

LEEDS BECKETT UNIVERSITY

FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 JULY 2015

www.leedsbeckett.ac.uk



LEEDS
BECKETT
UNIVERSITY

Opening minds
Opening doors

CONTENTS

Page numbers

Operating and Financial Review	1
Public Benefit	7
Financial Update	10
Corporate Governance Statement for the year ended 31 July 2015	14
Independent Auditor's Report	19
Statement of Principal Accounting Policies	21
Consolidated Income and Expenditure Account	24
Consolidated Statement of Historical Cost Surpluses and Deficits	25
Statement of Total Recognised Gains and Losses	26
Balance Sheets	27
Consolidated Cash Flow Statement	28
Notes to the Accounts	29

Cover image: Carnegie Pavilion is part of Yorkshire County Cricket Club, Headingley and Leeds Beckett University. It was designed by Will Alsop of Alsop Architects and was officially opened in 2010. It offers world-class media and players' facilities in addition to innovative teaching facilities for Leeds Beckett University students.





Introducing Leeds Beckett University

Leeds Beckett University has 25,000 students studying with us at our Leeds campuses and more than 3,000 staff¹ offering a range of undergraduate, postgraduate and professional provision across four faculties: Arts, Environment & Technology; Carnegie; Health & Social Sciences; and Business & Law. We have over 19,000 full-time students including 17,600 undergraduate and 1,400 postgraduate. 6,000 students enjoy part-time and flexible learning opportunities with us. Our international students come to us from over 106 different countries and we have another 1,431 students studying on Leeds Beckett programmes abroad.

Our University spans two campuses; Headingley Campus on the outskirts of the city and our large City Campus which is part of the business infrastructure of Leeds city centre. Our University has a turnover of £215 million and we contribute an estimated £500 million to the regional economy. Our aspiration is to help create great graduates, exceptional employees, dynamic citizens and enterprising leaders through our commitment to student success, continuous improvement, academic and research excellence and achieving global and local impact through innovation and collaboration.

Shaping our future

Over the last year our University has experienced significant change shaped both by our own strategic objectives and through responding to external shifts in the political and higher education landscape. A further significant change for our University was the retirement of our Vice Chancellor, Professor Susan Price, in August 2015. Over the last five years, Professor Price has led a highly successful major repositioning of our University and change of university name; taken our University from financial deficit to financial sustainability to support our long term ambitions; increased student satisfaction as evidenced through our improved National Student Survey (NSS) scores; and led the achievement of our Customer Service Excellence and Investors in People Gold accreditations, making Leeds Beckett the only University in the UK to hold both accolades simultaneously across the whole institution.

During 2015, we appointed Professor Peter Slee as our next Vice Chancellor. Professor Slee joins us on 1 September 2015 following five highly successful years as Deputy Vice Chancellor at the University of Huddersfield. Professor Slee has held a number of senior roles in higher education management at Northumbria, Durham and Aston universities and at the Confederation of British Industry (CBI) where he was Head of Education Policy. Over the next year Professor Slee will lead on the development of our next strategic plan.

¹ Staff number, headcount.

OPERATING AND FINANCIAL REVIEW

Over the last 12 months we have also made a number of key appointments to our senior leadership team. In March 2015 Professor Phil Cardew joined us as Deputy Vice Chancellor with a focus on our academic quality; and in November 2014 Professor John Minten joined us as Dean and Pro Vice Chancellor to lead our Carnegie Faculty.

In December 2014 we welcomed David Lowen as our new Chair of the Board of Governors; a former editor of Calendar News and a director at Yorkshire Television for six years. He currently holds a number of non-executive appointments. In addition he is Honorary Secretary and Fellow of the Royal Television Society and a Fellow of the Royal Society of Arts.

Embedding our new name

On 22 September 2014 we became Leeds Beckett University following the granting of approval from the Privy Council to change the name of our institution. As we started the new academic year, the proliferation of Leeds Beckett branded sweatshirts that radiated around the city of Leeds and beyond was testament to the positive way in which our community of students and staff proudly embraced our new University name.

The decision to change our name was rooted in a desire to seek a distinctive name that would reflect our ambition within a global competitive market. Leeds Beckett references Beckett Park, 94 acres of parkland in the north west of Leeds, and the site of our Headingley Campus. This site has a rich educational heritage stemming back to 1845. After consultation with our stakeholders, Leeds Beckett University was chosen because it responds well to our historical and local context and encapsulates our unique character.

Strategy & performance

Over the last 12 months we have consolidated our performance in relation to the ambitions we set out in our Strategic Plan: Quality, Relevance & Sustainability, 2010-2015. Under this plan our strategic vision has been:

To be acknowledged for our commitment to student success, our innovation and enterprise, our global reach and strong local impact

Our values demonstrate how we work with students, staff and stakeholders in promoting a collaborative and collegial environment that supports our students to realise their academic and professional ambitions:

*Inspiring & creative
Enterprising & purposeful
Respectful & professional*

Our strategic plan is underpinned by our institutional key performance indicators grouped across five themes: student experience, financial health, research and enterprise, people and quality, sustainability and estates. Over the last five years we have experienced notable success across all of these themes including our overall satisfaction (82%) and teaching quality (84%) National Student Survey scores and the percentage of our graduates gaining employment or undertaking further study (93%). We have also made significant strides in our Research Excellence Framework (REF) performance within research units we had not previously submitted to that received REF 2014 ratings as either world-leading or internationally excellent. In challenging times we have steered a positive financial course by reducing our borrowings; decreasing the ratio of staff costs as a percentage of total income; achieving a healthy surplus and increasing our enterprise income.

We recognise that it is only by delivering optimum performance across all these areas that we truly service the interests and expectations of our diverse community of stakeholders.

Responding to external change

We are in no doubt that shifts in the political landscape will result in further changes to the way in which universities are funded and how tuition fees are set. A higher education green paper is expected in the autumn. It is likely that this will put further flesh to the bones on the nature and shape of a Teaching Excellence Framework and its relationship to future tuition fee setting. Sector wide consultation on quality assurance is underway and as we await an announcement about the EU referendum we consider how this may impact access

to European research networks and the European student market. For some potential students, plans to abolish maintenance grants will affect their perception of access to higher education. We will continue to review how we support those with the potential to succeed but who face barriers in pursuing their ambitions.

Our success in responding positively to sector policy changes since 2010 demonstrates very clearly that we are a University that is able to thrive in an environment of complex and uncertain national higher education policy developments.

Academic quality

In 2014 we were commended by the Quality Assurance Agency for Higher Education, within our Higher Education Review, for the embedding of employability across our curriculum. This included the integration of key graduate attributes (enterprise, digital literacy and global outlook) across our whole undergraduate portfolio. It is essential that these skills remain relevant to the world of work and that graduates recognise the skills they have gained.

We recognise the importance of external professional endorsement and we work with a range of Professional, Statutory and Regulatory Bodies (PSRBs) to ensure our graduates leave us 'work ready'. All 10 PSRB reviews conducted in 2014/15 were successful.

Recognition for teaching excellence

Through our Developing Excellent Academic Practice (DEAP) framework we offer two programmes accredited by the Higher Education Academy (HEA) enabling staff to endorse their commitment to student learning, and therefore become HEA Fellows. To date over 230 staff have achieved Fellowship, over 100 of those at Senior Fellowship level. A further 200 staff are working towards their fellowships through the DEAP programmes, and a further five staff members are being supported in their application for Principal Fellowships. This year one of our staff members was awarded a National Teaching Fellowship (NTF), and two newly-recruited members of staff also hold NTF status.

Our Students' Union Golden Robes Ceremony is an annual student-led nomination and award ceremony to acknowledge the exceptional pastoral and curriculum support and ingenuity of our academic and support staff. This year a record 1,053 nominations were made for 630 staff members. Winners in nine categories were announced at a ceremony at the Leeds City Museum in April.

Student experience

Our objective is to attract students with the ability to excel in their studies by realising their full potential in the global workplace. We offer our students an inspiring and supportive academic environment, an employability focussed curriculum and the opportunity to live and learn in the vibrant city of Leeds.

Over the last five years, we have seen an overall improved position in our NSS outcomes with our 2015 overall satisfaction score at just one percentage point under our highest ever score at 82%. Over the same time period, we have experienced a seven percentage point increase in our response to the NSS question on the promptness of feedback and the highest ever response to the assessment and feedback group of questions with an overall satisfaction rate of 70%. Our 2015 NSS results places our university in the top quartile for the personal development and learning resources question areas. We continue to utilise our NSS results and all of our student feedback to ensure that our academic offer remains inspiring and that our services offer excellent student-centred support.

We encourage our international students to participate in the International Student Barometer (ISB) survey. In the 2014 Autumn Wave of this survey we were on a par with the modern universities index in response to the question whether our students would recommend our university with 82% of respondents saying they would. Our personal tutor support received positive recognition with 96% of respondents expressing satisfaction. We were also ranked 4th in the ISB survey for our class sizes.

Student Recruitment

There has been a considerable volatility in the higher education recruitment market over recent years; despite this our undergraduate recruitment numbers remain relatively stable. We recognise that shifts in the recruitment environment are likely to continue as a result of changes in UK higher education policy and the global market. The removal of recruitment constraints for UK and EU-domiciled students from 2015 provides us with further opportunities and challenges as market competition increases.

Our international student numbers remain buoyant in 2014/15 as we experience incremental year-on-year increases. We also achieved fourth place in the International University of the Year category in the Whatuni Student Choice Awards 2015; the only post-1992 university in the top 10.

Academic partnerships & collaborations

Our University continues to have an extensive and diverse portfolio of collaborations and partnerships. In 2014/15 we had agreements with 187 partners including 40 franchises, joint and validated collaborative partners (18 domestic and 22 international) and 147 partnership arrangements.

Since June 2012 we have developed 11 franchise partners in strategic hubs across Asia. We continue to strengthen our franchise arrangements through the validation of additional courses and the development of a new academic partnership in Hong Kong.

In 2014/15, we further strengthened our links with overseas regulatory and quality assurance agencies including the Tertiary Education Commission in Mauritius, Malaysian Qualifications Agency and Education Bureau in Hong Kong. Colleagues from a number of these agencies were involved in our inaugural Quality Conference held in July 2015 which brought together quality practitioners from our University and across the sector to discuss a range of topics and themes that enable excellence in higher education.

Student achievement & success

Over the last four years we have seen a seven percentage point increase in the number of students achieving either a 1st or upper 2nd class degree classification. We have increased access to personal tutors and have implemented a placement management system across all four faculties following successful integration of the system in our Faculty of Health and Social Sciences. This will improve 'on placement' communication with our students and facilitate prompt intervention should our students need additional support.

Over the next 12 months, under the leadership of Professor Phil Cardew, Deputy Vice Chancellor (Academic), we will develop a new Academic Strategy in support of our next strategic plan, in recognition of our commitment to providing a transformational educational experience for all of our students during their time at our university.

Employability

We aim to equip our graduates to be leaders and contribute to business growth in the diverse range of sectors in which they build their careers. Over the last two years we have performed above the sector average in the Destination of Leavers from Higher Education (DLHE) survey; the latest results indicate that 93.4% of graduates were in work or further study compared to a sector average of 93.2%².

We offer work-based learning opportunities within and outside the curriculum. Last year 260 of our students had roles at the Leeds Festival through our partnership with Festival Republic. Our students managed all aspects of the BBC Introducing Stage and had roles in licensing, health and safety, public relations and event management amongst others.

Our new Employability Framework has been developed in collaboration with our Students' Union. This takes a whole student lifecycle approach from pre-enrolment support for subject choices through to in-year activities

² 2013/14 Destination of Leavers from Higher Education survey results.

OPERATING AND FINANCIAL REVIEW

at subject level. Individual student interaction levels with these activities will be monitored, and non-engaging students will be supported with targeted interventions. Core activities include: local subject based careers guidance; a programme of seminars and workshops for our students to meet with employer organisations; opportunities to learn more about further study options; and enterprise and entrepreneurial support. In addition our students on sandwich programmes are not charged for their placement year as we waive this fee to increase access to this opportunity.

Research & enterprise

Our University made significant impact in the Research Excellence Framework 2014. The results, as determined through the research power rankings, show a rise of 12 places from 2008. Our ongoing investment in research has contributed to these excellent results, highlighting that in all 11 units submitted we have achieved world-leading and internationally excellent ratings in the overall quality profile. This achievement has increased our HEFCE Quality-Related funding by approximately 30% to over £2.2 million.

Our research portfolio continues to grow with 2015 seeing £2.3 million won through competitive externally funded grants. Attracting new research-active academic colleagues is bringing a new impetus to our growing research profile adding to the work of established professors and readers and the recruitment of high quality research students. The four research institutes; the Institute for Health and Wellbeing, Institute of Sport, Physical Activity and Leisure, the Leeds Sustainability Institute and the Retail Institute remain a focus of our research activity along with our approved research centres. This year has seen the creation of the Centre for Biomedical Science Research bringing the total of formal university centres to 10.

Estates & sustainability

We continue to maintain and optimize the configuration of our estate such that it matches our strategic business needs and enhances the student experience. Estate management records continue to show an improvement in the condition and efficient use of our estate.

Over the last 12 months we have made significant investment in our estate to ensure our learning spaces and facilities continue to meet student expectations and successfully service the needs of our academic portfolio and administrative structures. Recent developments have included providing our law students with new facilities within our core City Campus location; the refurbishment of our Shelia Silver Library; new biomechanical, food engineering and physiology laboratories; a new dance studio; weightlifting facilities and the refurbishment of a number of changing areas. We have made creative use of our existing building stock by refurbishing two large 1960's buildings into modern academic office, teaching and ancillary spaces and modernising our 17th century Grange building into state-of-the-art accommodation for our IT Services team.

Digital technology

In order to offer a high quality student experience it is essential that we keep pace with rapid changes in digital technology. In the NSS we achieved a record 92% satisfaction score for our IT resources and 90% satisfaction for the group of learning resources questions, placing us in the top quartile in the sector.

Our approach is to provide a digital learning environment that delivers a seamless, any time, any place and any device access to our IT resources. We recognise the role of online learning, within blended learning and asynchronous delivery, in enhancing the 'connected learner' experience. Our IT provision, support and guidance maximises student access to services on their own devices. This is being complemented by the rollout of the 24/365 self-service laptop loan scheme.

We aim to be a sector leader in our use of digital media to support our applicants during their application and enrolment into university life. Our new Leeds Beckett website received a HEIST³ gold award and our '100 days to Freshers' campaign gained a bronze award for 'the best low cost initiative' category.

³ HEIST Education Marketing awards for further and higher education marketing delivered by Havas People.

People & quality

We seek to continuously improve our working practices and support our staff in adapting their skills to respond to the needs of contemporary higher education. This commitment is evidenced in the Customer Service Excellence (CSE) and Investor in People (IIP) Gold standards we hold. In 2015 we achieved the completion of the first three year cycle of our CSE accreditation where we were highly commended for our continuing commitment to supporting our diverse range of customers. We aspire to be sector-leading in our approach to customer service. In June we hosted our *Inspiring Excellent Customer Service in Higher Education* conference attended by HE peers from across the UK. Through a varied programme of presentations and inspirational sessions we shared our own customer service journey and encouraged cross-sector debate that drew upon expert insight from customer service leaders and award winners from outside of the higher education sector based in the Yorkshire region. In 2016 we will seek reaccreditation of both our CSE and IIP standards.

Our staff Bright Ideas initiative scheme continues to flourish. Over the last 12 months it has generated over 400 ideas that have brought benefits to our working culture and processes.

Investment in our People Development programme provides training and learning experiences tailored to support all staff at different stages of their career. Our Leadership Centre had its annual Institute of Leadership and Management (ILM) centre approval and external verifier visit in May 2015. The report from the visit commends the Leadership Centre for the robust and rigorous internal quality assurance systems that are in place.

In July 2015 our University was awarded the accolade 'HR Excellence in Research', in recognition of its continued commitment to the career development and management of its research staff. We foster emerging research talent through our Early Career Researcher Network and our researchers are helped in realising the commercial potential and economic impact of their research through our UK Standard Medici Enterprise Training.

Staff recognition for delivering excellence has been acknowledged both internally and externally. Now in their eighth year, our internal Achieving Excellence Awards celebrate the invaluable input of all staff across our University; and externally at the Yorkshire Personal Assistant Awards, a number of our University Personal Assistants received awards in 2015.

Equality & diversity

Our aim is to shape our institution-wide equality and diversity agenda to ensure that we are an inclusive and diverse place to work and study validated by external benchmarks such as Stonewall's Workplace Equality Index and our commitment to achieving Athena Swan accreditation and the Equality Challenge Unit's (ECU) Race Charter Mark in the future.

In 2015, we celebrated reaching 51st place in the Stonewall Workplace Equality Index, surpassing our aim of reaching the top 100, with a rise of 117 places in one year. We are one of 31 institutions piloting a new Race Charter mark supported by the Equality Challenge Unit. In 2014 we signed up to the Athena Swan standard as part of our commitment to gender equality and commenced working to achieve the newly implemented ECU Race Charter Mark. Our University is part of the two tick recognition scheme given by Jobcentre Plus to employers who implement action regarding the employment, retention, training and career development of disabled employees. In the autumn of 2014 we renewed our commitment to being a 'Mindful Employer' and also signed a 'Time to Change' pledge to enhance our support for staff and students affected by mental health problems.

Public Benefit

Leeds Beckett University is an exempt charity under the terms of the Charities Act 2011. Our charitable purpose is the advancement of education for the public benefit, and our vision is “to be acknowledged for our commitment to student success, our innovation and enterprise, our global reach and strong local impact.” Our University has paid due regard to the Charity Commission’s guidance on public benefit.

Students of our University and our staff are our immediate beneficiaries, however, our strong regional engagement and international reach means that a range of local, national and international charities, communities, schools, businesses and partners also benefit from our activities.

Scholarships and Financial Support

Full time undergraduate tuition fees for 2014/15 were £9,000 per year; part time fees were no more than £6,750 per year. We are committed to offering financial scholarships to allow a wide range of students to experience university education. Last year was the final year of the National Scholarship Programme (NSP) established to provide cash bursaries and fee waivers to applicants from low income households. This was funded jointly by the Higher Education Funding Council for England and our University. In 2014/15, 507 of our students were awarded financial support from the NSP, totalling £505,000 in bursary cash payments and £1,013,000 in payments of institutional services.

In addition to the NSP we continue to invest in potential entrants from low income backgrounds through a range of financial awards. We awarded £472,800 in Leeds Beckett Bursaries to 475 students; £26,400 in Care Leavers Bursaries and Summer Assistance Funding which totalled £40,311.

Our Partnership Bursaries were awarded to 98 students, totalling £29,400. Students who had studied on courses at our Partner Colleges or Associated Schools, who met our application criteria and selected us as their firm choice were eligible to apply.

In recognition of significant academic achievement of applicants last year we awarded a total of £998,000 through our High Achievers Scholarship to applicants with grades ABB or equivalent. This is a £1,000 fee waiver applied to the first year of study.

Through our ‘Student Money Advice’ service our students can access financial guidance to help them plan for the duration of their studies. In the year ending July 2015 we allocated £338,639 in hardship funding benefitting 1001 students. Despite the withdrawal of Access to Learning grants we are committed to maintaining a hardship scheme because this has been an important part of our student retention activities. Our Employability Services and Job Shop provides practical support and immediate access to part-time and graduate opportunities.

In recent years the funding environment has made further study a difficult option for some. In 2015 the government redirected funding from the National Scholarship Programme into postgraduate study, as a result we have launched 105 match-funded postgraduate bursaries for the 2015/16 academic year. We will continue to evaluate how we can incentivise and support applicants who have the ability to succeed but who face significant barriers in realising their potential.

Widening Participation

Across our University, our expenditure on access and outreach activities has increased over the last three years in line with our fees strategy to expenditure levels of 22% of premium fee income. Throughout these programmes and interventions, work is embedded to include parents, guardians, carers and other influencers of potential higher education learners. In the last academic year, we delivered in excess of 487 widening participation and outreach events and engaged 31,560 learners.

In collaboration with 12 other universities and colleges in Yorkshire we fund and coordinate outreach activities through the Higher Education Access Rewarding Transforming (HEART) organisation. HEART has successfully bid to be the West Yorkshire single point of contact for 11-18 state funded schools as part of the National Network

OPERATING AND FINANCIAL REVIEW

for Collaborative Outreach (NNCO). As a result we have been allocated £197,278 for 2014/15 and 2015/16, to be used towards funding outreach activities with the HEART network.

We are recognised by Buttle UK for our work with care leavers and looked after students. We work with this group in the pre-entry phase utilising an established mentoring programme called Next Step. Mentors provide academic support and pastoral care to foster a sense of continuity and stability for looked after students. Information events for carers are linked to this programme to ensure that looked after students receive the support and guidance needed to progress into higher education.

Our Access and Widening Participation Team run a year-long programme of schools activities to demystify the university experience and inspire young people into higher education. This includes our Kids@Uni activities aimed at year six children from low participation backgrounds; our Young Professionals programme for years 10 and 11; and the Tomorrow's Professionals programme aimed at year 12 pupils. Participants from our UJIMA programme, targeting Black African and Black Caribbean boys in years 10 and 11, attended the Carnegie Conversations Guest Lecture by world champion athlete Derek Redmond. The event was preceded by a revision workshop to prepare students for their forthcoming GCSE exams and followed up with their annual summer residential at our University.

The Disability Assessment Team have started work with our Outreach and Access Team to visit schools and colleges to encourage applicants to consider early planning for their transition into university and to ensure disabled applicants are aware of how to access support available via the Disabled Students Allowance and our University.

Our disabled student community has strong progression rates and a high percentage of our disabled students achieve either a first or upper second degree classification. We have recently reviewed our Disability Service processes to further expand our ability to track the progress of our disabled students and evaluate the impact of the support they have received. This review resulted in the development of a programme of study skill sessions targeted primarily at students with Dyslexia, Dyspraxia, Dyscalculia and Attention Deficit Disorders to support them with the challenges they face with group study.

In February, we held a university Mental Health day, organised by our Student Wellbeing Centre and Human Resources. The day was both very well attended and very well received and signposted students and staff to mental health resources and support available to them.

Research & knowledge transfer

We have risen 12 places since 2008, from 89th to 77th, in the research power league table published by the Times Higher. In terms of the 'research power' calculation, which accounts for both the quality and the quantity of research, at subject level we were second in the country for Sport and Exercise Science, Leisure and Tourism, with 59% of the research submitted being assessed as world-leading or internationally excellent. We were also placed in the top ten in the Communication, Cultural Media Studies, Library and Information Management unit. Our growing research expertise and recognition brings societal and economic benefit to the region and beyond. Significant new research areas include dementia education and training for health and social care staff; a new prison research hub focused upon the social impact of imprisonment; and sexual bullying within youth culture. These sit alongside many other emerging and well-established research fields.

At the end of July 2015 our portfolio of Knowledge Transfer Partnerships stood at eight with a ninth going through the approval process. In addition, we have another three partnerships in development. These are typically two year partnerships with an associated research income of £120k per partnership jointly funded by Innovate UK and the business partner. In 2015/16 we plan to continue this growth to position ourselves well inside the top 20 for size of Knowledge Transfer Partnership portfolio amongst all higher education institutes in England.

Local impact

Leeds is a large vibrant city and one of the biggest financial districts outside of London. In the last year our University contributed in excess of £500m to the regional economy. We continue to drive up revenue from research and enterprise as measured by our annual HESA return through the Higher Education Business and

OPERATING AND FINANCIAL REVIEW

Community Interaction Survey. Our latest annual return of £16.85m represents annual growth of 21% and is the 39th highest enterprise return⁴ amongst all higher education institutes in England.

We work collaboratively with a range of regional stakeholders to maximise economic gains to the city. We offer extensive services to businesses in the region, this includes continued professional development, access to our Apple authorised New Technology Institute, consultancy, research projects, business lounge services, conferencing facilities and open access to our Yorkshire Bank sponsored guest lecture series featuring presentations by pioneering international business leaders. In addition our network of enterprise and innovation hubs provide a home to over 200 early stage businesses in Leeds.

We have two Memoranda of Understanding (MOU) with Leeds and Wakefield councils and expect to sign further MOUs with three more local authorities in the next year. These MOUs will pave the way for establishing university Business Centres in local authority areas of the Leeds City-Region without a university presence (so called higher education cold-spots). Our connectivity with the business community is also demonstrated through our innovative partnerships with the regional branch of the Institute of Directors. We share a business lounge and promote each other's services.

In 2015, as in the previous year, we hosted the Teach First conference in the heart of the city centre collaborating with the University of Leeds and Leeds City Council. This remains one of the largest conferences to be hosted in the city in recent times.

Our Carnegie Great Outdoors team, a leading provider of educational outdoor activities and leadership development, has recently secured a contract to deliver the National Citizenship Scheme for the north-east of England from 2015-2018. The contract is worth approximately £4 million and is sponsored by the National Youth Agency and vInspired Education.

Global impact

A global perspective is key to our University experience. We offer international study and volunteering opportunities to broaden our students' horizons and understanding of the global context. In 2014/15 we hosted 157 Erasmus students and 93 of our students benefitted from studying at institutions overseas through the Erasmus scheme. We were joined by 86 exchange students and 49 students went out on exchange programmes. For fee-paying exchange programmes we were able to offer 14 bursaries for students from widening participation backgrounds. We also offer financial support to students from widening participation backgrounds to help them to engage in our international volunteering programme. Last year 28 students benefitted from our volunteering bursaries to enable them to participate in University organised and independent volunteering work. Through our University scheme 106 student and staff volunteers undertook voluntary work with 10 charities and foundations around the world.

⁴ Higher Education Business and Community Interaction survey results for the 2013/2014 academic year.

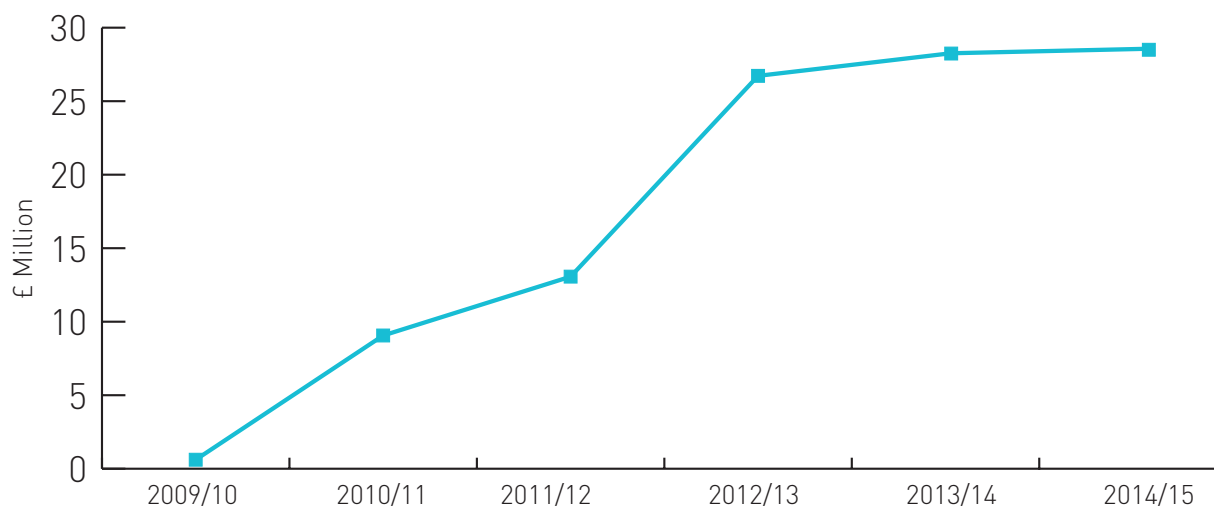
Financial Update

Our financial results for the year are summarised in the following table. They comprise the consolidated results of the university and our subsidiary companies (see note 14 to the accounts).

	2013/2014	2014/2015
	£m	£m
Total Income	199.5	215.0
Total Expenditure	175.5	189.7
Surplus	24.1	25.3
add Depreciation on revalued amounts and diminutions	2.5	2.5
add the effects of FRS17	1.6	0.8
Historic cost surplus before FRS17	28.2	28.6

A historic cost surplus of £28.6m before FRS17 and exceptional items is equivalent to 13.3% of total income. It represents an improvement on last year's results and helps to further consolidate our financial position under the new funding and control environment. Figure 1 illustrates the changes in our surplus since 2009/10.

Figure 1: Historic cost surplus

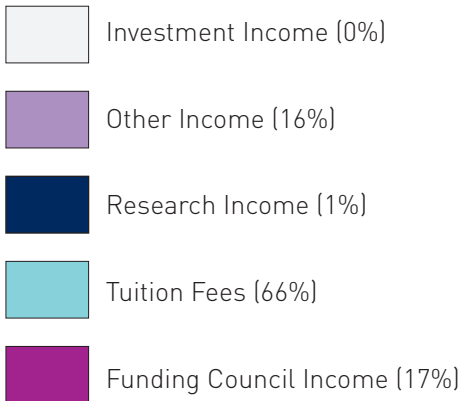
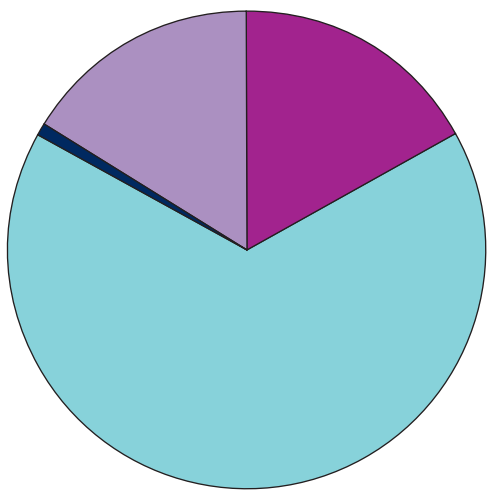


OPERATING AND FINANCIAL REVIEW

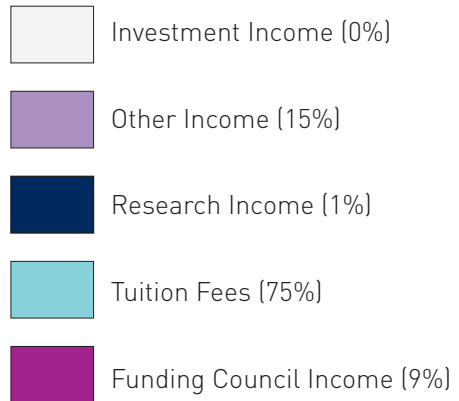
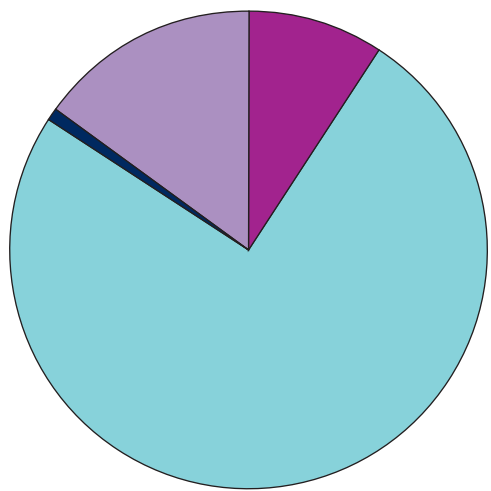
Our results reflect how, following the increase in our fee levels to sector norms in 2010/11, we have achieved our planned movement from a small surplus in 2009/10 to a level of surplus that provides us with the financial capacity to support our investment requirements as well as the resilience to potential further changes in our funding and control environment. Figure 2 illustrates our sources of income and how these have developed since 2013/14.

Figure 2

Income Sources 2013/14



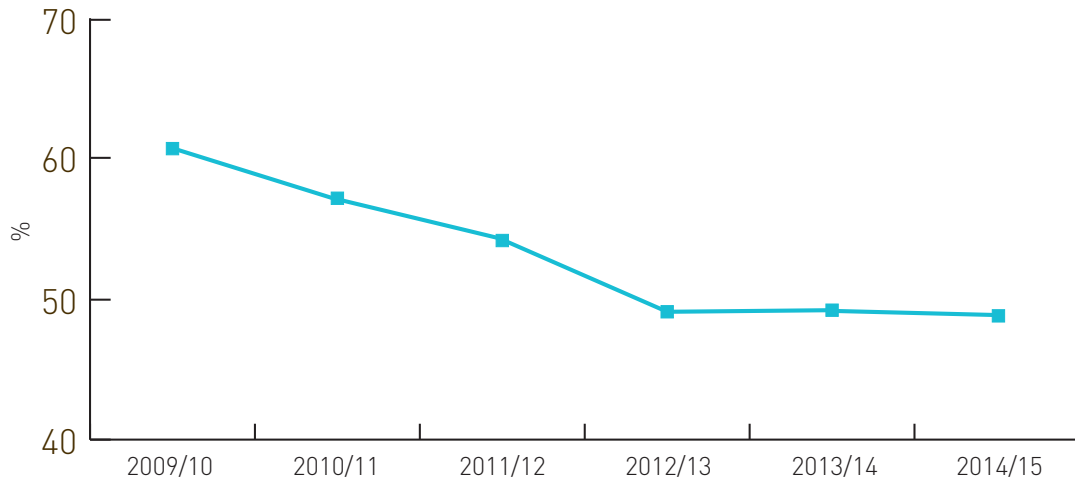
Income Sources 2014/15



OPERATING AND FINANCIAL REVIEW

Given the restrictions imposed on income growth, through student number controls and general market and economic conditions, our emphasis continued to be on expenditure control. Figure 3 illustrates how our expenditure on staff costs, before the effects of FRS17, as a ratio of our total income, has reduced in recent years.

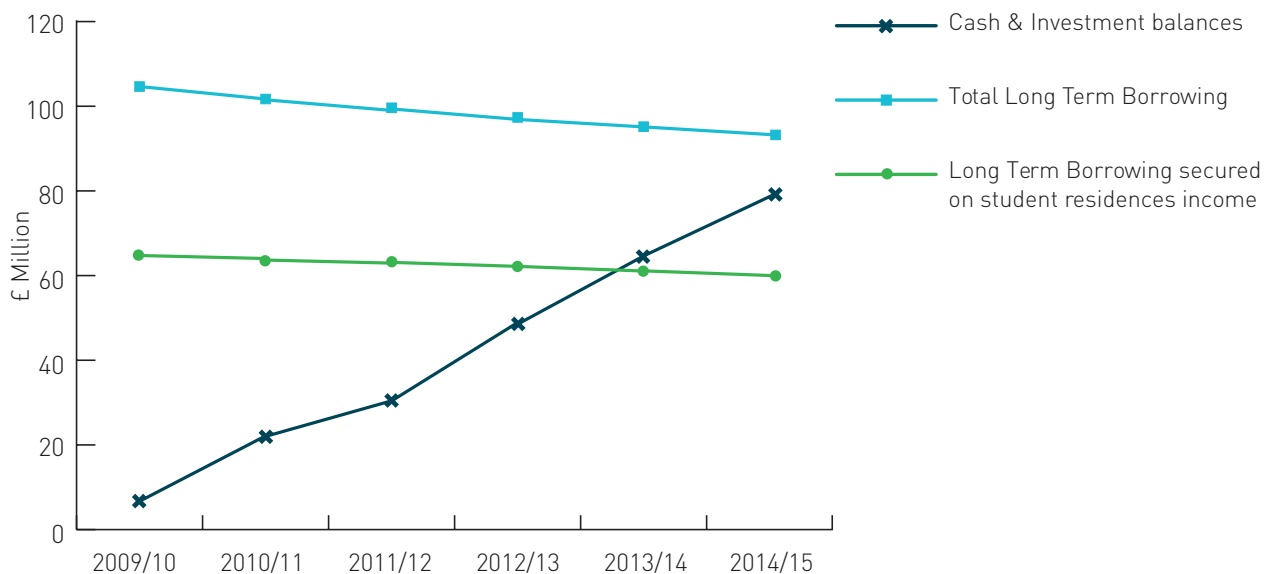
Figure 3: Staff costs as a % of total income



The improvements in our operational surplus mean that our discretionary reserves increased to over £126m, by the financial year-end. They also result in our cash inflows from operations exceeding £40m which has enabled us to grow cash and investment balances by nearly £15m to over £79m and has helped to fund our £22m of investment in capital projects during the year as we ensure that our teaching, research and social facilities for our students and staff are excellent.

Whilst our long term borrowings (£91m) remain relatively high compared to the sector average they include £58m of loans that are directly funded from our student residences income, leaving just £32m of loans that are funded from general income. Figure 4 illustrates how our long term borrowings, both including and excluding our student residences loans, have been reducing since 2009/10, and how our cash and short term investment balances have been increasing over recent years.

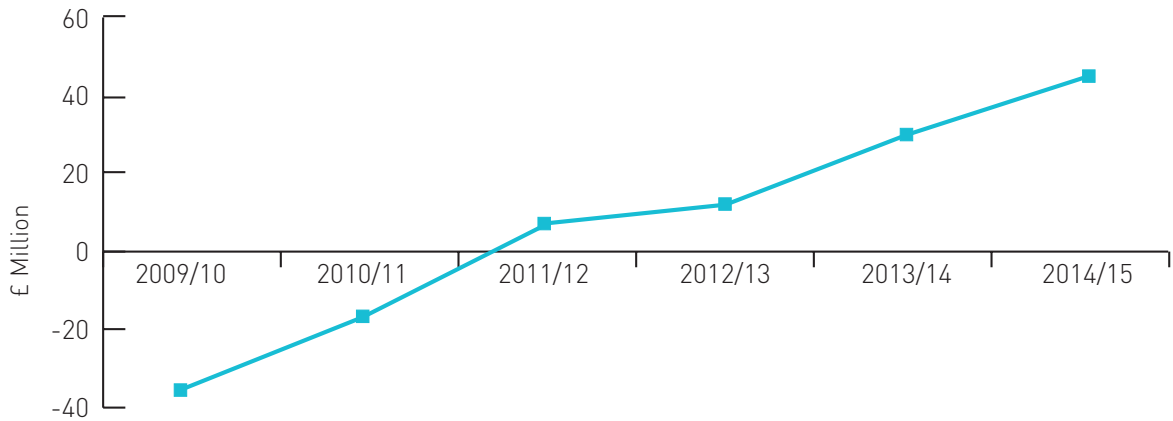
Figure 4: Long Term Borrowings and Cash & Investments



OPERATING AND FINANCIAL REVIEW

The effect of this is that, excluding long-term borrowings which are directly funded from our student residences income, we have moved from a position of having net borrowings in recent years to having net funds of £45m in 2014/15, as illustrated in Figure 5.

Figure 5: Net Funds/(Borrowings funded from General Income)



As planned, our financial performance and position places us well to respond to continuing uncertainty and change in the higher education funding and control environments, and in the markets within which we operate. Whilst our forecasts are prudent, they ensure that we achieve a level of financial performance that is necessary to sustain future investment requirements without any erosion of our financial capacity.

Framework of Governance

Leeds Beckett University is a higher education corporation established under the Education Reform Act 1988 ("ERA") and an exempt charity under schedule 3 of the Charities Act 2011. The university's powers are defined in section 124(1) ERA as '(a) to provide higher education; (b) to provide further education; and (c) to carry out research and to publish the results of the research or any other material arising out of or connected with it in such manner as the corporation think fit'. The charitable purpose of the university, as defined in the Charities Act 2011, is the advancement of education for the public benefit.

The University's framework of governance is established in the Instrument and Articles of Government. The Board of Governors is committed to high standards of governance and during 2014/15 has complied with the Committee of University Chairs Governance Code of Practice and General Principles (2009-2015). A new Code of Governance for the higher education sector was published in December 2014 and significantly extends the provisions of the previous Code.

The Board undertook its quinquennial Board evaluation during 2014/15, which included the appointment of the Higher Education Consulting Group, through a competitive process, to provide an external perspective and benchmark information to the Board on its operation, structure and effectiveness. The review will conclude its findings and make recommendations to the Board in November 2015, including an independent assessment of the University's compliance with the new Code of Governance and any areas for further development of good practice.

The University conducts its business in accordance with the seven principles identified by the Committee on Standards in Public Life (selflessness, integrity, objectivity, accountability, openness, honesty, and leadership).

Board of Governors

The Board of Governors is the governing body of the University. The Board's responsibilities are set out in the University's Articles of Government and, in accordance with Committee of University Chairs guidance, a Statement of Primary Responsibilities has been adopted. Responsibilities reserved for the Board's decision include: determining the educational character and mission of the University; approving annual estimates of income and expenditure; ensuring the solvency of the institution and safeguarding its assets; appointing the Vice Chancellor; amending the Articles of Government; and appointing the external auditors. For the purposes of charity law, the Governors are the trustees of the University and, as required, have had regard to the Charity Commission's guidance on public benefit.

In the year ended 31 July 2015, the Board met formally on 5 occasions and in addition held two strategic away days. The principal business undertaken by the Board included: the appointment of the University's next Vice Chancellor; discussing future corporate strategy and considering associated opportunities and risks; the University's position in relation to league tables and student surveys; medium and longer term estates planning; overseeing the work of Academic Board as regards academic quality and standards; reviewing institutional performance; and monitoring the University's solvency and financial sustainability.

In accordance with the Instrument of Government, the Board comprises twenty Governors, consisting of thirteen lay members, four staff nominees, two students' union nominees, and the Vice Chancellor. In the last year four new independent governors, one new staff governor, and one new student governor have joined the Board of Governors.

The principles of open advertisement and transparent recruitment for independent Board positions are well established as matters of good governance. These principles were applied to the recruitment and appointment of all governors in three separate recruitment rounds during 2014/15.

Mr David Lowen was appointed as Chair of Governors on 1 December 2014. The appointment process included the establishment of a Search Committee of the Board of Governors with representation from staff and student governors which was advised by independent search consultants appointed through a competitive tender process, with a role description and recruitment criteria approved by the Board of Governors.

Following the retirement of Mr Bill Hartley as Deputy Chair, nominations were sought from within the Board to the position of Deputy Chair and Mr Steven Webb was appointed as Deputy Chair of the Board of Governors with effect from 1 September 2015.

CORPORATE GOVERNANCE STATEMENT

New governors receive a personalised induction programme and all governors are eligible to take part in relevant training and development at the University's expense. Governors took advantage of a number of sessions of the governor development programme offered by the Leadership Foundation for Higher Education during 2014/15.

The University maintains a register of interests of governors and senior managers which is available for inspection on request to the Clerk to the Board of Governors. Routine review of the operational effectiveness of the Board of Governors and its committees has taken place in 2014/15, and forms part of an agreed annual work programme, which includes individual meetings between the Chair of Board and chairs of its committees.

The Chair of the Board and the chairs of committees are entitled to remuneration in accordance with the Instrument of Government. All governors are entitled to reimbursement of out of pocket expenses incurred in discharging their responsibilities and these amounts are published on our website on a quarterly basis.

Jenny Share, Secretary and Registrar, is the Clerk to the Board of Governors.

Committees of the Board of Governors

The principal standing committees of the Board of Governors are as follows:

Audit Committee which is responsible for reviewing the effectiveness of the University's system of internal control and risk management.

During 2014/15 the Audit Committee has considered the findings and recommendations of 10 internal audit reviews including corporate governance, risk management, Library and Learning Innovation Services and the Faculty of Business & Law in addition to audit reviews of the University's financial controls and aspects of its HR and IT systems.

The Committee has considered a detailed risk analysis of a number of individual risks on the corporate risk register at each of its meetings. These include student recruitment; research and enterprise; learning, teaching and enhancement; student attrition; senior staff vacancies, including the recruitment of a Vice Chancellor; and the risks and opportunities posed by a changing and increasingly competitive sector context.

Members of the Audit Committee also took part in a competitive tender exercise to agree a new contract for external audit services which was awarded to PwC from 1 August 2015 for two years.

Finance, Staffing & Resources Committee which advises the Board on policy and strategy relating to financial strategy and sustainability, employment, health and safety, equality and diversity and the development and maintenance of the University's estate.

The Committee has continued to monitor the University's financial position, sustainability and future forecasts and has approved tuition fees to 2017 and uplift in the Students' Union block grant.

During 2014/15 in relation to human resources the Committee has discussed and approved the University's safety, health and wellbeing policy; shared parental leave and pay policy; and its work towards the race equality charter mark. It has also considered the response to the most recent staff engagement survey and approach to staff progression and promotion.

Resource considerations have included capital development plans and opportunities for estates development, in addition to refreshed capital expenditure approval processes, our ongoing environmental sustainability and progress against our IT strategy.

Governance & Nominations Committee which advises the Board on the appointment of governors and good practice in governance and in 2014/15 has focused predominantly on the reviewing the effectiveness of the Governing Body and its committees through a staged evaluation process comprising both an in-house effectiveness survey, complemented by interviews and further discussion with independent consultants, in addition to the recruitment of governors and ensuring a continued and appropriate membership and skills mix of the Board committees.

CORPORATE GOVERNANCE STATEMENT

Senior Staff Remuneration Committee which is responsible for determining salaries and monitoring performance of the Vice Chancellor, Secretary and Registrar and other senior staff who are designated as senior post holders.

During 2014/15 the Senior Staff Remuneration Committee has considered a report, commissioned from Aon Hewitt on practice in the sector with regard to senior staff remuneration governance, salary levels, managing performance, variable pay and pensions and the implications for Leeds Beckett University.

The Committee has approved a set of principles and procedures for the annual review of remuneration of senior postholders and a revised PDR process for senior postholders. It considered matters relating to the policy framework for the annual review of senior postholders and conducted the 2013/14 annual pay and performance review of individual senior postholders.

In advance of the appointment of a new Vice Chancellor, the Committee took the opportunity to review the terms and conditions relating to the role and agreed a salary ceiling under which it permitted the Search Committee to operate. It also discussed the draft contract for the Vice Chancellor.

The terms of reference clearly set out the powers delegated by the Board to each committee. Committees make a full report to the Board after every meeting, including any decisions taken under delegated authority. The terms of reference of all Board committees are reviewed annually and were last approved by the Board on 17 July 2015.

Academic Board

The Academic Board is the University's principal academic authority. Subject to the powers of the Board of Governors and the Vice Chancellor, it is responsible for the academic affairs of the University, the design and implementation of the academic regulatory framework, and for general issues relating to learning, teaching and research. Its forty members are drawn entirely from staff and students and it is chaired by the Vice Chancellor.

The Academic Board makes a full report to the Board of Governors after every meeting as part of the Vice Chancellor's report.

In 2014/15 the Academic Board has monitored the delivering of the University's Action Plan in response to its QAA Higher Education Review in 2014 and considered issues relating to student engagement including the results of student surveys and our approach to student employability. It considered the outcomes of the University's most recent Research Excellence Framework submission; and the approval of a new Access Agreement was a key development involving consultation across the University community.

Executive management

Professor Susan Price was the University's Vice Chancellor during the academic year 2014/15. Until 31 August 2015 Professor Price was the Chief Executive Officer responsible to the Board of Governors for the organisation, direction, and executive management of the University. Professor Peter Slee joins the University as Vice Chancellor on 1 September 2015 and assumes those responsibilities and is the 'Accountable Officer' for the purposes of the Financial Memorandum with the Higher Education Funding Council for England ("HEFCE") and is advised by the Corporate Management Team (CMT).

Internal control

The Board is responsible for instituting and maintaining a sound system of internal control that supports the achievement of the University's aims and objectives and safeguards public and other funds and assets for which it is responsible. In discharging this responsibility, the Board complies with the requirements of the HEFCE Memorandum of Assurance & Accountability. The system of internal control is designed to manage rather than eliminate risk and to provide reasonable, but not absolute, assurance of effectiveness. The Board is satisfied that an adequate system of internal control has been in place for the year ended 31 July 2015 and up until the date the financial statements were signed.

CORPORATE GOVERNANCE STATEMENT

The Vice Chancellor is responsible for implementing the system of internal control. The Audit Committee undertakes detailed review and monitoring of the system of internal control on behalf of the Board. The University's internal audit service was provided by KPMG LLP from 1 August 2014 and operated to standards defined in the HEFCE Audit Code of Practice. The internal auditors submit regular reports to the Audit Committee, which include an independent opinion on the adequacy and effectiveness of the system of internal control, together with recommendations for improvement. The Audit Committee's work is further informed by reports from management on the implementation and development of the system of internal control and by comments from the external auditors in their management letter and other reports.

Risk management

The Board has overall responsibility for risk management. A Risk Management Policy, which accords with HEFCE guidance, is in place. As part of the process of managing risk, the Board approves the corporate strategy and budget, reviews progress against key performance indicators, and takes account of opportunities and risks in decision-making. A robust system for identifying, reporting, and managing risk is in place, and is integral to the University's strategic planning process. A corporate risk register is maintained, and each faculty and professional service area also has a risk register. These are reviewed regularly by management and the corporate risk register is considered at each meeting of the Audit Committee. An annual review of risk management practice took place during 2014/15 and was reported to Audit Committee.

Financial Control

The Board is required to secure the economical, efficient, and effective management of the University's resources and to safeguard its assets (including preventing and detecting fraud). The Board must ensure that funds from HEFCE are used only for the purposes for which they have been given and in accordance with the HEFCE Memorandum of Assurance & Accountability; and that there are appropriate financial and management controls in place to safeguard public funds and funds from other sources.

Key elements of the University's financial control system include a comprehensive strategic planning process, underpinned by annual income, expenditure, capital, and cash flow budgets, and monthly review of financial performance. The Finance, Staffing & Resources Committee undertakes detailed review of financial planning and performance on behalf of the Board. The Board receives regular forecasts of financial out-turn. Comprehensive financial regulations and procedures are in place, which clearly define the system for approval and control of expenditure, including the responsibilities and levels of authority of managers. Capital investment is subject to rigorous appraisal and review. The system of financial control is reviewed by the internal auditor which reports its findings to the Audit Committee.

The Board is responsible for keeping proper accounting records which disclose, with reasonable accuracy at any time, the financial position of the University and which ensure that the financial statements are prepared in accordance with the Education Reform Act 1988, the HEFCE Accounts Direction, the Statement of Recommended Practice: Accounting for Further and Higher Education, and applicable UK law and relevant accounting standards. Under the terms of the HEFCE Memorandum of Assurance & Accountability, the Board, through its Accountable Officer, is required to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the University and of the institutional surplus or deficit and cash flows for that year.

In the preparation of the financial statements, the Board has taken reasonable steps to ensure that suitable accounting policies are selected and applied consistently; judgments and estimates are made that are reasonable and prudent; and applicable accounting standards have been followed (subject to any material departures disclosed and explained in the financial statements).

CORPORATE GOVERNANCE STATEMENT

Going concern

A comprehensive review of the University strategic and financial performance is set out in the Operating & Financial Review. The Board is satisfied that the University has adequate resources to continue in operation for the foreseeable future. Accordingly, the Board continues to adopt the going concern basis for the preparation of the financial statements.

JENNY SHARE
Secretary & Registrar and Clerk to the Board

Membership of the Board of Governors

BOARD OF GOVERNORS - Membership from 1 August 2014 to 20 November 2015		
Mr David Lowen (Chair)	Independent Governor	Appointed from 1 December 2014
Mr Steven Webb (Interim Chair)	Independent Governor	Interim Chair from 15 April 2014 until 30 November 2014 Re-appointed from 1 September 2015 Elected as Deputy Chair from 1 September 2015
Mr Bill Hartley (Deputy Chair)	Independent Governor	Stood down on 31 August 2015
Ms Gabrielle Atmarow	Independent Governor	Re-appointed from 1 September 2015
Ms Kirsty Bashforth	Independent Governor	
Ms Mobina Begum	Co-opted Staff Governor	Re-appointed from 1 September 2015
Ms Ann Bishop	Independent Governor	
Mr Andy Brown	Independent Governor	Re-appointed from 1 September 2015
Mr Jay Malpass Clark	Student Governor	Re-appointed from 1 July 2015
Professor Mohammad Dastbaz	Academic Board nominee	Stood down on 31 August 2015
Ms Jean Dent	Independent Governor	
Mr Les Everett	Independent Governor	Appointed from 1 September 2014
Dr David Fletcher	Independent Governor	
Professor Peter Marsh	Co-opted Governor	
Ms Jayne Mothersdale	Academic Board nominee	
Mr Dorron Otter	Co-opted Staff Governor	
Professor Ruth Pickford	Academic Board nominee	Appointed from 1 September 2015
Professor Susan Price	Vice Chancellor	Stood down on 31 August 2015
Ms Saffron Rose	Student Governor	Stood down on 30 June 2015
Professor Peter Slee	Vice Chancellor	Appointed from 1 September 2015
Mr James Starnes	Student Governor	Appointed from 1 July 2015
Mr Richard Walker	Independent Governor	
Ms Gill Webber	Independent Governor	Appointed from 1 September 2014
Mr Nick Whitaker	Independent Governor	Appointed from 1 September 2015

Independent auditors' report to the Governing Body of Leeds Beckett University ("the institution")

Report on the financial statements

Our opinion

In our opinion, Leeds Beckett University's group financial statements and parent institution financial statements (the "financial statements"):

- give a true and fair view of the state of the group's and of the parent institution's affairs as at 31 July 2015 and of the group's income and expenditure, recognised gains and losses and cash flows for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been properly prepared in accordance with the Statement of Recommended Practice – Accounting for Further and Higher Education.

What we have audited

The financial statements comprise:

- the consolidated and parent institution Balance Sheets as at 31 July 2015;
- the consolidated Income and Expenditure Account for the year then ended;
- the consolidated Statement of Total Recognised Gains and Losses for the year then ended;
- the consolidated Statement of Cash Flows for the year then ended; and
- the Accounting Policies; and
- the notes to the financial statements, which include other explanatory information.

The financial reporting framework that has been applied in their preparation is the Statement of Recommended Practice for Further and Higher Education, incorporating United Kingdom Generally Accepted Accounting Practice.

In applying the financial reporting framework, the Governing Body has made a number of subjective judgements, for example in respect of significant accounting estimates. In making such estimates, it has made assumptions and considered future events.

Opinions on other matters prescribed in the HEFCE Audit Code of Practices issued under the Further and Higher Education Act 1992

In our opinion, in all material respects:

- funds from whatever source administered by the institution for specific purposes have been properly applied to those purposes and, if relevant, managed in accordance with relevant legislation;
- income has been applied in accordance with the institution's articles of government; and
- funds provided by HEFCE have been applied in accordance with the Memorandum of Assurance and Accountability, and any other terms and conditions attached to them.

Other matters on which we are required to report by exception

Under the HEFCE Audit Code of Practice issued under the Further and Higher Education Act 1992 we are required to report to you if, in our opinion the statement of internal control included as part of the Corporate Governance Statement is inconsistent with our knowledge of the parent institution and group.

We have no exceptions to report from this responsibility.

Responsibilities for the financial statements and the audit

Respective responsibilities of the Governing Body and auditors

As explained more fully in the Corporate Governance Statement set out on pages 14 to 18, the Governing Body is responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view. Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and ISAs (UK & Ireland). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors.

This report, including the opinions, has been prepared for and only for the Governing Body as a body in accordance with the institution's Articles of Government and section 124B of the Education Reform Act 1988 as amended by section 71 of the Further and Higher Education Act 1992, and for no other purpose. We do not, in giving these opinions, accept or assume responsibility for any other purpose or to any other person to whom this report is shown or into whose hands it may come save where expressly agreed by our prior consent in writing.

What an audit of financial statements involves

We conducted our audit in accordance with International Standards on Auditing (UK and Ireland) ("ISAs (UK & Ireland)"). An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error.

This includes an assessment of:

- whether the accounting policies are appropriate to the group and parent institution's circumstances and have been consistently applied and adequately disclosed;
- the reasonableness of significant accounting estimates made by the Governing Body; and
- the overall presentation of the financial statements.

We primarily focus our work in these areas by assessing the Governing Body's judgements against available evidence, forming our own judgements, and evaluating the disclosures in the financial statements.

We test and examine information, using sampling and other auditing techniques, to the extent we consider necessary to provide a reasonable basis for us to draw conclusions. We obtain audit evidence through testing the effectiveness of controls, substantive procedures or a combination of both.

In addition, we read all the financial and non-financial information in the Operating and Financial Review to identify material inconsistencies with the audited financial statements and to identify any information that is apparently materially incorrect based on, or materially inconsistent with, the knowledge acquired by us in the course of performing the audit. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

Greg Wilson (Senior Statutory Auditor)
for and on behalf of PricewaterhouseCoopers LLP
Chartered Accountants and Statutory Auditors
Leeds
25 November 2015

- (a) The maintenance and integrity of Leeds Beckett University's website is the responsibility of the Governing body; the work carried out by the auditors does not involve consideration of these matters and, accordingly, the auditors accept no responsibility for any changes that may have occurred to the financial statements since they were initially presented on the website.
- (b) Legislation in the United Kingdom governing the preparation and dissemination of the financial statements may differ from legislation in other jurisdictions.

STATEMENT OF PRINCIPAL ACCOUNTING POLICIES

Basis of Preparation

These financial statements have been prepared in accordance with the statement of recommended practice (SORP): Accounting for Further and Higher Education and in accordance with applicable Accounting Standards.

Basis of Accounting

The financial statements have been prepared under the historical cost convention, as modified by the revaluation of land and buildings.

Basis of Consolidation

The consolidated financial statements include the University and its subsidiary undertakings. The results of subsidiaries acquired or disposed of during the period are included in the consolidated income and expenditure account from the date of acquisition or up to the date of disposal. Intra-group sales and profits are eliminated fully on consolidation. In accordance with FRS2, the activities of the Students' Union have not been consolidated because the University does not control those activities.

Recognition of Income

Income from research grants, contracts and other services rendered is included to the extent of the completion of the contract or service concerned. All income from short-term deposits are credited to the income and expenditure account in the period in which it is earned.

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

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

The University acts as an agent in the collection and payment of funds for various organisations, in particular Access to Learning Funds from the Higher Education Funding Council for England and in the collection and payment of Training Bursaries and Minority Ethnic Recruitment Funds from the National College for Teaching & Learning (NCTL). Related payments and disbursements are excluded from the income and expenditure account.

Foreign Currency Translation

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.

Pension Schemes

The Teachers' Pension Scheme (TPS), University Superannuation Scheme (USS) and the West Yorkshire Pension Fund (WYPF) provide retirement benefits for most employees of the University. They are all defined benefit schemes which are independently administered and contracted out of the State Earnings-Related Pension Scheme.

Contributions to the TPS and USS are charged to the income and expenditure account so as to spread the cost of pensions evenly over employees' expected years of service.

In respect of the WYPF, the University has fully adopted accounting standard FRS17: Retirement Benefits.

STATEMENT OF PRINCIPAL ACCOUNTING POLICIES

The difference between the fair value of the assets held in the WYPF and the scheme's liabilities measured on an actuarial basis using the projected unit method are recognised in the University's balance sheet as a pension scheme asset or liability as appropriate. The carrying value of any resulting pension scheme asset is restricted to the extent that the University is able to recover the surplus either through reduced contributions in the future or through refunds from the scheme. The pension scheme balance is recognised net of any related deferred tax balance.

Changes in the defined benefit pension scheme asset or liability arising from factors other than cash contribution by the University are charged to the income and expenditure account or the statement of total recognised surpluses and deficits in accordance with FRS17: Retirement Benefits.

Tangible Fixed Assets

Land and buildings

In accordance with FRS15, the University's land and buildings are regularly re-valued every two or three years. A full valuation of buildings with significant completed work since the previous valuation is carried out and other buildings are valued using typical market index movements. Work in progress on buildings not yet complete is valued at cost.

The University's buildings are specialised buildings and therefore, it is not normally appropriate to value them on the basis of open market value. The basis used for valuing land and buildings is depreciated replacement cost except where the land and buildings are being held for disposal, in which case the basis is open market value, and where buildings are located on leasehold land, in which case the valuation basis is depreciated cost.

The cost of renovating and converting buildings, together with the cost of major repairs and refurbishment, which add to the economic value of a building, are capitalised and depreciated in accordance with the depreciation policy.

Where land and buildings are acquired with the aid of specific grants they are capitalised and depreciated as below. The related grants are credited to a deferred capital grant account and are released to the income and expenditure account over the expected useful economic life of the related asset on a basis consistent with the depreciation policy. Developmental interest incurred directly as a consequence of major capital developments is capitalised as part of the capital cost of the related asset.

Buildings under construction are initially accounted for at cost (until a full or interim valuation is carried out), based on the value of architects' certificates and other direct costs incurred to 31st July. These buildings are not depreciated until they are substantially brought into use.

Depreciation

Depreciation is provided to write off the cost or valuation of tangible fixed assets, adjusted to reflect residual values, over their estimated useful lives on a straight line basis. Freehold buildings transferred to the University on 1st April 1989 are depreciated over their remaining estimated useful lives. Freehold buildings acquired since 1st April 1989 are depreciated over their estimated useful lives. Freehold land is not depreciated.

Equipment, plant, furniture and fittings

Individual items of equipment, plant, furniture and fittings, or a group of such items, costing £5,000 or more (including VAT) and which have economic value beyond the year of acquisition, are capitalised at cost and depreciated on a straight line basis over their expected lives which will normally be five years.

Where equipment is acquired with the aid of specific grants it is capitalised and depreciated as above. The related grants are credited to a deferred capital grant account and are released to the income and expenditure account over the expected useful economic life of the related asset on a basis consistent with the depreciation policy.

Software

Costs associated with the implementation of corporate information systems are capitalised and depreciated over the expected useful life of the systems.

STATEMENT OF PRINCIPAL ACCOUNTING POLICIES

Leased Assets

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

Finance leases are leasing agreements that transfer, to the University, substantially all the benefits and risks of ownership of an asset and are treated as if that asset had been purchased outright. Assets held under finance leases are capitalised as tangible fixed assets and depreciated over the shorter of the lease term and the estimated useful lives, in accordance with the University's normal depreciation policy. The corresponding liabilities are shown as obligations under finance leases. Repayments under finance leases are apportioned between the capital and interest elements (by the sum of the digits method), with the former reducing the obligations under finance leases and the latter being charged to the Income and Expenditure Account.

Where the lease permits modifications to the asset but the asset needs to be returned to its original state at the end of the lease, the expected cost of these dilapidation expenses is amortised over the remaining life of the lease and the balance held in provisions until the expenditure is required.

Heritage Assets

Heritage assets are valued at cost but are not depreciated as their value is not expected to decline. The University has adopted FRS30 'Heritage Assets' but as there is only one asset the details are given in the notes to the accounts.

Stock

Stock is stated at the lower of cost and net realisable value.

Taxation

The University is an exempt charity under Schedule 3 of the Charities Act 2011 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 to exclusively charitable purposes.

The University receives no similar exemption in respect of Value Added Tax. All non-recoverable Value Added Tax on purchases is included within the appropriate expenditure headings.

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

Cash

Cash at bank and in hand includes cash in hand and deposits repayable within 24 hours without penalty at the Balance Sheet date. All other liquid deposits are included within Short Term Deposits. Cash at bank is the balance shown on the bank statements.

Provisions

Provisions are recognised when the University has a present legal or constructive obligation as a result of a past event, it is probable that a transfer of economic benefit will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. The University provides in particular for the cost of enhanced pension commitments and for future expenditure which is required to return leased assets to their original condition.

Investments

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.

CONSOLIDATED INCOME AND EXPENDITURE ACCOUNT

For the Year Ended 31 July 2015

	Notes	Year Ended 31 July 2015 £000	Year Ended 31 July 2015 £000	Year Ended 31 July 2014 £000	Year Ended 31 July 2014 £000
INCOME					
Funding body grants	1		18,230		33,175
Tuition fees and education contracts	2		161,837		131,520
Research grants and contracts	3		2,138		2,006
Other income	4		32,222		32,315
Endowment and investment income	5		605		521
Total Income			215,032		199,537
EXPENDITURE					
Payroll costs excluding FRS 17 adjustments		104,803		97,982	
Accrual to maintain current service costs per FRS17		2,086		2,498	
Total Staff costs	6		106,889		100,480
Total Other Operating expenses	8		67,599		60,580
Depreciation based on historic Costs		8,649		7,166	
Depreciation of revaluations		2,433		2,612	
Diminution reversal		-		(108)	
Total Depreciation	10		11,082		9,670
Interest payable excluding FRS17 charges		5,439		5,645	
Net pension financing charges per FRS17		(1,324)		(907)	
Total Interest and other finance costs	9		4,115		4,738
Total Expenditure	10		189,685		175,468
Surplus/(deficit) after depreciation of assets at valuation excluding associated company results			25,347		24,069
Share of operating profit/(loss) in associate	15		32		76
Surplus/(deficit) after depreciation of assets at valuation before exceptional items			25,379		24,145
Exceptional items	11		413		-
Surplus/(deficit) after depreciation of assets at valuation and exceptional items			25,792		24,145
Transfer (to)/from accumulated income within specific endowments			-		-
Transfer (to)/from accumulated income within general endowments			238		8
Surplus/(deficit) for the year retained within general reserves			26,030		24,153

All amounts relate to continuing operations.

CONSOLIDATED STATEMENT OF HISTORICAL COST SURPLUSES & DEFICITS

For the Year Ended 31 July 2015

	Notes	Year Ended 31 July 2015 £000	Year Ended 31 July 2014 £000
Surplus/(deficit) after depreciation of assets at valuation and exceptional items		25,792	24,145
Difference between historical cost depreciation and the actual charge for the year calculated on the re-valued amount	24	2,433	2,612
Realisation of property revaluation gains of previous years	24	548	400
Historical cost surplus/(deficit) for the year		28,773	27,157

All amounts relate to continuing operations.

RECONCILIATION

	Notes	Year Ended 31 July 2015 £000	Year Ended 31 July 2014 £000
Historical cost surplus/(deficit) for the year including FRS17		28,773	27,157
less FRS17 adjustments	32	762	1,591
Impact on I&E excluding pension reserve		29,535	28,748
less: Exceptional items including realised property revaluation gains	11, 24	(961)	(400)
less: Diminutions arising from property revaluations	12	-	(108)
Historical cost surplus/(deficit) for the year excluding FRS17 and exceptional Items		28,574	28,240

CONSOLIDATED STATEMENT OF TOTAL RECOGNISED GAINS AND LOSSES

For the Year Ended 31 July 2015

	Notes	Year Ended 31 July 2015 £000	Year Ended 31 July 2014 £000
Surplus/(deficit) after depreciation of assets at valuation		25,792	24,145
Endowment fund additions	23	-	187
Unrealised gain/(loss) on the revaluation of land & buildings	24	(257)	1,038
Actuarial gain/(loss) in respect of pension schemes	21, 32	(11,453)	(1,700)
Total recognised gains/(losses) relating to the year		14,082	23,670

RECONCILIATION

	Notes	Year Ended 31 July 2015 £000	Year Ended 31 July 2014 £000
Opening endowments and reserves	23, 24, 25	162,692	139,022
Total recognised gains/(losses) for the year	32	14,082	23,670
Closing endowments and reserves		176,774	162,692

BALANCE SHEETS AS AT 31 JULY

	Notes	Consolidated		University	
		Year Ended 31 July 2015 £000	Year Ended 31 July 2014 £000	Year Ended 31 July 2015 £000	Year Ended 31 July 2014 £000
FIXED ASSETS					
Tangible assets	12	353,017	342,078	353,017	342,078
Fixed asset investments	13	37	37	37	37
Investments in associated companies	15	147	120	147	120
Total fixed assets		353,201	342,235	353,201	342,235
ENDOWMENT ASSETS	16	131	369	131	369
CURRENT ASSETS					
Stock		90	80	90	80
Debtors	17	13,972	12,237	13,180	12,124
Investments	13	70,869	59,632	70,869	59,632
Cash at bank and in hand		8,735	4,881	8,735	4,881
Total current assets		93,666	76,830	92,874	76,717
Less: Creditors: amounts falling due within one year	18	(36,910)	(33,010)	(36,120)	(32,898)
Net current assets		56,756	43,820	56,754	43,819
Total assets less current liabilities		410,088	386,424	410,086	386,423
LESS: CREDITORS: AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR	19	(91,032)	(93,384)	(91,032)	(93,384)
LESS: PROVISIONS FOR LIABILITIES	21	(15,296)	(15,178)	(15,296)	(15,178)
Net assets excluding pension liability		303,760	277,862	303,758	277,861
NET PENSION LIABILITY	32	(72,083)	(60,610)	(72,083)	(60,610)
Net assets including pension liability		231,677	217,252	231,675	217,251
DEFERRED CAPITAL GRANTS	22	54,903	54,560	54,903	54,560
ENDOWMENTS					
Expendable	23	70	308	70	308
Permanent	23	61	61	61	61
Total endowments		131	369	131	369
RESERVES					
Revaluation reserve	24	122,204	125,442	127,098	130,424
Income and expenditure account excluding pension reserve	25	126,522	97,491	121,626	92,508
Pension reserve	25	(72,083)	(60,610)	(72,083)	(60,610)
Income and expenditure account including pension reserve	25	54,439	36,881	49,543	31,898
Total reserves		176,643	162,323	176,641	162,322
Total funds		231,677	217,252	231,675	217,251

The Financial Statements on pages 21 to 51 were approved by the Board of Governors on 20 November 2015 and were signed on its behalf by:

D LOWEN
Chair of the Board

P SLEE
Vice Chancellor

P HARRISON
Acting Director of
Finance and Resource

CONSOLIDATED CASH FLOW STATEMENT

For the Year Ended 31 July 2015

	Notes	Year Ended 31 July 2015 £000	Year Ended 31 July 2014 £000
Net cash inflow/(outflow) from operating activities	26	40,831	36,248
Exceptional expenditure		-	(91)
Net cash inflow/(outflow) after exceptional items	26	40,831	36,157
Returns on investments and servicing of finance	27	(4,343)	(4,350)
Capital expenditure and financial investment	28	(19,796)	(13,636)
Management of liquid resources	29	(10,999)	(13,561)
Financing	30	(1,839)	(1,794)
Increase/(decrease) in cash in the year		3,854	2,816

RECONCILIATION OF NET CASH FLOW TO MOVEMENT IN NET DEBT

	Notes	Year Ended 31 July 2015 £000	Year Ended 31 July 2014 £000
Increase/(decrease) in cash in the year		3,854	2,816
Increase/(decrease) from liquid resources	29	10,999	13,561
(Increase)/decrease from borrowings	30	1,839	1,794
Movement in net debt in year	31	16,692	18,171
Net debt at 1 August		(31,175)	(49,346)
Net debt at 31 July		(14,483)	(31,175)

NOTES TO THE FINANCIAL STATEMENTS

Note 1. Funding body grants

	Year Ended 31 July 2015			Year Ended 31 July 2014
	HEFCE £000	NCTL £000	TOTAL £000	TOTAL £000
RECURRENT GRANTS:				
HEFCE Teaching	5,969	-	5,969	20,130
HEFCE Research	1,695	-	1,695	1,665
HEFCE Widening participation	6,787	-	6,787	7,073
Other funding bodies	-	922	922	1,225
Higher Education Innovation Fund	1,521	-	1,521	1,431
SPECIFIC GRANTS:				
Other grants:	18	-	18	453
RELEASES OF DEFERRED CAPITAL GRANTS:				
Buildings (Note 22)	1,294	-	1,294	1,145
Equipment (Note 22)	24	-	24	53
	17,308	922	18,230	33,175

Grants are mostly received from the Higher Education Funding Council for England [HEFCE] or from the National College for Teaching and Leadership [NCTL] in respect of teacher training.

Note 2. Tuition fees and education contracts

	Year Ended 31 July 2015 £000	Year Ended 31 July 2014 £000
HE COURSE FEES		
HOME AND EC DOMICILE STUDENTS		
Full-time undergraduate	131,120	104,040
Full-time postgraduate	5,038	5,001
Part-time undergraduate	2,936	2,491
Part-time postgraduate	4,000	3,396
OVERSEAS (NON-EC) DOMICILE STUDENTS		
Overseas students	16,300	14,061
Sub-total HE course fees	159,394	128,989
Research Studentships	103	-
Short course fees	1,336	932
Education contracts UK	365	346
Education contracts overseas	639	1,253
	161,837	131,520

NOTES TO THE FINANCIAL STATEMENTS

Note 3. Research grants and contracts

	Year Ended 31 July 2015	Year Ended 31 July 2014
	£000	£000
Research councils	26	19
UK based charities	553	622
UK central government, local, health and hospital authorities	469	403
UK industry, commerce, public corporations	403	526
EU government bodies	303	257
EU other	74	43
Other overseas	273	110
Other	37	26
	2,138	2,006

Note 4. Other income

	Year Ended 31 July 2015	Year Ended 31 July 2014
	£000	£000
Knowledge trading	4,043	4,198
Residences, catering and conferences	23,783	23,722
Remaining other income	4,085	4,084
Deferred capital grants released in year (Note 22)	311	311
	32,222	32,315

The following income is included within the above figures:

Operating lease rentals in respect of Woodhouse Building (Note 12)	159	159
---	-----	-----

Note 5. Endowment and investment income

	Year Ended 31 July 2015	Year Ended 31 July 2014
	£000	£000
Income from permanent endowment asset investments	-	-
Income from expendable endowment asset investments	1	1
Other interest receivable	604	520
	605	521

NOTES TO THE FINANCIAL STATEMENTS

Note 6. Staff

	Year Ended 31 July 2015 £000	Year Ended 31 July 2014 £000
STAFF COSTS		
Wages and salaries	87,299	81,958
Social security costs	7,040	6,627
Other pension costs (Note 32)	12,550	11,895
	106,889	100,480

The highest salary paid at 31 July 2015 represented 7.9 times the median pay at that date (2014: 7.7 times).

	Year Ended 31 July 2015 £000	Year Ended 31 July 2014 £000
EMOLUMENTS OF THE VICE CHANCELLOR		
Basic salary	271	251
Benefits in kind	-	-
	271	251
University's pension contributions to the Teachers' Pensions Agency, in respect of the Vice Chancellor:	-	-
Total emoluments	271	251

COMPENSATION FOR LOSS OF OFFICE

Compensation for loss of office, including pension costs and provisions for terminations agreed but not completed before 31 July 2015, paid to former higher paid employees during the year amounted to £nil (2014: £83,000). Any pay in lieu of notice is included in the total staff costs and the analysis below.

	Year Ended 31 July 2015 Number	Year Ended 31 July 2014 Number
REMUNERATION OF OTHER HIGHER PAID STAFF, EXCLUDING EMPLOYER'S PENSION CONTRIBUTIONS		
£100,000 - £109,999	1	2
£110,000 - £119,999	2	-
£120,000 - £129,999	1	2
£130,000 - £139,999	1	2
£140,000 - £149,999	2	1
£150,000 - £159,999	1	-
	8	7

AVERAGE FULL-TIME EQUIVALENT STAFF NUMBERS

	Year Ended 31 July 2015 Number	Year Ended 31 July 2014 Number
Academic staff	985	990
Support staff	1,373	1,272
	2,358	2,262

NOTES TO THE FINANCIAL STATEMENTS

Note 7. Governor remuneration

In accordance with the Instrument of Government, the Board of Governors has the power to remunerate the lay Chair and Chairs of Committees for their services as Governors. Governors who are also employees or students of the University are not entitled to claim such remuneration.

	Year Ended 31 July 2015	Year Ended 31 July 2014
	£000	£000
Total Remuneration paid	13	13

Reimbursement of expenses

All Governors are entitled to reimbursement of expenditure incurred directly in attending meetings, provided that the claim is in accordance with the requirements that all senior employees have to meet in order to reclaim expenditure, for example, the production of relevant receipts. Fifteen Governors (2014: Eight) claimed expenses in the year.

	Year Ended 31 July 2015	Year Ended 31 July 2014
	£000	£000
Total reimbursement	9	3

Note 8. Other operating expenses

	Year Ended 31 July 2015	Year Ended 31 July 2014
	£000	£000
Student support	4,549	5,906
Teaching support	6,640	5,470
Staff support	5,719	4,845
Facilities management	22,688	20,407
Utilities	3,684	3,501
Equipment	4,097	4,058
Communications	1,707	1,443
Catering	2,775	2,543
Travel and subsistence	2,647	2,541
Consumables	1,755	1,517
Audit, legal and other professional services	5,031	3,727
Advertising and marketing	4,333	3,484
Insurance and financial expenses	1,974	1,138
	67,599	60,580

The following costs are included within the above figures:

	Year Ended 31 July 2015	Year Ended 31 July 2014
	£000	£000
External auditors' remuneration for:		
University audit services	52	50
Subsidiaries audit services	2	2
Non-audit work	9	12
Internal auditors' remuneration for non-audit work	106	77
Operating lease rentals - buildings	10,919	10,224
Operating lease rentals - Plant & equipment	533	471
Student Union grant	1,098	925

NOTES TO THE FINANCIAL STATEMENTS

Note 9. Interest and other finance costs

	Year Ended 31 July 2015	Year Ended 31 July 2014
	£000	£000
Finance leases	1,247	1,307
Interest payable on Capital Release Scheme	2,327	2,364
Loans secured on residential properties	3,574	3,671
Bank loans not wholly repayable within 5 years	1,311	1,382
Other interest payable	-	-
Pension provision financing costs	554	592
FRS17 pension financing costs	(1,324)	(907)
	4,115	4,738

Note 10. Analysis of 2014/15 expenditure by activity

	Staff Costs	Other Operating Expenses	Depreciation	Interest Payable	Total
	£000	£000	£000	£000	£000
Academic departments	63,894	12,619	1,066	-	77,579
Academic services	13,404	6,088	1,286	-	20,778
Research grants and contracts	2,624	2,020	68	-	4,712
Residences, catering and conferences	1,833	15,715	733	3,574	21,855
Premises	4,272	16,014	7,747	-	28,033
Administration	18,551	13,179	156	541	32,427
Other services rendered	2,311	1,964	26	-	4,301
Total	106,889	67,599	11,082	4,115	189,685

The depreciation charge has been funded by:

	£000
Deferred capital grants released (Note 22)	1,629
Revaluation reserve released (Note 24)	2,433
General income	7,020
Depreciation per fixed assets (Note 12)	11,082

Note 11. Exceptional items

	Consolidated & University	
	Year Ended 31 July 2015	Year Ended 31 July 2014
	£000	£000
(Surplus)/deficit on disposal of fixed assets	(413)	-
	(413)	-

NOTES TO THE FINANCIAL STATEMENTS

Note 12. Tangible assets

Consolidated and University	Assets Under Construction	Land and Buildings	Owned Equipment, Furniture & Fittings	Total
	£000	£000	£000	£000
COST OR VALUATION				
At 1 August 2014				
Valuation	-	396,198	-	396,198
Cost	8,667	28,236	35,743	72,646
	<u>8,667</u>	<u>424,434</u>	<u>35,743</u>	<u>468,844</u>
Additions at cost	5,496	9,764	7,618	22,878
Assets brought into use	(8,667)	8,667	-	-
Disposals and transfers in Year	-	(798)	(10)	(808)
Gain/(loss) on revaluation	-	(362)	-	(362)
At 31 July 2015				
Valuation	-	395,038	-	395,038
Cost	5,496	46,667	43,351	95,514
	<u>5,496</u>	<u>441,705</u>	<u>43,351</u>	<u>490,552</u>
ACCUMULATED DEPRECIATION				
At 1 August 2014	-	(102,595)	(24,171)	(126,766)
Charge for year	-	(7,864)	(3,218)	(11,082)
Eliminated on disposals and transfers	-	198	10	208
Gain/(loss) on revaluation	-	105	-	105
At 31 July 2015	-	(110,156)	(27,379)	(137,535)
Net book value at 31 July 2015	5,496	331,549	15,972	353,017
Net book value at 31 July 2014	8,667	321,839	11,572	342,078
Financed by capital grant	-	54,860	43	54,903
Other	5,496	276,689	15,929	298,114
Net book value at 31 July 2015	5,496	331,549	15,972	353,017

On 30 June 1997 the University entered into a lease, with CVCP Properties plc, for part of the City Site, Woodhouse Building. Under the terms of the lease, which runs for 20 years, CVCP Properties plc is permitted to use the leased premises for educational purposes. The lease has been classed as an operating lease and the rental income is disclosed in note 4, Other Income.

On 30 June 1997 the University entered into an underlease, with CVCP Properties plc, for part of the City Site, Woodhouse Building. Under the terms of the lease, which runs for 20 years (less 3 days), the University is permitted to use the leased premises for educational purposes. The lease has been classed as an operating lease and the rental payments are disclosed in note 37, Financial Commitments.

Land & Buildings assets are all on land held freehold by the group and the University, except two sites with a leasehold at a cost of £28,003,000 (2014: £28,003,000) and a Net Book Value of £24,280,000 (2014: £24,913,000). Depreciation of leasehold buildings amounted to £589,000 (2014: £592,000).

Land & Buildings includes valuation and cost of £105,437,000 (2014: £105,437,000) and net book value of £79,697,000 (2014: £80,580,000) in respect of assets subject to finance leases held by both the group and the University.

In 2014, DTZ Debenham Tie Leung, Chartered Surveyors, completed a full valuation as at 31 July 2014 of all University land, and buildings that had been subject of significant modifications since the previous valuation as at 31 July 2012, based on the expected completions when the valuation was commissioned in May 2014. All other buildings were valued at the same time using typical market index movements. As a result 30% of the Net Book Value has been valued based on a full inspection,

NOTES TO THE FINANCIAL STATEMENTS

60% based on market indices and 10% at cost, in line with our policy on leased buildings and work in progress. The basis of valuing land and buildings is depreciated replacement cost, except properties available for sale, which are valued at open market value, and properties where the University leases the building but does not own the freehold, which are valued at cost less accumulated depreciation. The valuations were made in accordance with the guidance notes contained in the Statement of Asset Valuation Practice published by the Royal Institution of Chartered Surveyors. The valuation adjustments in 2014/15 are a correction of the 2014 valuation of one property as included in the 2013/14 financial statements.

During 2005/6 the University entered into lease agreements with UPP Leeds Metropolitan Limited covering three student halls of residence comprising 1,559 bedrooms, referred to as the Capital Release Scheme. The company is responsible for managing and operating the halls of residence in close co-operation with the University. Under the terms of the leases the University retains the freehold interest and the three properties revert back to the University at the end of the thirty year term. In 2009/10 the University entered into a lease agreement with UPP Leeds Metropolitan 2 Limited to finance the building of the Carnegie Village building on the Headingley campus.

Owned Equipment, Furniture and Fittings includes one Heritage Asset, the painting "The Golden Trees" by Joash Woodrow. This is valued at £25,000 being the purchase cost and, as a heritage asset, is not depreciated.

Note 13. Investments

	Consolidated		University	
	31 July 2015	31 July 2014	31 July 2015	31 July 2014
	£000	£000	£000	£000
FIXED ASSET INVESTMENTS				
Wholly owned subsidiary companies:				
Leeds Beckett University Enterprises Limited			-	-
Other:				
CVCP Properties plc	37	37	37	37
	37	37	37	37

CVCP Properties plc is an unquoted company, originally set up by the members of Universities UK to finance property acquisition, and the shares are stated at cost. In the Governor's opinion, the market value of the investment is not materially different from the cost at the balance sheet date.

	Consolidated		University	
	31 July 2015	31 July 2014	31 July 2015	31 July 2014
	£000	£000	£000	£000
Current asset investments				
Fixed interest deposits	70,869	59,632	70,869	59,632
	70,869	59,632	70,869	59,632

The Governors believe that the carrying value of the investments is supported by the underlying net assets.

Note 14. Subsidiary undertakings

Leeds Beckett University Enterprises Limited (formerly Leeds Metropolitan University Enterprises Limited) is a wholly owned company limited by guarantee which undertakes consultancy, applied research and conference letting activities. It prepares Financial Statements to 31 July.

The University is a member of the Northern Universities Consortium for Credit Accumulations and Transfer (NUCCAT). NUCCAT is involved in promoting and sharing best practice, staff development, undertaking projects with regards to modularity, credit frameworks and related academic matters. The potential liability of the University is limited to £1 in the event of bankruptcy of NUCCAT.

NOTES TO THE FINANCIAL STATEMENTS

Note 15. Associated company

The University owns 30% of the 10,000 £1 Ordinary shares issued by MyPeakPotential Limited (MPP), a company registered in England & Wales. MPP provides training in leadership, personal and management development in the UK, at its base in Germany. The University uses the services of MPP, to provide relevant training to students and staff, and MPP uses the services of the University, to provide relevant teaching as part of the courses it runs. MPP prepares Financial Statements up to 31 December. The University has also made loans to MPP at commercial interest rates partly secured against the assets of the business. In 2009/10, very difficult conditions and uncertainty in the property market, led the University to take a very prudent approach and provide for the full amount advanced. MPP trading has stabilised and they continue to repay interest and capital on the loans made. However profits have not yet offset previous losses made so no further income has been recognised in these Financial Statements.

The University owns 45 shares out of 90 £1 Ordinary Shares issued, a 50% holding, in MoreLife (UK) Limited (MoreLife) (formerly Carnegie Weight Management Limited), a company registered in England & Wales. MoreLife provides services to tackle childhood obesity. The University provides only accommodation and related services. No services are supplied to the University by MoreLife. MoreLife prepares Financial Statements to 31 March and the University's share of MoreLife profits are based on the unaudited management accounts to 30 June 2015.

The University acquired 40 shares out of 99 £1 Ordinary Shares issued, a 40% holding, in Rhodes Beckett Limited (Rhodes Beckett), a company registered in England & Wales. Rhodes Beckett provides services to advise organisations and their employees on health and wellbeing matters. The University has sold certain intellectual property to Rhodes Beckett and is a customer of the new business. Rhodes Beckett was formed on 20 November 2013 and prepares Financial Statements to 30 April. The Financial Statements at 30 April 2015 show that company has made losses while it invests in upgrading its assets and the University holding has been written down accordingly.

	Consolidated and University	
	31 July 2015 £000	31 July 2014 £000
ASSOCIATED COMPANY INVESTMENT		
Share of net assets at 1 August	120	41
Purchase of shares		8
Share of profit/(loss) for the year	32	76
less: Dividends received	(5)	(5)
Share of net assets at 31 July	147	120

Note 16. Endowment assets

	Consolidated and University	
	31 July 2015 £000	31 July 2014 £000
Increase/(decrease) in cash balances	(238)	179
Movement for the year	(238)	179
At 1 August	369	190
At 31 July	131	369
REPRESENTED BY:		
Cash and investment balances	131	369
Share of net assets at 31 July	131	369

NOTES TO THE FINANCIAL STATEMENTS

Note 17. Debtors

	Consolidated		University	
	31 July 2015	31 July 2014	31 July 2015	31 July 2014
	£000	£000	£000	£000
AMOUNTS FALLING DUE WITHIN ONE YEAR:				
Trade debtors	10,098	9,185	9,406	9,085
Due from group companies	-	-	-	143
Due from associated companies	10	6	10	6
Prepayments and accrued income	3,864	3,046	3,764	2,890
	13,972	12,237	13,180	12,124

Note 18. Creditors: amounts falling due within one year

	Consolidated		University	
	31 July 2015	31 July 2014	31 July 2015	31 July 2014
	£000	£000	£000	£000
Bank loans (Note 20)	1,647	1,575	1,647	1,575
Trade creditors	10,670	9,787	9,646	9,705
Interest accrued	832	873	832	873
Other taxation and social security	3,997	3,763	3,997	3,763
Accruals and deferred income	18,103	15,735	18,337	15,705
Finance leases (Note 20)	214	181	214	181
UPP Capital release creditor (Note 20)	1,017	919	1,017	919
Other loans (Note 20)	430	177	430	177
	36,910	33,010	36,120	32,898

Note 19. Creditors: amounts falling due after more than one year

	Consolidated		University	
	31 July 2015	31 July 2014	31 July 2015	31 July 2014
	£000	£000	£000	£000
Bank loans (Note 20)	31,206	32,854	31,206	32,854
Finance leases (Note 20)	19,944	20,158	19,944	20,158
UPP Capital release creditor (Note 20)	38,674	39,691	38,674	39,691
Other loans due after more than one year	1,086	502	1,086	502
Other creditors due after more than one year	122	179	122	179
	91,032	93,384	91,032	93,384

NOTES TO THE FINANCIAL STATEMENTS

Note 20. Borrowings

	Consolidated and University	
	31 July 2015	31 July 2014
	£000	£000
(A) BANK LOAN		
The bank loan are repayable as follows:		
In one year or less	1,647	1,575
Between one and two years	1,732	1,644
Between two and five years	5,105	5,461
In five years or more	24,369	25,749
	32,853	34,429

The above bank loan includes £2.926m repayable by instalments falling due between the year end and 2019, secured on a portion of the freehold land and buildings of the University. The remaining £29.927m represents amounts drawn down under various terms repayable between the year end and 2035.

(B) UPP CAPITAL RELEASE SCHEME CREDITOR

The net obligations to which the University is committed are:

In one year or less	1,017	919
Between one and two years	1,114	1,017
Between two and five years	3,933	3,638
In five years or more	33,627	35,036
	39,691	40,610

(C) FINANCE LEASE

The net obligations to which the University is committed are:

In one year or less	214	181
Between one and two years	248	214
Between two and five years	597	845
In five years or more	19,099	19,099
	20,158	20,339

(D) OTHER LOANS

The net obligations to which the University is committed are:

In one year or less	430	177
Between one and two years	430	177
Between two and five years	656	325
	1,516	679

NOTES TO THE FINANCIAL STATEMENTS

Note 21. Provisions for liabilities

	Consolidated and University	
	31 July 2015	31 July 2014
	£000	£000
Unfunded pension liabilities:		
At 1 August	14,280	14,530
Charged in income and expenditure account (Note 32)	71	-
Expenditure in the year	(899)	(882)
Interest charged in I&E (Note 9)	554	592
Actuarial (gains)/losses	298	40
At 31 July	14,304	14,280
Liability for costs of restoration of leasehold properties on termination:		
At 1 August	898	-
Transfer from Creditors	-	778
Expenditure in the year	-	(7)
Charged in income and expenditure account	94	127
At 31 July	992	898
Total	15,296	15,178

Note 22. Deferred capital grants

	Consolidated and University		
	HEFCE	Other Grants	Total
	£000	£000	£000
At 1 August 2014			
Land and buildings	43,076	11,417	54,493
Equipment	67	-	67
	43,143	11,417	54,560
Cash received and receivable			
Land and buildings	1,973	(1)	1,972
Equipment	-	-	-
	1,973	(1)	1,972
Released to income and expenditure account			
Land and buildings	(1,294)	(311)	(1,605)
Equipment	(24)	-	(24)
	(1,318)	(311)	(1,629)
At 31 July 2015			
Land and buildings	43,755	11,105	54,860
Equipment	43	-	43
	43,798	11,105	54,903

NOTES TO THE FINANCIAL STATEMENTS

Note 23. Endowments

	Consolidated and University		
	Permanent Restricted	Expendable Restricted	Total
	£000	£000	£000
At 1 August 2014	61	308	369
Income for year	-	1	1
Direct expenditure for year	-	(239)	(239)
At 31 July 2015	61	70	131

Note 24. Revaluation reserve

	Consolidated		University	
	31 July 2015	31 July 2014	31 July 2015	31 July 2014
	£000	£000	£000	£000
Net revaluation amount at 1 August	125,442	127,416	130,424	132,485
Revaluations				
At 1 August	189,936	189,298	194,296	193,658
Revaluations in year	(257)	1,038	(257)	1,038
Eliminated on disposals	(548)	(400)	(548)	(400)
	189,131	189,936	193,491	194,296
HEFCE reimbursement of inherited capital liabilities				
At 1 August	13,325	13,325	13,325	13,325
Reimbursed in year	-	-	-	-
	13,325	13,325	13,325	13,325
Contributions to depreciation				
At 1 August	(77,819)	(75,207)	(77,197)	(74,498)
Released in year	(2,433)	(2,612)	(2,521)	(2,699)
	(80,252)	(77,819)	(79,718)	(77,197)
Net revaluation amount at 31 July	122,204	125,442	127,098	130,424

NOTES TO THE FINANCIAL STATEMENTS

Note 25. Income and expenditure account

	Consolidated		University	
	31 July 2015 £000	31 July 2014 £000	31 July 2015 £000	31 July 2014 £000
Income and expenditure account excluding pension reserve				
Surplus/(deficit) on continuing operations	26,030	24,153	26,029	24,153
FRS17 charges to income and expenditure account	762	1,591	762	1,591
Additional pension contributions made	(444)	(411)	(444)	(411)
Actuarial gain/(loss) on pension provision	(298)	(40)	(298)	(40)
Transfer from revaluation reserve	2,981	3,012	3,069	3,099
	29,031	28,305	29,118	28,392
At 1 August	97,491	69,186	92,508	64,116
At 31 July	126,522	97,491	121,626	92,508
Pension reserves (Note 32)				
FRS17 charges to income and expenditure account	(762)	(1,591)	(762)	(1,591)
Actuarial gain/(loss) on pension scheme	(11,155)	(1,660)	(11,155)	(1,660)
Additional contributions made	444	411	444	411
	(11,473)	(2,840)	(11,473)	(2,840)
At 1 August	(60,610)	(57,770)	(60,610)	(57,770)
At 31 July	(72,083)	(60,610)	(72,083)	(60,610)
Total income and expenditure reserves:				
Income and expenditure account excluding pension reserve	126,522	97,491	121,626	92,508
Pension reserve	(72,083)	(60,610)	(72,083)	(60,610)
	54,439	36,881	49,543	31,898

NOTES TO THE FINANCIAL STATEMENTS

Note 26. Reconciliation of consolidated operating surplus/(deficit) to net cash flow from operating activities

	Year Ended 31 July 2015	Year Ended 31 July 2014
	£000	£000
Surplus/(deficit) on continuing operations after depreciation of assets at valuation and exceptional items	25,792	24,145
Depreciation and diminution in the value of fixed assets	11,082	9,787
(Surplus)/deficit on the disposal of fixed assets	(412)	(9)
Diminution (gain)/loss in value of land & buildings	-	(108)
Deferred capital grants released to income	(1,629)	(1,509)
Interest receivable	(605)	(521)
Interest payable	4,115	4,738
(Increase)/decrease in stock	(10)	(17)
(Increase)/decrease in operating debtors	(1,712)	(511)
Increase/(decrease) in operating creditors	3,302	(1,163)
Increase/(decrease) in provisions	(734)	(762)
Increase/(decrease) in pensions liability	1,642	2,087
Exceptional restructuring expenses	-	91
Net cash inflow/(outflow) from operating activities before exceptional items	40,831	36,248
Exceptional expenditure	-	(91)
Net cash inflow/(outflow) from operating activities after exceptional items	40,831	36,157

Note 27. Returns on investments and servicing of finance

	Year Ended 31 July 2015	Year Ended 31 July 2014
	£000	£000
Interest received	583	711
Interest element of finance lease rental payments	(1,247)	(1,307)
Other interest paid	(1,352)	(1,390)
UPP Capital release scheme interest	(2,327)	(2,364)
Net cash inflow/(outflow) from returns on investments and servicing of finance	(4,343)	(4,350)

Note 28. Capital expenditure and financial investment

	Year Ended 31 July 2015	Year Ended 31 July 2014
	£000	£000
Purchase of tangible fixed assets	(22,752)	(15,317)
Proceeds from disposal of assets	1,011	409
Deferred capital grants received	1,972	1,164
Additions to investments	(32)	(84)
Repayment of investment	5	5
New endowments received	-	187
Net cash inflow/(outflow) from capital expenditure and financial investment	(19,796)	(13,636)

NOTES TO THE FINANCIAL STATEMENTS

Note 29. Management of liquid resources

	Year Ended 31 July 2015	Year Ended 31 July 2014
	£000	£000
Deposits to investments	(11,237)	(13,382)
Movement on endowment assets	238	(179)
Net cash inflow/(outflow) from management of liquid resources	(10,999)	(13,561)

Note 30. Financing

	Year Ended 31 July 2015	Year Ended 31 July 2014
	£000	£000
New Other loans	1,014	707
Bank loan repaid	(1,576)	(1,506)
Capital element of finance lease rental payments	(181)	(147)
Movement in UPP Capital release creditor	(919)	(820)
Other loans repaid	(177)	(28)
Net cash inflow from financing	(1,839)	(1,794)

Note 31. Analysis of movement in net debt

	At 31 July 2015	Cash flows	At 31 July 2014
	£000	£000	£000
Liquid assets			
Cash in hand and at bank	8,735	3,854	4,881
Endowment assets	131	(238)	369
Short-term deposits	70,869	11,237	59,632
Debt due within one year			
Mortgages and unsecured loans	(1,647)	(72)	(1,575)
Obligations under finance leases	(214)	(33)	(181)
Other Loans	(430)	(253)	(177)
UPP Capital release scheme	(1,017)	(98)	(919)
	(3,308)	(456)	(2,852)
Debt due after one year			
Mortgages and unsecured loans	(31,206)	1,648	(32,854)
Obligations under finance leases	(19,944)	214	(20,158)
UPP Capital release scheme	(38,674)	1,017	(39,691)
Other Loans	(1,086)	(584)	(502)
	(90,910)	2,295	(93,205)
Total	(14,483)	16,692	(31,175)

NOTES TO THE FINANCIAL STATEMENTS

Note 32. Pension and similar obligations

The three principal pension schemes for the University's staff are the Teachers' Pension Scheme (TPS), the Universities Superannuation Scheme (USS) and the Local Government Pension Scheme (LGPS) which are externally funded and contracted out of the State Earnings-Related Pension Scheme.

The LGPS is regulated by statute, with separate regulations for (a) England & Wales and (b) Scotland. The benefits of the LGPS are determined nationally by regulation and meet the definition of a defined benefit scheme. The LGPS is a funded scheme, with some 100 separate funds administered locally by administering authorities. Each fund has many employing authorities. The City of Bradford Metropolitan District Council is the administering authority for the West Yorkshire Pension Fund (WYPF), i.e. the LGPS local fund. The metropolitan councils in West Yorkshire, and other bodies, for example the University, are employing bodies within the WYPF. The WYPF is a funded defined benefit scheme.

The University reports pension costs in accordance with Financial Reporting Standard 17 (FRS17): Retirement Benefits requiring detailed disclosures for defined benefit schemes. The TPS and USS are multi-employer schemes for which it is not possible to identify assets and liabilities to institutional members and are therefore accounted for as if they were defined contribution schemes.

The total pension cost for the University, and its subsidiary companies, was:

	Year Ended 31 July 2015	Year Ended 31 July 2014
	£000	£000
Costs of TPS	(5,596)	(5,168)
Costs of USS	(399)	(353)
Costs of WYPF (See below)	(6,367)	(6,286)
Other pension costs and accruals	(188)	(88)
Total pension cost (Note 6)	(12,550)	(11,895)
The costs of WYPF are made up as follows:		
Current service cost	(6,309)	(6,276)
Past service costs	(58)	(10)
	(6,367)	(6,286)

As at 31 July 2015, there were 2,717 [2014: 2,373] staff members contributing to pension schemes, 1,301 [2014: 1,091] in the Teachers' Pension Scheme, 50 [2014: 44] in the Universities Superannuation Scheme and 1,366 [2014: 1,238] in the West Yorkshire Pension Fund.

Teachers' Pension Scheme (TPS)

The Teachers' Pension Scheme (TPS) is a statutory, contributory, defined benefit scheme. The regulations under which the TPS operates are the Teachers' Pensions Regulations 1997, as amended. These apply to teachers in schools and other educational establishments in England & Wales maintained by local authorities, to teachers in many independent and voluntary-aided schools, and to teachers and lecturers in establishments of further and higher education. Membership is automatic for full-time teachers and lecturers and from 1 January 2007 automatic for teachers and lecturers in part-time employment following appointment or a change of contract. Teachers and lecturers are able to opt out of the TPS.

Although teachers and lecturers are employed by various bodies, their retirement and other pension benefits, including annual increases payable under the Pensions (Increase) Acts are, as provided for in the Superannuation Act 1972, paid out of monies provided by Parliament. The teachers' contributions and employers' contributions are credited to the Exchequer under arrangements governed by the above Act.

The contribution rate paid into the TPS is assessed in two parts. First, a standard contribution rate (SCR) is determined. This is the contribution, expressed as a percentage of the salaries of teachers and lecturers in service or entering service during the period over which the contribution rate applies, which if it were paid over the entire active service of these teachers and lecturers would broadly defray the cost of benefits payable in respect of that service. Secondly, a supplementary contribution is payable if, as a result of the actuarial investigation, it is found that accumulated liabilities of the account for benefits to past and present teachers, are not fully covered by standard contributions to be paid in future and by the notional fund built up from past contributions. The total contribution rate payable is the sum of the SCR and the supplementary contribution rate.

Note 32. Pension and similar obligations continued

With effect from 1 April 2015 the scheme is changing to a career average basis with some protection for employees who were active before 1 April 2012. Employee contributions are on a tiered structure. The rates currently vary as follows (with the previous rates shown in brackets): from 7.4% (6.4%) on salaries up to £25,999pa (£14,999pa) to 11.7% (12.4%) on salaries over £75,000pa (£100,000pa). The employers contribution is unchanged at 14.1% but increases to 16.48% from 1 September 2015, which includes 5.6% to meet the shortfall in the fund over the next fifteen years.

There was a balance of £811,000 owing by the University as at 31 July 2015 (2014: £758,000 owed by the University).

The Teachers' Pensions Regulations require an annual account, the Teachers' Pension Account, to be kept of receipts and expenditure (including the cost of pensions' increases). From 1 April 2001, the Account has been credited with a real rate of return (in excess of price increases and currently set at 3.5%), which is equivalent to assuming that the balance in the Account is invested in notional investments that produce that real rate of return.

The Government Actuary (GA), using normal actuarial principles, conducts a formal actuarial review of the TPS, not less than every four years. The aim of the review is to specify the level of future contributions. The last valuation of the TPS was at 31 March 2012 and can be found on the Teacher Pensions website at: www.teacherspensions.co.uk. The GA's report published in June 2014 revealed a deficit of £15.0 billion as the total liabilities of the Scheme (pensions currently in payment and the estimated cost of future benefits) amounted to £191.5 billion and the value of the assets (estimated future contributions together with the proceeds from the notional investments held at the valuation date) was £176.6 billion. The assumed real rate of return is 3.0% in excess of prices (using the CPI measure), which are expected to increase by 2% as are pensions, while real earnings growth is assumed to be 2.75%.

Universities Superannuation Scheme (USS)

The Universities Superannuation Scheme (USS) is a defined benefit scheme which is contracted out of the States Second Pension (S2P). The assets of the scheme are held in a separate fund administered by the trustee, Universities Superannuation Scheme Limited. Under the scheme trust deed and rules, the employer contribution rate is determined by the trustee acting on actuarial advice.

Because of the mutual nature of the scheme, the institution is unable to identify its share of the underlying assets and liabilities of the scheme on a consistent and reasonable basis and therefore, as required by FRS 17 "Retirement benefits", accounts for the scheme as if it were a defined contribution scheme. As a result, the amount charged to the income and expenditure account represents the contributions payable to the scheme in respect of the accounting year.

During the year, the University's contribution rate was 16.0% and the employees' contribution rate 7.5% for members who joined before 1 October 2011 (whose benefits are based on their final salary) or 6.5% for members who joined after that date (whose benefits are based on a career average salary). Following the latest valuation as at 31 March 2014, it has been announced that the final salary provision will cease as at 31 March 2016 with members transferring to the career average provision, with the provision limited to a salary threshold above which members will be able to contribute to a defined contribution scheme. The existing contribution rates will continue to 31 March 2016, after which employees rates for the defined benefit scheme will be 8.0% and employers 18.0%.

There was a balance of £nil owing to the USS by the University as at 31 July 2015 (2014: £nil).

West Yorkshire Pension Fund (WYPF)

The actuaries to the WYPF completed a valuation of the Fund as at 31 March 2013 in accordance with the Regulations governing the LGPS. The results of the valuation were set out in the Rates and Adjustments Certificate dated 13 January 2014. Based on that valuation, the required employer contribution rate for the University was set at 11.8% (previously 11.5%) of pensionable remuneration per annum, from 1 April 2014 to 31 March 2017. In addition an additional sum of £415,000 in 2014/15, increasing annually to £655,000 in 2016/17, is to be paid and additional contributions will be required in respect of the costs arising from non-ill health early retirements prior to age 60 occurring in the period of the Rates and Adjustments Certificate. The 2013 valuation was carried out using the projected unit actuarial method.

During the year, the University's contribution rate was 11.8% (11.5% to 31 March 2014). The employees' contribution rate ranged from 5.5% to 12.5%. The expected current service cost for 2015/16 is £7.424m. There was a balance of £562,000 owing by the University as at 31 July 2015 (2014: £518,000).

NOTES TO THE FINANCIAL STATEMENTS

Note 32. Pension and similar obligations continued

Reconciliation of funded status to balance sheet

	Value as at 31 July 2015 £m	Value as at 31 July 2014 £m
Fair value of assets	174.681	157.752
Present value of liabilities	(246.764)	(218.362)
Net pension asset / (liability) (Note 25)	(72.083)	(60.610)

Analysis of income and expenditure charge

	Year ending 31 July 2015 £m	Year ending 31 July 2014 £m
Current service cost	(6.309)	(6.276)
Past service cost charged in staff costs	(0.058)	(0.010)
Total included under Staff costs	(6.367)	(6.286)
less contributions already charged	4.281	3.788
Accrual to maintain current service costs per FRS17	(2.086)	(2.498)
Interest cost	(9.032)	(9.809)
Expected return on assets	10.356	10.716
Expense recognised	1.324	0.907
Credit/(charge) to I&E excluding exceptional costs (Note 25)	(0.762)	(1.591)
Total credit/(charge) including exceptional costs	(0.762)	(1.591)

Analysis of amount recognised in Statement of Total Recognised Gains and Losses

	Year ending 31 July 2015 £m	Year ending 31 July 2014 £m
Total actuarial gains/(losses)	(11.155)	(1.660)
Total gain/(loss) in STRGL (Note 25)	(11.155)	(1.660)

Changes to the present value of liabilities during the accounting year

	Year ending 31 July 2015 £m	Year ending 31 July 2014 £m
Current service cost	6.309	6.276
Interest cost	9.032	9.809
Contributions by participants	2.402	2.197
Actuarial (gains) / losses on liabilities	15.493	(11.042)
Net benefits paid out	(4.892)	(5.281)
Past service cost	0.058	0.010
Net increase/(decrease) in liabilities	28.402	1.969
Opening present value of liabilities	218.362	216.393
Closing present value of liabilities	246.764	218.362

NOTES TO THE FINANCIAL STATEMENTS

Note 32. Pension and similar obligations continued

Changes to the fair value of assets during the accounting year

	Year ending 31 July 2015 £m	Year ending 31 July 2014 £m
Expected return on assets	10.356	10.716
Actuarial gains / (losses) on assets	4.338	(12.702)
Actual return on assets	14.694	(1.986)
Contributions by the employer	4.725	4.199
Contributions by participants	2.402	2.197
Net benefits paid out	(4.892)	(5.281)
Net increase/(decrease) in assets	16.929	(0.871)
Opening fair value of assets	157.752	158.623
Closing fair value of assets	174.681	157.752

Assumptions

The latest actuarial valuation of the University's liabilities took place as at 31 March 2013. The principal assumptions used by the independent qualified actuaries in updating the latest valuation of the Fund for FRS17 purposes were:

Principal financial assumptions

Percentage rates per annum:	31 July 2015	31 July 2014
Discount rate	3.60%	4.10%
CPI inflation	2.10%	2.20%
Rate of increase to pensions in payment	2.10%	2.20%
Rate of increase to deferred pensions	2.10%	2.20%
Rate of general increase in salaries (Based on an average over expected working lives)	3.44%	3.67%

The assumed life expectations on retirement at age 65 are as follows:

Retiring today:

Males	22.6	22.5
Females	25.5	25.4

Retiring in 20 years:

Males	24.8	24.7
Females	27.8	27.7

Asset Allocation

	Asset split at 31 July 2015 (%)	Asset split at 31 July 2014 (%)
Equities	75.9	75.1
Property	4.5	3.3
Government bonds	10.4	10.3
Corporate bonds	4.6	5.2
Cash	1.5	3.9
Other	3.1	2.2
Total	100.0	100.0

NOTES TO THE FINANCIAL STATEMENTS

Note 32. Pension and similar obligations continued

History of experience gains and losses

	As at 31 July 2015 £m	As at 31 July 2014 £m	As at 31 July 2013 £m	As at 31 July 2012 £m	As at 31 July 2011 £m
Fair value of assets	174.681	156.881	157.752	133.931	129.264
Present value of liabilities funded	246.764	220.331	218.362	200.547	162.781
Present value of liabilities unfunded					1.580
Surplus / (deficit)	(72.083)	(63.450)	(60.610)	(66.616)	(35.097)
Experience gains / (losses) on assets	4.338	(12.702)	15.447	(7.044)	0.587
- as a percentage of assets	2.5%	-8.1%	9.8%	-5.3%	0.5%
Experience gains / (losses) on liabilities	0.971	2.203	(0.071)	(0.991)	18.777
- as a percentage of liabilities	0.4%	1.0%	0.0%	-0.5%	11.4%

Note 33. Related Party Disclosures

The University has taken advantage of the disclosure exemption under FRS8, which applies to transactions and balances between group entities that have been eliminated on consolidation.

Due to the nature of the University's operations and the composition of the Board of Governors (many of whom are involved with other local public and private sector organisations), there are transactions with organisations in which a member of the Board of Governors or senior staff, or those closely connected to them, may have an interest. All such transactions are conducted at arm's length and in accordance with the University's Financial Regulations. All transactions totalling more than £1,000 are listed below by organisation and the relevant governor or staff member:

Organisation	Name and position held	Income to University		Expenditure to University		Balance owed to/ (owing by) University £'000
		£'000	in respect of	£'000	in respect of	
Bettys & Taylors Group Ltd	Mr A Brown - Managing Director	4	Tuition fees			
Capita Plc	Mr R Walker - Director	1	Events	19	Subscriptions	1
Farnell Group	Mr S Webb - Company Secretary & General Counsel	20	Knowledge Transfer Partnership, Course fees	39	Communications equipment	(1)
Fullneck School	Dr B El-Haddadeh - Governor	1	Course fees			-
Kier Maintenance	Ms K Bashforth - Non-exec Director	5	Tuition fees			-
Leeds Carnegie Rugby Club	Dr P Smith - Board member	43	Course fees, Events	1,117	Facilities, hospitality, advertising	9
Leeds City College	Mr S Willis - Governor	21	Educational services	3	Course fees, Events	-

NOTES TO THE FINANCIAL STATEMENTS

Note 32. Pension and similar obligations continued

Organisation	Name and position held	Income to University		Expenditure to University		Balance owed to/ (owing by) University £'000
		£'000	in respect of	£'000	in respect of	
Leeds Community Healthcare NHS Trust	Mr I Ellis - Non-exec Director	10	Course fees, Facilities, Hospitality	3	Staff secondment	2
Leeds Beckett Students' Union	Mr J Malpass-Clark - Trustee	16	Facilities services	1,872	Grants	1
Leeds Rugby Foundation	Ms S Rose - Trustee Ms D Green - connected party	175	Course fees	1,360	Hospitality	-
Morelife Limited	Professor A Slade - Director	48	Facilities services	27	Research contract	4
The Northern Consortium UK	Mr A Disbury - Trustee			85	Student recruitment	-
Richmond House School	Mr L Everett - Director	1	Course fees			0
Royal Television Society	Mr D Lowen - Trustee			3	Sponsorship	-
Society of College, National & University Libraries	Ms J Norry - Executive Board Member			3	Subscriptions, Training	-
UK Council Deans Health	Mr I Ellis - Chair			9	Subscriptions, Travel	(4)
Unipol	Mr A Disbury - Trustee Ms J Share - Trustee			264	Accommodation services	-
Unison Leeds Beckett branch	Ms M Begum - Chair	1	Miscellaneous			-
University of Bolton	Professor P Marsh - Unpaid Emeritus Professor	11	Tuition fees	1	Tuition Fees	-
Yorkshire County Cricket Club	Mr S Willis - Director Mr P Smith - Director	340	Facilities, Facilities services	189	Partnership activities, Publicity, Facilities	1
Yorkshire Universities	Professor S Price - Director Professor A Slade - Chair of Management Committee			46	Subscriptions	-

NOTES TO THE FINANCIAL STATEMENTS

Note 33. Related Party Disclosures continued

Members of the Board of Governors are required to declare any outside interests. When an item arises in which a member has a pecuniary, business, family, or other personal interest, it must be declared and the member concerned may not take part in the consideration of the matter nor vote on it.

Note 34. Access funds

During the year the Department for Business & Skills made Access to Learning Funds available in order to provide financial help to students whose access to higher and further education might be inhibited by financial considerations. During the year the University made a total of 8 awards (2014: 1,104) to students, helping with general hardship, accommodation, travel, childcare, disability and part time fees. The movements on the University's Access to Learning Funds can be summarised as follows:

	31 July 2015 £	31 July 2014 £
Amount held in creditors due within one year at 1 August	400	-
Funding body grants	-	429,340
Interest earned	-	2,255
	-	431,595
Disbursed to students	(400)	(429,470)
Audit fees	-	(1,725)
	(400)	(431,195)
Amount held in creditors due within one year at 31 July	0	400

Note 35. NCTL Training bursaries

Training bursaries have been provided in the year in order that eligible post-graduate trainee teachers can receive their entitlement to a tax-free bursary whilst they train.

	31 July 2015 £	31 July 2014 £
Amount held in creditors due within one year at 1 August	1,850	35,200
Funding body grants		
Training bursaries	302,000	436,500
	302,000	436,500
Expenditure		
Training bursaries	(314,700)	(469,850)
	(314,700)	(469,850)
Amount held in (Debtors)/Creditors due within one year at 31 July	(10,850)	1,850

Note 36. Capital commitments

	Consolidated and University	
	31 July 2015 £000	31 July 2014 £000
Commitments contracted and authorised at 31 July	6,835	18,465

