



BISHOP  
GROSSETESTE  
UNIVERSITY

**FINANCIAL STATEMENTS  
FOR THE YEAR ENDED**

**31 JULY 2015**

**Bishop Grosseteste University**

**Financial Statements**

For the Year Ended 31 July 2015

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CUSTODIAN TRUSTEE: The Lincoln Diocesan Trust and Board of Finance Limited.

CONSTITUTION: The University is a registered charity (number 527276). It is governed by an instrument and articles of government dated 1<sup>st</sup> October 1998 updated October 2012.

COUNCIL AND ADMINISTERING TRUSTEES:

The Council members who served in the year and up to the date of the signature of the financial statements were:

Mr D Babb <sup>1,3,6</sup>  
Dr K Brown <sup>1</sup>  
The Very Reverend P Buckler <sup>2</sup> (Resigned January 2015)  
Mr D Clements <sup>2,3</sup>  
Mr R Corn  
Mrs A Crowe <sup>2,3</sup>  
Mr J Downey (Resigned July 2015)  
Mrs S Gratrix <sup>4</sup>  
Dr T Hill <sup>3,5</sup>  
Professor D Head <sup>4,6</sup>  
Mr S Lawrence <sup>1,4</sup>  
Right Reverend C Lawson, The Bishop of Lincoln  
Air Vice-Marshal G MacKay <sup>1</sup>  
Mr G Meeson <sup>4</sup>  
Professor J Mitchell  
Mrs L Wood <sup>4</sup> (Resigned July 2014)  
Mr R Mosey (Chair) <sup>3,4,5,6</sup>  
Reverend S Myers <sup>2</sup>  
Reverend Professor P Neil <sup>1,4,5,6</sup>  
Mrs J Phull <sup>4</sup>  
Mr C Robertson (Resigned July 2015)  
Miss Becca Smith (Appointed August 2015)  
Mrs B Starling <sup>2</sup> (Resigned March 2015)  
Dr J Smith <sup>2</sup>  
Professor M Thompson <sup>1,3</sup>  
Mrs J Croft (Appointed May 2015)

VICE CHANCELLOR: Reverend Professor Peter Neil <sup>1,4,5,6</sup>

REGISTRAR AND SECRETARY: Dr Anne Craven (Appointed December 2014)

BANKERS: National Westminster Bank plc

PRINCIPAL SOLICITORS: Andrew & Co, St Swithin's Court, 1 Flavian Road, Nettleham Road, Lincoln, LN2 4GR

EXTERNAL AUDITORS: Mazars LLP, Park View House, 58 The Ropewalk, Nottingham, NG1 5DW

INTERNAL AUDITORS: UNIAC, Armstrong House, Oxford Road, Manchester, M1 7ED

Key to membership of committees:

1. Finance, Employment & General Purposes Committee
2. Audit Committee
3. Remuneration Committee
4. Governance & Nominations Committee
5. Selection Committee
6. Strategy Sponsor Board

**Financial statements for the year ended 31 July 2015**

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## Vice Chancellor's Report

### Introduction

The University Council present their annual report, including the Vice Chancellor's report and the audited financial statements for the year ended 31 July 2015.

### Structure of the University

Bishop Grosseteste University (BGU) has, since its inception, been an unincorporated association, regulated by the Charities Commission (in addition to the University-specific regulation from government agencies, notably the Higher Education Funding Council, to which the University is subject).

BGU was originally established as a teacher training college for the Diocese of Lincoln in 1862. It gained taught degree awarding powers in 2006 and was granted full university status on 3 December 2012. BGU is distinguished by its academic coherence and strong sense of community as well as its sustained successes in areas like graduate employability and levels of student satisfaction.

The Lincoln Diocesan Trust is a custodian trustee and the University Council members are the managing trustees of BGU.

### Charitable Purpose and Public Benefit

The University has no linked charities and its charitable objectives are to provide the services of education and training of young people and the general public. It does this through the teaching of a diverse curriculum and by educating a broad range of students. Its students and potential students are the principal beneficiaries.

It is important to BGU that access to education is offered in an open and affordable way to all who may benefit. Widening access and improving participation to higher education is actively promoted.

Bishop Grosseteste University has a very strong track record in relation to widening participation. As a University with an Anglican Foundation, we are committed to being a community which welcomes and hosts a diverse population of students and staff, and fosters an ethos of mutual respect, trust and care. We are an open, forward looking community that celebrates diversity and welcomes applications from all students and trainees regardless of their race, disability, gender (and its reassignment), marriage/civil partnership, sexual orientation, pregnancy or maternity, age, or religion and belief.

BGU is committed to widening access and aims to encourage applications from all communities, particularly those currently under-represented in higher education generally, and at the University specifically. In March 2015, 66% (1344 of 2048) of BG's students on undergraduate and PGCE programmes met at least one definition of "widening participation backgrounds" (low income background).

BGU has consistently exceeded sector benchmarks in recruitment of students from State Schools, and Low Participation Neighbourhoods. More challenging areas of widening participation include recruitment of Black and Minority Ethnic (BME) students – this is largely due to the local demographic in Lincolnshire (which our recruitment exceeds), and a propensity for students in these groups to choose their 'local' university.

The University's access agreement, approved by the Office for Fair Access (OFFA), contains a range of financial support arrangements to help ensure that the opportunity to benefit from higher education is not restricted by the ability to afford fees or living costs. These arrangements are intended to complement the government's provision of loans and maintenance grants and are targeted at those identified as being most in need.

The University has a number of support mechanisms in place to support students, including a student support centre offering counselling, financial advice, academic and study skills, careers advice, placement and volunteering services, health services, specialist dyslexia and disability assessment and support services.

## Strategy and Priorities

The strategic plan for the period 2014 – 2019 is aspirational and forward looking, building upon the University's successes. This is a growth strategy which aspires to see the University expand its student base; this will be achieved by developing the portfolio, by strategically expanding our research areas of strength, and by widening access to our courses locally, nationally and internationally. The imperative for action to raise aspirations amongst potential higher education learners in Greater Lincolnshire remains acute, with some of the lowest participation rates in the country.

Building on our sustained successes such as graduate employability and high levels of student satisfaction, we continue to focus on and enhance the student experience.

The key goals for our Strategy are to:

- Grow our registered student numbers;
- Provide an appropriate and attractive offer to “non-traditional” students, to mature students and their employers through well-designed part-time and work-based programmes;
- Increase the proportion of postgraduate and research students; and
- Improve BGU's current high levels of student retention, satisfaction and success in employment and further study

## Vision

Bishop Grosseteste University is committed to being a leader in learning, to inspire excellence, and to enrich the lives of its students and staff and the communities it serves.

## Mission

Inspired by the University's Church of England foundation our mission is to:

- Excel at teaching, learning and research;
- Enable all students to achieve in the highest possible standard in their chosen field of study;
- Provide life-enriching opportunities for our students;
- Recognise aspiration and achievements and provide opportunities for self-development;
- Foster an ethos in which individuals are valued and diversity is celebrated; and
- Develop productive partnerships to extend and deepen our external contribution regionally, nationally and internationally

## Values

- We aim to be an inclusive community which fosters an ethos of mutual respect, trust and care;
- We seek to take an ethical approach to all activity and policy-making;
- We recognise the place of faith within the human experience and provide for its practice, nurture and exploration;
- We believe in education, learning and the facilitation of personal development, placing high value upon the academic quality of the courses we offer; and
- We want to make a positive impact on the societies in which we live and work and this includes supporting sustainable development and Fairtrade

## Ethos

We are for life in all its fullness:

- Valuing Faith
- Creating Community
- Inspiring Trust
- Informing Conscience

- Attaining Wisdom

### Scope of the Financial Statements

The Financial Statements comprise the consolidated results of the University and its subsidiary, BG (Lincoln) Limited. BG (Lincoln) Limited undertakes conference and catering services using the University's facilities.

### Results for the Year

The University Consolidated Income, Expenditure and Results for the year to 31 July 2015 are summarised as follows:-

	<u>2014/15</u>	<u>2013/14</u>
	£000	£000
Income	20,087	17,232
Expenditure	(17,246)	(15,251)
	=====	=====
Surplus after Depreciation of Assets at Valuation and Before Tax	2,841	1,981
	=====	=====
Surplus after Depreciation of Assets at Valuation, Disposal of Assets and Tax	2,858	1,981
	=====	=====
Surplus for the Year on an Historical Cost Basis	2,894	2,017
	=====	=====

The University's total income increased by 16.5% compared with the previous year.

Registrations, reported to the HEFCE were 1,970 full-time, and 215 part-time students (2013/14 =2,054 full-time and 215 part-time).

The retained historical cost surplus for the year was £2,894,000. As a percentage of income this equated to 14.5% which is a performance that exceeded the budget set for the year. Total recognised gains since the last financial statements were £1,890,000. The University's net asset level is regarded as satisfactory.

### Financial Objectives and Strategy

The Financial Strategy is concerned with financing the University's corporate objectives by providing a sound and prudent financial planning and management framework. Within this strategy, a number of main objectives have been identified which are to:

- Maintain the financial health of the University and ensure its long-term viability;
- Generate satisfactory surpluses to maintain productive capacity to meet current objectives on infrastructure capital and revenue expenditure to ensure the sustainability of the University's business;
- Manage and mitigate financial risk, identify opportunities, and ensure value for money in the University's operations; and
- Generate sufficient surpluses to support corporate strategic initiatives.

A series of performance indicators have been agreed to monitor the success of these objectives.

## Vice Chancellor's Report (continued)

### Performance Indicators

In order to set and effectively monitor the financial objectives, the University will concentrate on a set of financial ratios and performance. The University will specifically concentrate on the following key performance indicators:

- Historical cost surplus/(deficit) after tax in £000s and as % of total income;
- Net liquidity/days ratio of net liquid assets to total expenditure (current assets: cash at bank and in hand plus investments - minus creditors: amounts falling due within one year: bank overdrafts)/(total expenditure) x 365 days;
- Borrowing as a percentage of income;
- Staff costs as a % of total income.

### Employment of Disabled Persons

Applications for employment by disabled persons are always fully considered, bearing in mind the aptitudes of the applicant concerned. In the event of existing employees becoming disabled every effort is made to ensure that their employment with the University continues and that appropriate training is arranged. It is the policy of the University that the training, career development and promotion of disabled persons should, as far as possible, be identical with that of other employees.

### Disability Statement

The University is committed to developing an environment that is inclusive, fair, open and welcoming of individuals from diverse groups. Diversity and equality are recognised, encouraged, promoted and valued at all levels of the University and in all its functions.

Recent years have seen significant alterations to help make the campus buildings more accessible for disabled students and visitors. Improvements are on-going to further improve physical access and provide technologies for dyslexic and visually impaired and deaf students. The University will ensure that every effort is made to meet individuals support needs.

### Corporate Governance

In recent years the financial statements have included a statement confirming the University's arrangements for its governance: this year's statement appears on pages 6 to 7. The work which has been undertaken under the Corporate Governance heading in 2014/15 is given in the detailed statement on pages 8 to 10 and reflects a risk based approach to determining the control systems. The University believes that the risk process is embedded and that a full compliance statement is in order for 2014/15.

### Payment of Creditors

It is the University's policy to obtain the best terms for all business and, thus, there is no single policy as to the terms used. In agreements negotiated with suppliers, the University endeavours to include and abide by specific payment terms.

### Future Developments

The five-year strategy is in its first year of implementation. It is subdivided according to five themes: Learning, Teaching and Student Engagement; Enhancement of the Academic Portfolio, Research, Internationalisation; Employability and Enterprise; External Engagement, Partnership and Community and Environment and Sustainability. Progress is being made in all areas, although progress is not uniform, as there is an inevitable staging of deliverables.

The academic portfolio has been augmented and the number of schools increased from two to three with subjects located according to their cognate areas (Humanities, Teacher Development and Social Sciences). During the course of the year 17 validation events took place to ensure that the portfolio was ready for the 2015 recruitment cycle.

**Vice Chancellor's Report (continued)**

Additional academic staff have been employed to ensure both support for the new programmes and pathways but also to contribute to the enhanced research focus.

In relation to the estate, a major refurbishment project was completed within Constance Stewart Hall to convert what was the dining and kitchen areas into state-of-the-art flexible teaching and learning spaces.

The DLHE employability results put BGU in the top number of institutions for students' obtaining employment or study six months following graduation.

Recruitment remains buoyant as does the financial situation of the institution; it is therefore in a robust place to respond creatively to challenges and uncertainties in the future.

**Conclusion**

The University is in a very positive position and is making progress towards the Strategy for growth. The success of the Strategy to date indicates that the appropriate priorities are being targeted.

.....  
Vice Chancellor

20<sup>th</sup> November 2015

## **Institutional governance statement**

### **Introduction**

The University is committed to exhibiting best practice in all aspects of corporate governance. This section summarises and explains the arrangements for the governance of the University that applied during the financial year. These arrangements are set out in the University's Instrument and Articles of Government; the terms of reference of committees of the University Council; the University's financial regulations; and such resolutions as the University Council may from time to time adopt. The University's governance arrangements are consistent with good practice and Committee of University Chairs (CUC) code of practice.

### **Roles and responsibilities**

The Articles of Government set out the respective powers and responsibilities of the University Council and the Vice Chancellor. Broadly speaking, the University Council is generally responsible for overseeing the running of the University and specifically for the effective, efficient and economic use of resources, the approval of annual budgets and senior appointments. The Vice Chancellor is responsible for the organisation, direction and management of the University and for making recommendations to the University Council on the matters for which it is responsible.

The Articles empower the University Council to delegate certain of its functions to committees of the University Council or to the Vice Chancellor. The University Council may not delegate responsibility for:

- determining the educational character and mission of the University;
- approving the annual budgets;
- ensuring the solvency of the institution and for safeguarding its assets;
- the appointment or dismissal of the Vice Chancellor;
- varying or revoking the Articles of Government.

The responsibilities of the University Council are considered in more detail in the statement presented on pages 8 to 10.

### **University Council: constitution**

The University Council of the University has 23 members:

- the Bishop of Lincoln;
- the University Vice Chancellor;
- the Deputy Vice Chancellor of the University;
- three persons appointed by the Diocesan Council of Lincoln;
- one member appointed by a higher education institution;
- one elected member of the University Teaching staff;
- one elected member of the University Non-Teaching staff;
- one elected student of the University
- the President of the Students' Union; and
- twelve members co-opted by the University Council.

Council members are appointed for an initial term of four years and thereafter shall be eligible for one re-appointment except that no Governor Member of the University Council shall serve for more than two consecutive terms. Exceptions to this are as follows; The Deputy Vice Chancellor of the University whose term will be for the duration of their employment; the President of the Students' Union whose term is tied to his or her term of office; the elected student Member of the University Council whose term is four years or the duration of his or her programme of study, whichever is the shorter; the Bishop of Lincoln who shall hold office throughout his tenure of the See; and the Vice Chancellor who shall hold office as

Council member so long as he or she is the Vice Chancellor and has chosen to be a Council member. The Chair's term of office is an appointed position for three years with a possible renewal period of three years.

### **Institutional governance statement (continued)**

In December 2014, BGU appointed Dr Anne Craven as Registrar and Secretary. The University Secretary acts as Secretary to Council and all its Committees including Senate and has a key role to play in the operation and conduct of the Governing Body, ensuring that appropriate procedures are followed to support the governance processes in line with best practice.

The Clerk to the University Council maintains a register of financial and personal interests of the University Council. The register is available for inspection at the University address.

The University Council and its committees meet as follows:

- University Council – four times per year;
- Finance, Employment and General Purposes Committee – at least three times each financial year;
- Audit Committee – at least three times per year;
- Governance and Nominations Committee – normally three times, and at least twice each financial year;
- Remuneration Committee – at least twice each financial year
- Selection Committee – as and when required; and
- Sponsor Board – at least three times each financial year.

Recognising that decisions may sometimes be required at times when it is not possible or expedient for the University Council as a whole to meet, the University Council has created a Scheme of Delegation in line with sector best practice and in accordance with the guidance from the Committee of University Chairmen (CUC). Further details can be found at:-

**<http://www.bishopg.ac.uk/about/Governance>**

The University Council has delegated certain of its functions to committees. The University Council determines the membership of its committees, which then elect their own Chair. The scope of the committees' responsibilities is summarised below:

- the Finance, Employment and General Purposes Committee deals with such employment, financial and administrative matters as the University Council may remit to it;
- the Audit Committee is responsible for monitoring the performance and effectiveness of internal and external audit, reviewing the effectiveness of the internal control system and a range of other matters relating to financial efficiency, effectiveness and propriety;
- the Nominations Committee advises the University Council about the appointment of independent members to the University Council and the membership of committees of the University Council, other than the Nominations Committee itself;
- the Remuneration Committee advises the University Council about the remuneration and terms and conditions of employment of senior staff, including the Vice Chancellor; and
- the Selection Committee manages the appointment process for senior posts and advises the Council members about such appointments.
- the Strategy Sponsor Board investigates matters relating to the implementation of the 2014-19 strategy

The University Senate is a committee of the staff of the University whose composition and functions are defined in the Articles of Government. Its purpose is to make recommendations to the Vice Chancellor or the University Council, as appropriate, about the content of the University curriculum, academic standards and a range of related matters.

### Statement of the University Council's responsibilities

The principal responsibilities of the University Council are set out in the Statement of Primary Responsibilities and are consistent with the University's Instrument and Articles of Government and follow the CUC Guide for Members of Higher Education Governing Bodies in the UK. The Council is the Governing Body of the Institution. Subject to the powers of the Senate as provided for in the Instruments and Articles, it has ultimate responsibility for the affairs of the University. Further details regarding the Statement of Primary Responsibilities can be found at:-

<http://www.bishopg.ac.uk/about/Governance/universitycouncil>

In accordance with the University's Instrument and Articles of Government, the University Council is responsible for the administration and management of the University's affairs, including ensuring an effective system of internal control, and is required to present audited financial statements for each financial year.

The University Council is responsible for keeping proper accounting records which disclose with appropriate accuracy at any time the financial position of the University and to enable it to ensure that the financial statements are prepared in accordance with the Statement of Recommended Practice on Accounting for Further and Higher Education and other relevant accounting standards. In addition, within the terms and conditions of a Financial Memorandum agreed between the Higher Education Funding Council for England and the University Council of Bishop Grosseteste University, the University Council, through its designated office holder, is required to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the University and of the surplus or deficit and cash flows for that year.

In causing the financial statements to be prepared, the University Council has ensured that:

- suitable accounting policies are selected and applied consistently;
- judgements and estimates are made that are reasonable and prudent;
- applicable accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- the financial statements are prepared on the going concern basis unless it is inappropriate to presume that the University will continue in operation. The University Council is satisfied that it has adequate resources to continue in operation for the foreseeable future: for this reason the going concern basis continues to be adopted in the preparation of the financial statements.

The University Council has taken reasonable steps to:

- ensure that funds from the Higher Education Funding Council for England (HEFCE) and the National College for Teaching and Leadership (NCTL) are used only for the purposes for which they have been given and in accordance with the Funding Agreement with the Funding Council and the Financial Memorandum with the Agency and any other conditions which the funding bodies may from time to time prescribe;
- ensure that there are appropriate financial and management controls in place to safeguard public funds and funds from other sources;
- safeguard the assets of the University and prevent and detect fraud;
- secure the economical, efficient and effective management of the University's resources and expenditure.

### Statement of the University Council's responsibilities (continued)

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

- clear definitions of the responsibilities of, and the authority delegated to, Heads of Academic and Administrative departments;
- a comprehensive medium and short-term planning process, supplemented by detailed annual income, expenditure, capital and cash flow budgets;
- regular reviews of key performance indicators and termly reviews of financial results involving variance reporting and updates of forecast outturns;
- clearly defined and formalised requirements for approval and control of expenditure, with investment decisions involving capital or revenue expenditure being subject to formal detailed appraisal and review according to approval levels set by the University Council;
- comprehensive financial regulations, detailing financial controls and procedures, approved by the Audit Committee and the University Council;
- a professional Internal Audit team whose annual programme is approved by the Audit Committee and endorsed by the University Council and whose head provides the University Council with a report on internal audit activity within the University and an opinion on the adequacy and effectiveness of the University's system of internal control, including financial control.

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

#### Statement of internal control

1. As the University Council of Bishop Grosseteste University, we have responsibility for maintaining a sound system of internal control that supports the achievement of policies, aims and objectives, while safeguarding the public and other funds and assets for which we are responsible, in accordance with the responsibilities assigned to the University Council in the instrument and articles and the Financial Memorandum with the NCTL and the HEFCE.
2. The system of internal control is designed to manage rather than eliminate the risk of failure to achieve policies, aims and objectives; it can therefore only provide reasonable and not absolute assurance of effectiveness.
3. The system of internal control is based on an on-going process designed to identify the principal risks to the achievement of policies, aims and objectives; to evaluate the nature and extent of those risks; and to manage them efficiently, effectively and economically. This process has been in place for the year ended 31 July 2015 and up to the date of approval of the financial statements and accords with HEFCE guidance.
4. As the University Council, we have responsibility for reviewing effectiveness of the system of internal control. The following processes have been established:
  - a. Regular meetings (at least termly) are held to consider the plans and strategic direction of the University.
  - b. Regular reports are received from the Chair of the Audit Committee concerning internal control, and we require regular reports from the Vice Chancellor on the steps being taken to manage risks, including progress reports on key projects.
  - c. We have requested the Audit Committee to oversee risk management.

**Statement of the University Council's responsibilities  
(continued)**

- d. The Audit Committee receives regular reports from the Head of Internal Audit, which include the Head of Internal Audit's independent opinion on the adequacy and effectiveness of the University's system of internal control, together with recommendations for improvement.
  - e. A regular agenda item for the Senior Leadership Team to identify and keep up to date the record of risks facing the organisation.
  - f. A programme of risk awareness training is under way through Staff Council and off-campus staff development days.
  - g. A robust risk prioritisation methodology based on risk ranking has been established.
  - h. Reports are received from senior staff on internal control activities.
5. Our review of the effectiveness of the system of internal control is informed by the internal audit service, which operates to standards defined in the HEFCE Audit Code of Practice and which was last reviewed for effectiveness by the HEFCE Audit Service in December 2009. The internal auditors submit regular reports which include the head of internal audit's independent opinion on the adequacy and effectiveness of the University's system of internal control, with recommendations for improvement.
6. Our review of the effectiveness of the system of internal control is also informed by the work of the Senior Leadership Team within the institution, who have responsibility for the development and maintenance of the internal control framework, and by comments made by the external auditors in their management letter and other reports.

**Disclosure of information to auditors**

The Council members who held office at the date of approval of this report confirm that so far as they are each aware there is no relevant audit information of which the University's auditors are unaware; and each Council member has taken all the steps that he or she ought to have taken to be aware of any relevant audit information and to establish that the University's auditors are aware of that information.

.....  
CHAIR

20<sup>th</sup> November 2015

## Independent Auditors' Report to the Council of Bishop Grosseteste University

We have audited the group and parent institution financial statements (the "financial statements") of Bishop Grosseteste University for the year ended 31 July 2015 which comprise the Consolidated Income and Expenditure Account, the Consolidated Balance Sheet, the University's Balance Sheet, the Consolidated Cash Flow Statement, the Consolidated Statement of Total Recognised Gains and Losses and the related notes. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

### Respective responsibilities of the University Council and Auditors

As explained more fully in the Statement of Corporate Governance, the Board of Governors are responsible for the preparation of financial statements and for being satisfied that they give a true and fair view. Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards of Auditing (UK and 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 Board of Governors as a body in accordance with paragraph 14(2) of the University's articles and section 124B of the Education Reform Act 1988 and for no other purpose. We do not, in giving these opinions, accept or assume any 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.

### Scope of the audit of the financial statements

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's and parent institution's circumstances and have been consistently applied and adequately disclosed; the reasonableness of significant accounting estimates made by the Board of Governors; and the overall presentation of the financial statements. In addition, we read all the financial and non-financial information in the Annual Report 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.

### Opinion on financial statements

In our opinion the financial statements:

- give a true and fair view of the state of the group's and 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 prepared in accordance with the Statement of Recommended Practice – Accounting for Further and Higher Education.

### Opinion on other matters prescribed in the HEFCE Audit Code of Practice 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 Financial Memorandum and any other terms and conditions attached to them.

**Independent Auditors' Report to the Council of Bishop Grosseteste University  
(continued)**

We have nothing to report in respect of the following matter where the HEFCE Audit Code of Practice issued under the Further and Higher Education Act 1992 requires us 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.

**Mazars LLP  
Chartered Accountants and Statutory Auditor  
Nottingham**

## Statement of principal accounting policies

### 1. Statement of accounting policies

The following accounting policies have been applied consistently in dealing with items which are considered material in relation to the financial statements.

### 2. Basis of preparation

These financial statements have been prepared in accordance with the Statement of Recommended Practice (SORP): Accounting for Further and Higher Education 2007 and in accordance with United Kingdom Generally Accepted Accounting Practice. They conform to guidance published by HEFCE and the NCTL.

### 3. Basis of accounting

The financial statements are prepared under the historical cost convention modified by the revaluation of certain fixed assets.

### 4. Basis of consolidation

The consolidated financial statements include the University and its subsidiary undertaking, BG (Lincoln) Limited. Intra-group sales and profits are eliminated fully on consolidation. In accordance with FRS2, the activities of the student union have not been consolidated because the University does not control those activities. All financial statements are made up to 31<sup>st</sup> July 2015.

### 5. Recognition of income

Grant:

The recurrent grants from the HEFCE and the NCTL represent the funding allocations attributable to the current financial year and credited directly to the income and expenditure account. Recurrent grants are recognised in line with planned activity. Any under-achievement against this planned activity is adjusted at the year end and reflected in the level of recurrent grant recognised in the income and expenditure account.

Non-recurrent grants from the HEFCE and the NCTL 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.

Other income:

Income from academic fees, other operating income, short-term deposits and interest is credited to the income and expenditure account in the period in which it is earned.

### 6. Maintenance of premises

The University has produced a long-term maintenance plan. The plan includes all recurring work, the number of years necessary to complete a full maintenance cycle, and the likely annual cost. The cost of long-term and routine corrective maintenance is charged to the income and expenditure account as incurred.

## Statement of principal accounting policies (continued)

### 7. 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 either at year end rates or, where there are related forward foreign exchange contracts, at contract rates. The resulting exchange differences are dealt with in the determination of income and expenditure for the financial year.

### 8. Pension schemes

Retirement benefits for most employees of the University are provided by the Teachers' Pension Scheme (TPS) and the Local Government Pension Scheme (LGPS). These are defined benefit schemes which are independently administered schemes, funded by contributions from the University and the employees and are contracted out of the State Earnings-Related Pension Scheme. Contributions to the TPS are charged to the income and expenditure so as to spread the cost of pensions over employees' working lives with the University in such a way that the pension cost is a substantially level percentage of current and future pensionable payroll. The contributions are determined by qualified actuaries on the basis of quinquennial valuations using a prospective benefit method. As stated in note 24, the TPS is a multi employer scheme and the University is unable to identify its share of the underlying assets and liabilities of the scheme on a consistent and reasonable basis. The TPS is therefore treated as a defined contribution scheme and the contributions recognised as they are paid each year.

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

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

Bishop Grosseteste University also participates in the Church of England Funded Pension Scheme which is a defined benefit scheme but is unable to determine its share of the underlying assets and liabilities. Under FRS 17, BGU accounts for pension costs on the basis of contributions actually payable to the Scheme in the year.

The University operate a defined contributions pension scheme, the Bishop Grosseteste University Flexible Retirement Account. The assets of the scheme are held separately from those of the University in an independently administered fund.

## Statement of principal accounting policies (continued)

### 9. Enhanced Pensions

The actual cost of any enhanced on-going pension to a former member of staff is paid by the University annually. An estimate of the expected future cost of any enhancement to the on-going pension of a former member of staff is charged in full to the University's income and expenditure account in the year that the member of staff retires. In subsequent years a charge is made to provisions in the balance sheet using guidance prepared for the HEFCE by Deloitte & Touche Actuarial & Benefit Services.

### 10. Tangible fixed assets

#### a. Land and Buildings

Land and buildings are stated at cost or, in the case of land and buildings held at 1 August 1993, at a professional valuation. The transitional provisions of FRS 15, 'Tangible Fixed Assets', were being followed.

The basis of valuation is open market value for existing use or, where such a valuation is not practicable, depreciated replacement cost. The valuation carried out on 9 June 1995 was performed by Humberts Stapleton, Chartered Surveyors. This valuation has not been updated. Land is held freehold and is not depreciated. Buildings are depreciated over their expected useful lives of 50 years from 1 August 1993 or from the date of acquisition. Subsequent capital improvements to existing buildings are depreciated over the remaining useful life of the building to which the expenditure relates.

#### b. Equipment

All equipment costing more than £1,000 and having an expected life of more than one year is capitalised. Equipment, including motor vehicles, is stated at cost and depreciated over its expected useful life of 5 years.

#### c. Subsequent expenditure on existing fixed assets

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

- Market value of the fixed asset has subsequently improved;
- Asset capacity increases;
- Substantial improvement in the quality of output or reduction in operating costs;
- Significant extension of the assets life beyond that conferred by repairs and maintenance.

### 11. Stocks

The stocks are catering provisions and shop items. Stocks are stated at the lower of cost and net realisable value. Where necessary, provision is made for obsolete, slow moving and defective stocks.

### 12. Taxation

The University is considered to pass the tests set out in paragraph 1 schedule 6 of the Finance Act 2010 and therefore it meets the definitions of a charity for UK corporation tax purposes. Accordingly the University is potentially exempt from taxation in respect of income or capital gains received within categories covered by chapter 3 part 11 Corporation Tax Act 2010 or the Taxation of Chargeable Gains Act 1992 to the extent that such income is applied to exclusively charitable purposes.

### **Statement of principal accounting policies (continued)**

The University receives no similar exemption in respect of value added tax (VAT). For this reason the University is generally unable to recover input VAT it suffers on goods and services purchased. Non-pay expenditure is therefore shown inclusive of VAT with any partial recovery netted off against these figures.

The University's subsidiary company, BG (Lincoln) Ltd, is subject to corporation tax and VAT in the same way as any commercial organisation.

#### **13. Cash Flows and Liquid Resources**

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

Liquid resources comprise assets held as a readily disposable store of value. They include term deposits held as part of the University's treasury management activities.

#### **14. 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.

## Consolidated Income and Expenditure Account

For the year ended 31 July 2015

	Notes	2015 £000	2014 £000
<b>INCOME</b>			
Funding council grants	1	1,300	2,216
Tuition fees and education contracts	2	15,496	12,568
Research grants and contracts	3	81	53
Other income	4	3,122	2,331
Investment income	5	88	64
		<u>20,087</u>	<u>17,232</u>
<b>EXPENDITURE</b>			
Staff costs	6	9,712	8,589
Other operating expenses	7	6,410	5,561
Depreciation	11	1,124	1,101
Interest payable	8	-	-
		<u>17,246</u>	<u>15,251</u>
Surplus on continuing operations after depreciation of assets at valuation and before tax		2,841	1,981
Profit on disposal of assets		17	-
Taxation		-	-
		<u>-</u>	<u>-</u>
Surplus on continuing operations after depreciation of assets at valuation and tax	10	<u>2,858</u>	<u>1,981</u>

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

Consolidated Statement of Historical Cost Surpluses and Deficits

For the year ended 31 July 2015

	Notes	2015 £000	2014 £000
Surplus on continuing operations before taxation		2,858	1,981
Realisation of property revaluation gains of previous years	17	-	-
Difference between historical cost depreciation and the actual charge for the year calculated on the revalued amount	17	<u>36</u>	<u>36</u>
Historical cost surplus for the year before taxation		<u>2,894</u>	<u>2,017</u>
Historical cost surplus for the year after taxation		<u>2,894</u>	<u>2,017</u>

**Consolidated Statement of Total Recognised Gains and Losses  
For the year ended 31 July 2015**

	2015	2014
	£000	£000
Surplus after depreciation of assets at valuation and tax	2,858	1,981
Actuarial (loss) in respect of the pension scheme (note 24)	(969)	(1,773)
Opening FRS17 for BG (Lincoln) Ltd	-	(73)
	1,889	135
<b>Total recognised gain relating to the year</b>	<b>1,889</b>	<b>135</b>
 <b>Reconciliation of reserves</b>		
Opening reserves	21,581	21,446
Total recognised gain relating to the year	1,889	135
	23,470	21,581
<b>Closing reserves</b>	<b>23,470</b>	<b>21,581</b>

## Balance sheets as at 31 July 2015

	Notes	Group <u>2015</u> £000	University <u>2015</u> £000	Group <u>2014</u> £000	University <u>2014</u> £000
Fixed Assets					
Tangible assets	11	<u>21,653</u>	<u>21,640</u>	<u>21,435</u>	<u>21,424</u>
Current Assets					
Stock		18	-	13	-
Debtors	13	1,050	1,647	1,483	1,909
Short-term deposits	23	243	243	3,235	3,235
Cash at bank and in hand	23	<u>10,440</u>	<u>10,328</u>	<u>4,803</u>	<u>4,655</u>
Total Current Assets		<u>11,751</u>	<u>12,218</u>	<u>9,534</u>	<u>9,799</u>
Less: Creditors - amounts falling due within one year	14	<u>(1,088)</u>	<u>(1,010)</u>	<u>(1,438)</u>	<u>(1,382)</u>
Net Current Assets		<u>10,663</u>	<u>11,208</u>	<u>8,096</u>	<u>8,417</u>
Total assets less current liabilities excluding pension liability		32,316	32,848	29,531	29,841
Net pension liability	25	<u>(5,642)</u>	<u>(5,454)</u>	<u>(4,686)</u>	<u>(4,569)</u>
NET ASSETS INCLUDING PENSION LIABILITY		<u>26,674</u>	<u>27,394</u>	<u>24,845</u>	<u>25,272</u>
Deferred capital grants	16	<u>3,202</u>	<u>3,202</u>	<u>3,264</u>	<u>3,264</u>
Restricted reserves	18	<u>844</u>	<u>844</u>	<u>844</u>	<u>844</u>
Income and expenditure account excluding pension reserve	19	26,341	26,873	23,458	23,768
Pension Reserve	25	<u>(5,642)</u>	<u>(5,454)</u>	<u>(4,686)</u>	<u>(4,569)</u>
Income and expenditure account including pension reserve	19	<u>20,699</u>	<u>21,419</u>	<u>18,772</u>	<u>19,199</u>
Revaluation reserve	17	<u>1,929</u>	<u>1,929</u>	<u>1,965</u>	<u>1,965</u>
TOTAL		<u>26,674</u>	<u>27,394</u>	<u>24,845</u>	<u>25,272</u>

The financial statements on pages 13 to 44 were approved by the University Council on 20th November 2015 and were signed on its behalf by:

\_\_\_\_\_  
Vice Chancellor

\_\_\_\_\_  
Chair of University Council

\_\_\_\_\_  
Director of Resources

## Consolidated Cash Flow Statement

## For the year ended 31 July 2015

	Notes	2015 £000	2014 £000
Cash inflow from operating activities	20	3,662	1,194
Returns on investments and servicing of finance	21	88	64
Capital expenditure and financial investment	22	(1,105)	(3,340)
Management of liquid resources	23	2,992	2,980
Increase/(Decrease) in cash	23	<u>5,637</u>	<u>898</u>
<b>Reconciliation of net cash flow to movement in net funds</b>			
Increase/(Decrease) in cash		5,637	898
Movement in short term deposits		<u>(2,992)</u>	<u>(2,980)</u>
Movement in net funds in year		2,645	(2,082)
Net funds at 1 August		<u>8,038</u>	<u>10,120</u>
Net funds at 31 July	23	<u>10,683</u>	<u>8,038</u>

In this Statement, figures in brackets refer to cash outflows and all other figures are cash inflows to the University.

## Notes to the financial statements

## 1. Funding council grants

	2015			2014
	HEFCE	NCTL	TOTAL	
	£000	£000	£000	£000
Recurrent Grant	923	103	1,026	1,931
Specific Grants				
HEFCE Inherited Liabilities - Staff	20	-	20	26
HEFCE Other	-	-	-	3
NCTL Graduate Teacher Programme	-	-	-	-
NCTL Other	-	19	19	30
Deferred Capital Grants Released in Year				
Buildings (Note 16)	64	-	64	64
Equipment grant (Note 16)	170	1	171	162
	<u>1,177</u>	<u>123</u>	<u>1,300</u>	<u>2,216</u>

## 2. Tuition fees and education contracts

	2015	2014
	£000	£000
UK Higher Education Students	15,496	12,568
Education contracts	<u>-</u>	<u>-</u>
	<u>15,496</u>	<u>12,568</u>

## 3. Research grants and contracts

	2015	2014
	£000	£000
Other grants and contracts	<u>81</u>	<u>53</u>

## Notes to the financial statements (continued)

## 4. Other income

	2015	2014
	£000	£000
Residences, catering and conferences	1,868	1,768
Non-Funding Council Capital Grants Released (Note 16)	46	46
Other Income	1,208	517
	<u>3,122</u>	<u>2,331</u>

## 5. Investment income

	2015	2014
	£000	£000
Investment income from short-term deposits	19	37
Other interest receivable	-	-
Interest on FRS 17 Liability (Note 24)	69	27
	<u>88</u>	<u>64</u>

Notes to the financial statements (continued)

6. Staff

The average number of persons (including senior post-holders) employed by the University during the year, described as full-time equivalents, was:

	2015 Number Group	2015 Number University	2014 Number Group
Academic	81	81	75
Management and Administrative	112	104	97
Other	55	39	52
	<u>248</u>	<u>224</u>	<u>224</u>

Staff costs for the above persons:

	2015 £000 Group	2015 £000 University	2014 £000 Group
Wages and salaries	8,028	7,543	6,965
Social security costs	578	552	527
Other pension costs - FRS 17 adjustment	21	24	25
Other pension costs (Note 24)	1,085	1,030	1,072
	<u>9,712</u>	<u>9,149</u>	<u>8,589</u>

The above costs include amounts payable to the Vice Chancellor (who is the highest paid senior post holder) of:

	2015 £	2014 £
Salary	133,885	126,735
Benefits in kind	<u>5,074</u>	<u>4,423</u>
	<u>138,959</u>	<u>131,158</u>
Pension contributions	<u>21,422</u>	<u>25,385</u>

The pension contributions in respect of the Vice Chancellor are in respect of employer's contributions to the Teachers' Superannuation Scheme and are paid at the same rate as for other employees. No member of staff other than the Vice Chancellor received remuneration of more than £100,000 (excluding employer's pension contributions).

## Notes to the financial statements (continued)

**7. Other operating expenses**

	2015	2014
	£000	£000
Residences, Catering & Conferences Operating Expenditure	978	998
Residences - Long-Term Maintenance	35	31
Consumables and Laboratory Expenditure	398	338
Books and Periodicals	136	125
Heat, Light, Water and Power	301	292
Repairs and General Maintenance	122	96
Non-Residential - Long-Term Maintenance	330	376
Grants to BG Students' Union	51	95
External Auditors' Remuneration		
Financial Statements Audit	5	36
Internal Auditors' Remuneration	34	30
Bursary Payments to Students	545	434
Other Expenses	<u>3,475</u>	<u>2,710</u>
	<u><u>6,410</u></u>	<u><u>5,561</u></u>

**8. Interest payable**

	2015	2014
	£000	£000
Interest on FRS 17 Liability (Note 24)	<u>-</u>	<u>-</u>
	<u>-</u>	<u>-</u>

## Notes to the financial statements (continued)

## 9. Analysis of 2014/15 expenditure by activity

	Staff Costs £000	Dep'n £000	Operating Expenses £000	Interest Payable £000	Total £000
Academic Departments	4,171	-	1,158	-	5,329
Academic Services	350	-	224	-	574
Residences & Catering	-	-	561	-	561
Premises	579	-	793	-	1,372
Administration	3,877	-	1,299	-	5,176
Other Expenses	172	1,120	1,785	-	3,077
Totals per Income and Expenditure Account	<u>9,149</u>	<u>1,120</u>	<u>5,820</u>	<u>-</u>	<u>16,089</u>
BG (Lincoln) Ltd	563	4	590	-	1,157
Total Group	<u>9,712</u>	<u>1,124</u>	<u>6,410</u>	<u>-</u>	<u>17,246</u>

The depreciation charge has been funded by:

Deferred Capital Grants Released (Note 16)	281
Revaluation Reserve Released (Note 17)	36
General Income	<u>807</u>
	<u>1,124</u>

## 10. Surplus on continuing operations for the year

	2015 £000	2014 £000
University's surplus for the year	3,097	2,289
(Loss) generated by the subsidiary undertaking	<u>(239)</u>	<u>(308)</u>
Total	<u>2,858</u>	<u>1,981</u>

## Notes to the financial statements (continued)

## 11. Tangible fixed assets (Group and University)

	Land £000	Land and Buildings		Assets in course of construction £000	Equipment £000	University		BG(Lincoln)		Group Total £000
		Leasehold £000	Buildings £000			Total £000	Limited £000			
Cost or valuation										
At 1 August 2014										
At valuation	927	-	2,500	-	-	3,427				3,427
At cost	118	8	19,926	-	5,536	25,588	14			25,602
Additions	-	-	204	632	499	1,335	6			1,341
Disposals	-	-	-	-	(58)	(58)				(58)
At 31 July 2015										
At valuation	927	-	2,500	-	-	3,427	-			3,427
At cost	118	8	20,130	632	5,977	26,865	20			26,885
	1,045	8	22,630	632	5,977	30,292	20			30,312
Depreciation										
At 1 August 2014	-	-	3,295	-	4,296	7,591	3			7,594
Charge for period	-	-	552	-	567	1,119	4			1,123
Eliminated in respect of disposals	-	-	-	-	(58)	(58)				(58)
At 31 July 2015	-	-	3,847	-	4,805	8,652	7			8,659
Net Book Value										
At 31 July 2015	1,045	8	18,783	632	1,172	21,640	13			21,653
At 31 July 2014	1,045	8	19,131	-	1,240	21,424	11			21,435

**Bishop Grosseteste University**

**Financial Statements**

For the Year Ended 31 July 2015

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## Notes to the financial statements (continued)

Certain buildings have been partially funded from external sources. Should these particular buildings be sold, the University may either have to surrender the proceeds to the external party or use them in accordance with the financial memorandum of agreement made with that particular external party.

## 12. Investments

The University holds all the issued ordinary share capital of BG (Lincoln) Limited, a trading company registered in England and Wales, the principal activity of which is the organisation of functions and conferences and catering. The University's interest in the company at 31 July 2015, comprised Share Capital of £2 (2014 - £2).

## 13. Debtors - Amounts falling due within the year

	Group 2015 £000	University 2015 £000	Group 2014 £000	University 2014 £000
Trade debtors	846	800	1,341	1,271
Amounts owed by subsidiary undertaking	-	650	-	500
Prepayments and accrued income	204	197	142	138
	<u>1,050</u>	<u>1,647</u>	<u>1,483</u>	<u>1,909</u>

## 14. Creditors: Amounts falling due within one year

	Group 2015 £000	University 2015 £000	Group 2014 £000	University 2014 £000
Payments received in advance	50	46	112	75
Trade creditors	787	750	1,161	1,161
Other taxation and social security	49	23	31	18
Accruals	186	175	6	0
Amounts owed to funding councils	16	16	114	114
Hardship Funds & Opportunity Bursaries carried forward (Note 29)	-	-	14	14
	<u>1,088</u>	<u>1,010</u>	<u>1,438</u>	<u>1,382</u>

**Notes to the financial statements (continued)**

<b>15. Enhanced pension provision</b>	Group and University Total £000
At 1 August 2014	381
Utilised in Year	-
Revaluation	14
Transfer from income & expenditure account	-
At 31 July 2015	<u>395</u>

The calculation of the cost of early retirement provisions charged to the income and expenditure account in the year of retirement is based on the total capital cost of providing enhanced pensions with allowance for future investment at 2½% in excess of price inflation. The overall provision was revalued in 2014/15 financial year using guidance prepared for the HEFCE by Deloitte & Touche Actuarial & Benefit Services. The provision will be released against the cost to the University of enhanced pension entitlements over the estimated life expectancy of each relevant ex-employee.

The enhanced pension provision relates mostly to early retirements whereby an expectation of the payment existed prior to retirement. As such, the account has been treated as a retirement benefit pension under FRS17 (see note 25).

## Notes to the financial statements (continued)

## 16. Deferred capital grants

	Group and University			
	HEFCE £000	NCTL £000	Other £000	Total £000
At 1 August 2014				
Buildings	2,016	-	1,027	3,043
Equipment	<u>151</u>	<u>33</u>	<u>37</u>	<u>221</u>
Total	<u>2,167</u>	<u>33</u>	<u>1,064</u>	<u>3,264</u>
Cash Receivable in the Year				
Buildings	-	-	-	-
Equipment	<u>219</u>	<u>-</u>	<u>-</u>	<u>219</u>
Total	<u>219</u>	<u>-</u>	<u>-</u>	<u>219</u>
Released to Income & Expenditure				
Buildings (Note 1 and Note 4)	(64)	-	(34)	(98)
Equipment (Note 1 and Note 4)	<u>(170)</u>	<u>(1)</u>	<u>(12)</u>	<u>(183)</u>
Total (Note 9)	(234)	(1)	(46)	(281)
At 31 July 2015				
Buildings	1,952	-	993	2,945
Equipment	<u>200</u>	<u>32</u>	<u>25</u>	<u>257</u>
Total	<u>2,152</u>	<u>32</u>	<u>1,018</u>	<u>3,202</u>

## Notes to the financial statements (continued)

## 17. Revaluation reserve

	Group 2015 £000	University 2015 £000	Group 2014 £000	University 2014 £000
At 1 August	1,965	1,965	2,001	2,001
Transfer from revaluation reserve to general reserve in respect of:				
Eliminated in respect of disposals	-	-	-	-
Depreciation on revalued assets	<u>(36)</u>	<u>(36)</u>	<u>(36)</u>	<u>(36)</u>
At 31 July	<u>1,929</u>	<u>1,929</u>	<u>1,965</u>	<u>1,965</u>

## 18. Restricted reserves

	Group 2015 £000	University 2015 £000	Group 2014 £000	University 2014 £000
<b>Permanent endowment reserves</b>				
At 1 August 2014 and at 31 July 2015	<u>697</u>	<u>697</u>	<u>697</u>	<u>697</u>
<b>Other restricted reserves</b>				
At 1 August 2014 and at 31 July 2015	<u>147</u>	<u>147</u>	<u>147</u>	<u>147</u>
<b>Total restricted reserves at 31 July</b>	<u>844</u>	<u>844</u>	<u>844</u>	<u>844</u>

## Other restricted reserves

During 2006 the University, sold a property with proceeds of £147,000. The proceeds from the sale are to be reinvested within 3 years from the sale date. The funds were used to assist with the building of a new administration office at the University.

## Permanent endowment reserves

Permanent endowment reserves are made up from the sale of two properties previously owned by the University. As required by the Charity Commission, the University Council obtained and considered proper advice before investing this money. To date £332,000 has been used to purchase an additional residential building and the remaining funds are currently held in an interest bearing account.

## Notes to the financial statements (continued)

## 19. Income and expenditure account

	Group 2015 £000	University 2015 £000	Group 2014 £000	University 2014 £000
At 1 August	18,772	19,199	18,601	18,601
Surplus on continuing operations	2,858	3,097	1,981	2,289
Opening FRS17 for BG (Lincoln) Ltd			(73)	
Transfer to Other restricted reserves	2	-	-	-
Transfer from Revaluation Reserve	36	36	36	36
Actuarial gain/(loss) in respect of pension	(969)	(913)	(1,773)	(1,727)
At 31 July	<u>20,699</u>	<u>21,419</u>	<u>18,772</u>	<u>19,199</u>
Balance represented by:				
Pension reserve (Note 25)	(5,642)	(5,454)	(4,686)	(4,569)
Income and expenditure account reserve excluding pension reserve	<u>26,341</u>	<u>26,873</u>	<u>23,458</u>	<u>23,768</u>
At 31 July	<u>20,699</u>	<u>21,419</u>	<u>18,772</u>	<u>19,199</u>

## Notes to the financial statements (continued)

**20. Reconciliation of consolidated operating surplus to net cash inflow from operating activities**

	2015 £000	2014 £000
Surplus on continuing operations after depreciation of assets at valuation and disposal of assets	2,858	1,981
Depreciation (Note 11)	1,124	1,101
Deferred capital grants released to income (Note 16)	(281)	(272)
(Profit) on disposal of fixed assets	(17)	-
Interest Paid (Note 8)	-	-
Pension cost less contributions payable	(26)	(3)
(Decrease) in Stocks	(5)	(10)
Decrease/(Increase) in Debtors	433	(989)
Increase in Creditors	(350)	(536)
Increase/(Decrease) in provisions	14	(14)
Interest received (Note 5)	(88)	(64)
	<u>3,662</u>	<u>1,194</u>
Net Cash Inflow from Operating Activities	<u><u>3,662</u></u>	<u><u>1,194</u></u>

**21. Returns on investments and servicing of finance**

	2015 £000	2014 £000
Investment interest received (Note 5)	88	64
Interest paid (Note 8)	-	-
	<u>88</u>	<u>64</u>
	<u><u>88</u></u>	<u><u>64</u></u>

**22. Capital expenditure and financial investment**

	2015 £000	2014 £000
Proceeds from sale of tangible fixed assets	17	-
Purchase of tangible fixed assets (Note 11)	(1,341)	(3,499)
Deferred capital grants received (Note 16)	219	159
	<u>(1,105)</u>	<u>(3,340)</u>
Net cash outflow from capital expenditure and financial investment	<u><u>(1,105)</u></u>	<u><u>(3,340)</u></u>

## Notes to the financial statements (continued)

## 23. Analysis of changes in net funds

	At 2014 £000	Cash Flows £000	At 2015 £000
Cash in hand and at bank	4,803	5,637	10,440
Short-term deposits	<u>3,235</u>	<u>(2,992)</u>	<u>243</u>
	<u>8,038</u>	<u>2,645</u>	<u>10,683</u>

## 24. Pension and similar obligations

The University's employees belong to five principal pension schemes, the Church of England Funded Pensions Scheme, the Teachers' Pensions Scheme (TPS), the Local Government Pension Scheme (LGPS), the University Superannuation Scheme (USS) and the Bishop Grosseteste University Flexible Retirement Account provided by Friends Life. Four of these schemes are defined benefit schemes with the Bishop Grosseteste University Flexible Retirement Account being a defined contribution scheme.

## Total pension cost for the year

The pension contributions for the year was £1,085,000 (2014: £1,072,000) excluding the FRS 17 adjustment.

	2015 Group £000	2015 University £000	2014 Group £000
Teacher's Pension Scheme: contributions payable	447	447	416
Local Government Pension Scheme: charge to the Income and Expenditure Account	554	512	598
Universities Superannuation Scheme: contributions payable	45	45	31
Church of England Funded Pension Scheme: contributions payable	9	9	11
Bishop Grosseteste University Flexible Retirement Account: charge to Income and Revenue Account	30	17	16
Total Pension Cost for Year (excluding FRS 17 adjustment)	<u>1085</u>	<u>1030</u>	<u>1072</u>

### Notes to the financial statements (continued)

#### Church of England Funded Pensions Scheme:

Bishop Grosseteste University participates in the Church of England Funded Pensions Scheme and employs 1 member of the Scheme out of a total membership of approximately 8,500 active members.

The Church of England Funded Pensions Scheme is a defined benefit scheme but Bishop Grosseteste University is unable to identify its share of the underlying assets and liabilities - each employer in that scheme pays a common contribution rate. A valuation of the Scheme was carried out as at 31 December 2012. This revealed a shortfall of £293m, with assets of £896m and a funding target of £1,189m, assessed using the following assumptions:

- An investment strategy of:
  - for investments backing liabilities for pensions in payment, an allocation to gilts, increasing linearly from 10% at 31 December 2012 to 66% by 31 December 2029, with the balance in return-seeking assets; and
  - for investments backing liabilities prior to retirement, a 100% allocation to return-seeking assets.
- Investment returns of 3.2% pa on gilts and 5.2% pa on equities;
- RPI inflation of 3.2% pa (and pension increases consistent with this);
- Increase in pensionable stipends of 3.2% pa; and
- Post-retirement mortality in accordance with 80% of the S1NMA and S1NFA tables, with allowance made for improvements in mortality rates from 2003 in line with the CMI 2012 core projections, with a long term annual rate of improvement of 1.5% for males and females.

For schemes such as the Church of England Funded Pensions Scheme, paragraph 9(b) of FRS 17 requires the Bishop Grosseteste University to account for pension costs on the basis of contributions actually payable to the Scheme in the year.

Following the results of the 2012 valuation, the Bishop Grosseteste University contribution rate is increased from 38.2% to 39.9% of pensionable stipends from 1 January 2015 (of which 14.1% will be in respect of the £293m shortfall in the Scheme and 25.8% is in respect of accrual of future benefits and the day-to-day expenses of running the Scheme).

Contributions rates will be reviewed at the next valuation of the Scheme, due as at 31 December 2015.

#### Teachers' Pension Scheme (TPS):

##### Teachers' Pension Scheme

The Teachers' Pension Scheme ("TPS") is a statutory, contributory, defined benefit scheme. The regulations under which the TPS operates are the Teachers' Pensions Regulations 2010 (as amended), and the Teachers' Pensions Regulations 2014 (as amended). These regulations apply to teachers in schools and other educational establishments in England and 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 too 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.

## Notes to the financial statements (continued)

### The Teachers' Pension Budgeting and Valuation Account

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. Under the unfunded TPS, teachers' contributions on a 'pay-as-you-go' basis, and employers' contributions, are credited to the Exchequer under arrangements governed by the above Act.

The Teachers' Pensions Regulations require an annual account, the Teachers' Pension Budgeting and Valuation 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 3.0%), which is equivalent to assuming that the balance in the Account is invested in notional investments that produce that real rate of return.

### Valuation of the Teachers' Pension Scheme

Not less than every four years the Government Actuary ("GA"), using normal actuarial principles, conducts a formal actuarial review of the TPS. The aim of the review is to specify the level of future contributions.

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.

The last valuation of the TPS related to the period 1 April 2004 - 31 March 2012. The GA's report of June 2014 revealed that the total liabilities of the Scheme (pensions currently in payment and the estimated cost of future benefits) amounted to £191.5 billion. 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 rate of return is 3.0% in excess of prices. The rate of real earnings growth is assumed to be 2.75%. The assumed gross rate of return is 5.06%.

As from 1 April 2015, and as part of the cost-sharing agreement between employers' and teachers' representatives, the SCR was assessed at 20.4%, and the supplementary contribution rate was assessed to be 5.6% (to balance assets and liabilities as required by the regulations within 15 years). This resulted in a total contribution rate of 26.0%, which translated into an average employee contribution rate of 9.6% and employer contribution rate of 16.4% payable. The cost-sharing agreement also introduced a 10.9% cap on employer contributions payable. It has been agreed that these revised contributions will be implemented from 1 September 2015.

### Scheme Changes

From 1 September 2015, the employer contribution rate will increase to 16.4%.

From 1 April 2015, the TPS is being reformed, with a different benefit structure for a number of members. These changes have been allowed for in the contribution rate set out above.

The pension costs paid to TPS in the year amounted to £447,000 (2013/14 - £416,000).

No contributions were payable to the schemes at 31<sup>st</sup> July 2015 and 31<sup>st</sup> July 2014.

### Notes to the financial statements (continued)

#### Universities Superannuation Scheme (USS)

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

The total cost charged to the profit and loss account is £45,000 (2014: £31,000). There was neither a prepayment nor an accrual at the end of the financial year in respect of these contributions. The disclosures below represent the position from the scheme's financial statements.

The 2014 valuation has recently been finalised and the audit process is in progress. Therefore the latest available audited triennial actuarial valuation of the scheme was at 31 March 2011 ("the valuation date"), which was carried out using the projected unit method. The 2014 valuation indicates that employer contributions will increase to 18% from 1 April 2016.

The 2011 valuation was the second valuation for USS under the scheme-specific funding regime introduced by the Pensions Act 2004, which requires schemes to adopt a statutory funding objective, which is to have sufficient and appropriate assets to cover their technical provisions. At the valuation date, the value of the assets of the scheme was £32.4 billion and the value of the scheme's technical provisions was £35.3 billion indicating a shortfall of £2.9 billion. The assets therefore were sufficient to cover 92% of the benefits which had accrued to members after allowing for expected future increases in earnings.

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

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

The main demographic assumption used relates to the mortality assumptions. Mortality in retirement is assumed to be in line with the Continuous Mortality Investigation's (CMI) S1NA tables as follows:

Male members' mortality	S1NA ["light"] YoB tables – No age rating
Female members' mortality	S1NA ["light"] YoB tables – rated down 1 year

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

## Notes to the financial statements (continued)

	2015	2014
Males currently aged 65 (years)	24.2	23.7
Females currently aged 65 (years)	26.3	25.6
Males currently aged 45 (years)	26.2	25.5
Females currently aged 45 (years)	28.6	27.6
	<b>2015</b>	<b>2014</b>
<b>Existing benefits</b>		
Scheme assets	£49.0bn	£41.6bn
FRS 17 liabilities	£67.6bn	£55.5bn
FRS 17 deficit	£18.6bn	£13.9bn
FRS 17 funding level	72%	75%

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

**Bishop Grosseteste University Flexible Retirement Account**

The University operates a defined contributions pension scheme. The assets of the scheme are held separately from those of the University in an independently administered fund. The pension cost charge represents contributions payable by the University to the fund and amounted to £30,000 (2014 - £16,000).

**Local Government Pension Scheme (LGPS):**

The LGPS is a funded defined benefit scheme, with the assets held in separate trustee administered funds. The total contribution made for the year ended 31 July 2015 was £966,000 (2014 - £910,000), of which employer's contributions totalled £751,000 (2014 - £597,000) and employees' contributions totalled £215,000 (2014 - £187,000). The agreed contribution rates are 18% plus an annual lump sum of £147,667 for employers and between 5.5% and 12.5% depending upon salary for employees.

## Notes to the financial statements (continued)

## 24. Pension and similar obligations (continued)

## Local Government Pension Scheme (LGPS) (continued): FRS17

The following information is based upon a full actuarial valuation of the Fund at 31 March 2013 updated to 31 July 2015 by a qualified independent actuary

	Group At 31-Jul-15	University At 31-Jul-15	Group At 31-Jul-14
Rate of increase for pensions/inflation	2.60%	2.60%	2.70%
Rate of increase in salaries	4.00%	4.00%	4.00%
Expected return on assets	3.60%	3.60%	6.10%
Discount rate for liabilities	3.60%	3.60%	4.00%

The University share of the assets and liabilities in the scheme and the expected rates of return were:

	Group Long term rate of return expected at 31-Jul-15 %	University Long term rate of return expected at 31-Jul-15 %	Group Long term rate of return expected at 31-Jul-14 %
Equities	3.6	3.6	6.6
Bonds	3.6	3.6	4.0
Property	3.6	3.6	4.7
Cash	3.6	3.6	3.6

	Group Year ended 31-Jul-15 £000	University Year ended 31-Jul-15 £000	Group Year ended 31-Jul-14 £000
Equities	9,919	9,573	8,633
Bonds	1,696	1,637	1,476
Property	1,435	1,385	1,249
Cash	-	-	-
<b>Total market value of assets</b>	<b>13,050</b>	<b>12,595</b>	<b>11,358</b>

## Notes to the financial statements (continued)

## 24. Pension and similar obligations (continued): Local Government Pension Scheme (LGPS) (continued):

	Group Year ended 31-Jul-15 £000	University Year ended 31-Jul-15 £000	Group Year ended 31-Jul-14 £000
University's estimated asset share	13,050	12,595	11,358
Present value of liabilities	<u>(18,297)</u>	<u>(17,654)</u>	<u>(15,663)</u>
<b>Net pension liability (Note 25)</b>	<b><u>(5,247)</u></b>	<b><u>(5,059)</u></b>	<b><u>(4,305)</u></b>

## Analysis of the amount charged to income and expenditure account

	Group Year ended 31-Jul-15 £000	University Year ended 31-Jul-15 £000	Group Year ended 31-Jul-14 £000
Service cost (net of employee contributions)	793	733	692
Past service cost	-	-	-
Losses on curtailments of settlements	-	-	(70)
<b>Total operating charge</b>	<b><u>793</u></b>	<b><u>733</u></b>	<b><u>622</u></b>

## Analysis of pension finance income / costs

	Group Year ended 31-Jul-15 £000	University Year ended 31-Jul-15 £000	Group Year ended 31-Jul-14 £000
Expected return on pension scheme assets	709	685	643
Interest on pension liabilities	<u>(640)</u>	<u>(619)</u>	<u>(616)</u>
<b>Pension finance income / costs</b>	<b><u>69</u></b>	<b><u>66</u></b>	<b><u>27</u></b>

## Amount recognised in the statement of total recognised gains and losses (STRGL)

	Group Year ended 31-Jul-15 £000	University Year ended 31-Jul-15 £000	Group Year ended 31-Jul-14 £000
Actuarial gains/(losses) on pension scheme assets	330	319	(400)
Actuarial (losses) on scheme liabilities	<u>(1,299)</u>	<u>(1,232)</u>	<u>(1,373)</u>
<b>Actuarial (loss) recognised in the STRGL</b>	<b><u>(969)</u></b>	<b><u>(913)</u></b>	<b><u>(1,773)</u></b>

## Notes to the financial statements (continued)

## 24. Pension and similar obligations (continued)

## Local Government Pension Scheme (LGPS) (continued):

	Group Year ended 31-Jul-15	University Year ended 31-Jul-15	Group Year ended 31-Jul-14
	£000	£000	£000
<b>Asset and Liability Reconciliation</b>			
Liabilities at start of period	15,663	15,182	13,441
Service cost	793	733	692
Interest cost	640	619	616
Employee contributions	215	201	187
Actuarial loss	1,299	1,232	1,373
Past service gains	-	-	-
Losses/(Gains) on Curtailments	-	-	(347)
Benefits paid	(313)	(313)	(299)
Liabilities at end of period	<u>18,297</u>	<u>17,654</u>	<u>15,663</u>
Assets at start of period	11,360	10,994	10,907
Expected return on assets	709	685	643
Actuarial loss/(gain)	330	319	(401)
Employer contributions	751	709	597
Employee contributions	215	201	187
Assets distributed on settlements			(274)
Benefits paid	(313)	(313)	(299)
Assets at end of period	<u>13,052</u>	<u>12,595</u>	<u>11,360</u>

## Notes to the financial statements (continued)

## 24. Pension and similar obligations (continued)

## Local Government Pension Scheme (LGPS) (continued):

	Group Year ended 31-Jul-15	University Year ended 31-Jul-15	Group Year ended 31-Jul-14
	£000	£000	£000
<b>Movement in deficit during the year</b>			
Deficit in scheme at 1 August	(4,305)	(4,188)	(2,534)
Movement in year:			
Current service charge (net of employee contributions)	(793)	(733)	(692)
Contributions (employer)	751	709	597
Past service costs	-	-	-
Losses on Curtailments	-	-	70
Net return on asset	69	66	27
Actuarial (loss)	(969)	(913)	(1,773)
Deficit in scheme at 31 July (Note 25)	<u>(5,247)</u>	<u>(5,059)</u>	<u>(4,305)</u>

	Group 2015	University 2015	Group 2014
<b>History of Experience Gains and Losses</b>			
Difference between the expected and actual return on assets:			
Amount (£000)	330	319	(401)
Percentage of scheme assets	2.5%	2.5%	-3.5%
Experience gains and losses on scheme liabilities:			
Amount (£000)	100	100	(472)
Percentage of scheme liabilities	0.5%	0.6%	-3.0%
Total amounts recognised in STRGL			
Amount (£000)	(969)	(913)	(1,773)
Percentage of Scheme Liabilities	-5.3%	-5.2%	-11.3%

		Group		
	2013	2012	2011	2010
<b>History of Experience Gains and Losses</b>				
Difference between the expected and actual return on assets:				
Amount (£000)	1,112	(308)	691	441
Percentage of scheme assets	10.5%	-3.6%	8.7%	6.9%
Experience gains and losses on scheme liabilities:				
Amount (£000)	0	(110)	(315)	0
Percentage of scheme liabilities	0.0%	-0.9%	-3.3%	0.0%
Total amounts recognised in STRGL				
Amount (£000)	804	(1,565)	925	331
Percentage of Scheme Liabilities	6.1%	-13.3%	9.6%	3.7%

**Bishop Grosseteste University**

**Financial Statements**

For the Year Ended 31 July 2015

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Notes to the financial statements (continued)

25. Pension liability

	Group 2015 £000	University 2015 £000	Group & University 2014 £000
LGPS liability (Note 24)	5,247	5,059	4,305
Enhanced pension provision (Note 15)	395	395	381
	<u>5,642</u>	<u>5,454</u>	<u>4,686</u>

26. Capital commitments

	Group and University	
	2015 £000	2014 £000
Land and Buildings	228	49
Equipment	<u>114</u>	<u>6</u>
Commitments contracted for at 31 July	<u><u>342</u></u>	<u><u>55</u></u>

27. Financial commitments

At 31 July the University had annual commitments under non-cancellable operating leases as follows

	Group and University	
	2015 £000	2014 £000
Land and Buildings		
Expiring in more than five years	364	364
Equipment		
Expiring between two and five years inclusive	<u>30</u>	<u>30</u>
	<u><u>394</u></u>	<u><u>394</u></u>

28. Related Party Transactions

Due to the nature of the University's operations and the composition of the University Council (being drawn from public and private sector organisations) it is inevitable that transactions will take place with organisations in which a member of the University Council may have an interest. All transactions involving organisations in which a member of the University Council may have an interest are conducted at arm's length and in accordance with the University's financial regulations and normal procurement procedures. No transactions were identified which should be disclosed under Financial Reporting Standard 8 - Related Party Disclosures. In the opinion of the University Council there is no controlling party.

## Notes to the financial statements (continued)

## 29. Hardship funds &amp; opportunity bursaries

	Group and University	
	2015 £000	2014 £000
Balance brought forward	14	3
Funding Council grants	-	83
	<u>14</u>	<u>86</u>
Funding Council Grant Repaid	(4)	-
Disbursed to Students	(10)	(72)
	<u>-</u>	<u>14</u>

Funding Council grants are available solely for students; the University acts only as a paying agent. The grants and related disbursements are therefore excluded from the Income and Expenditure Account.

## 30. Training bursaries

	Group and University	
	2015 £000	2014 £000
NCTL Grants	1,300	1,114
Disbursed to Students	(1,313)	(1,454)
Administration	-	-
	<u>-</u>	<u>-</u>
Balance (owed)/unspent at 31 July, included in debtors	<u>(13)</u>	<u>(340)</u>

NCTL grants are available solely for students; the University acts only as a paying agent. The grants and related disbursements are therefore excluded from the Income and Expenditure Account.

## 31. Student associate scheme

	Group and University	
	2015 £000	2014 £000
NCTL Grants carried forwards	-	41
Utilised in Year	-	(41)
	<u>-</u>	<u>-</u>
Balance unspent at 31 July	<u>-</u>	<u>-</u>

## 32. Post Balance Sheet Events

No significant events have occurred since the balance sheet date.