2016 |
| | £'000 | £'000 | '000 | '000 |
| | 29,965 | 29,965 | 39,020 | 39,020 |
| | 120,366 | 120,366 | 123,626 | 123,626 |
| | 150,331 | 150,331 | 162,646 | 162,646 |

Analysis of unsecured loans

| | Consolidated | University | | |
|--|----------------|----------------|----------------|----------------|
| | 2017 | 2017 | 2016 | 2016 |
| | £'000 | £'000 | '000 | '000 |
| | 3,457 | 3,457 | 3,457 | 3,457 |
| | 3,457 | 3,457 | 3,457 | 3,457 |
| | 30,839 | 30,839 | 30,642 | 30,642 |
| | 86,070 | 86,070 | 89,527 | 89,527 |
| | 123,823 | 123,823 | 127,083 | 127,083 |
| | (3,457) | (3,457) | (3,457) | (3,457) |
| | 120,366 | 120,366 | 123,626 | 123,626 |

Loans

| | 2017 | 2016 |
|------|---------|---------|
| 2004 | 41 | 30 |
| 2017 | 12 | 30 |
| 2006 | 35.5 | 1.5 |
| 2010 | 23 | 25 |
| 2020 | 55 | 70 |
| 2014 | 10 | 1.9 |
| 2019 | 271,000 | 468,000 |

Interest rate hedging

| Year | Rate |
|------|-------|
| 2010 | 25% |
| 2017 | 5.91% |
| 2027 | 5.66% |
| 2034 | 5.36% |
| 2040 | 4.61% |
| 2020 | 3.97% |



Obligation to fund deficit on USS Pension

| Year | 2014 | 2015 | 2016 | 2017 | 2018 | 2019 | 2020 | 2021 | 2022 | 2023 | 2024 | 2025 | 2026 | 2027 | 2028 | 2029 | 2030 | 2031 |
|-------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|
| Value | 28 | 102 | | | | | | | | | | | | | | | | 31 |



| | Restricted Permanent £'000 | Unrestricted Permanent £'000 | Restricted Expendable £'000 | 2017 Total £'000 | 2016 '000 |
|----------------|-------------------------------|---------------------------------|--------------------------------|---------------------|---------------|
| A 1 A 2016 | 26,518 | 30,659 | 8,269 | 65,446 | 64,226 |
| Accruals | 1,904 | - | 282 | 2,186 | 2,049 |
| | <u>28,422</u> | <u>30,659</u> | <u>8,551</u> | <u>67,632</u> | <u>66,275</u> |
| | 53 | - | 94 | 147 | 662 |
| | 791 | 166 | 244 | 1,201 | 1,041 |
| | (363) | (166) | (401) | (930) | (1,087) |
| | 2,556 | 558 | 818 | 3,932 | 741 |
| | <u>3,037</u> | <u>558</u> | <u>755</u> | <u>4,350</u> | <u>1,357</u> |
| A 31 July 2017 | <u>31,459</u> | | | <u>26,518</u> | 39,129 |

24. Connected charitable institutions

| | College Trusts £'000 | Fellowships £'000 | Prizes £'000 | Scholarships £'000 | Total £'000 |
|---------------------------------|-------------------------|----------------------|-----------------|-----------------------|----------------|
| Opening balance 1 August 2016 | 1,866 | 2,635 | 33 | 1,179 | 5,713 |
| Accounting period | 531 | - | - | - | 531 |
| Income | 55 | 84 | 1 | 34 | 174 |
| Expenditure | (167) | (89) | - | (24) | (280) |
| Transfer to other funds | 218 | 286 | 3 | 146 | 653 |
| Closing balance at 31 July 2017 | <u>2,503</u> | <u>2,916</u> | <u>37</u> | <u>1,335</u> | <u>6,791</u> |
| Other | 5 | 2 | 2 | 9 | 18 |



| | 2017 | 2016 |
|-------|------|------|
| ● | 2.6% | 3.6% |
| ● | 1 / | 1 / |
| ● () | 2.4% | 2.2% |



28. Pensions *continued*

b. Durham University Pension Scheme *continued*



| Asset Category | Expected Rate of Return | Value (£'000) |
|----------------|-------------------------|---------------|
| Assets | 0.5% | 14,911 |
| Liabilities | 0.25% | 2,911 |

Scheme assets and expected rates of return

| Asset Category | 2017 (£'000) | 2016 (£'000) |
|----------------|--------------|--------------|
| Assets | 30,424 | 28,322 |
| Liabilities | 24,709 | 20,807 |
| Borrowings | - | 12,093 |
| Assets | 4,467 | 8,650 |
| Liabilities | 10,666 | - |
| Assets | 5,003 | - |
| Liabilities | 17,784 | 15,100 |
| Assets | 10,780 | 9,409 |
| Liabilities | 4,790 | 4,355 |



28. Pensions *continued*

b. Durham University Pension Scheme *continued*

| | 2017 | 2016 |
|--------------|------|------|
| | % | % |
| Duration | 6.60 | 6.40 |
| Beta | 2.65 | 2.40 |
| Beta squared | 1.90 | 1.50 |
| Assets | 5.60 | 5.40 |
| Liabilities | 6.60 | 6.40 |
| Duration gap | 0.25 | 0.50 |

| | 2017 | 2016 |
|-------------------------------------|-----------|-----------|
| | £'000 | '000 |
| Present value of Scheme liabilities | (157,815) | (152,566) |
| Fair value of assets | 108,623 | 98,736 |
| Deficit | (49,192) | (53,830) |

Present values of Scheme liabilities, fair value of assets and deficit

Reconciliation of opening and closing balances of the present value of Scheme liabilities

| | 2017 | 2016 |
|---|---------|---------|
| | £'000 | '000 |
| Present value of Scheme liabilities at 1 April | 152,566 | 124,135 |
| Interest on liabilities | 5,539 | 4,500 |
| Contributions | 3,685 | 4,418 |
| Benefits paid | 64 | 54 |
| Actuarial gains/(losses) | (401) | 23,372 |
| Transfer to/from other pension schemes | (3,660) | (4,112) |
| Transfer to/from other funds | 22 | 199 |
| Present value of Scheme liabilities at 31 March | 157,815 | 152,566 |

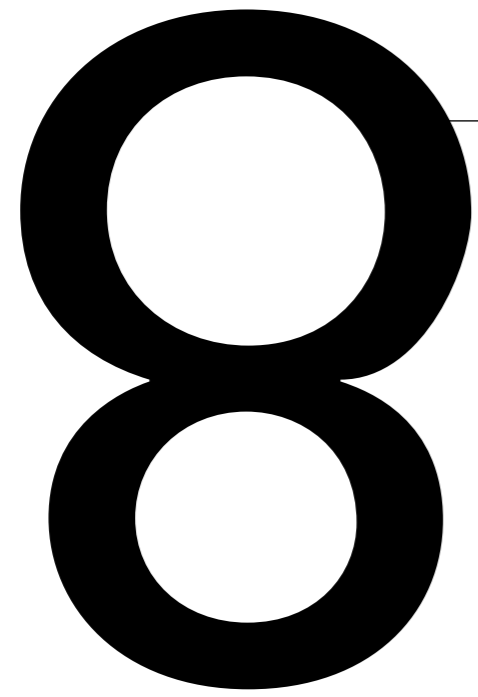


28. Pensions *continued*

b. Durham University Pension Scheme *continued*

Reconciliation of opening and closing balances of the fair value of Scheme assets

| | 31 July 2017 £'000 | 31 July 2016 '000 |
|-----------------|--------------------------|-------------------------|
| Assets | 98,736 | 89,908 |
| Liabilities | 2,380 | 3,175 |
| Actuarial gains | 7,674 | 6,526 |
| Contributions | 4,353 | 3,843 |
| Benefits paid | 64 | 54 |
| Borrowing | (3,660) | (4,112) |



Assets less liabilities, (3,660)

Amount recognised in Other Comprehensive Income

| | 2017 £'000 | 2016 '000 |
|-----------------|---------------|-----------------|
| Actuarial gains | 7,674 | 6,526 |
| Contributions | 135 | (1,055) |
| Benefits paid | 266 | (22,317) |
| Total | 8,075 | (16,846) |

Amounts for the current and previous four years

| | 2017 £'000 | 2016 '000 | 2015 '000 | 2014 '000 | 2013 '000 |
|-----------------|---------------|--------------|--------------|--------------|--------------|
| Assets | 2,380 | 3,175 | | | |
| Liabilities | (157,815) | (152,566) | (124,135) | (109,291) | (99,474) |
| Actuarial gains | (49,192) | (53,830) | (34,227) | (29,074) | (24,405) |
| Contributions | 135 | (1,055) | 190 | 485 | 3,536 |
| Benefits paid | 7,674 | 6,526 | 6,036 | 754 | 5,646 |
| Borrowing | 266 | (22,317) | (9,870) | (5,334) | (5,173) |

Not on FRS102 basis

