



**The University of Northampton  
Higher Education Corporation**

**Annual Report and Consolidated  
Financial Statements  
for the year ended 31 July 2013**

## Consolidated Financial Statements for the Year Ended 31 July 2013

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### General Information

#### Principal address

University of Northampton  
Boughton Green Road  
Northampton  
NN2 7AL

#### Auditor

PricewaterhouseCoopers LLP  
Chartered Accountants and  
Statutory Accountants  
19 Cornwall Court  
Cornwall Street  
Birmingham  
B3 2DT

#### Bankers

Lloyds Bank  
Public and Community  
125 Colmore Row  
Birmingham  
B3 2HJ

## Format of the Financial Statements

These consolidated financial statements are presented within this report in accordance with the Statement of Recommended Practice (SORP) 2007 on Accounting for Further and Higher Education Institutions, and the 2012/13 HEFCE Accounts Direction. This means that the accounts of Further and Higher Education Institutions should be, where possible, prepared on both a comparable and consistent basis. They should also be prepared on a similar basis to the accounts of other corporate organisations.

SORP takes account of what is currently thought of as best accounting practice, the accounting provisions of the Companies Acts, Statements of Standard Accounting Practice, Financial Reporting Standards, as applicable to Further and Higher Education Institutions, and the concept of the "true and fair view", which is regarded as of paramount importance.

The consolidated financial statements cover the activities of The University of Northampton, The University of Northampton Enterprises Limited, iCon East Midlands and Icon Operations Limited.

## Membership of the Board of Governors

In May 2013, the Governing Council received approval from the Privy Council for its revised Instrument of Government and approved updated Articles of Government in May 2013. These changed its name from Governing Council to Board of Governors and thus 2012-13 has seen a transition in the operation of the governing body following the review it undertook of its governance structures during the previous two years. From September 2012 the governing body met on a monthly basis and almost all the work previously considered through the Finance and Estates Committee or the Governance, Administration and Employment Committee was taken directly to the Council/Board. For clarity the term Board has been used in this report unless the action was specifically on under the Governing Council. A further consequence of the changes was the formal reduction in the size of the governing body which was confirmed in May as 16 members. Its most significant consideration was the Gateway Review of the feasibility of the Waterside Project and its decision to proceed with this major change to the operation and location of the University and its impact on the future prospects of the University community, its town and region.

The report on the operation of the University Court and the Foundation from the consultant from the Leadership Foundation (who had provided the governing body review) and the options it proposed, was considered during 2012-13, alongside a further report on fundraising and philanthropy from Morgen Thomas Consultants. Revised structures were then developed for the Court to establish it as a more active and responsible stakeholder community with a role to support the University in a better informed way and contribute expertise to the University's work. The position of Pro Chancellor was established to support the day to day leadership of the Court alongside the Chancellor with recruitment being undertaken in 2013-14. The work of the Foundation is also being extended with new structures being put in place to underpin the philanthropic work required alongside the Waterside project. Additionally as a result of the work on evaluating its operation the Board in July decided to follow commercial good practice and establish one the governors as a Senior Independent Member to lead work of governing body effectiveness.

During 2012/13, the Members of the Board of Governors were as follows:

### Abbreviations:

Audit	Audit Committee
F&E	Finance and Estates Committee
GA&E	Governance, Administration and Employment Committee
Nominations	Nominations Committee
Remuneration	Remuneration Committee

<b>Name</b>	<b>Category</b>	<b>Committee Membership</b>
Mr Milan Shah - Chairman	Independent	F&E, GA&E, Nominations, Remuneration and SRG
Reverend Will Adams Deputy Chairman	Independent	F&E, GA&E, Nominations, Remuneration.
Mrs Clare Colacicchi	Independent	GA&E, Remuneration
Mrs Celia Conquest	Independent	GA&E
Mr Richard Davies	Independent	Audit
Ms Helen Flach	Independent	Audit
Mrs Ann Gilbert	Independent	Audit
Mrs Sylvia Hughes	Co-opted	F&E
Mr Tim Joaquim	Co-opted as Student Governor	Nominations
Dr Ron Mendel	Nominated as Senate member from April 2013	GA&E and Nominations
Professor Nick Petford	Vice Chancellor of the University	F&E, GA&E, Nominations, Remuneration and SRG
Mr Nicholas Robertson	Independent	Audit
Mr Andrew Scarborough	Co-opted	F&E and SRG
Mr Ron Simms	Independent	GA&E and SRG
Mr Simon Sneddon	Nominated as Senate Member to December 2012	GA&E and Nominations
Mr David Watson	Co-opted as Support Staff Member	F&E and SRG

Appointed by Council as external representatives to the Audit Committee only:

Mr John Neilson  
Ms Sarah Canning

Appointed to the Nominations Committee as Court Representatives:

Lady Jenny Harper  
Sir Patrick Walker

As at 20 November 2013, the Board of Governors of The University of Northampton consisted of:

Ms Havior Chen	Professor N Petford (Vice Chancellor)
Mrs C Colacicchi	Mr N Robertson
Mr R Davies	Mr A Scarborough
Ms H Flach	Mr M Shah (Chairman)
Mrs A Gilbert	Mr D Watson
Mrs S Hughes	Mr M Mulcahey
Dr Ron Mendel	Mr M Pettifor
	Mr N Pitts-Tucker

.....  
  
 ..... Milan Shah (Chairman)

.....  
*20<sup>th</sup> November 2013*  
 ..... Date

## **Statement of Primary Responsibilities for the year ended 31 July 2013**

### **1.1 Introduction**

- 1.1.1 The University of Northampton is a higher education corporation which derives its authority and degree awarding powers from Orders in Council dated 24 and 25 August 2005 pursuant to the Education Reform Act 1988 as amended, and its operation is governed by an Instrument and Articles of Government approved by the Privy Council in 1989 and amended in 1993, 2003, 2005 and with the current version approved in May 2013.
- 1.1.2 The Instrument and Articles of Government regulate the University's governance, administration, and procedures and define how the University functions. It constitutes part of the legal and regulatory framework that ensures that the University's decisions and operations are efficient, transparent and accountable to its users and to the community. As a constituent element of the Constitution, the University is required to have in place this formal Statement of Primary Responsibilities, encapsulating the general principles within which the Board and Governors, both individually and collectively, exercise their powers and responsibilities.

### **1.2 Powers and Duties of the Governing Body**

- 1.2.1 To be responsible for overseeing the management and administration of the affairs of the University and for the planning of its future development, including approval of both its mission and strategic vision, and its long term academic and business plans and related Key Performance Indicators, to meet the interests of all stakeholders.
- 1.2.2 To ensure that processes are in place to monitor and evaluate the performance and effectiveness both of the University generally and of its Governing Body against the relevant Plans, Policies and Key Performance Indicators, benchmarking them, where appropriate, against other comparable Institutions.
- 1.2.3 To safeguard the good name and values of the University and to conduct its business in accordance with Best Practice in Higher Education Corporate Governance and the Principles of Public Life drawn up by the Committee for Standards in Public Life.
- 1.2.4 To be the legal authority of the University, and, as such, to ensure that systems are in place for meeting all of its legal obligations, including compliance both with the general law relevant to its operation, its Constitution and all its legal and contractual commitments, acting formally as Trustee of any property, legacy, endowment, bequest or gift in support of the work or welfare of the University.
- 1.2.5 To be the principal financial and business authority for the University, approve its annual Budget and Financial Statements and to be responsible for the Assets, Property and Estates Strategy of the University.
- 1.2.6 In exercise of these responsibilities, to ensure the establishment and monitoring of all necessary systems of control and operation, including financial and operational controls, strategies and audit systems and also risk management, which latter shall include both procurement procedures and those for handling internal grievances and managing conflicts of interest.
- 1.2.7 To be the formal employing authority for all University staff.
- 1.2.8 To appoint the head of the University as Vice Chancellor, and in accordance with the Articles of Government to delegate authority to him/her, as Chief Executive, for the Academic, Corporate, Financial, Estate and Personnel management of the University, establishing and

keeping under regular review the policies, procedures and parameters within which such management functions shall be undertaken.

- 1.2.9 To appoint such other Holders of a Senior Post as so defined within the Articles of Government or Byelaws, to determine their pay and conditions, and to establish procedures for their appraisal, suspension, dismissal and hearing of grievances.
- 1.2.10 To make, in consultation with the Senate, such provision as is necessary for the general welfare of students and further to take such steps as are reasonably practicable to support the Students' Union and to ensure that it operates in a fair and democratic manner and is accountable for its finances.
- 1.2.11 To ensure that the processes are in place to provide for and monitor the welfare and health and safety at work of its employees, visiting staff and others, including the approval of all necessary policies, training and consultation to achieve this.

### **1.3 General**

- 1.3.1 The exercise of the foregoing rights, duties and responsibilities shall at all times be subject to the general law, the Instrument and Articles of Government of the University and any formal Policies approved there under.

## Report of the Board of Governors for the year ended 31 July 2013

### Operating and Financial Review

#### The Educational Character and Mission of the University of Northampton

The University of Northampton is a modern, innovative and responsive institution with both a national and international reputation. Its mission is simple; to transform lives and inspire change.

With a dedication to delivering a student experience of the very highest quality, the University also seeks to enhance the economic, social, cultural and creative reputation of our region. The University wants to create a culture of empowerment, responsibility, tolerance and excellence, whilst staying committed to innovation, value for money and financial sustainability.

#### Financial Review

The financial results are summarised below so that the University's performance can be compared against the previous year's results, with and without the impact of the FRS 17 adjustments which account for the University's share of certain pension scheme liabilities.

	<b>2012/13</b> <b>£000</b>	<b>2011/12</b> <b>£000</b>
Income	101,488	97,995
Expenditure	(99,400)	(96,359)
Historical Cost Surplus before FRS 17 adjustments	2,088	1,636
FRS 17 Adjustments	(976)	(762)
Historical Cost Surplus/(Deficit)	1,112	874
Reserves (excluding pension liability)	54,207	52,783
Pension reserve	(22,649)	(25,244)
Total Reserves	31,558	27,539

#### The Position of the Institution at the End of the Year

At the end of the year, the University was in a strong financial position; cash positive, growing successfully, and generating operating surpluses that improve the balance sheet and increase our resilience to the forthcoming changes in the Higher Education Funding. Significant investment was also made during the year across the University to improve student experience.

#### Main trends and factors which are likely to affect the Institution's future development, performance and position

The Government's Higher Education White Paper, published in June 2011, laid out plans that will radically change the delivery of Higher Education from 2012. Whilst promising to reduce levels of bureaucracy, it also puts students at the heart of the system, introduces greater competition by encouraging other providers to enter the system, and expects universities to be more accountable and ring-fences 85,000 places as contestable within the sector in 2012/13. All these changes represent both significant opportunities and threats to the University of Northampton.

The University's financial strength continues to improve, with another strong year. This puts the institution in an excellent position to invest further in the student experience, so Northampton can increasingly become an attractive destination for students.

The market for overseas students continues to hold potential for the University, although it is increasingly competitive. Additionally, changes brought in by the UK Border Agency are likely to affect the number of overseas students entering the UK.

Whilst the challenges that lie ahead are great, the University is confident of its ability to meet them.

## **The General Operating Environment**

Despite slow UK economic growth, and the cap on UK full-time undergraduate student numbers, the operating environment for the University and the Higher Education sector in 2011/12 was good. Demand for all modes of education, full and part-time, undergraduate and postgraduate, from both UK and overseas students continued to be strong.

The pay settlement for 2012/13 was modest, so although pension and National Insurance costs continue to rise, total pay increases were not at the unsustainable rate experienced in the mid 2000s.

The University invested extensively on student experience through its physical and IT infrastructure and services. We are pleased to report another operating surplus, further enhancing our reserves and increasing our financial resilience to future funding reductions and sector turbulence.

## **Key Performance Indicators (KPIs)**

Under the 2010-15 Strategic Plan, 20 Key Performance Indicators (KPIs) have been established with targets that lead to the Raising the Bar aspirations by the 2014-15 academic year.

During 2012-13 the number of KPIs receiving close attention from the Board of Governors was 16, with 7 being given detailed monthly scrutiny. The KPIs are divided into four balanced scorecard perspectives: Student Experience, Financial Sustainability, Intellectual Capital and Strategic Partnerships. The results are reported to the Governors' according to the schedule of publication for each of the KPIs.

## **Performance against KPIs 2012/13**

In 2012-13, figures available at the time of publication show that the University performed particularly strongly against our financial sustainability targets and also the specific KPIs relating to the National Student Survey, Destination of Leavers from Higher Education Survey and investments in social enterprises, and the numbers of academics holding doctorates.

The University performed less well against its targets in other areas, notably the subject balance of its international recruitment and its research income in a climate of increased competition for publicly funded research. A detailed analysis is being undertaken in these areas to identify how the targets can be achieved moving forward and how successes can be built on further.

## **Major Risks**

During 2012-13, the University consolidated its approach to risk management and began deeper analysis of risk appetite. Risk assessment is embedded in the University and risk registers are held at institutional and School or Service level. The mind-map approach is used for identifying the School or Service risks that underpin an institutional risk, with presentation in traditional format for governor consideration. The governance relating to risk management and the use of mind-mapping software were identified as good practice in the recent internal audit of this area.



The risk register is monitored regularly by the University's Risk Management Group (comprising the University Executive Team and Director of Professional Service), and the Audit Committee. As well as regular presentation to the Board of Governors, a particularly details risk analysis was prepared in relation to the gateway decision taken by the Board on the Waterside project in May 2013.

## **Cash Flow**

Information regarding the University's cash position for 2012/13 is included in the financial statements, and complies with the requirements of Financial Reporting Standard 1.

The continued investment in the campus and associated facilities for staff and students has resulted in a fall in cash for the year.

## **Subsidiary Companies**

The University's 100% owned subsidiaries, University of Northampton Enterprises Limited, iCon East Midlands, and Icon Operations Limited, continued to trade in 2012/13. Further details of which are included within Note 10 to the financial statements.

## **Payment of Creditors**

The University's standard payment terms are 28 days, although some agreements have been negotiated individually with suppliers to obtain the best value for money. We estimate that in excess of 90% of approved invoices are paid on or before the due date.

## **Capital Projects**

### **2012/13**

The University Continues to make significant investment in developing its built estate and technology infrastructures.

Following the decision earlier in the year by the Governing Council to commit to the new Waterside Campus, capital expenditure for the existing campus sites has been reviewed.

Whilst it is recognised appropriate teaching and learning environments need to be maintained in the interim so as not to adversely impact student recruitment and experience, there is no need for long term strategies for the Park and Avenue sites, this will be reflected in capital allocations going forward.

The 2013/2014 capital allocation for the existing estate has enabled improvements at Avenue Campus for the School of the Arts with a budget of £500,000 and at Park, £200,000 for the completion of a 3 year programme of works to enhance Library facilities. Also a £500,000 refurbishment of Spencer Percival Hall of Residence has been completed. The underlying drivers for these works are to enhance student experience and support recruitment.

Ahead of the proposed move to Waterside in 2018 we are seeing the construction of 2 flagship buildings in the Northampton Town Centre Enterprise Zone. Firstly the 470 bed St John's Hall of Residence, a £25 million development on land that was previously used as a car park. Work is progressing well with the building nearing completion. Hand over and occupation is scheduled for early 2014.

Work will also start shortly on the Black Lion Hill Innovation Centre. The project is budgeted at £8.5 million and will stand as the gateway building to the Enterprise Zone. Construction will commence in November of this year and completion anticipated in spring 2015.

The £330 million waterside development itself is now in detailed design. An outline planning application has been submitted and early phases of land remediation are already underway on site.

## **Sustainability and Environmental Management**

2012/13 has been the third and final year of the University's HEFCE-funded 'Keeping it Local – Shared Solutions for Sustainability' project, with collaboration between the School of Science and Technology and Infrastructure Services leading to the development of the Biodiversity Index; an interactive web-based tool, believed to be the first of its kind anywhere in the world, that enables organisations with little or no knowledge of biodiversity to do a rapid but scientific assessment of the current level of plant diversity on their site. After the organisation undertakes a simple biodiversity site survey, the tool will give a score and report, as well as suggesting ways to improve each habitat. The Biodiversity Index was launched at the Environmental Association for Universities and Colleges annual conference in April 2013, and has been awarded a Green Apple Gold Award and is a Green Gown Awards finalist.

The 'Access to Education' sustainable travel project, being funded by the Department for Transport and undertaken in partnership with Northamptonshire County Council and Sustrans, has gone from strength to strength in 2012/13. The two Sustrans officers recruited to the project have been working with the University, colleges and schools on the Kingsthorpe corridor to inspire more children, students and staff to walk or cycle to help reduce local congestion, encourage healthier travel and minimise the effect of traffic and transport on the natural environment.

The installation of additional covered bicycle parking areas at both Avenue and Park Campus and upgrading of existing cycle racks for Halls of Residence have been funded via the 'Access to Education' project. Cycling promotion events and activities undertaken during the year to encourage the take-up of active travel have included guided rides, 'Dr Bike' maintenance sessions, pedal-powered cinema and bicycle polo. During the year, the University set-up the opportunity for employees to lease a new bicycle of their choice via salary sacrifice, which gives a tax exemption under the Government's Cycle to Work scheme. Pool bikes for short-term use by staff and students have also been provided.

The University increased the amount of its waste that is re-used or recycled to 73% of the total waste arising in 2012/13. Following the re-procurement of waste contracts in summer 2012, a new service provider commenced in September 2012 bringing a number of innovations to the University, including the collection and treatment of food waste from the halls of residence and restaurants, and segregation of materials for re-sale and recycling. There has been an increased focus on reducing waste sent to landfill across the campuses, resulting in the University's halls of residence recycling scheme winning a prestigious Green Apple Award for its achievement of zero waste to landfill.

In 2012/13, the University continued to undertake significant initiatives to improve the energy efficiency of its existing buildings in order to reduce greenhouse gas emissions in line with its 2011 Carbon Management Plan. These initiatives included the installation of three voltage optimisation units at Park Campus, upgraded lighting in Avenue Library and Gallery, installation of LED lighting in the Students' Union building at Park Campus, and the continued success of 'Student Switch Off' – a halls of residence energy saving competition.

Overall 2012/13 was a particularly cold year and this led to a small increase in the University's annual scope 1 and 2 emissions of carbon dioxide, which were calculated at 8,225 tonnes. This represents a 3.5% increase compared to the institution's 2005 baseline, against a 17.5% increase in building area over the same time period. Despite this weather-related increase, the University continues to work towards meeting its 2020 carbon emissions reduction target of a 43% decrease, compared to the 2005 baseline of 7,947 tonnes of carbon dioxide. The University's Chief Operating Officer has been given responsibility for overseeing carbon performance in respect of emissions reduction targets and performance against them.

Further information about the University's environmental and sustainability initiatives can be found by visiting [www.northampton.ac.uk/green](http://www.northampton.ac.uk/green).

## **Employee / Student Involvement**

Owing to the considerable value the University places on employees and students, both groups are represented on the Board of Governors. In accordance with best practice within the sector, the institution operates a Joint Consultation and Negotiation Committee with recognised trade unions within the University. An equal opportunities policy is operated and an annual grant is made to the Students' Union within the constraints of current legislation.

## **Employment of Disabled People**

Applications for employment by disabled persons are always given full and fair consideration bearing in mind the individual's aptitude and abilities. In the event of employees becoming disabled, every effort would be made where necessary to relocate or retrain them in order that their employment with the University may continue.

## **Academic Performance and Development**

The Academic Quality and Standards Committee (AQSC) advise the Senate on the maintenance of the standards of the University's academic awards. In its Annual Report, AQSC noted the very positive reports from external examiners confirming that the academic standards were appropriate, the University's assessment processes were sound and fairly conducted, and that student performance was comparable with that in other UK institutions. Standards and learning and teaching strategies were also confirmed through validation and periodic subject review events, which were conducted with external peer review by academics and professionals alike.

The University continued to experience successful accreditation, re-accreditation and external review visits from professional statutory and professional bodies, demonstrating both external benchmarking of its standards and the relevance of its awards to employability. In this regard, the University was particularly pleased to have awards recognised by bodies representing a diversity of professional bodies including: General Dental Council Nursing; Nursing and Midwifery Council; Chartered Institute of Waste Management; Tourism Management Institute; Chartered Institute of Housing; Skillsmark (endorsed FdA Police and Criminal Justice Studies); Children's Workforce and Development Council (Early Years Professional).

## **Academic achievement**

82% of students (2,254.5 out of 2,763 full and part-time) achieved an undergraduate degree after the summer exams in 2012/13. Of these, 1,547 achieved a "good degree" (1<sup>st</sup> or 2:1).

96% of students (2,845 out of 2,958 full and part time) achieved an undergraduate degree after the autumn exams in 2012/13. Of these, 1,797.5 achieved a "good degree" (1<sup>st</sup> or 2:1).

## **National Student Survey**

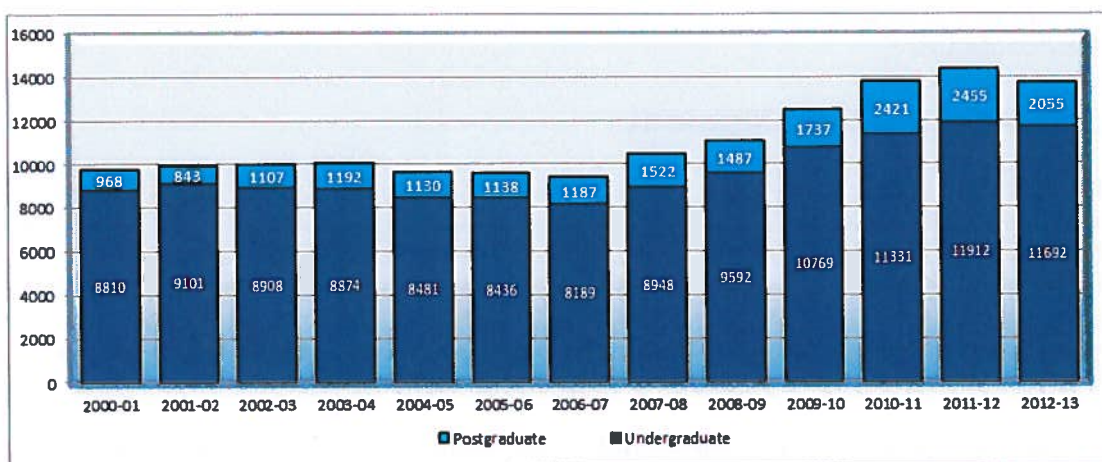
In the 2013 National Student Survey (NSS), the University ranked joint 4th out of the 49 comparator institutions. For 'Overall satisfaction', 88% of students agreed that they were satisfied. The University achieved above HEI sector average levels of satisfaction in all sections with the exception of 'Learning Resources'. Across the whole sector, including FECs, the University is in the top quartile for 'Assessment & Feedback' and 'Personal Development' and at the top quartile mark for 'The Teaching on my Course' and 'Academic Support'.

After the University's investment in learning resources, the results for this area, whilst below average, are showing year on year improvements with a 4% increase in 2012 and a 5% increase in 2013. The University will be continuing in this work to further improve satisfaction levels.

## Trend Data

Total enrolled Higher Education students 2012/13

	<b>Undergraduate</b>	<b>Postgraduate</b>	<b>Total</b>
Full-Time (Home)	8,759.5	282	9,041.5
Full-Time (Overseas)	787	409	1,196
Part-Time (Home)	1,946.5	1,289	3,235.5
Part-Time (Overseas)	199	75	274
<b>Total</b>	<b>11,692</b>	<b>2,055</b>	<b>13,747</b>

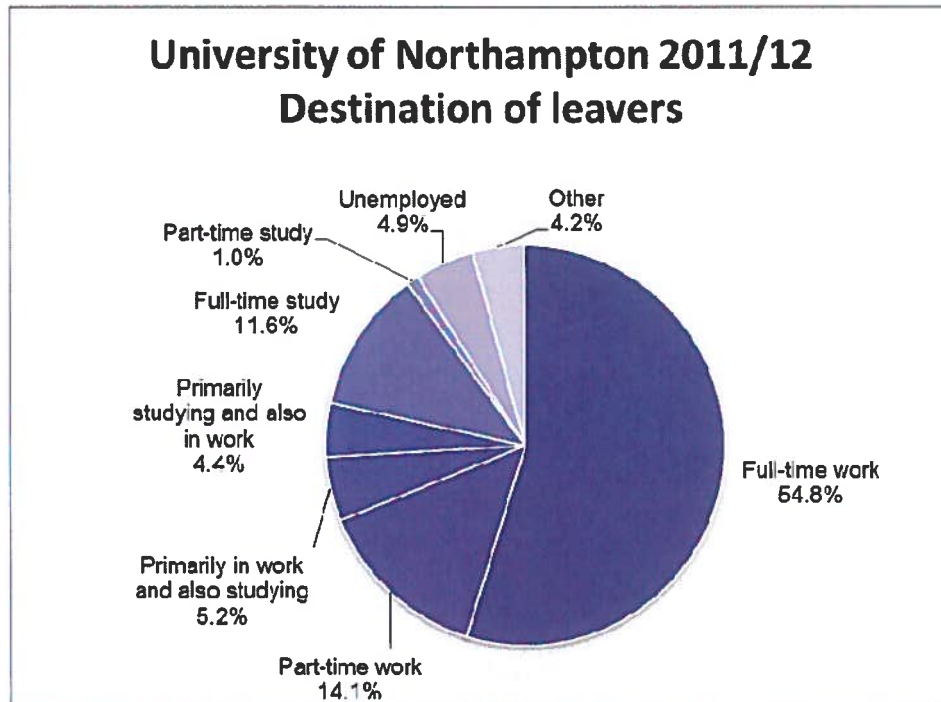


## Destination of Leavers from Higher Education

The Destination of Leavers from Higher Education Survey (DLHE) is undertaken each year. The 2011/12 survey covered students successfully completing courses between 01/08/2011 and 31/07/2012 and asked for information about their employment and study status six months after their departure. The survey covered all UK, EU and non EU domiciled award holders completing undergraduate, postgraduate, foundation degrees, certificates in HE, diplomas in HE, HNDs and HNCs, whether full or part-time.

The results showed that 91% of leavers who supplied data were in work or study (or both). Of all leavers who are available for work, this figure is 95%.

There were 4534 eligible leavers in 2011/12 of whom 3400 (75%) leavers supplied the following information:



\*This breakdown excludes those leavers who gave an 'explicit refusal to take part' in the survey, but includes those alumni who are 'not available for employment' or 'other'.

\*This breakdown excludes those who are 'not available for employment' or 'other' as used in the HESA Employment Performance Indicators.

### **Distribution of Higher Education Students (2012/13)**

9.1% of full-time students and 6.4% of part-time students state that they have some form of disability (2012/13).

34.7% of full-time students and 20.0% of part-time students come from Black and Minority Ethnic communities (2012/13).

In 2010/11 (latest HESA Performance Indicators for entrants 2010/11) 98.0% of young full time undergraduate entrants came from state schools. 39.8% of young full time undergraduate entrants are from Social Class NS-SEC 4, 5, 6 & 7 and 14.9% are from Low Participation Neighbourhoods.

Participation in subject areas is indicated broadly by the recruitment of schools:

### Distribution by School 2012/13

<b>School</b>	<b>Full-time</b>	<b>Part-time</b>	<b>Total</b>
The Arts	1,482	89.5	1,571.5
Education	1,350	810	2,160
Health	1,885.5	817.5	2,703
Northampton Business School	2,561	742.5	3,303.5
Science and Technology	620.5	535	1,155.5
Social Sciences	1,547	132	1,679
Partner Colleges	694.5	284	978.5
Research Students	63	99	162
Unassociated Students	34	0	34
<b>Total</b>	<b>10,237.5</b>	<b>3,509.5</b>	<b>13,747</b>

### Distribution by Gender

<b>Full-time</b>	<b>Total</b>	<b>Male</b>	<b>%</b>	<b>Female</b>	<b>%</b>
<b>Postgraduate</b>	691	329	52	362	48
<b>Undergraduate</b>	9,546.5	3,444	36	6,102.5	64
<b>TOTAL</b>	<b>10,237.5</b>	<b>3,773</b>	<b>37</b>	<b>6464.5</b>	<b>63</b>

<b>Part-time</b>	<b>Total</b>	<b>Male</b>	<b>%</b>	<b>Female</b>	<b>%</b>
<b>Postgraduate</b>	1,364	418	21	946	69
<b>Undergraduate</b>	2,145.5	996	46	1,149.5	54
<b>TOTAL</b>	<b>3,509.5</b>	<b>1,414</b>	<b>40</b>	<b>2,095.5</b>	<b>60</b>

### Distribution by Age\*

<b>Full-time</b>	<b>Total</b>	<b>Under 21</b>	<b>%</b>	<b>21 &amp; Over</b>	<b>%</b>
<b>Postgraduate</b>	691	2	1	689	99
<b>Undergraduate</b>	9,546.5	4,872.5	51	4,674	49
<b>TOTAL</b>	<b>10,237.5</b>	<b>4,874.5</b>	<b>48</b>	<b>5,363</b>	<b>52</b>

<b>Part-time</b>	<b>Total</b>	<b>Under 21</b>	<b>%</b>	<b>21 &amp; Over</b>	<b>%</b>
<b>Postgraduate</b>	1,363	0	0	1,363	100
<b>Undergraduate</b>	2,145.5	117	5	2,028.5	95
<b>TOTAL</b>	<b>3,508.5</b>	<b>117</b>	<b>3</b>	<b>3,391.5</b>	<b>97</b>

\* Age = as at the beginning of year of study

Note: Numbers do not always tally as there were a small number of missing dates of birth (not detailed).

### Research and Enterprise Income.

The value of research and enterprise (R&E) bids won over 2012/13 was £5m. This is a disappointing performance caused by several factors not least the increased competition for a diminishing external funding resource. The level of income received during the year does not give justice to the high quality bids and success rates that were achieved during the year. As of January 2013, the University submitted bids worth £9,066,282 of which £971,872 were successful, giving us a 10.72% success rate. The situation is even better for enterprise and innovation where the success rate is 63.39% (£1,424,821 won against a bidding value of £2,247,684). Before the end of the year, the University secured two further large European projects worth €100,000 and £248,000 respectively.

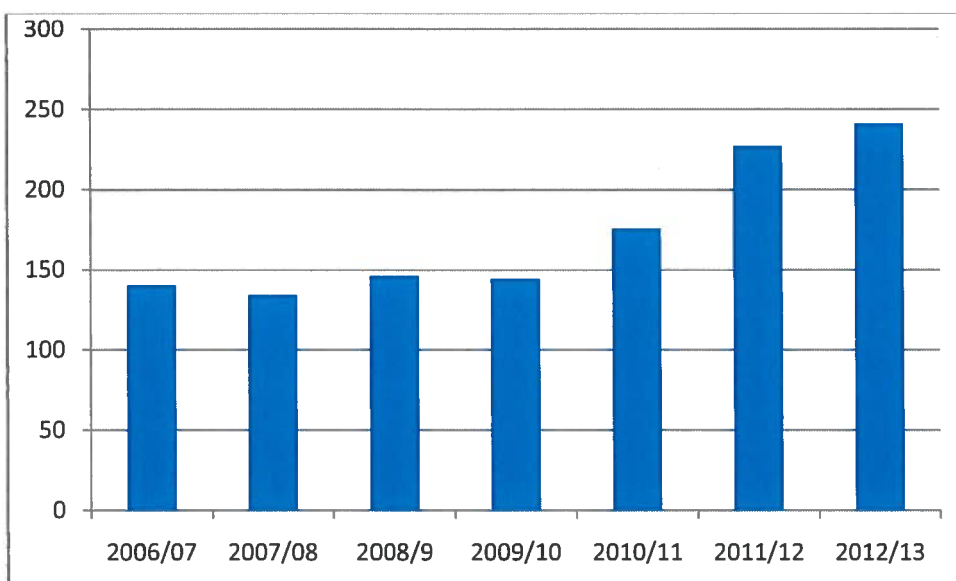
Worth noting also, that this year is the year of the preparation for the REF submission. Significant (staffing) resources were dedicated to put together a good REF submission. This meant that a number of R&E active staff had less time to dedicate to working on income-generating projects.

### Postgraduate Research Student.

During 2012/13 the revised remit of the Graduate School was bedded in. The University awarded 21 PhDs and 3 MPhils during the year. To support a steady growth in our postgraduate research (PGR) students 37 research degree bursaries as follows:

- Fully funded by UoN central funds – 25
- 50% funded by UoN central funds – 7
- Funded by Schools' own funds – 5 (inc. 1 MPhil)

The above investments are in line with the vision of the University's strategy for 2010-15 presented in *Raising the Bar*, and the need to grow our PGR student numbers and provide them with a stimulating and supportive environment. The steady increase in numbers is depicted in the chart below.



## **Intellectual Property.**

For a greater exploitation of its intellectual property (IP) and in order to help drive enterprise activity, the University continues to work with the Leicester-based intellectual property and innovation specialists ProspectIP. The University is exploring all potential IP opportunities within schools and departments.

The new IP policy was launched during the year. It covers all University intellectual property including student work and e-learning and distance-learning material.

In April, the University launched a pioneering interactive biodiversity index. The web-based tool enables organisations with little or no knowledge of biodiversity to do a rapid but scientific assessment of the current level of plant diversity on their sites. The University is working with ProspectIP to explore potential commercialisation of the tool.

The University continued to drive the innovation agenda in the county. The Portfolio Innovation Centre had another excellent year with the majority of the 49 tenant companies showing growth. This is particularly pleasing during the difficult economic climate and demonstrates that the synergy with the University and the business support provided are working well. Tenants are working on many projects with the University, including course development and international student support.

NVision's core 3D immersive visualisation technologies have seen a shift in emphasis this year, with greater focus on hosting events and the delivery of tailored 3D solutions including e-learning. The expertise developed over the year has now put the University in a position to develop state of the art virtual online tools to support e-learning, for both staff and students. The total amount of income generated from external projects is £65,000. This does not include the income received from renting space to tenants such as the British Institute of Non Destructive Testing (BINDT), the Institute of Corrosion (ICORR), Three Five Design and Threshold Studios. The demand for space in NVision from external clients grew significantly this year. Currently all offices dedicated for external clients is occupied. The new NVision management is looking at ways of using existing space efficaciously to pave the way for new clients to move to the University.

The ICON Environmental Innovation Centre has currently 31 tenants (70% occupancy).



## Statement of Public Benefit

### Introduction

The Charities Commission has issued guidance on public benefit requiring, inter alia, that there must be clearly identifiable benefits related to the aims of the charity, that the benefits must be to the public or a section of the public and where the benefit is to a section of the public that the opportunity to benefit must not be unreasonably restricted by geographical or other restrictions or by ability to pay fees and that people in poverty must not be excluded from the opportunity to benefit. We have given due regard to the Charities Commission's guidance on public benefit. The objects of a Higher Education Corporation can be inferred from the Education Reform Act 1988, section 124, which sets out the powers of a Higher Education Corporation. These include powers to 'provide higher and further education' and 'to carry out research and publish the results of the research.'

The University of Northampton makes a significant contribution, via its research, teaching and other activities, not only to the advancement of education but to the following 8 of the 12 specific categories set out in the Charities Act 2006. The examples below illustrate how the University meets the requirement of the public benefit test.

### The advancement of education

By advancing student learning the University makes a significant contribution to the social, economic and cultural development, regionally, nationally and internationally. The University offers courses to meet a wide range of needs and interest, from foundation and undergraduate level, to postgraduate, professional and doctoral qualifications. It has a student population of over 13,500 including over 1,300 international students. The University is accessible to all who can benefit from higher education, whatever their background, and offers generous bursaries to those who need them. The University has a unique offer, that all its students can work in social enterprises as part of their degree. Several hundred students are taking advantage of this offer, gaining new practical learning that enhances and supports their more theoretical studies. This new approach is advancing both education and employability.

The University of Northampton has a tradition of raising aspiration and supporting achievement by working with young people, teachers, schools and colleges across Northamptonshire, the East Midlands and beyond. Whilst the HE sector faces a period of unprecedented uncertainty the University's commitment to working with schools and colleges remains undiminished. Our mission to '**Transform lives and inspire change**' is more important than ever in these challenging times. The agenda for school engagement is an embedded part of the University's strategy – Raising the Bar.

Our commitment is to all local schools, across all phases of education. We believe that children are never too young to be thinking about their future or to be encouraged to aspire to be the best they can be.

Our work in Primary schools is aimed specifically at widening children's horizons and allowing them to see the extent of possibilities and the range of opportunities that exist. We work closely with Primary partners to enrich and enhance provision in raising aspiration and achievement.

Our work with secondary schools covers the same range of activities but also inevitably has an additional focus on giving students the opportunity to visit us and to see first-hand what University is like. Teams from across the University work with students and their teachers to enable them to make the right career choices and to write successful university applications. Our work also includes specific input into curriculum areas to help schools to enrich their curriculum offer.

The School of Social Sciences continues to work in close collaboration with police forces to develop pioneering and innovative education programmes for police personnel. The Skillsmark accredited

Foundation Award in Policing in the School is now recognised nationally and is informing similar developments across the country. The School is also a pioneer in providing inter-professional education for those occupations within the broad field of criminal justice practice.

In terms of its specialism's, the University enjoys a reputation as an international leader in materials science and is home to the British School of Leather Technology; it has established the SITA Centre for sustainable Wastes Management, which is at the forefront of research in its area; the Centre for Children and Youth enjoys an international reputation for research on primary education; and the Centre for the Study of Anomalous Psychological Processes works closely with St Andrew's, the county's largest mental health hospital situated in Northampton. The University is also well known for specialist expertise in the arts and humanities, Anglo Chinese relations and special needs education.

As a consequence of our activities we believe society benefits from:

### **a) health or saving of lives**

The Centre for Health and Wellbeing has carried out a number of projects in the last year that are assisting the Primary Care Trust in the commissioning of services to increase health and wellbeing of the local population based on a sound evidence base. As the sole provider of nursing and midwifery education in the county, the students of the University, when qualified add to the advancement of health and good quality care that saves lives. The University has its own Podiatry Clinic that not only trains students but also provides discounted health care treatment to several hundred members of the community each year. Operated as a social enterprise, the Clinic also provides free treatment and care to the homeless and other significantly disadvantaged people.

### **b) citizenship or community development.**

The University of Northampton puts significant resources into developing its students to be responsible, entrepreneurial citizens. Our social enterprise strategy is driven by three values that both promote citizenship and, in consequence, help develop our local community, as well as the wider social enterprise sector.

Our social enterprise values: providing a unique student experience of the very highest quality, developing both theoretical and practical competence in social enterprise; encouraging, supporting and developing entrepreneurial skills and enterprising attitudes among our students, our staff, and the members of the communities we work with; and striving to deliver a fairer and more equitable society, mean that we have placed citizenship and community development at the heart of what the University of Northampton does – it is what makes us unique among higher education institutions in the UK.

Our success in devising and delivering initiatives that help us live our values have been recognised by our gaining the title of 'Most Enterprising University' in the most recent Midlands Business Awards, and by being publicly praised by Nick Hurd MP, Minister for the Civil Society, part of the Cabinet Office. We are also frequently cited in the national and specialist media for our work on social enterprise. However, perhaps more important than these accolades the numbers of students actively engaged in social enterprise learning and activity has grown significantly over the last 12 months (the second full year of the strategy).

Over 1,500 students have been actively engaged in social enterprise activities over the past year of which 860 students have been supported in business and social enterprise activity including those provided with in-depth support on the Enterprise Inc scheme (48 individuals supported/24 business start-ups), , those supported by the Higher Education Innovation Fund (HEIF) Social Enterprise Development scheme (24 individuals supported/10 start ups), via Schools Enterprise Days (189 individuals supported), and via Her Majesty's Prison Wellingborough (38 individuals supported). Our Big Ideas Bonanza scheme has led to staff and students working with members of the community to set up, and gain support and funding for, four new social enterprises operating in areas including mental illness and women refuges.

We have also supported University staff and students in setting up 18 social enterprises - including: Coco Careers (student and graduate employment), Inspire2Enterprise (support to the social enterprise sector), Homework Hub (support for parents to enable them to help their children with homework), and Adventure Ways (community activities for disaffected NEETs).

The Inspire2Enterprise social enterprise service has supported over 2,000 social enterprises throughout the UK. It is the only national social enterprise support service and enables both our students to get placements and our staff to gain subjects for new research projects and the development of new teaching and learning material.

### **c) arts, culture, heritage or science**

The School of Arts engages with its community in a range of ways from working with the Fish Market Arts Space in the Centre of Northampton, Northamptonshire Dance, collaborating in the Northamptonshire Lion charity fund raising event to raise funds for Born Free and the Cynthia Spencer Hospice, to create an exciting new community theatre company named 'Act Out', who will work in the community using scenario acting on specific subjects or issues with the view to education or awareness raising. In addition, our design staff and students have undertaken numerous projects that have helped local and regional business with their identities or products. Through our social enterprise strategy the University has set up a classical music co-operative (the Artists Recording Company) that enables young people in disadvantaged communities throughout Northamptonshire to become involved in making classical music. In addition, Northampton theatre studies graduates have set up the Tap the Table social enterprise theatre company, creating performance art and workshops aimed at addressing social issues in the wider community, including unemployment and knife crime.

### **d) amateur sport**

The University supports the Students Union financially to allow for the development of sports clubs. This has led to students participating in a wide range of sports and for some students, playing at regional and national levels. The University opens up its campus for the local communities to use its facilities. Students on sports related programmes of study also undertake qualifications in coaching skills. The University's support for student run social enterprises has also enabled students to set up Kiddie Coaching, a social enterprise using sport as a way of promoting active living to address issues of poor diet and obesity, and iDID Adventure, a business that helps build positive thinking in people with disabilities by engaging them in adventure sports.

### **e) human rights, conflict resolution or reconciliation or the promotion of religious or racial harmony or equality and diversity**

The Multi-Faith Chaplaincy promotes religious harmony within the University and works within the wider community. The University has appointed a full time chaplain.

The University of Northampton is committed to ensuring that all students, staff, visitors, and others we have contact with, are treated fairly and with dignity and respect. We celebrate the diversity of our University (and wider society) and work to ensure that the human rights of all are enhanced and protected.

### **f) environmental protection or improvement**

The advancement of environmental protection and sustainability sits at the core of the School of Science and Technology's mission. The School is home to the University's Centre for Sustainable Wastes Management, which has a significant track record in working with business, local and

national governments and voluntary organisations to provide research, education and training in the broad area of sustainability. In particular, the Centre provides businesses with advice, training and research in environmental auditing, wastes minimisation and environmental legislation. The Centre and the Environmental Science team are also working closely with staff in Leather Technology to improve and enhance the efforts of the Leather industry to address that industry's often unwarranted reputation for pollution and environmental impacts, through interventions such as composting of leather by-products and use of reed beds to filter organic and chemical wastes.

Both Leather and Wastes Management are leading the way in internationalisation of the curriculum and of the University's reach, Wastes has existing or developing relationships with HE establishments in India, Nigeria, Brazil and Trinidad, which will provide education for future environmental managers in those emerging economies. The Nigerian example in particular relates to empowering individuals who earn their living by "scavenging" electronic wastes to do so in as safe and responsible a manner as possible.

The University has a range of research projects which are providing crucial information for the sustainable management of the environment. These range from assessing a range of different low-carbon homes at the ground-breaking Upton Project, in Northampton, to addressing the decline of pollinators in both the UK and world-wide.

**g) the relief of those in need, by reason of youth, age, ill-health, disability, financial hardship or other disadvantage**

The Access Ability Team provides guidance, advice and support to all students who have a disability. In addition the University has an independent Disabled Students Allowance assessment centre which is open to all Higher Education students. The University is committed to inclusion and increasing access to Higher Education.

The University has become a partner of Northampton based social enterprise, Goodwill Solutions CIC. Goodwill successfully operates in the very competitive logistics sector, with blue chip clients such as Sainsbury's and Asda. It devotes very substantial trading surplus to providing training and back to work support for ex-offenders, drug users and the homeless. In 2011 over 80 of the most disadvantaged people in Northampton went through the Goodwill programme, over 50 of which are now in full time employment. Goodwill also employs many ex-offenders itself. The University's involvement in Goodwill has enabled the company to expand its commercial operation, and thus to help more disadvantaged people. Students have also devised and run specific projects in IT, sales and marketing.

## Statements of Corporate Governance and Internal Controls for the year ended 31 July 2013

The following statement is provided to enable readers of the annual report and accounts of the institution to obtain a better understanding of the governance and legal structure of the institution.

The institution endeavours to conduct its business in accordance with the seven principles identified by the Committee on Standards in Public Life and with the Committee of University Chairs' 2009 Guide for Members of Higher Education Governing Bodies in the UK.

The University's objects, powers and framework of governance were initially set out in the Articles of Government that were approved by the Privy Council on 16 February 1993. The version of the Articles relevant to 2012/13 was approved by the Privy Council on 13 May 2013. The Articles require the University to have a Board of Governors, a Senate and a Vice Chancellor, each with clearly defined functions and responsibilities, to oversee and manage its activities.

The Board has a majority of independent members, chosen in line with strict criteria. The Chair of the Board is elected from amongst the members of the Board. There is also provision for the appointment of co-opted members, including a support staff member and a academic nominated by the Senate a student nominated by the student body. No members of the Board receive any reimbursement for the work which they do for the Board. In line with effective practice, the University maintains a Register of Interests of members of the Board, which may be consulted by arrangement with the Clerk.

During 2012/13, Board of Governors met on 11 occasions having changed its mode of operation to monthly meetings. Some of the detailed work is initially handled by standing committees (Audit; Nominations, and Remuneration). The Board received formal reports of these committees through the presentation of minutes and verbal reports by the Chair of each committee. The membership of the Audit and Nominations Committees, includes experts as external committee members appointed by the Board. The Audit and Nominations Committees have a majority of members who are independent and co-opted members of the Board. The Chair of each committee is elected by its membership annually.

The Vice Chancellor, as Chief Executive Officer, is the head of the institution and has a general responsibility to the Board of Governors for exercising considerable influence upon the development of institutional strategy, the identification and planning of new developments and the shaping of the institutional ethos, the organisation and management of the institution and acting as the HEFCE Accountable Officer of the institution. The Vice Chancellor is supported by the University Executive Team comprising senior officers of the University. These senior officers all contribute in various ways to this aspect of the work, but the ultimate responsibility for what is done rests with the Vice Chancellor.

In accordance with the Articles of Government of the institution, the Clerk to the Board of Governors provided advice on matters of governance to all Board members. From 1 August 2012 to 31 February 2013, Mrs Jane Bunce, Director of Student and Academic Services, was the Clerk to the Board of Governors and from 28 February 2013 to 31 July 2013, the role was undertaken by Miss Alice Hynes who was appointed Clerk to the Board of Governors in February 2013.

The University acknowledges and endorses the principles of corporate governance, and the Board of Governors has a responsibility for maintaining a sound system of internal control that supports the achievement of policies, aims and objectives whilst safeguarding the public and other funds and assets for which it is responsible, in accordance with the responsibilities assigned to it in the instrument and articles and the HEFCE Model Financial Memorandum. In relation to this, the Board of Governors makes the following statement regarding internal control:


- 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.

- 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 2013 and up to the date of approval of the financial statements, and accords with HEFCE guidance.
- We have responsibility for reviewing the effectiveness of the system of internal control. The following processes have been established:
  - We meet a minimum of four times a year to consider the plans and strategic direction of the institution.
  - We receive periodic reports from the Chair of the Audit Committee concerning internal control and we require regular reports from senior management on the steps they are taking to manage risks in their areas of responsibility, including progress reports on key projects.
  - We have designated the Audit Committee to oversee the risk management process.
  - The Audit Committee receives regular reports from the partner of the contracted internal audit service, which include the partner's independent opinion on the adequacy and effectiveness of the institution's system of internal control, together with recommendations for improvement.
  - An annual cycle of Committee meetings involving the Board of Governors and Executive is undertaken to identify and keep up to date the register of risks facing the organisation.
  - Risk is a standard heading within reports presented to the Board and University Committees and within proposals for bids and developments (for example new courses and bids for research funding).
  - A system for the identification and monitoring of key performance and risk indicators is operational.
  - A robust risk prioritisation methodology based on risk ranking and cost-benefit analysis is in place.
  - An organisation-wide risk register is maintained and a Risk Management Group meets regularly to review the risk register.
  - Executive Deans and Directors of departments report on risk and internal control activities through their School/Department Risk Registers.

Our review of the effectiveness of the system of internal control is informed by the contracted internal audit service which operates to standards defined in the HEFCE Accountability and Audit Code of Practice and which was last reviewed for effectiveness by the HEFCE Audit Service in March 2008. The internal auditors submit regular reports which include the audit partner's independent opinion on the adequacy and effectiveness of the institution's system of internal control, with recommendations for improvement.

Our review of the effectiveness of the system of internal control is also informed by the work of the executive managers within the 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.

The Board of Governors is of the opinion that the actions it has taken and the arrangements that it has put in place have made the institution fully compliant with the requirements and expectations placed on it regarding corporate governance during the financial year 2012/13.

.....  
  
..... Milan Shah (Chairman)  
*20th November 13*  
..... Date

## **Responsibilities of the Board of Governors (in relation to the Financial Statements) for the year ended 31 July 2013**

In accordance with the Education Reform Act 1988, as updated by the 1992 Further and Higher Education Act, the Board of Governors of The University of Northampton Higher Education Corporation is responsible for the administration and management of the affairs of the University and is required to present audited financial statements for each financial year.

The Board of Governors is responsible for keeping adequate accounting records which disclose with reasonable 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 Education Reform Act 1988, the 1992 Further and Higher Education Act, the Statement of Recommended Practice on Accounting in Further and Higher Education and other relevant standards. In addition, within the terms and conditions of the Model Financial Memorandum agreed between the Higher Education Funding Council for England and the Board of Governors of The University of Northampton, the Council, through its Accountable Officer, is required to prepare financial statements for each financial year. Under those terms and conditions, the Board of Governors must not approve the financial statements unless they are satisfied 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 Board has ensured that:

- Suitable accounting policies have been selected and applied consistently.
- Judgements and estimates have been made that are reasonable and prudent.
- Applicable accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements.
- Financial statements are prepared on the going concern basis, unless it is inappropriate to presume that the University will continue in operation. The Board is satisfied that the University 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 Governors has taken reasonable steps to:

- Ensure that funds from the Higher Education Funding Council for England, the training and Development Agency for Schools and the Chief Executive of Skills Funding have been used only for the purposes for which they have been given and in accordance with the Model Financial Memorandum with the Funding Council and the agreement with the Training and Development Agency and the Chief Executive of Skills Funding and any other conditions which the Funding Council may from time to time prescribe.
- Ensure that funds from the Teachers Agency for Schools have been applied only for the purposes for which they have been given.
- Ensure that there are appropriate safeguards and management controls in place to safeguard public funds and funds from other sources.
- Safeguard the assets of the University and to prevent and detect fraud.
- Secure the economical, efficient and effective management of the University's resources and expenditure.

## **INDEPENDENT AUDITORS' REPORT TO THE BOARD OF GOVERNORS OF THE UNIVERSITY OF NORTHAMPTON HIGH EDUCATION CORPORATION**

We have audited the group and parent institution financial statements (the "financial statements") of University of Northampton for the year ended 31 July 2013 which the Consolidated Income and Expenditure Account, the Balance Sheets, the Consolidated Cash Flow Statement, the Statement of Consolidated Total Recognised Gains and Losses, the Statement of Principal Accounting Policies 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 Board of Governors and auditors**

As explained more fully in the Responsibilities of Board of Governors the Board of Governors is responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view. Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors.

This report, including the opinions, has been prepared for and only for the Board of Governors as a body in accordance with institution's Articles of Government and section 124B of the Education Reform Act 1988 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.

### **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. 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 2013 and of the consolidated 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.

### **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.

**Matters on which we are required to report by exception**

We have nothing to report in respect of 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.

PricewaterhouseCoopers LLP

PricewaterhouseCoopers LLP  
Chartered Accountants and Statutory Auditors  
Birmingham

Date: 29 November 2013

**Notes:**

- (a) The maintenance and integrity of the University of Northampton website is the responsibility of the Board of Governors; 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 financial statements may differ from legislation in other jurisdictions.

## Statement of Principal Accounting Policies for the year ended 31 July 2013

### 1. 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 other applicable accounting standards in the United Kingdom, on a going concern basis.

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

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 consolidation

The consolidated financial statements consolidate the financial statements of the University and all its material trading subsidiaries (together "the Group") for the financial year to 31 July 2013. Uniform accounting policies have been adopted across the group, and profit/losses on intra group transactions have been eliminated. They are prepared on a going concern basis.

Entities are included within the consolidation from the point of the Group achieving control and are excluded from the consolidation when control is lost.

The consolidated financial statements do not include those of the Students' Union because the Institution does not control those activities.

### 3. Recognition of income

Funding council block grants are accounted for in the year to which they relate.

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

Recurrent income from grants, contracts and other services rendered are accounted for on an accruals basis and included to the extent of the completion of the contract or service concerned; any payments received in advance of such performance are recognised on the balance sheet as liabilities. Income earned but not received is accrued into the year into which the service or contract was earned, this is shown as accrued income on the balance sheet as a current asset.

Donations with restrictions are recognised when relevant conditions have been met; in many cases recognition is directly related to expenditure incurred on specific purposes. Donations which are to be retained for the benefit of the institution are recognised in the statement of total recognised gains and losses and in endowments; other donations are recognised by inclusion as other income in the income and expenditure account.

Non-recurrent grants received in respect of the acquisition or constructions of fixed assets are treated as deferred capital grants. Such grants are credited to deferred capital grants and an annual transfer made to the income and expenditure account over the useful economic life of the asset, at the same rate as the depreciation charge on the asset for which the grant was awarded.

Income from the sale of goods or services is credited to the income and expenditure account when the goods or services are supplied to the external customers or the terms of the contract have been satisfied.

## Statement of Principal Accounting Policies for the year ended 31 July 2013

Endowment and investment income is credited to the income and expenditure account on a receivable basis. Income from restricted endowments not expended in accordance with the restrictions of the endowment, is transferred from the income and expenditure account to restricted endowments. Any realised gains or losses from dealing in the related assets are retained within the endowment in the balance sheet.

Any increase in value arising on the revaluation of fixed asset investments is carried as a credit to the revaluation reserve, via the statement of total recognised gains and losses; a diminution in value is charged to the income and expenditure account as a debit, to the extent that it is not covered by a previous revaluation surplus.

Increases or decreases in value arising on the revaluation or disposal of endowment assets i.e. the appreciation or depreciation of endowment assets, is added to or subtracted from the funds concerned and accounted for through the balance sheet by debiting or crediting the endowment asset, crediting or debiting the endowment fund and is reported in the statement of total recognised gains and losses.

#### **4. Accounting for retirement benefits**

The Institution contributes to the Universities Superannuation Scheme (USS), the Local Government Superannuation Scheme (LGPS) and the Teachers Pension Scheme (TPS). All schemes are defined benefit schemes which are contracted out of the Second State Pension (S2P).

The assets of the USS and TPS are held in separate trustee-administered funds. Because of the nature of the schemes, the schemes' assets are not hypothecated to individual institutions and scheme-wide contribution rates are 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 these schemes on a consistent and reasonable basis and therefore as required by FRS 17 "Retirement benefits", accounts for the schemes as if they were defined contribution schemes. As a result, the amount charged to the income and expenditure account represents the contributions payable to the schemes in respect of the accounting year.

The LGPS is a defined benefit contribution scheme, the assets of which are held separately from those of the company in independently administered funds.

Pension scheme assets are measured using market value. Pension scheme liabilities are measured using the projected actuarial method and are discounted at the current rate of return on a high quality corporate bond of equivalent terms and currency to the liability. The increase in the present value of the liabilities of the Group's defined benefit pension schemes expected to arise from employee service in the period is charged to operating profit. The expected return on the schemes' assets and the increase during the year in the present value of the schemes' liabilities arising from the passage of time are included in other income. Actuarial gains and losses are recognised in the statement of total recognised gains and losses.

Pension schemes' surpluses, to the extent that they are considered recoverable, or deficits are recognised in full and presented on the face of the balance sheet net of the related deferred tax.

#### **5. Tangible fixed assets**

Land and buildings are stated at cost, other than the properties transferred from Northamptonshire County Council on 1 April 1989, which are shown at their valuation at that date less depreciation plus the cost of improvements and additions since that date, and Simon Senlis and Spencer Perceval

## Statement of Principal Accounting Policies for the year ended 31 July 2013

halls of residence which were valued on acquisition. Cost includes the original purchase price of the asset and the costs attributable to bringing the asset to its working condition for its intended use.

The basis of valuation is depreciated replacement cost and an assumption has been made that no land is held specifically for sale or development. The valuation on the NCC properties was performed at 31 March 1990 by Messrs Gotch, Saunders & SurrIDGE, Chartered Architects and Quantity Surveyors, in order to calculate their value as at 1 April 1989. The amount paid by the University for these assets was zero and the corresponding credit in respect of the valuation was taken to the revaluation reserve. Freehold buildings are depreciated over their useful economic lives of 50 years, as determined by the University, commencing in the financial year after completion. Leasehold land and buildings are depreciated over the life of the lease or 50 years, whichever is the shorter. Freehold and Leasehold land, other than that transferred from Northamptonshire County Council, is not depreciated as it is considered to have an indefinite useful life. The option under FRS 15 to retain the book values of land and buildings has been adopted and the valuation not updated.

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

Equipment, including computer hardware and software, costing less than £5,000 is included as an expense in the Income and Expenditure account in the year of acquisition. All other equipment is capitalised at cost and depreciated over its expected useful life, as follows:

Plant and machinery	5 – 10 years
Furniture, fixtures and fittings	5 – 8 years
Computer equipment	3 years
Motor vehicles	4 years
Other equipment	4 – 5 years

### 6. Investment Property

Investment properties are measured initially at cost. After initial recognition, investment properties are measured and carried at fair value.

The property (Icon Building) is for external use, the University has part occupation of the building but is immaterial for disclosure.

Fair value is based on valuation performed by appointed independent registered valuer taking into account factors such as the property growth and market in the surrounding area. The fair value of the investment properties reflects the market conditions at the balance sheet date. Changes in fair values are recorded in the income statement as impairment fair value adjustment.

### 7. Maintenance of premises

The cost of routine corrective maintenance is charged to the income and expenditure account as incurred. A long term maintenance programme is in place.

### 8. Leases

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

Operating lease income is recognised on a straight line basis over the period of the lease.

## Statement of Principal Accounting Policies for the year ended 31 July 2013

Finance leases, which substantially transfer all the benefits and risks of ownership of an asset to the Institution, are treated as if the asset had been purchased outright. The assets are included in fixed assets and the capital elements of the leasing commitments are shown as obligations under finance leases. The lease rentals are treated as consisting of capital and interest elements. The capital element is applied in order to reduce outstanding obligations and the interest element is charged to the income and expenditure account in proportion to the reducing capital element outstanding. Assets held under finance leases are depreciated over the shorter of the lease term or the useful economic lives of equivalent owned assets.

### 9. Investments

Listed investments held as fixed assets or endowment assets are shown at market value. Investments in subsidiary undertakings are shown at the lower of cost or net realisable value.

Current asset investments are included at the lower of cost and net realisable value. These are comprised of bank and money market investments.

### 10. 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 money market investments, however liquid, are included as 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.

### 11. Taxation status

The Institution is an exempt charity within the meaning of schedule 3 of the Charities Act 2011 (formerly schedule 2 of the Charities Act 1993) and is considered to pass the tests set out in Paragraph 1 Schedule 6 Finance Act 2010 and therefore it meets the definition of a charitable company for UK corporation tax purposes. Accordingly, the Institution is potentially exempt from taxation in respect of income or capital gains received within categories covered by section 287 CTA2009 and sections 471, and 478-488 CTA 2010 (formerly s505 of ICTA 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 Institution receives no similar exemption in respect of Value Added Tax. Irrecoverable VAT on inputs is included in the costs of such inputs. Any irrecoverable VAT allocated to tangible fixed assets is included in their cost.

### 12. Provisions and contingent liabilities

Provisions are recognised in the financial statements when the Group has a present obligation (legal or constructive) as a result of a past event, it is probable that a transfer of economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. The amount recognised as a provision is discounted to present value where the time value of money is material. The discount rate used reflects current market assessments of the time value of money and reflects any risks specific to the liability.

## Statement of Principal Accounting Policies for the year ended 31 July 2013

### 13. Stock

Stock is stated at the lower of their cost and net realisable value. Where necessary, provision is made for obsolete, slow-moving and defective stocks.

### 14. Accounting for research and development

Expenditure on pure and applied research is treated as a part of the continuing activities of the Institution. Expenditure on development activities is carried forward and amortised over the period expected to benefit.

### 15. Joint venture entities and associates

The institution's share of income and expenditure in joint venture entities is recognised in the institution's income and expenditure account in accordance with FRS 9. Similarly the institution's share of assets and liabilities in associate entities is recognised in the institution's balance sheet in accordance with FRS 9.

The gross equity method is used when consolidating joint venture entities and associate entities are consolidated using the equity method entities in accordance with FRS 9.

### 16. Accounting for Goodwill and intangible fixed assets

Goodwill arises on consolidation and is based on the difference between the fair value of the consideration given for the undertaking acquired and the fair value of its separable net assets at the date of acquisition. Goodwill is amortised over its estimated economic life. Where goodwill and intangible assets are regarded as having limited useful economic lives, they are amortised over those lives up to a maximum of 20 years. Impairment tests are carried out at the end of the first year and thereafter subject to normal periodic reviews for indications of impairment. Where there is impairment in the carrying value of goodwill, the loss is incurred in the results for the period.

Positive purchased goodwill is capitalised and classified as an asset on the balance sheet.

Negative goodwill is separately disclosed on the face of the balance sheet in fixed assets and is released to the income and expenditure account. The accounting treatment is set out in policy note on accounting for business combinations.

### 17. Endowment Funds

Where charitable donations are to be retained for the benefit of the University as specified by the donors, these are accounted for as endowments. The university currently has two types:  
Unrestricted permanent endowment – the donor has specified that the fund is to be permanently invested to generate an income stream for the general benefit of the University.

Restricted expendable endowments – the donor has specified a particular objective other than the purchase or construction of tangible fixed assets, and the University can convert the donated sum into income.

## Consolidated Income and Expenditure Account for the Year Ended 31 July 2013

	Note	2013 £000	2012 £000
<b>Income</b>			
Funding Body grants	1	23,191	34,155
Tuition fees and education contracts	2	63,656	49,888
Research grants and contracts	3	1,164	1,600
Other Operating income	4	13,491	11,755
Endowment and investment income		467	597
Total income		101,969	97,995
Less Share of income from joint venture		(481)	-
<b>Net Income</b>		101,488	97,995
<b>Expenditure</b>			
Staff costs	5	51,578	49,692
Other operating expenses	6	42,490	42,225
Depreciation	9	4,557	4,484
Interest and other finance costs	7	2,358	1,388
Total expenditure		100,983	97,789
Surplus on continuing operations after depreciation of assets at valuation and before taxation		505	206
Share of operating loss in joint venture		(61)	-
Taxation		-	-
Surplus on continuing operations after depreciation of assets at valuation and tax		444	206

### Note of Historical Cost Surpluses and Deficits for the Year Ended 31 July 2013

	Note	2013 £000	2012 £000
Surplus after depreciation of assets at valuation and tax and exceptional items		444	206
Difference between depreciation charge based on an historical cost and revalued basis (as included above)	17	668	668
Historical cost surplus after tax		1,112	874

The consolidated income and expenditure of the University and its subsidiaries relate wholly to continuing operations.

## Statement of Consolidated Total Recognised Gains and Losses for the Year Ended 31 July 2013

	Note	2013 £000	2012 £000
Surplus on continuing operations after depreciation of assets at valuation and tax		444	206
Movement in endowments in the year		(142)	(240)
Actuarial gain/(loss) in respect of pension scheme	26	3,575	(8,076)
<b>Total recognised gains/(losses) relating to the year</b>		3,877	(8,110)
 <b>Reconciliation</b>			
Opening reserves and endowments		28,622	36,732
Total recognised gains/(losses) for the year		3,877	(8,110)
<b>Closing reserves and endowments</b>		32,499	28,622



**Balance sheets as at 31 July 2013**

	Note	Consolidated		The University	
		2013 £000	2012 £000	2013 £000	2012 £000
<b>Fixed Assets</b>					
Tangible assets	9	96,114	86,720	96,749	87,367
Investment Property	9	2,144	2,144	-	-
Investments	10	241	241	241	241
Investments in joint venture:					
Share of gross assets		122	-	-	-
Share of gross liabilities		(108)	-	-	-
		<u>98,513</u>	<u>89,105</u>	<u>96,990</u>	<u>87,608</u>
<b>Endowment Assets</b>	28	<u>941</u>	<u>1,083</u>	<u>941</u>	<u>1,083</u>
<b>Current Assets</b>					
Stocks		4	3	-	-
Debtors due within one year	11	6,707	5,129	6,728	5,467
Debtors due more than one year	11	-	-	395	255
Investments		33,847	30,192	33,847	30,192
Cash at bank and in hand		<u>2,392</u>	<u>4,439</u>	<u>2,187</u>	<u>4,413</u>
		<u>42,950</u>	<u>39,763</u>	<u>43,157</u>	<u>40,327</u>
Creditors: amounts falling due within one year	12	<u>(19,379)</u>	<u>(18,276)</u>	<u>(19,334)</u>	<u>(18,034)</u>
Net current assets		<u>23,571</u>	<u>21,487</u>	<u>23,823</u>	<u>22,293</u>
Total assets less current liabilities		123,025	111,675	121,754	110,984
Creditors: amounts falling due after more than one year	13	(40,923)	(28,955)	(40,528)	(28,955)
Provisions for liabilities	14	<u>(1,567)</u>	<u>(1,567)</u>	<u>(1,567)</u>	<u>(1,567)</u>
<b>Total Net Assets excluding Pension Liability</b>		<u>80,535</u>	<u>81,153</u>	<u>79,659</u>	<u>80,462</u>
Net pension liability	26	<u>(22,649)</u>	<u>(25,244)</u>	<u>(22,576)</u>	<u>(25,244)</u>
<b>Total Net Assets including Pension Liability</b>		<u>57,886</u>	<u>55,909</u>	<u>57,083</u>	<u>55,218</u>
Represented by:					
Deferred capital grants	15	<u>25,387</u>	<u>27,287</u>	<u>23,390</u>	<u>25,290</u>
<b>Endowments</b>	28				
Expendable		-	151	-	151
Permanent		<u>941</u>	<u>932</u>	<u>941</u>	<u>932</u>
		<u>941</u>	<u>1,083</u>	<u>941</u>	<u>1,083</u>
<b>Reserves</b>					
Revaluation reserve	17	17,137	17,805	17,137	17,805
Income and expenditure account excluding pension reserve	16	37,070	34,978	38,191	36,284
Pension reserve	26	<u>(22,649)</u>	<u>(25,244)</u>	<u>(22,576)</u>	<u>(25,244)</u>
Income and expenditure account including pension reserve		14,421	9,734	15,615	11,040
<b>Total reserves</b>		<u>31,558</u>	<u>27,539</u>	<u>32,752</u>	<u>28,845</u>
<b>Total Funds</b>		<u>57,886</u>	<u>55,909</u>	<u>57,083</u>	<u>55,218</u>

The financial statements on pages 31 to 54 were approved by the Board of Governors and signed on its behalf by:

Vice Chancellor

- Prof. Nick Petford



Chairman of Board of Governors

- Mr Milan Shah



Dated: 20th November 2013

## Consolidated Cash Flow Statement for the Year Ended 31 July 2013

	Note	2013 £000	2012 £000
<b>Net Cash Inflow from Operating Activities</b>	<b>21</b>	4,047	2,166
<b>Returns on Investments and Servicing of Finance</b>			
Income from short term investments		492	597
Interest paid		<u>(1,541)</u>	<u>(881)</u>
<b>Net cash outflow from returns on investments and servicing of finance</b>		<u>(1,049)</u>	<u>(284)</u>
<b>Taxation</b>		<u>-</u>	<u>-</u>
<b>Capital Expenditure and Financial Investment</b>			
Payments to acquire tangible assets (other than leased equipment)		(14,108)	(10,131)
Fixed Asset Investments		75	-
Endowment cash received		96	134
Endowments Funds Disbursed		(263)	-
Deferred capital grants received		267	210
<b>Net cash outflow from investing activities</b>		<u>(13,933)</u>	<u>(9,787)</u>
<b>Management of Liquid Resources</b>	<b>22</b>	<u>(3,655)</u>	<u>10,259</u>
<b>Financing</b>			
Loan repayments		(377)	(740)
New loan		12,920	147
		<u>12,543</u>	<u>(593)</u>
<b>(Decrease)/Increase in Cash</b>	<b>23</b>	<u>(2,047)</u>	<u>1,761</u>
<b>Reconciliation of Net Cash Flow to Movement in Net Funds</b>			
(Decrease)/Increase in cash		(2,047)	1,761
Increase in short-term cash deposits	<b>22</b>	3,655	(10,259)
Change in debt		<u>(12,543)</u>	<u>593</u>
<b>Change in Net Funds</b>		<u>(10,935)</u>	<u>(7,905)</u>
Net funds at 1 August		4,828	12,733
<b>Net Funds at 31 July</b>	<b>23</b>	<u>(6,107)</u>	<u>4,828</u>

## Notes to the Financial Statements

### 1. Funding Body Grants

	<b>2013</b>	<b>2012</b>
	<b>£000</b>	<b>£000</b>
HEFCE:		
Recurrent grant for teaching and research	17,135	26,485
Specific grants and non-formula funding		
HEIF	1,192	1,192
Aim Higher	-	164
LGM Fund	-	100
Deferred capital grants released in year (note 15)		
Land and buildings	2,166	1,932
Equipment	-	-
	20,493	29,873
TDA recurrent grant	2,697	4,281
TDA deferred capital grants released in year (note 15)	1	1
	23,191	34,155

### 2. Tuition Fees and Support Grants

	<b>2013</b>	<b>2012</b>
	<b>£000</b>	<b>£000</b>
Full-time HE fees – UK and EU students	38,020	24,831
Full-time HE fees – overseas and other students	9,483	9,463
Part-time HE fees	3,149	2,394
FE franchise	310	310
FE fees	-	6
Short course fees	3,768	3,858
Contracts with the University in lieu of academic fees	8,926	9,026
	63,656	49,888

### 3. Research Grants and Contracts

	<b>2013</b>	<b>2012</b>
	<b>£000</b>	<b>£000</b>
OST Research Councils	113	419
UK Based Charities	59	261
UK Central Government and Local Authorities	530	412
UK Industry and Commerce	138	12
EU Government	5	22
EU Other	117	60
Others	202	414
	1,164	1,600

#### 4. Other Operating Income

	<b>2013</b>	<b>2012</b>
	<b>£000</b>	<b>£000</b>
Residences, catering and conferences	8,188	7,202
European Funding	1,361	12
Other income	3,942	4,541
	<b>13,491</b>	<b>11,755</b>

#### 5. Staff Costs

	<b>2013</b>	<b>2012</b>
	<b>£000</b>	<b>£000</b>
The average monthly number of persons employed by the University during the year expressed as full-time equivalents was:	996	1,045
	<b>£000</b>	<b>£000</b>
Staff Costs:		
Wages and salaries	42,440	40,850
Social Security costs	3,380	3,212
Other pension costs (note 26)	5,758	5,630
	<b>51,578</b>	<b>49,692</b>

During the year ending 31 July 2013, total redundancy / severance costs were £1,201,888 (2012: £1,192,000).

Emoluments of the Vice-Chancellor		
Salary and healthcare	183	143
Compensation payment in lieu of salary	-	33
Non-Consolidated bonus	17	13
Value of residential emolument	9	9
Emoluments of the Vice-Chancellor	<b>209</b>	<b>198</b>

The emoluments of the Vice Chancellor are shown on the same basis as for higher paid staff. The University's pension contributions to the Universities' Superannuation Scheme are paid at the same rates as for other academic staff and amounted to £24,365 (2012: £21,150).

#### Emoluments of higher paid staff:

	<b>2013</b>	<b>2012</b>
	<b>£000</b>	<b>£000</b>
£180,000 - £189,999	1	1
£150,000 - £159,999	1	-
£100,000 - £109,999	7	-

No member of the Board of Governors received an emolument during the year in their capacity as a Governor. Governors were reimbursed a total of £2,534 (2012: £5,571) for expenses in connection with their duties as a Governor.

## 6. Other Operating expenses

	<b>2013</b>	<b>2012</b>
	<b>£000</b>	<b>£000</b>
Franchise fees	813	2,011
Residences, catering and conferences operating expenses	2,491	2,553
Consumable and laboratory expenditure	756	1,031
Books and periodicals	1,181	1,318
Heat, light, water and power	1,430	1,098
Repairs and general maintenance	1,332	1,493
Estates projects revenue costs	6,177	5,598
Grants to The University of Northampton Students' Union	1,151	1,336
External auditors' professional fees		
External Auditor's remuneration – University	38	32
External Auditor's remuneration – Other group	15	6
Internal audit	76	70
Marketing	2,701	1,862
Subscriptions	680	749
Travel and subsistence	1,386	1,093
Staff development	804	792
Invoiced staff	2,554	1,636
Rents	301	395
Printing, postage and stationery	1,055	405
Telephones and communications	387	337
Equipment rental	417	362
Partner schools funding	2,180	1,565
Speakers / Misc. fees	279	466
Staff advertising	199	207
Transport	627	575
Insurance	196	192
Student visits, field courses and placements	500	616
Legal & professional fees	2,331	995
Consultancy	441	1,339
Rates	178	213
Student bursaries and Scholarships	4,760	4,523
IT Costs	1,772	2,429
Other expenses	3,282	4,928
	<b>42,490</b>	<b>42,225</b>

## 7. Interest and Other Finance Costs

	<b>2013</b>	<b>2012</b>
	<b>£000</b>	<b>£000</b>
Loans not wholly repayable within five years	1,628	907
Pension finance costs (note 26)	730	481
	<b>2,358</b>	<b>1,388</b>

## 8. Analysis of 2012/13 Expenditure by Activity

	Staff costs	Other operating expenses
	£000	£000
Academic departments	30,566	14,415
Academic services	4,686	3,948
Administration and central services	10,236	8,638
Premises	2,932	11,504
Residences and catering	1,217	2,263
Research – externally funded	1,018	616
Research – internally funded, including HEFCE funding	172	137
Other expenses	515	969
FRS 17 adjustments	236	-
	51,578	42,490

## 9. Tangible Assets - Consolidated

	Assets Under Construction	Land and Buildings		Equipment	Total
	£000	Leasehold £000	Freehold £000	£000	£000
Valuation / cost					
At 1 August 2012					
Valuation	-	-	38,759	629	39,388
Cost	2,935	1,372	71,372	10,162	85,841
Additions at cost	9,259	-	2,935	1,914	14,108
Disposals	-	-	(159)	(875)	(1,034)
At 31 July 2013					
Valuation	-	-	38,759	629	39,388
Cost	12,194	1,372	74,148	11,201	98,915
Accumulated Depreciation					
At 1 August 2012	-	-	32,882	5,627	38,509
Charge for year	-	28	2,222	2,307	4,557
Disposals	-	-	(25)	(852)	(877)
At 31 July 2013	-	28	35,079	7,082	42,189
Net book value					
At 31 July 2013	12,194	1,344	77,828	4,748	96,114
At 1 August 2012	2,935	1,372	77,249	5,164	86,720
Inherited	-	-	17,148	-	17,148
Financed by capital grant	-	-	14,247	135	14,382
Other	12,194	1,344	46,433	4,613	64,584
Net book value at 31 July 2013	12,194	1,344	77,828	4,748	96,114

	<b>Consolidated £000</b>
The depreciation charge for the year has been met by:	
Deferred capital grants released	2,167
Revaluation reserve released	668
General income	1,722
	<b>4,557</b>

Exchequer interests (representing the contributions made by HEFCE towards the constructions and refurbishment of University buildings) amounted to £16,155,679 as at 31 July 2013 (2012: £19,132,076). Exchequer interests are amortised over 10 and 15 years and are repayable only in the event of insolvency or a significant reduction in the level of HEFCE-funded activity.

### Tangible Assets – The University

	<b>Assets Under Constructi on £000</b>	<b>Land and Buildings</b>		<b>Equip- ment £000</b>	<b>Total £000</b>
		<b>Leasehold £000</b>	<b>Freehold £000</b>		
Valuation / cost					
At 1 August 2012					
Valuation	-	-	33,393	629	34,022
Cost	2,935	1,372	75,392	9,636	89,335
Additions at cost	9,259	-	2,935	1,909	14,103
Disposals	-	-	(159)	(875)	(1,034)
At 31 July 2013					
Valuation	-	-	33,393	629	34,022
Cost	12,194	1,372	78,168	10,670	102,404
Accumulated Depreciation					
At 1 August 2012	-	-	30,812	5,178	35,990
Charge for year	-	28	2,229	2,307	4,564
Disposals	-	-	(25)	(852)	(877)
At 31 July 2013	-	28	33,016	6,633	39,677
Net book value					
At 31 July 2013	12,194	1,344	78,545	4,666	96,749
At 1 August 2012	2,935	1,372	77,973	5,087	87,367
Inherited	-	-	17,148	-	17,148
Financed by capital grant	-	-	14,247	135	14,382
Other	12,194	1,344	47,150	4,531	65,219
Net book value at 31 July 2013	12,194	1,344	78,545	4,666	96,749

Exchequer interests (representing the contributions made by HEFCE towards the constructions and refurbishment of University buildings) amounted to £16,155,679 as at 31 July 2013. Exchequer interests are amortised over 10 and 15 years and are repayable only in the event of insolvency or a significant reduction in the level of HEFCE-funded activity.



**University  
£000**

The depreciation charge for the year has been met by:

Deferred capital grants released	2,167
Revaluation reserve released	668
General income	1,729
	4,564

## Investment Property

	<b>Group £000 £,000</b>
<b>Cost</b>	
At 1 August 2012	7,934
Additions	-
At 31 July 2013	7,934
<b>Impairment</b>	
At 1 August 2012 & 31 July 2013	5,790
<b>Net book value</b>	
At 31 July 2013	2,144
At 31 July 2012	2,144

An external valuation of the company's Land and Buildings as at 31 July 2011 was carried out by Savills plc, Chartered Surveyors. The valuation has been prepared in accordance with Royal Institution of Chartered Surveyors Valuation Standards, valuing on the basis of an investment property. The valuation of £2,144,000 resulted in an impairment of £5,789,579 against the original cost of £7,933,579.

## 10. Fixed Asset Investments

	<b>Consolidated</b>	
	<b>Group £000</b>	<b>The University £000</b>
<b>Cost</b>		
At 1 August 2012	241	241
Additions	-	-
At 31 July 2013	241	241
<b>Impairment</b>		
At 1 August 2012 & 31 July 2013	-	-
<b>Net book value</b>		
At 31 July 2013	241	241
At 31 July 2012	241	241

The University believe the carrying value of the investments is supported by their underlying net assets.

## 10. Fixed Asset Investments continued

The Group has the following investment in a joint ventures.

Name of Company	Ordinary Share Capital	% of Issued Share Capital	Date of Incorporation	Place of Incorporation
BLC Leathersellers Research Centre Limited	£500	50%	13 June 2000	England & Wales

The principal activity of the company was research for the leather industry.

The year end of this company is 30 September and the latest results for 30 September 2011 were as follows:

	<b>30 September 2011</b>
Net profit	£191
Net assets	£963

This joint venture was not consolidated on the basis of materiality.

The company holds a 50% share of Uno Buses (Northampton) Limited. This is a joint venture company owned equally by The University of Northampton Enterprises Limited and UniversityBus Limited. The arrangement is treated as a joint venture and is accounted for using the gross equity method, such that 50% of the company's gross assets and liabilities are incorporated into the consolidated balance sheet of the Company and 50% of its net income is reported in the institutions consolidated income and expenditure account.

### Year Ended 31 July 2013

#### Profit and Loss Account

	£
Turnover	481,518
Operating (loss)	(60,681)

#### Balance Sheet

Fixed Assets	15,659	
Current Assets	<u>106,639</u>	122,298

Creditors: amounts due within one year	<u>(107,978)</u>	(107,978)
--	------------------	-----------

#### Share of net assets

	<u>14,320</u>
--	---------------

The University holds the following fixed asset investments:

Name of Company	Ordinary Share Capital	% of Issued Share Capital	Date of Incorporation	Place of Incorporation
Coco Careers Limited	£500	50%	21 November 2011	England & Wales
Goodwill Solutions Community Interest Company	£200,000	20%	1 February 2008	England & Wales
Artists Recording Company limited	£40,000	20%	4 April 2011	England & Wales

These investments have not been consolidated on the basis of materiality.

## 10. Fixed Asset Investments continued

### Coco Careers Limited

The company is a recruitment company to assist with the placements of students into temporary and permanent jobs during the course of their studies and also after graduation.

### Goodwill Solutions Community Interest Company

The company provides household and office furniture to voluntary, community and charitable groups and individuals in need and private sector organisations.

### Artists Recording Company Limited

The company provides visual and audio recording services, performances of classical music through its orchestral cooperative, and Outreach work with young people that both introduces them to performing and listening to classical music, and raises their aspirations

### Investment in Subsidiaries

#### The University of Northampton Enterprises Limited

The University controls 100% of the issued share capital of 100 £1 ordinary shares of The University of Northampton Enterprises Limited, a company registered in England and Wales and operating in the UK, whose principal activities are the provision of facilities maintenance services and conferencing facility hire.

#### iCon East Midlands and Icon Operations Limited

iCon East Midlands, a company limited by guarantee, is an organisation set up to manage the project and day to day running of the iCon building in Daventry, a centre for business units utilising green technologies. The day to day trading operates in Icon Operations Limited. Both companies are registered in England and Wales and are 100% subsidiaries of The University.

## 11. Debtors due less than one year

	Consolidated		The University	
	2013 £000	2012 £000	2013 £000	2012 £000
Trade Debtors	3,552	3,110	3,513	2,976
Amounts owed by subsidiary undertakings	-	-	326	773
Taxation and social security	22	6	-	-
Prepayments and accrued income	3,133	2,013	2,889	1,973
	<b>6,707</b>	<b>5,129</b>	<b>6,728</b>	<b>5,722</b>

## Debtors due more than one year

	Consolidated		The University	
	2013 £000	2012 £000	2013 £000	2012 £000
Amounts owed by subsidiary undertakings	-	-	395	255
	<b>-</b>	<b>-</b>	<b>395</b>	<b>255</b>

## 12. Creditors: Amounts Falling Due Within One Year

	Consolidated		The University	
	2013 £000	2012 £000	2013 £000	2012 £000
Bank Loan	1,286	712	1,286	712
Salix Loan	137	136	137	136
Trade Creditors	488	612	475	482
Amounts due to subsidiary undertakings	-	-	439	-
Social security and other taxation	1,946	1,642	1,645	1,604
Accruals and deferred income	15,522	15,174	15,352	15,100
	<b>19,379</b>	<b>18,276</b>	<b>19,334</b>	<b>18,034</b>

## 13. Creditors: Amounts Falling Due After More Than One Year

	Consolidated		The University	
	2013 £000	2012 £000	2013 £000	2012 £000
Bank Loan	40,585	28,599	40,190	28,599
Salix loan	338	356	338	356
	<b>40,923</b>	<b>28,955</b>	<b>40,528</b>	<b>28,955</b>

### Analysis of loan repayments:

	Consolidated		The University	
	2013 £000	2012 £000	2013 £000	2012 £000
Due within one year	1,423	848	1,423	848
Between two and five years	5,632	2,305	5,632	2,305
In five years or more	35,291	26,650	34,896	26,650
	<b>42,346</b>	<b>29,803</b>	<b>41,951</b>	<b>29,803</b>

The interest repayable on the bank loans varies between 0.72% and 6.45%. The total loan facility was £30m which has been fully utilised and is repayable by instalments by 2036. The Salix loan is an interest free loan. An Additional loan facility of £20m was made available during 2012/13 for new Student Residence accommodation; £12.8m was drawn down as at 31 July 2013.

## 14. Provisions for Liabilities and Charges

	Consolidated and The University
	£000
At 1 August 2012	1,567
Change in provision	-
As at 31 July 2013	<b>1,567</b>

The University has provided for future pension costs associated with the granting of additional years of service to certain members of staff taking early retirement.

## 15. Deferred Capital Grants

### Consolidated

	<b>TDA £000</b>	<b>HEFCE £000</b>	<b>Other £000</b>	<b>Total £000</b>
<b>At 1 August 2012</b>				
Land and buildings	50	16,708	8,508	25,266
Equipment	-	1,370	651	2,021
<b>Total</b>	<b>50</b>	<b>18,078</b>	<b>9,159</b>	<b>27,287</b>
<b>Cash received</b>				
Land and buildings	-	-	-	-
Equipment	-	267	-	267
<b>Total</b>	<b>-</b>	<b>267</b>	<b>-</b>	<b>267</b>
<b>Released to income and expenditure</b>				
Land and buildings (note 1)	1	1,064	126	1,191
Equipment (note 1)	-	331	645	976
<b>Total</b>	<b>1</b>	<b>1,395</b>	<b>771</b>	<b>2,167</b>
<b>At 31 July 2013</b>				
Land and buildings	49	15,644	8,382	24,075
Equipment	-	1,306	6	1,312
<b>Total</b>	<b>49</b>	<b>16,950</b>	<b>8,388</b>	<b>25,387</b>

### The University

	<b>TDA £000</b>	<b>HEFCE £000</b>	<b>Other £000</b>	<b>Total £000</b>
<b>At 1 August 2012</b>				
Land and buildings	50	16,708	6,511	23,269
Equipment	-	1,370	651	2,021
<b>Total</b>	<b>50</b>	<b>18,078</b>	<b>7,162</b>	<b>25,290</b>
<b>Cash received</b>				
Land and buildings	-	-	-	-
Equipment	-	267	-	267
<b>Total</b>	<b>-</b>	<b>267</b>	<b>-</b>	<b>267</b>
<b>Released to income and expenditure</b>				
Land and buildings (note 1)	1	1,064	126	1,191
Equipment (note 1)	-	331	645	976
<b>Total</b>	<b>1</b>	<b>1,395</b>	<b>771</b>	<b>2,167</b>
<b>At 31 July 2013</b>				
Land and buildings	49	15,644	6,385	22,078
Equipment	-	1,306	6	1,312
<b>Total</b>	<b>49</b>	<b>16,950</b>	<b>6,391</b>	<b>23,390</b>

## 16. Income and Expenditure Account

	<b>Consolidated</b>	<b>University</b>
	<b>£000</b>	<b>£000</b>
Surplus after depreciation of assets at valuation and tax	444	263
Release from revaluation reserve	668	668
Historical cost surplus after tax	1,112	931
Actuarial gain in respect of pension scheme	3,575	3,644
Balance at 1 August 2012	9,734	11,040
At 31 July 2013	14,421	15,615
Balance represented by:		
Pension reserve	(22,649)	(22,576)
Income and expenditure reserve excluding pension reserve	37,070	38,191
At 31 July 2013	14,421	15,615

## 17. Revaluation Reserve

	<b>Consolidated and The University</b>		
	<b>Inherited assets £000</b>	<b>Inherited loans £000</b>	<b>Total £000</b>
Revaluations			
At 1 August 2012 and 31 July 2013	34,040	(3,675)	30,365
Contribution to depreciation / repayment of principal			
At 1 August 2012	16,224	(3,664)	12,560
Released in year	668	-	668
At 31 July 2013	16,892	(3,664)	13,228
Net revaluation amount			
At 31 July 2013	17,148	(11)	17,137
At 1 August 2012	17,816	(11)	17,805

## 18. Lease Obligations

	<b>Consolidated</b>		<b>The University</b>	
	<b>2013 £000</b>	<b>2012 £000</b>	<b>2013 £000</b>	<b>2012 £000</b>
Operating lease commitments in respect of equipment for the 2012/13 financial year, on leases expiring:				
Within one year	-	-	-	-
Between two and five years	-	-	-	-
Over 5 Years	40	40	40	40
	40	40	40	40

## 19. Capital Commitments

	Consolidated		The University	
	2013 £000	2012 £000	2013 £000	2012 £000
Commitments contracted at 31 July	-	4,220	-	4,220
	-	4,220	-	4,220

## 20. Contingent Liabilities

The University had no contingent liabilities at 31 July 2013 or at 31 July 2012.

## 21. Reconciliation of Consolidated Operating Surplus to Net Cash From Operating Activities

	2013 £000	2012 £000
Surplus before tax	505	206
Depreciation (note 9)	4,557	4,484
Loss on fixed asset disposals	157	-
Deferred capital grants released to income (note 16)	(2,167)	(1,933)
Investment income	(467)	(597)
Interest payable (note 7)	2,358	1,388
Pension cost less contributions payable (note 27)	236	281
(Increase) in stocks	(1)	(1)
(Increase)/Decrease in debtors	(1,578)	754
Increase/(Decrease) in creditors	447	(2,416)
Net cash inflow from operating activities	4,047	2,166

## 22. Management of Liquid Resources

	2013 £000	2012 £000
Increase in short-term cash deposits	(3,655)	(10,259)
	(3,655)	(10,259)

## 23. Analysis of Changes in Net Debt

	At 1 August 2012 £000	Cash Flows £000	Non- cash changes £000	At 31 July 2013 £000
Cash at bank and in hand	4,439	(2,047)	-	2,392
	4,439	(2,047)	-	2,392
Short-term cash investments	30,192	3,655	-	33,847
Debt due within 1 year	(848)	(575)	-	(1,423)
Debt due after 1 year	(28,955)	(11,968)	-	(40,923)
	4,828	(10,935)	-	(6,107)

## 24. Access Funds

	<b>2013</b> <b>£000</b>	<b>2012</b> <b>£000</b>
Balance at 1 August	6	6
Funding Council grants	299	315
Interest earned		
	305	321
Disbursed to students	(283)	(315)
Balance unspent at 31 July	22	6

Access funds 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.

## 25. TDA Bursaries

	<b>2013</b> <b>£000</b>	<b>2012</b> <b>£000</b>
Balance at 1 August	-	(1)
Funding Council grants	-	-
	-	(1)
Disbursed to students	-	1
Balance unspent at 31 July	-	-

TDA bursary funds 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. The TDA bursary scheme ended in 2010/11. The scheme ended in 2011/12.

## 26. Pension Schemes

The University's employees belong to three principal pension schemes, the Teachers' Pension Scheme (TPS) and the Local Government Pension Scheme (LGPS) administered by Northamptonshire County Council, and Universities superannuation scheme (USS). All are defined benefit schemes. The total pension cost for the year was £5,758k (Note 5) (2012: £5,630k).

### Teachers' Pension Scheme (TPS)

The TPS is an unfunded, defined benefit scheme. Contributions on a pay as you go basis are credited to the Exchequer under arrangements governed by the Superannuation Act 1972. A notional asset value is ascribed to the scheme for the purposes of determining contribution rates.

The pension cost is assessed every five years in accordance with the advice of the Government Actuary. The assumptions and other data that have the most significant effect on the determination of the contribution levels are as follows:

<b>Latest actuarial valuations</b>	<b>31 March 2008</b>
<b>Actuarial method</b>	<b>Projected Unit Method</b>
<b>Gross rate of return</b>	<b>6.5%</b>
<b>Real rate of return in excess of Prices</b>	<b>3.5%</b>
<b>Real rate of return in excess of Earnings</b>	<b>2.0%</b>
<b>Rate of real earnings growth</b>	<b>1.5%</b>
<b>Notional value of assets at date of last valuation</b>	<b>£163,240 million</b>
<b>Proportion of members' accrued benefits covered by the actuarial value of the assets</b>	<b>98%</b>

The valuation of the scheme due for 2008 was suspended pending scheme reform. Following the implementation of Teachers' Pensions (Employers' Supplementary Contributions) Regulations 2000, the Government Actuary carried out a further review on the level of employers'



## 26. Pension Schemes – Continued

contributions. During the year the employer's contribution rate was 14%. An appropriate provision in respect of unfunded pensioners' benefits is included in provisions. The employees' contribution rate to the scheme was 6.4%.

The value of pension payments made in year to the Teachers Pension Scheme was £2,884k (2012: £2,836k)

Under the definitions set out in Financial Reporting Standard 17 (Retirement Benefits), the TPS is a multi-employer pension scheme. The University is unable to identify its share of the underlying assets and liabilities of the scheme. Accordingly, the University has taken advantage of the exemption in FRS 17 and has accounted for its contributions to the scheme as if it were a defined contribution scheme.

### Universities superannuation scheme (USS)

USS is valued every three years by professionally qualified independent actuaries using the projected unit method, the rates of contribution payable being determined by the trustees on the advice of the actuaries. In the intervening years, the USS actuary reviews the progress of the USS Scheme.

The contribution rate of the University is currently 16% of pensionable salaries. The actuary to USS has confirmed that it is appropriate to take the pensions costs in the Universities accounts to be equal to the actual contributions paid during the year. In particular, the contribution rate recommended following the 2011 valuation has regard to the surplus disclosed, the benefit improvements introduced subsequent to the valuation and the need to spread surplus in a prudent manner over the future working lifetime of current scheme members.

Under the definitions set out in FRS 17, the USS is a multi-employer defined benefit pension scheme. The University is unable to identify its share of the underlying assets and liabilities of the scheme. Accordingly, the University has taken advantage of the exemption in FRS 17 and has accounted for its contributions as if it were a defined contribution scheme.

At the valuation date, the value of the assets of the scheme was as follows:

Latest actuarial valuations 31 March 2011, actuarial project unit method.

	<b>Past service liabilities</b>	<b>Future service liabilities</b>
Rate of interest	6.1%	6.1%
Rate of increase in salaries	4.4%	4.4%
Rate of increase in pensions	3.4%	3.4%
Market value of assets at the date of last valuation		£32,433.5m
Value of past service liabilities		£35,343.7m
Past service deficit		£(2,910.2)m
Covered by the actuarial value of the assets		92%
During the year all employers have paid the same contribution rate of		16%
During the year all employees have paid the same contribution rate of		6.35%

The value of pension payments made in year to the USS was £194,516 (£115,915), there were no outstanding creditors as at 31 July 2013 & 2012.

## 26. Pension Schemes – Continued

### Local Government Pension Scheme (LGPS)

The LGPS is a funded defined benefit pension scheme, with the assets held in separate administered funds. The total contribution made for the year ended 31 July 2013 was £2,089,190 of which employer's contributions totalled £1,368,318 and employees' contributions totalled £720,872. As per the Actuarial report, the estimated Employer's contributions for the year ended 31 July 2013 will be approximately £2,439,000. As at the 31 July 2013 amounts due were £nil (2012: £216,463).

The contribution rate for 2012/13 is 12% along with a monetary amount. For 2012/13 the monetary amount was £783,000. In future years the percentage contribution remains constant to 2013/14, monetary amounts agreed are 2013/14 £1,031,000.

The following information is based upon a full actuarial valuation of the fund as at 31 March 2010, updated to 31 July 2012 by a qualified, independent Actuary.

	<b>31 July 2013 £000</b>	<b>31 July 2012 £000</b>	<b>31 July 2011 £000</b>
Inflation	2.8%	2.2%	2.7%
Rate of increase in salaries	5.1%	4.5%	5.0%
Rate of increase in pensions	5.7%	2.2%	2.7%
Discount rate for liabilities	4.6%	4.1%	5.3%

The assumed life expectations on retirement at age 65 are:

	<b>2013</b>	<b>2012</b>
Retiring today		
Males	21.4	21.4
Females	23.3	23.3
Retiring in 20 years		
Males	23.4	23.4
Females	25.5	25.5

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

	<b>2013</b>		2012		2011			
	<b>Long term rate of return expected at 31 July 2013</b>	<b>Value at 31 July 2013 £000</b>		Long term rate of return expected at 31 July 2012	Value at 31 July 2012 £000		Long term rate of return expected at 31 July 2011	Value at 31 July 2011 £000
Equities	6.5%	37,018		5.5%	28,856		7.0%	27,156
Bonds	3.4%	9,128		3.0%	9,618		4.6%	8,147
Property	4.6%	2,535		3.7%	2,509		5.1%	2,716
Cash	3.4%	2,028		2.8%	836		4.0%	776
Total market value of assets		<b>50,709</b>			<b>41,819</b>			<b>38,795</b>

## 26. Pension Schemes – Continued

	<b>2013 £000</b>	<b>2012 £000</b>	<b>2011 £000</b>
University's estimated asset share	50,709	41,819	38,795
Present value of scheme liabilities	(73,285)	(67,063)	(55,201)
Deficit in the scheme - University	(22,576)	(25,244)	(16,406)

	<b>2013 £000</b>
<b>Consolidated</b>	
Estimated asset share	53,626
Present value of scheme liabilities	(76,275)
Deficit in the scheme - Consolidated	(22,649)

<b>Analysis of net return on pension scheme University</b>	<b>2013 £000</b>	<b>2012 £000</b>
Expected return on pension scheme assets	2,043	2,499
Interest on pension scheme liabilities	(2,785)	(2,980)
Net return	(742)	(481)

The Actual return on pension scheme assets was £7,386k.

<b>Analysis of net return on pension scheme - Consolidated</b>	<b>2013 £000</b>
Expected return on pension scheme assets	2,142
Interest on pension scheme liabilities	(2,872)
Net return	(730)

<b>Amounts recognised in the statement of total recognised gains and losses (STRGL)</b>	<b>2013 £000</b>	<b>2012 £000</b>
Actual return less expected return on pension scheme assets	5,343	(1,267)
Change in financial and demographic assumptions underlying the scheme liabilities	(1,699)	(6,809)
Actuarial loss recognised in STRGL	3,644	(8,076)

<b>Amounts recognised in the statement of total recognised gains and losses (STRGL) - Consolidated</b>	<b>2013 £000</b>
Actual return less expected return on pension scheme assets	5,544
Change in financial and demographic assumptions underlying the scheme liabilities	(1,969)
Actuarial loss recognised in STRGL	3,575

## 26. Pension Schemes – Continued

### Movement in deficit during year

	<b>2013 £000</b>	<b>2013 £000</b>
Deficit in scheme at beginning of year	(25,244)	(16,406)
Movement in year:		
Current service charge	(2,568)	(2,448)
Contributions	2,365	2,423
Past service costs / curtailments	(31)	(256)
Net interest / return on assets	(742)	(481)
Actuarial gain or loss	3,644	(8,076)
Deficit in scheme at end of year	(22,576)	(25,244)

### Movement in deficit during year - Consolidated

	<b>2013 £000</b>
Deficit in scheme at beginning of year	(25,348)
Movement in year:	
Current service charge	(2,744)
Contributions	2,539
Past service costs / curtailments	(31)
Net interest / return on assets	(730)
Actuarial gain or loss	3,665
Deficit in scheme at end of year	(22,649)

### Analysis of the movement in the present value of the scheme liabilities

	<b>2013 £000</b>	<b>2012 £000</b>
At the beginning of the year	(67,063)	(55,201)
Current service charge	(2,568)	(2,448)
Interest cost	(2,785)	(2,980)
Contributions by scheme participants	(783)	(843)
Actuarial (gains) and losses	(1,699)	(6,809)
Benefits paid	1,644	1,474
Past service cost	-	-
Curtailments	(31)	(256)
At the end of the year	(73,285)	(67,063)

### Analysis of the movement in the present value of the scheme liabilities - Consolidated

	<b>2013 £000</b>
At the beginning of the year	(69,499)
Current service charge	(2,744)
Interest cost	(2,872)
Contributions by scheme participants	(826)
Actuarial (gains) and losses	(1,947)
Benefits paid	1,644
Past service cost	-
Curtailments	(31)
At the end of the year	(76,275)

**Analysis of the movement in the market value of the scheme assets**

	<b>2013</b>	<b>2012</b>
	<b>£000</b>	<b>£000</b>
At the beginning of the year	41,819	38,795
Expected rate of return on scheme assets	2,043	2,499
Actuarial gains and losses	5,343	(1,267)
Contribution by the employer	2,365	2,423
Contributions by scheme participants	783	843
Benefits paid	(1,644)	(1,474)
At the end of the year	50,709	41,819

**Analysis of the movement in the market value of the scheme assets - Consolidated**

	<b>2012</b>
	<b>£000</b>
At the beginning of the year	44,151
Expected rate of return on scheme assets	2,142
Actuarial gains and losses	5,612
Contribution by the employer	2,539
Contributions by scheme participants	826
Benefits paid	(1,644)
At the end of the year	53,626

**History of experience gains or losses**

	<b>2013</b>	2012	2011	2010	2009
	<b>£000</b>	£000	£000	£000	£000
Difference between the expected and actual return on assets:					
Amount	5,343	(1,267)	1,367	2,666	(4,338)
% of scheme assets	10.5%	3.0%	8.5%	8.0%	16.3%
Experience gains and (losses) on scheme liabilities:					
Amount	(2)	(566)	2,128	9	(21)
% of scheme liabilities	0%	0.8%	3.2%	0%	0%
Total amounts recognised in statement of total recognised gains and (losses):					
Amount	3,644	(8,076)	4,961	249	(2,356)

The cumulative amount of actuarial gains and losses recognised in the Statement of Total Recognised Gains and (Losses) is £(9,240)k (2012: £(12,884)k).

## 27. Related Party Transactions

Financial Reporting Standard No. 8 'Related Party Transactions' requires the disclosure of material transactions between the University and any related parties. The University has taken advantage of the exemption permitted by the Financial Reporting Standard No. 8 not to disclose transactions with other group companies which have been eliminated on consolidation, and government departments and their sponsored bodies.

Due to the nature of the Institutions operations and the compositions of the Board of Governors, being drawn from local public and private organisations, it is inevitable that transactions will take place with organisations in which a member of the Board of Governors may have an interest. All transactions involving organisations in which a member of Board of Governors may have an interest, are conducted at arm's length and in accordance with the Institution's Financial Regulations and usual procurement procedures.

<b>Board of Governors Member</b>	<b>Party Associated</b>	<b>Relationship to Party</b>	<b>Transactions in year</b>	<b>Amounts due / receivable with University at 31 July 2013</b>
Mr Milan Shah & Professor Nick Petford	Northamptonshire Enterprise Partnership (NEP)	Board Member	£28,380 invoiced from NEP to The University	nil
			£13,750 invoiced from The University to NEP	nil
Mr Terry Neville	Uno Buses (Northampton) Limited	Director	£464,024 invoiced from Uno Buses (Northampton) Limited to The University of Northampton Enterprises Limited	nil

## 28. Endowments - Consolidated & University

	Restricted Permanent £000	Total Permanent £000	Restricted Expendable £000	Total £000
Balances at 1 August 2012				
Capital	932	932	151	1,083
Reclassification	-	-	-	-
New endowments	-	-	96	96
Investment income	25	25	-	25
Expenditure	(16)	(16)	(247)	(263)
	9	9	(151)	(142)
At 31 July 2013	941	941	-	941
Represented by:				
Investments	623	623	-	623
Cash	318	318	-	318
	941	941	-	941