

Annual Report and Consolidated Financial Statements

for the year ended 31 July 2014



General Information

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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 2013/14 HEFCE Accounts Direction. This means that the financial statements 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 financial statements of other corporate organisations.

The SORP takes account of what is currently thought of as best accounting practice, the accounting provisions of the Companies Act (2006), 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, and the fully owned subsidiary companies; The University of Northampton Enterprises Limited, iCon East Midlands, Icon Operations Limited and Inspire2Enterprise Limited. They also cover the active Joint venture companies Uno Buses Northampton Limited and Healthwatch (Northamptonshire) CIC and an equity investment in Goodwill Solutions CIC.

Membership of the Governing Council

In May 2013, the Privy Council approved a revised Instrument of Government and the Governing Council approved updated Articles of Government. These changed the name from Governing Council to Board of Governors and 2013-14 has seen the first full year of operation of the changes to governance following the review completed in 2012. The Board of Governors in its reduced size of up to 16 members has 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 is now taken directly to the Board. The Board has established a Project Assurance Committee to focus on the particular monitoring of risk, and the Waterside Project and Advancement Group will progress its work on philanthropy and fundraising. Additionally, as a result of the work on evaluating its operation, in July 2013 the Board decided to follow commercial good practice and establish one of the governors as a Senior Independent Member to lead the work of governing body effectiveness. That work on Board effectiveness has been a particular focus during 2013-14.

The Board's most noteworthy considerations during the year concerned the request to its regulator, the Higher Education Funding Council for England (HEFCE), for approval to undertake significant borrowing for the Waterside Project, which will result in major changes to the operation and location of the University and have impact on the future prospects of the University. There will be associated benefits for the local community, the town and the region.

During 2013/14, the Members of the Board of Governors were as follows:

Name	Category	Committee Membership
Mr Milan Shah - Chair	Independent	Nominations and Remuneration
Mrs Sylvia Hughes - Deputy Chair	Co-opted	PAC, Nominations and Remuneration
Mr Nicholas Robertson - Senior Independent Member	Independent	Advancement, Audit and PAC
Ms Haviour Chen	Nominated Governor as President of Students' Union	Nominations
Mrs Clare Colacicchi	Independent	Remuneration
Mr Richard Davies	Independent	Audit
Ms Helen Flach	Independent	Audit
Mrs Ann Gilbert	Independent	
Mr Mark Mulcahey	Independent	Remuneration
Mr Martin Pettifor	Independent	Honorary Awards
Mr Nick Pitts-Tucker	Independent	Advancement and PAC
Dr Ron Mendel	Nominated Governor by Senate	
Professor Nick Petford	Vice Chancellor of the University	Advancement, Nominations and Remuneration
Mr Andrew Scarborough	Co-opted	PAC and Remuneration
Mr David Watson	Co-opted as Professional Staff Governor	Nominations

Abbreviations:

- Advancement*
Advancement Group
- Audit*
Audit Committee
- Honorary Awards*
Honorary Awards Committee (Joint Committee with Senate)
- PAC*
Project Assurance Committee
- Nominations*
Nominations Committee
- Remuneration*
Remuneration Committee

Appointed by the Board to the Audit Committee as external members:

Mr **John Neilson**
Ms **Sarah Canning**

Appointed by the Board to the Project Assurance Committee as external members:

Mr **George Howard**
Mr **Tim Roxburgh**

Appointed by the Board to the Remuneration Committee as an external member:

Ms **Julie Morosco**

Appointed by the Board to the Nominations Committee as external members from the Court:

Lady **Jenny Harper**
Sir **Patrick Walker**

The revised structures for the operation of the University Court were implemented in 2013-14, with three formal meetings a year. The Chancellor Baroness Falkner of Margravine accepted a further extension to her term of office and Mr David Laing Lord Lieutenant was appointed as the first Pro Chancellor for the University to support the Chancellor and the work of the Court.

As at 19 November 2014, the Board of Governors of the University of Northampton consisted of:

Mr Victor Agboola	Mrs Sylvia Hughes (Deputy Chair)	Mr Martin Pettifor	Mr David Watson
Ms Helen Flach	Dr Ron Mendel	Mr N Pitts-Tucker	Mr Nicholas Robertson
Mrs Margaret Gardner	Professor Nick Petford (Vice Chancellor)	Mr Andrew Scarborough (Chair)	Mr Mark Mulcahey
Mr Richard Horsley			



Andrew Scarborough (Chair)

16 | 02 | 2015 Date

Statement of primary responsibilities

for the year ended 31 July 2014

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. They constitute 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 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 2014

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. These are detailed on page 32.

	2013/14 £000	2012/13 £000
Total Net Income	108,996	101,488
Total Expenditure	(103,482)	(100,983)
Surplus after depreciation	5,514	505
Share of Operating Loss in Joint Ventures and Associates	(1)	(61)
Difference between depreciation charge based on historical cost and revalued basis	1,309	668
Historical Cost surplus	6,822	1,112

The Position of the Institution at the end of the year

The University continues to be in a strong financial position and is generating increasing operating surpluses as a result of tight financial control and increasing efficiencies in administration. This year's surplus serves to improve the balance sheet reserves to fund planned future capital projects, in particular the proposed move to a new campus

located at the 'Waterside' development site in the town centre. It also provides further resilience in the financial position in light of the uncertain outlook as regards increases in the permitted levels of fees income and general outlook for Higher Education Funding.

The University continues to focus on improving the student experience of those studying at the University, and this is reflected in the rise in the University's

Higher Education ranking tables position, moving up 3 places to 56th place in the September 2014 Times and Sunday Times Good University Guide 2015.

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

The University's financial strength continues to improve, with another strong year and a healthy operating surplus. This has enabled the University

to again invest further in improving the student experience, allowing Northampton to become an increasingly attractive destination for students, as shown by its improving position in the Higher Education league tables. It also provides increases in the reserves to assist in funding the University's ambitious proposals to relocate the University to a new campus site in Northampton town centre from September 2018, provisionally referred to as the 'Waterside' project.

The market for home and overseas students continues to be increasingly competitive. Demographically in the home market, although the number of 18 year olds continues to fall, the proportion seeking to enter Higher Education is increasing. The announcement by the Government of 30,000 extra student places in 2014/15 and the removal of the student number cap in years thereafter has increased the competitive efforts of all universities to attract students of the right calibre to their courses. However, applications from prospective students to the University remain strong.

Internationally, recruitment of overseas students to our courses also remains strong, although the measures brought in by the UK Visas and Immigration agency have affected the number of overseas students wishing to study in the UK.

Overall, given the proposals regarding the campus move, the University is excited by its prospects and confident of its ability to meet the challenges of a competitive Higher Education market.

The general operating environment

Improving prospects for UK economic growth, and the increase in the cap on UK full-time undergraduate student numbers, meant that the operating environment for the University and the Higher Education sector in 2013/14 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 adverse impact of the maintenance of the student fee cap of £9,000 has not yet been felt by the University. However, long term maintenance of the cap at this

level will eventually impose cuts in the real value of the fees received.

The pay settlement for 2013/14 was modest, so although pension costs continue to rise at rates above inflation, total pay increases were sustainable.

The University invested during the year on its proposals to move to a new campus, undertaking consultation with its stakeholders, detailed project planning and remedial preparation works on the proposed site. Although the final decision to move the campus had not been taken by the year end, the prospects for a successful project look very encouraging.

Key Performance Indicators (KPIs)

Under the 2010-15 Strategic Plan, 16 Key Performance Indicators (KPIs) have been established with targets that lead to the Raising the Bar aspirations by the 2014/15 academic year.

During 2013-14 the Board of Governors agreed to continue to monitor performance at institutional and academic unit level through scrutiny of seven of the 16 KPIs. 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 2013/14

In 2013-14, figures available at the time of publication show that the University performed particularly strongly against the 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 2013-14, 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 academic and professional service unit levels.

Academic and professional service unit risk registers are monitored by the University's Risk Management Group (comprising members of the University Management Team). The institutional risk register which includes key strategic and business as usual risks is monitored periodically by the Audit Committee and the Board of Governors. In addition, a detailed risk register has been prepared for the Waterside Project which will continue to be monitored during the project by the Project Assurance Committee of the Board of Governors.

Cash flow

Information regarding the University's cash position for 2013/14 is included in the financial statements, and complies with the requirements of Financial Reporting Standard.

Investment in the development of the campus move proposals and continued improvement of the facilities for staff and students has resulted in a small fall in cash for the year.

Subsidiary companies

The University's 100% owned subsidiaries, University of Northampton Enterprises Limited, iCon East Midlands, Icon Operations Limited, and Inspire2Enterprise Limited continued to trade in 2013/14. Further details regarding these companies 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. The University endeavours to ensure that all suppliers are paid within agreed terms at all times.



Capital projects 2013/14

Estates Capital projects in the year 2013/14 have focused on the off-site developments of St John's Hall of Residence, University of Northampton Innovation Centre and enabling works for the new Waterside Campus. There has also been modest investment by comparison to recent years on the existing campus sites directed toward maintaining and enhancing the student experience.

The St John's development was completed in January 2014 on time and within the £23 million budget allocated. It has been operational since that time with limited occupation by students and summer school lettings. The building has been well received and attracted much positive comment from both internal and external stakeholders. Operational procedures are now well established and the building is ready to take a full complement of students for the new academic year.

The University of Northampton Innovation Centre has been under construction since November 2013. Work is progressing well, with the contractors report indicating they are ahead of programme in most areas. The building envelope is nearing water tightness and the internal fit out is advancing rapidly. Scheduled completion of the building is February 2015, with total costs of circa £8 million. Work to date has been within the anticipated cost parameters and the project is expected to complete on time.

The proposed new Waterside Campus is progressing at pace with the design development well advanced. Work is underway to allocate space to the various academic areas and support services. The design teams are working closely with the University to prepare the necessary documentation for main contractor procurement. On site, the first phase of land remediation is complete and phase 2 remediation and enabling works are progressing according to programme.

The annual capital allocation for specific estate improvement is in the order of £1.2 million in line with the decision to reduce investment in the existing campuses ahead of Waterside relocation. This expenditure has been primarily focused towards maintaining the student experience.

Upgrades to numerous teaching rooms with replacement furniture, floor covering and decorating at both Park and Avenue campuses has improved the general environments. The creation of additional Games Arts studios has been undertaken as a result of very strong recruitment in that area. For the School of Health, an EU aptitude testing facility has been established for competence testing nurses and midwives from outside of the EU. This has been done in partnership with the Nursing and Midwifery Council who are part funding the work.

Sustainability and environmental management

August 2013 saw the University of Northampton and the University of Northampton Students' Union's partnership bid to the NUS Students' Green Fund announced as one of 25 successful projects. The 'Planet Too' project was awarded £250,000 funding over two years to develop transformative, student-led sustainability projects with real impact and legacy. The project has started to deliver seven separate interventions designed to help students adopt pro-environmental habits, turn the Students' Union into a hub of sustainability and link into the University's focus on social innovation and enterprise. Volunteer student Sustainability 'Changemakers' have been recruited to help run the individual strands of the project, with the aim of growing their employability and entrepreneurial skills. The University's first student-focused 'Environment Week' took place in January 2014 in conjunction with the Planet Too project.

The University-developed interactive Biodiversity Index has gone from strength to strength in 2013/14, with over half of the UK's universities accessing its website. The 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 site. The Biodiversity Index was highly commended in the Technical Innovation for Sustainability category of the Green Gown Awards 2013, as well as being a finalist in Sustainability Project category of the 2014 Guardian University Awards. A Biodiversity Index training course, with input from the School of Science and Technology and Infrastructure Services, was run at the start of the 2014 growing season for individuals and organisations that wanted a practical demonstration of how to use the tool in situ.

The two Sustrans (sustainable transport) Officers leading the Department for Transport funded 'Access to Education' sustainable travel project have continued to work with the University, local colleges and schools. Their role is to inspire people to use sustainable methods of travel, to help reduce congestion, encourage active travel and minimise the effects of traffic on the natural environment. Cycling promotion events and activities have included guided rides, 'Dr Bike' maintenance sessions, pedal-powered cinema and bicycle polo. During the year, 12 University members of staff have taken the opportunity to lease a new bicycle of their choice as part of the Government's tax-efficient Cycle to Work scheme. The University's joint-venture bus company, Uno Buses (Northampton), has continued to increase the range of bus services to the University and helped reduce car parking congestion around the campuses through greater patronage.



In 2013/14, 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 photovoltaic solar panels and a combined heat and power plant at the new St John's Hall of Residence, along with high efficiency boilers in the Margaret Bondfield Hall of Residence.

Since 2012, the University has procured an increasing amount of its grid-supplied electricity from renewable sources, such as wind-farms, hydro projects, biomass plant and solar photovoltaic installations; leading in 2013/14 to 98% of the University's electricity being sourced from generation accredited as renewable power.

The winter of 2013/14 was warmer than the historical average, which helped lead to a reduction in the University's annual scope 1 and 2 emissions of carbon dioxide; calculated at 7,638 tonnes. This represents a 3.9% decrease compared to the institution's 2005 baseline, against a 17.4% increase in building area over the same time period. 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, with particular focus on the development of the new Waterside Campus. 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.

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. Any applicant that declares a disability will be shortlisted for interview providing they meet the essential criteria of the role.

In the event of employees becoming disabled, every effort is made to support employees and to make reasonable adjustments to enable them to continue in their role, or where necessary to relocate or retrain them in order that their employment with the University may continue in an alternative role.

We are committed to achieving the Two Ticks accreditation recognising us as an employer that employs, keeps and develops the abilities of disabled staff.

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's quality assurance and enhancement processes underwent some major improvements in 2013/14, which helped further to establish and improve the University's academic quality development and related practices across the organisation. In Spring/Summer 2014, the University organised a practice review in view of its forthcoming QAA Higher Education Review (2015/16); at this 'mock review', external assessors gave useful feedback to University and thus provided further assurance of the high standards and quality of learning opportunities at the University. Moreover, the University's development processes for Education with Others (EWO) collaborations and partnerships were significantly improved in 2013/14, and the University successfully developed several academic collaborations both in the UK and abroad.

The University continued to experience successful accreditation, re-accreditation and external review visits from professional statutory and regulatory bodies, demonstrating both external benchmarking of its standards and the relevance of its awards to employability. In this regard, the University is particularly pleased to have awards recognised by bodies representing a diversity of professional bodies. These recognising bodies include the following:

- British Psychological Society
- Chartered Institute of Architectural Technologists

- Chartered Institute of Management Accountants
- Chartered Institute of Marketing
- Chartered Institute of Personnel and Development
- Chartered Institute of Public Finance and Accountancy
- Chartered Institution of Wastes Management
- General Dental Council
- Health and Care Professions Council
- Institute of Chartered Secretaries and Administrators
- Institute of Leadership and Management
- Lift and Escalator Industry Association
- National College of Teaching and Leadership
- Nursing and Midwifery Council
- Ofsted
- Skillsmark

Academic achievement

3,040 full and part-time final year students achieved an undergraduate degree after the summer exams in 2013/14. Of these 1,747 achieved a "good degree" (1st or 2:1).

3,759 full and part-time final year students achieved an undergraduate degree after the summer and autumn exams in 2013/14. Of these, 1,921 achieved a "good degree" (1st or 2:1).

National Student Survey

In the 2014 National Student Survey (NSS), the University ranked joint third out of the 49 comparator institutions. For 'Overall satisfaction', 89% of students agreed that they were satisfied. The University achieved above HEI sector average levels of satisfaction in all sections. Across the whole sector, including FECs, the University is in the top quartile for 'Assessment and Feedback' 'Academic Support' 'Learning Resources' and 'Personal Development'.

After the University's investment in learning resources, the results for this area have improved substantially by 6% to 88%, placing it now above the sector average.

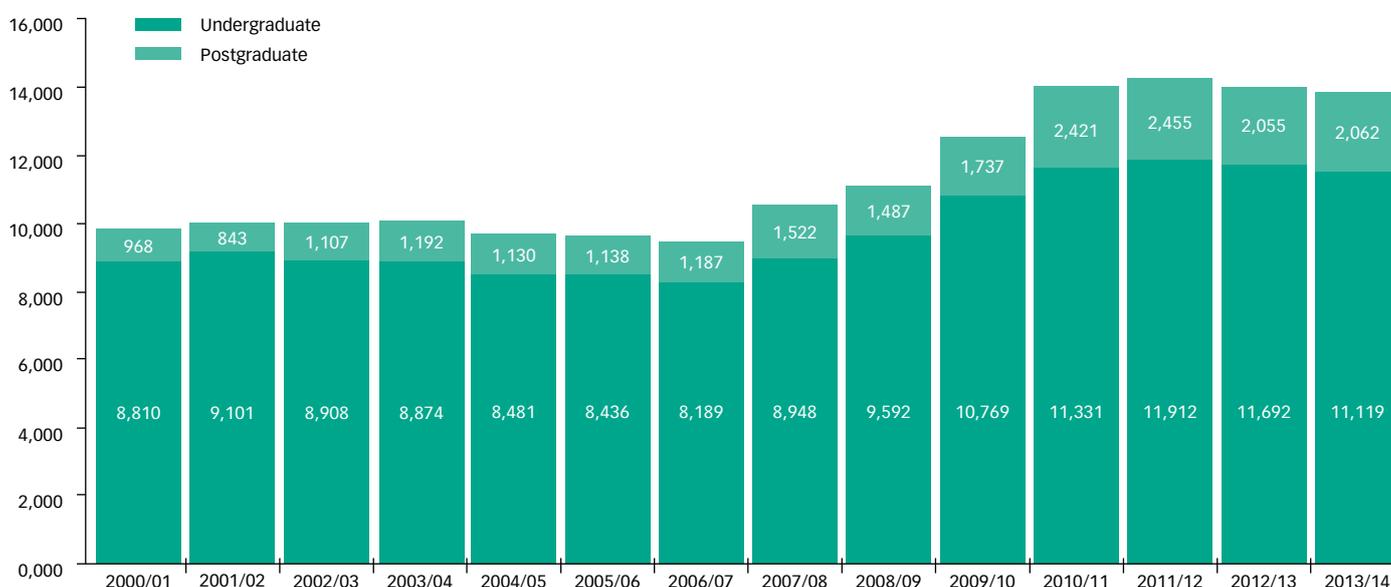
The University will be continuing in this work to further improve satisfaction levels.



Trend data

Total enrolled Higher Education students 2013/14

	Undergraduate	Postgraduate	Total
Full-Time (Home)	8,610	325	8,935
Full-Time (Overseas)	707	420	1,127
Part-Time (Home)	1,679	1,050	2,729
Part-Time (Overseas)	203	267	470
Total	11,199	2,062	13,261



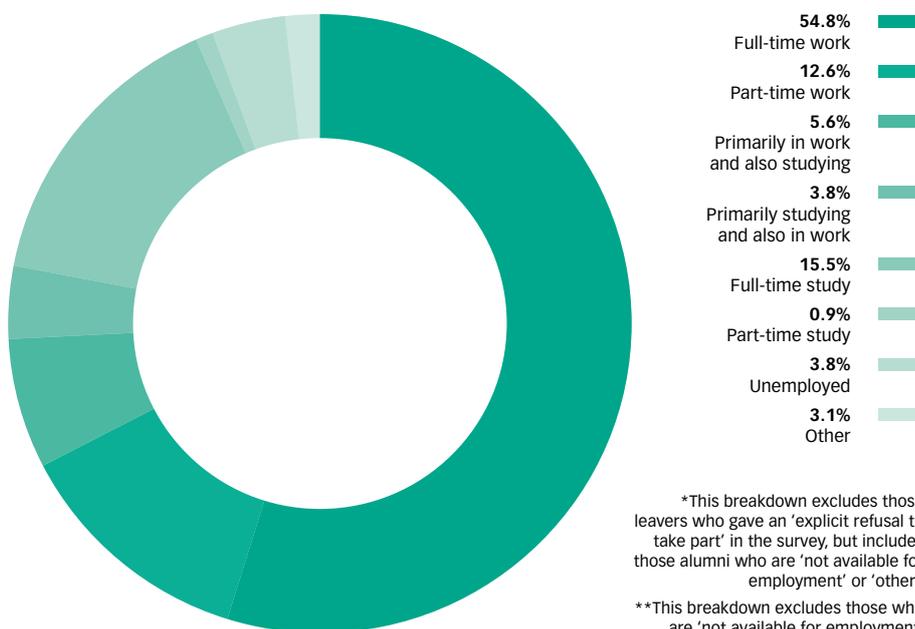
Destination of leavers from higher education

The Destination of Leavers from Higher Education Survey (DLHE) is undertaken each year. The 2012/13 survey covered students successfully completing courses between 01/08/2012 and 31/07/2013 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 93%* of leavers who supplied data were in work or study (or both). Of all leavers who were available for work, this figure is 96%**.

There were 4,388 eligible leavers in 2012/13 of whom 3,366* (77%) leavers supplied the following information:

University of Northampton 2012/13 destination of leavers



*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 (2013/14)

9.2% of full-time students and 6.7% of part-time students state that they have some form of disability (2013/14).

36.4% of full-time students and 29% of part-time students come from Black and Minority Ethnic communities (2013/14).

In 2010/11 (latest HESA Performance Indicators for entrants 2010/11) 98% 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 2013/14	Full-time	Part-time	Total
The Arts	1,457	75	1,532
Education	1,350	759	2,109
Health	1,775	652	2,427
Northampton Business School	2,522	824	3,346
Science and Technology	637	428	1,065
Social Sciences	1,558	173	1,731
Partner Colleges	636	194	830
Research Students	74	95	169
Unassociated Students	54	0	54
Total	10,063	3,200	13,263

Distribution by Gender

Full-time	Total	Male	%	Female	%
Postgraduate	745	295	40	450	60
Undergraduate	9,317	3,397	36	5,920	64
Total	10,062	3,692	37	6,370	63

Part-time	Total	Male	%	Female	%
Postgraduate	1,317	507	38	810	62
Undergraduate	1,882	813	43	1,069	57
Total	3,199	1,320	41	1,879	59

Distribution by Age*

Full-time	Total	Under 21	%	21 & Over	%
Postgraduate	745	5	1	740	99
Undergraduate	9,317	5,022	54	4,295	46
Total	10,062	5,027	50	5,035	50

Part-time	Total	Under 21	%	21 & Over	%
Postgraduate	1,316	0	0	1,316	100
Undergraduate	1,881	132	7	1,749	93
Total	3,197	132	4	3,065	96

* 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).



Distribution by ethnicity

Full-time	Total	BME	%	White	%
Postgraduate	745	473	63	231	31
Undergraduate	9,318	3,135	34	5,762	62
Total	10,063	3,608	36	5,993	60

Part-time	Total	BME	%	White	%
Postgraduate	1,317	351	27	871	66
Undergraduate	1,882	491	26	1,276	68
Total	3,199	842	26	2,147	67

Research and enterprise income

The value of research and enterprise (R&E) bids won over 2013/14 was £3.4m. This is a disappointing performance caused in part by the knock on effect of low levels of bidding success the previous year. As of January 2014, the University submitted bids worth £5,234,847 of which £796,816 were successful, giving us a 15.22% success rate. In enterprise and innovation the success rate is 91.69% (£357,834 won against a bidding value of £390,274). Before the end of the year, the University secured one further large European project worth £215,000.

So while bidding activity is down, we are pleased to note that success rates are much improved. The bids we are producing are good and well-targeted, but the quantity needs to improve.

The REF was submitted in November 2013 and significant (staffing) resources were dedicated to ensure that this was of good quality. This meant that a number of R&E active staff had less time to dedicate to working on income-generating projects. In addition there have been a number of changes in research strategy management over the year.

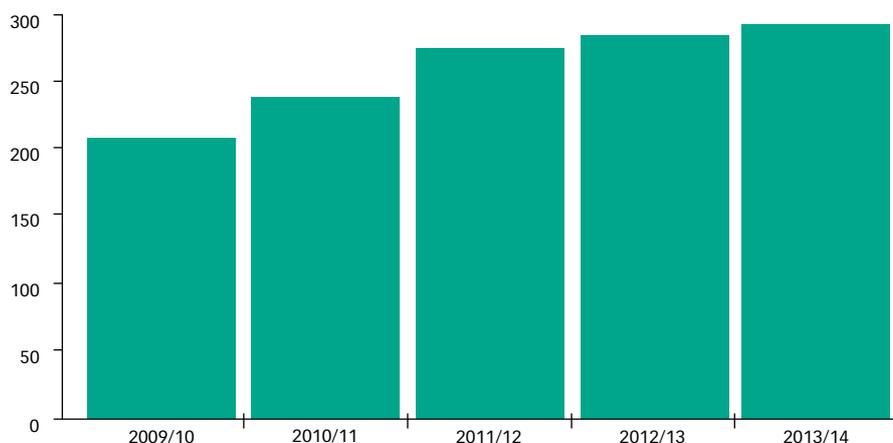


Postgraduate research students

During 2013/14 the University awarded 20 PhDs, including 3 PhDs by Means of Published Works. To support a steady growth in our postgraduate research (PGR) students, 37 research degree bursaries were allocated during 2013/14:

- Fully funded by UN central funds – 18
- 50% funded by UN central funds – 9
- Funded by Schools' own funds – 3
- Funded by external bodies - 7

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

The University is currently carrying out an audit of all intellectual property policy, process and procedures. Once complete this will be rolled out to all staff.

Further funding has been secured from ERDF to continue to develop two pieces of intellectual property that have been developed by staff. Firstly, a market assessment will be carried out for the pioneering interactive Biodiversity Index launched last year. This will enable the exploration of new markets for this web-based tool that allows 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. Secondly, further development will be possible of the Social Impact matrix, a tool that enables organisations to measure their impact across several benchmarks.

The University has also had a patent approved by the Intellectual Property Office. The patent, entitled Method and Process for Routing and Node

addressing in Wireless Mesh Networks, is a mathematical idea which solves a problem in a wireless mesh network.

The Portfolio Innovation Centre continues to attract enquiries for new tenants and enjoyed 82% occupancy at the year end. This demonstrates the continuing synergy of these companies with the University and that the business support provided works well. Tenants are working on many projects with the University, including course development and international student support.

nVision's core 3D immersive visualisation technologies located at the Avenue Campus 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 falling, although 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 in 2012/13 and has now stabilised. Currently all offices dedicated for external clients are occupied. The nVision management is looking at ways of using existing space efficaciously to pave the way for new clients to move to the University.

Statement of public benefit

The Charities Commission requires, *inter alia*, that there must be clearly identifiable benefits related to the aims of the charity; that the benefit must be to the public, or to a section of the public; that where the benefit is to a section of the public, the opportunity to benefit must not be unreasonably restricted by geographical or other restrictions or by ability to pay fees; 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 in the activity of the University in 2013-14. 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.' HEFCE, the University's funder and charity regulator, make Higher Education innovation funding available for the purpose of stimulating entrepreneurial and community engagement and the University makes particular use of this income stream to develop social enterprise activity which seek to make significant social impact.

The University of Northampton makes a noteworthy 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 13,000 including over 1,500 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 educational offer, in that all its students can access opportunities to work in, or set up, 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.

The University's 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.

The University's 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.

Additionally, 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 specialisms, 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 the University believes society benefits from:

a) Health or saving of lives

The Institute 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.

The University of Northampton and Office of the Police and Crime Commissioner for Northamptonshire launched the Institute for Public Safety, Crime and Justice. The first Institute of its kind in the UK, The Institute for Public Safety, Crime and Justice (IPSCJ) seeks to bring together cutting-edge academic research and evidence with practice, training and

development across public safety agencies. The Institute aims to be nationally and internationally recognised for high quality academic contributions to crime prevention, crime science and criminal justice practice. Researchers within the team will develop advanced understandings of victim, witness and community priorities, while analysing crime issues and agency activity and developing detailed understanding of criminal justice and public safety interventions.



c) Citizenship or community development

The University of Northampton's social enterprise mission reflects our strong commitment to the community within which we operate. We promote entrepreneurship in a wide context to support students, staff and local communities by helping them to start and grow the right social business solutions to meet their needs.

Our social enterprise values: delivering an enhanced student experience, delivering entrepreneurial, innovation and enterprise skills, and delivering through our values social inclusion and social innovation, reflects our commitment to improve the economic, social, environmental and cultural life of our community.

Over 1,500 students have been actively engaged in social enterprise activities over the past year of which in excess of 900 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/ 47 business start-ups), those supported by the Higher Education Innovation Fund (HEIF) via Schools Enterprise Days (five local school 6th form groups attending), Our Big Bonanza scheme has led to staff and students gaining support and funding for 10 new social enterprises operating in areas including mental and physical illness, theatre and music, and working with young people. We have also granted extended visas to international students who wish to develop their business ideas.

Inspire2Enterprise (I2E) national support service for social enterprises, public sector bodies, third sector and corporate organisations seeking to create social value, has undertaken over 9,000 engagements with social enterprises and other organisations throughout the UK and Ireland since its inception at the end of 2011. I2E is now a leading market brand.

The service supports organisational start-up, sustainability and growth, and measurably contributes to social impact and the creation of social value, and is currently the only national social enterprise support service. The service also facilitates student placements and

the opportunity for our staff to gain subjects for new research projects and the development of new teaching and learning material

We formed strategic partnerships with our local Local Enterprise Partnership, Northamptonshire Enterprise Partnership, and the County Council to develop the Northamptonshire Growth Hub to support local enterprises. Since its launch in November 2013, the Northamptonshire Growth Hub has helped in excess of 500 Northamptonshire businesses to access a range of local business support services. This help, received by calling one telephone number, has signposted businesses to opportunities that will help them grow and develop, boosting their business performance as well as the local economy as a whole.

The impact of Northampton's transformation has been dramatic. It is acknowledged by the UK Government as leading the UK HEI sector for social enterprise; it has shot up all the UK university league tables; it gained the title of 'Midlands Most Enterprising University' for three consecutive years from 2012- 2014; and in February 2013 it became the first UK university to achieve AshokaU 'Changemaker Campus' designation. We are also frequently cited in the national and specialist media for our work on social enterprise, social innovation and social impact.

c) Arts, culture, heritage or science

The School of The 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.

The University of Northampton Students' Union is committed to celebrating the diversity of our student membership through an array of student groups and ensuring equality through a fostering, supportive and inclusive environment for all members.



The LGBT Society, as an example, hosts regular social nights to give students a safe space to socialise, weekly drop in sessions over two campuses that provides an opportunity for students to talk about varying issues affecting them whether they be emotional or welfare related, guest speakers to educate both LGBT and non-LGBT Students on a range of issues, as well as movie nights to widen our students' knowledge and explore LGBT themes through film. The Society's achievements were formally recognised at our Society Awards winning Society of the Year 2012/13 and Most Improved Society of the Year 2012/13 for their passion, drive, determination and enthusiasm for their activities and members and the provision of quality events.

The Students' Union has for the upcoming year included a number of diversity targets as measures of society performance, which is linked to their financial support. These measures include engagement with women, international students and disabled students.

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 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, Waste Management has existing or developing relationships with HE establishments in India, Nigeria, Brazil and Nepal, 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 development, in Northampton, to addressing the decline of pollinators in both the UK and worldwide.

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

The Accessibility 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 is a 20% shareholder and partner of a local social enterprise called Goodwill Solutions CIC. The company enables ex-offenders and other disadvantaged worker groups to get back into mainstream society through work programmes. 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 2014

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

The University 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. In March 2014 the Board adopted a Code of Conduct which further articulated the University's expectations of governors, University officers, senior post holders, and external committee members.

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 2013/14 was approved by the Privy Council on 13 May 2013. The Articles require the University to have a Board of Governors, a Vice Chancellor and a Senate, each with clearly defined functions and responsibilities, to oversee and manage the University's activities. The University is an exempt charity regulated through the Higher Education Funding Council for England, with the members of Board of Governors aware that they are also Trustees as well as Governors.

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 professional staff member, an academic nominated by the Senate and 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 2013/14, Board of Governors met on 12 occasions, including an away day, having changed its mode of operation to monthly meetings in 2012. Some of the detailed work is initially handled by standing committees (Advancement, Audit; Project Assurance, Nominations, and Remuneration) and task and finish groups as appropriate. The Board received formal reports of these committees through the presentation of minutes and verbal reports by the Chair of each committee. The Audit, Project Assurance, Nominations and Remuneration Committees include experts as external committee members who are appointed by the Board on recommendation from the Nominations Committee. The committees have a majority of members who are independent or co-opted members of the Board. The Chair of each committee is appointed by the Board and confirmed by its membership annually. As a result of the work on evaluating its operation, in 2013 the Board decided to follow commercial good practice and from August 2013 established an elected role for one the governors as a Senior Independent Member to lead work on governing body effectiveness, including the five year evaluation of Board effectiveness being undertaken during 2014.

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 University 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 University. The Vice Chancellor is supported by the University Management Team comprising senior managers of the University. These senior managers all contribute in various ways to this aspect of the work, but the ultimate responsibility for what is done rests with the Vice Chancellor. The Vice Chancellor, the Chief Operating Officer and the Clerk to the Board are the remunerated senior post holders. The Chancellor and Pro Chancellor are officers of the University in a voluntary and unremunerated capacity and with appointments to the University Court.

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 2013 to 31 July 2014, the Clerk to the Board of Governors was Miss Alice Hynes.

The Board of Governors took forward the proposals from a report on the operation of the University Court and the Foundation by a consultant from the Leadership Foundation for Higher Education (LFHE), who had also provided the Governing Council review for the University. The development of the Court has been progressed in 2013-14 seeking to establish Court as 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. Alongside the Chancellor, the University has the position of Pro Chancellor to support the day to day leadership and development of the Court.

The report from the LFHE consultant on the Foundation, together with a further report on fundraising and philanthropy from consultants Morgen Thomas Ltd were reviewed by the Board in 2013 and a new strategy for Advancement approved with the establishment of the Advancement Group and provision for a University Campaign Board. The Foundation as a Trust has been wound down with responsibility for its work passing to the University with new structures being put in place to underpin the philanthropic work required to see the University into the future and support the opportunities offered at the Waterside Campus.

The University acknowledges and endorses the principles of corporate governance, which it reaffirms in its Byelaws. 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 of Government and the HEFCE Memorandum of Assurance and Accountability. 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 2014 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 ten 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 and periodically review the University's risk register.
- We have designated the Project Assurance Committee, which meets monthly, to give especial attention to monitoring and risk management of the Waterside Project.
- 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 is in place.

- An organisation-wide risk register is maintained and a Risk Management Group comprising senior managers meets regularly to review the risk register.
- Executive Deans, Dean and Directors of Professional Service report on risk and internal control activities through their School/Service 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. The University was reviewed for effectiveness by the HEFCE Audit Service in January 2014 and received the highest categorisation, in that they "are able to place reliance on the university's accountability information". The internal auditors submit regular reports which include the audit partner's independent opinion on the adequacy and effectiveness of the University's system of internal control, with recommendations for improvement.

The University review of the effectiveness of the system of internal control is also informed by the work of the executive and senior managers within the University who have responsibility for the development and maintenance of the internal control framework, and by comments made by the external auditors in their management letter and other reports.

The 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 University fully compliant with the requirements and expectations placed on it regarding corporate governance during the financial year 2013/14.



Andrew Scarborough (Chair)

16 | 02 | 2015 Date

Responsibilities of the Board of Governors

(in relation to the Financial Statements) for the year ended 31 July 2014

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 Memorandum on Assurance and Accountability, agreed between the Higher Education Funding Council for England (HEFCE) and the Board of Governors of the University of Northampton, the Board of Governors, 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 that they 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 have taken reasonable steps to:

- Ensure that funds from the Higher Education Funding Council for England, the National College for Teaching and Leadership (NCTL) 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 Memorandum of Assurance and Accountability with the Funding Council and the agreement with the National College for Teaching and Leadership (NCTL) and the Education Funding Agency and any other conditions which the Funding Council may from time to time prescribe.
- Ensure that funds from the National College for Teaching and Leadership (NCTL) 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 (the "institution")

Report on the financial statements

Our opinion

In our opinion the financial statements, defined below:

- give a true and fair view of the state of the Groups and of the parent institution's affairs as at 31 July 2014 and of the Groups 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.

This opinion is to be read in the context of what we say in the remainder of this report.

What we have audited

The group financial statements and parent institution financial statements (the "financial statements"), which are prepared by the University of Northampton, comprise:

- the consolidated and parent institution Balance Sheets as at 31 July 2014;
- the consolidated Income and Expenditure Account for the year then ended;
- the consolidated Statement of Total Recognised Gains and Losses for the year then ended;
- the consolidated Statement of Cash Flows for the year then ended;
- the Accounting Policies; and
- the notes to the financial statements.

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

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

What an audit of financial statements involves

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

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

In addition, we read all the financial and non-financial information to identify

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

Opinions 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.



Other matters on which we are required to report by exception

Under the HEFCE Audit Code of Practice issued under the Further and Higher Education Act 1992, we are required to report to you if, in our opinion, the statement of internal control included as part of the Corporate Governance Statement is inconsistent with our knowledge of the parent institution and group. We have no exceptions to report arising from this responsibility.

Responsibilities for the financial statements and the audit

Respective responsibilities of the Board of Governors and auditors

As explained more fully in the Statement of Responsibilities of Board of Governors set out on page 24 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 ISAs (UK & Ireland). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors.

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

PricewaterhouseCoopers

PricewaterhouseCoopers LLP
Chartered Accountants and
Statutory Auditors, Birmingham

16 | 02 | 2015 Date

(A) The maintenance and integrity of the University of Northampton's 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 the financial statements may differ from legislation in other jurisdictions.

Statement of principal accounting policies

for the year ended 31 July 2014

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 feature the financial statements of the University and all its material trading subsidiaries (together "the Group") for the financial year to 31 July 2014. 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.

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 scheme, the assets of which are held separately from those of the University 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.

5. Tangible fixed assets

Land and buildings are stated at cost, other than the properties transferred from Northamptonshire County Council (NCC) 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 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 an 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.

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.

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 2014

	Note	2014 £000	2013 £000
Income			
Funding Body grants	1	16,238	23,191
Tuition fees and education contracts	2	76,552	63,656
Research grants and contracts	3	1,322	1,164
Other operating income	4	15,538	13,491
Endowment and investment income		446	467
Total income		110,096	101,969
Less share of income from joint venture		(1,100)	(481)
Net income		108,996	101,488
Expenditure			
Staff costs	5	52,967	51,578
Other operating expenses	6	40,061	42,490
Depreciation and Impairment	9	7,724	4,557
Interest and other finance costs	7	2,730	2,358
Total expenditure		103,482	100,983
Surplus on continuing operations after depreciation of assets at valuation and before taxation		5,514	505
Share of operating loss in joint venture		(26)	(61)
Share of operating profit in associate		25	-
Taxation		-	-
Surplus for the year retained within general reserves		5,513	444

Consolidated note of historical cost surpluses and deficits for the year ended 31 July 2014

	Note	2014 £000	2013 £000
Surplus after depreciation of assets at valuation and tax and exceptional items		5,513	444
Difference between depreciation charge based on an historical cost and revalued basis (as included above)	17	1,309	668
Historical cost surplus after tax		6,822	1,112

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

Consolidated statement of total recognised gains and losses for the year ended 31 July 2014

	Note	2014 £000	2013 £000
Surplus on continuing operations after depreciation of assets at valuation and tax		5,513	444
New endowments		222	(142)
Actuarial gain/(loss) in respect of pension scheme	25	(9,231)	3,575
Total recognised (losses)/gains relating to the year		(3,496)	3,877

Reconciliation

Opening reserves and endowments as previous stated		32,499	28,622
Total recognised (losses)/gains for the year		(3,496)	3,877
Closing reserves and endowments		29,003	32,499

Balance sheets as at 31 July 2014

	Note	Consolidated		The University	
		2014	2013	2014	2013
		£000	£000	£000	£000
Fixed assets					
Tangible assets	9	109,203	96,114	109,838	96,749
Investment Property	9	1,610	2,144	-	-
Investments	10	201	241	301	241
Investments in joint venture:					
Share of gross assets		493	122	-	-
Share of gross liabilities		(404)	(108)	-	-
Investment in associate		25	-	-	-
		111,128	98,513	110,139	96,990
Endowment assets	27	980	941	980	941
Current assets					
Stock		4	4	-	-
Debtors amounts falling due within one year	11	7,121	6,707	6,399	6,728
Debtors amounts falling due more than one year	11	-	-	-	395
Investments		36,186	33,847	36,186	33,847
Cash at bank and in hand		364	2,392	170	2,187
		43,675	42,950	42,755	43,157
Less: Creditors amounts falling due within one year	12	(20,764)	(19,379)	(20,221)	(19,334)
Net current assets		22,911	23,571	22,534	23,823
Total assets less current liabilities		135,019	123,025	133,653	121,754
Less: Creditors amounts falling due after more than one year after more than one year	13	(46,377)	(40,923)	(46,377)	(40,528)
Less: Provisions for liabilities	14	(1,567)	(1,567)	(1,567)	(1,567)

	Note	Consolidated		The University	
		2014	2013	2014	2013
		£000	£000	£000	£000
Total net assets excluding pension liability		87,075	80,535	85,709	79,659
Net pension liability	25	(32,728)	(22,649)	(32,530)	(22,576)
Total net assets including pension liability		54,347	57,886	53,179	57,083
Deferred capital grants	15	25,344	25,387	23,845	23,390
Endowment funds	27				
Expendable		58	-	58	-
Permanent		922	941	922	941
		980	941	980	941
Reserves					
Revaluation reserve	17	15,828	17,137	15,828	17,137
Income and expenditure account excluding pension reserve	16	44,923	37,070	45,056	38,191
Pension reserve	25	(32,728)	(22,649)	(32,530)	(22,576)
		12,195	14,421	12,526	15,615
Total reserves		28,023	31,558	28,354	32,752
Total funds		54,347	57,886	53,179	57,083

The financial statements on pages 32 to 35 were approved by the Board of Governors and signed on its behalf by:



Prof. Nick Petford (Vice Chancellor)

16 | 02 | 2015 Date



Mr Andrew Scarborough
(Chairman of Board of Governors)

16 | 02 | 2015 Date

Consolidated cash flow statement for the year ended 31 July 2014

	Note	2014 £000	2013 £000
Net Cash Inflow from Operating Activities	21	13,992	4,047
Returns on Investments and Servicing of Finance			
Income from short term investments		446	492
Interest paid		(1,516)	(1,541)
Net cash outflow from returns on investments and servicing of finance		(1,070)	(1,049)
Taxation		-	-
Capital expenditure and financial investment			
Payments to acquire tangible assets (other than leased equipment)		(20,956)	(14,108)
Fixed Asset Investments		-	75
Endowment cash received		43	96
Endowments Funds Disbursed		(12)	(263)
Deferred capital grants received		2,766	267
Net cash outflow from investing activities		(18,159)	(13,933)
Management of liquid resources	22	(2,339)	(3,655)
Financing			
Loan repayments		(1,642)	(377)
New loan		7,190	12,920
		5,548	12,543
(Decrease)/Increase in cash	23	(2,028)	(2,047)
Reconciliation of net cash flow to movement in net funds			
(Decrease)/Increase in cash		(2,028)	(2,047)
Increase in short-term cash deposits	22	2,339	3,655
Change in debt		(5,548)	(12,543)
Change in net funds		(5,237)	(10,935)
Net funds at 1 August		(6,107)	4,828
Net funds at 31 July	23	(11,344)	(6,107)



Notes to the financial statements

1. Funding body grants

	2014	2013
	£000	£000
HEFCE:		
Recurrent grant for teaching and research	10,724	17,135
Specific grants and non-formula funding		
HEIF	1,192	1,192
Deferred capital grants released in year (Note 15)		
Land and buildings	2,111	2,166
Equipment	697	-
	14,724	20,493
NCTL recurrent grant	1,513	2,697
NCTL deferred capital grants released in year (Note 15)	1	1
	16,238	23,191

2. Tuition fees and education contracts

	£000	£000
Full-time HE fees – UK and EU students	50,004	38,020
Full-time HE fees – overseas and other students	12,023	9,483
Part-time HE fees	2,675	3,149
FE franchise	310	310
Short course fees	2,602	3,768
Contracts with the University in lieu of academic fees	8,938	8,926
	76,552	63,656

3. Research grants and contracts

	£000	£000
OST Research Councils	164	113
UK Based Charities	7	59
UK Central Government and Local Authorities	386	530
UK Industry and Commerce	310	138
EU Government	-	5
EU Other	157	117
Others	298	202
	1,322	1,164

4. Other operating income

	2014	2013
	£000	£000
Residences, catering and conferences	8,266	8,188
European Funding	-	1,361
Other income	7,272	3,942
	15,538	13,491

5. Staff costs

	2014	2013
	£000	£000
The average monthly number of persons employed by the University during the year expressed as full-time equivalents was:	955	996
Staff Costs:		
Wages and salaries	43,064	42,440
Social Security costs	3,453	3,380
Other pension costs (Note 25)	6,450	5,758
	52,967	51,578

During the year ending 31 July 2014, total redundancy / severance costs were £415,329 (2013: £1,201,888).

Emoluments of the Vice Chancellor		
Salary and healthcare	184	183
Non-Consolidated bonus	19	17
Value of residential emolument	9	9
Emoluments of the Vice-Chancellor	212	209

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 £27,260 (2013: £24,365).

	2014	2013
	£000	£000
Emoluments of higher paid staff:		
£180,000 - £189,999	1	1
£150,000 - £159,999	2	1
£100,000 - £109,999	8	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 £2,986 (2013: £2,534) for expenses in connection with their duties as a Governor.

6. Other operating expenses

	2014	2013
	£000	£000
Franchise fees	789	813
Residences, catering and conferences operating expenses	1,498	2,491
Consumable and laboratory expenditure	558	756
Books and periodicals	1,550	1,181
Heat, light, water and power	1,819	1,430
Repairs and general maintenance	1,655	1,332
Estates projects expenditure costs	2,459	6,177
Grants to the University of Northampton Students' Union	1,270	1,151
External auditors' professional fees		
External auditors' remuneration – University	31	38
External auditors' remuneration – Other group	15	15
Internal audit	62	76
Marketing	2,494	2,701
Subscriptions	704	680
Travel and subsistence	1,228	1,386
Staff development	631	804
Agency staff	1,723	2,554
Rents	452	301
Printing, postage and stationery	1,166	1,055
Telephones and communications	304	387
Equipment rental	486	417
Partner schools funding	1,504	2,180
Speakers / Misc. fees	136	279
Staff advertising	92	199
Transport	1,399	627
Insurance	224	196
Student visits, field courses and placements	552	500
Legal and professional fees	1,044	2,331
Consultancy	1,502	441
Rates	260	178
Student bursaries and Scholarships	5,089	4,760
IT Costs	1,881	1,772
Other expenses	5,484	3,282
	40,061	42,490

7. Interest and other finance costs

	2014	2013
	£000	£000
Loans not wholly repayable within five years	2,186	1,628
Pension finance costs (Note 25)	544	730
	2,730	2,358

8. Analysis of 2013/14 expenditure by activity

	Staff costs	Other operating expenses	Depreciation & impairment	Interest and other finance
	£000	£000	£000	£000
Academic departments	31,678	12,957	-	-
Academic services	5,807	2,183	-	-
Administration and central services	5,938	6,293	-	-
Premises	3,516	10,690	-	-
Residences, catering and conferences	701	1,498	-	-
Research	593	507	-	-
Other	4,244	5,933	7,724	2,186
FRS 17 adjustments	490	-	-	544
	52,967	40,061	7,724	2,730



9. Tangible assets - Consolidated

	Land and buildings				Total £000
	Assets under construction	Leasehold	Freehold	Equipment	
	£000	£000	£000	£000	
Valuation / cost					
At 1 August 2013					
Valuation	-	-	38,759	629	39,388
Cost	12,194	1,372	74,148	11,201	98,915
Additions at cost	12,176	-	18,236	1,683	32,095
Disposals	(11,816)	-	-	-	(11,816)
At 31 July 2014					
Valuation	-	-	38,759	629	39,388
Cost	12,554	1,372	92,384	12,884	119,194
Accumulated depreciation					
At 1 August 2013					
Charge for year	-	27	5,351	1,812	7,190
Disposals	-	-	-	-	-
At 31 July 2014	-	55	40,430	8,894	49,379
Net book value					
At 31 July 2014	12,554	1,317	90,713	4,619	109,203
At 31 July 2013	12,194	1,344	77,828	4,748	96,114
Inherited	-	-	17,142	-	17,142
Financed by capital grant	-	-	14,247	135	14,382
Other	12,554	1,317	59,324	4,484	77,679
Net book value at 31 July 2014	12,554	1,317	90,713	4,619	109,203

Consolidated

£000

The depreciation charge for the year has been met by:

Deferred capital grants released	2,311
Revaluation reserve released	3,427
General income	1,452
	7,190

Tangible assets – the University

	Land and buildings				
	Assets under construction	Leasehold	Freehold	Equipment	Total
	£000	£000	£000	£000	£000
Valuation / cost					
At 1 August 2013					
Valuation	-	-	33,393	629	34,022
Cost	12,194	1,372	78,168	10,670	102,404
At 31 July 2014					
Valuation	-	-	33,393	629	34,022
Cost	12,554	1,372	96,411	12,353	122,690
Accumulated depreciation					
At 1 August 2013					
At 1 August 2013	-	28	33,016	6,633	39,677
Charge for year	-	27	5,358	1,812	7,197
Disposals	-	-	-	-	-
At 31 July 2014	-	55	38,374	8,445	46,874
Net book value					
At 31 July 2014	12,554	1,317	91,430	4,537	109,838
At 1 August 2013	12,194	1,344	78,545	4,666	96,749
Inherited	-	-	17,142	-	17,142
Financed by capital grant	-	-	14,247	135	14,382
Other	12,554	1,317	60,041	4,402	78,314
Net book value at 31 July 2014	12,554	1,317	91,430	4,537	109,838

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 2014. 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.

	The University
	£000
The depreciation charge for the year has been met by:	
Deferred capital grants released	2,311
Revaluation reserve released	3,427
General income	1,459
	7,197

Investment property

	The University
	£000
Cost	£,000
At 1 August 2013 and 31 July 2014	7,934
Impairment	
At 1 August 2013	5,790
Charge for year	534
At 31 July 2014	6,324
Net book value	
At 31 July 2014	1,610
At 31 July 2013	2,144

An external valuation of the company's Land and Buildings as at 31 March 2014 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 £1,610,000 resulted in an impairment of £534,232 against the previous valuation of £2,144,232.

10. Fixed asset investments

	Group	Consolidated The University
Cost	£000	£000
At 1 August 2013	241	241
Additions	-	100
Disposals	(40)	(40)
At 31 July 2014	201	301
Impairment		
At 1 August 2013 & 31 July 2014	-	-
Net book value		
At 31 July 2014	201	301
At 31 July 2013	241	241

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



The Group has the following investments in joint ventures.

All Joint Ventures are 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 2014

	Uno Buses (Northampton) Ltd	Land Based Learning Ltd	Healthwatch Northamptonshire CIC
Profit and loss account	£	£	£
Turnover	876,401	-	224,240
Operating (loss)	(85,642)	-	59,662
Balance sheet			
Fixed Assets	89,442	-	3,278
Current Assets	185,081	100,000	114,706
	274,523	100,000	117,984
Creditors: amounts due within one year	(345,846)	-	(58,322)
Share of net assets	(71,323)	100,000	59,662

Uno Buses (Northampton) Limited

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 University Bus Limited. The company provides bus services for Northamptonshire.

Land Based Learning Limited

The company holds a 50% share of Land Based Learning Limited. This is a joint venture company owned equally by The University of Northampton and Landex Commercial and Educational Services. The company develops and markets online learning materials for Education. This was a new investment in the year ended 31 July 2014, there have been no transactions in the year other than the equity investments.

Healthwatch Northamptonshire CIC

Healthwatch Northamptonshire Community Interest Company (CIC) is an independent consumer champion for everyone who uses local health and social care services in the county. It speaks on behalf of patients to ensure everyone gets the best they can from their local health provision. Healthwatch Northamptonshire provides information on local health and social care services and signposts people to where they can get the right help and support.

Commissioned by Northamptonshire County Council, Healthwatch Northamptonshire is run as a social enterprise with the support of the University of Northampton and Northampton Volunteering Centre.

The University holds the additional 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 CIC	£200,000	20%	1 February 2008	England & Wales
Pera Business Services	£nil	51%	24 July 2013	England & Wales

Coco Careers Limited

The company is a recruitment company set up to assist with the placements of students into temporary and permanent jobs during the course of their studies and also after graduation. This investment is not consolidated on the basis of materiality. The company is currently in the process of winding up.

Goodwill Solutions CIC

The company is a logistics and warehousing social enterprise providing services to both commercial retailers and manufacturers. It also aims to help the local community by running back to work programmes, training ex-offenders, the homeless and disadvantaged youths for employment in the logistics sector. They also supply low cost, high quality furniture to local people and charities.

Pera Business Services Limited

Pera Business Services Ltd is a joint venture between Pera Consulting Limited and the University of Northampton. The business of the JVC is to act as an entity through which either Pera or the University may seek to obtain government / EU contracts which they may, without the existence of the JVC, be unable to obtain.

The company was dormant for the year ended 31 July 2014.

Artists Recording Company

This investment was disposed of during the year ended 31 July 2014.

University 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.

Inspire 2 Enterprise CIC

Inspire2Enterprise is an organisation that specialises in delivering enterprise support. Inspire2Enterprise is a support service for the social enterprise sector providing information, specialist advice, training, consulting, coaching and mentoring to new and existing social enterprises and social entrepreneurs throughout the UK and Ireland.

11. Debtors amounts falling due within one year

	Consolidated		The University	
	2014	2013	2014	2013
	£000	£000	£000	£000
Trade Debtors	2,330	3,552	2,310	3,513
Amounts owed by subsidiary undertakings	-	-	-	326
Taxation and social security	-	22	-	-
Prepayments and accrued income	4,791	3,133	4,089	2,889
	7,121	6,707	6,399	6,728

Debtors amounts falling due after more than one year

	Consolidated		The University	
	2014	2013	2014	2013
	£000	£000	£000	£000
Amounts owed by subsidiary undertakings	-	-	-	395
	-	-	-	395

12. Creditors: amounts falling due within one year

	Consolidated		The University	
	2014	2013	2014	2013
	£000	£000	£000	£000
Bank loan	1,380	1,286	1,380	1,286
Salix loan	137	137	137	137
Trade creditors	951	488	887	475
Amounts due to subsidiary undertakings	-	-	559	439
Social security and other taxation	1,960	1,946	1,785	1,645
Accruals and deferred income	16,336	15,522	15,473	15,352
	20,764	19,379	20,221	19,334

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

	Consolidated		The University	
	2014	2013	2014	2013
	£000	£000	£000	£000
Bank loan	46,298	40,585	46,298	40,190
Salix loan	79	338	79	338
	46,377	40,923	46,377	40,528

Analysis of loan repayments:

	Consolidated		The University	
	2014	2013	2014	2013
	£000	£000	£000	£000
Due within one year	1,517	1,423	1,517	1,423
Between two and five years	6,813	5,632	6,813	5,632
In five years or more	39,564	35,291	39,564	34,896
	47,894	42,346	47,894	41,951

The interest repayable on the bank loans varies between 0.72% and 6.45%. The total loan facility was £50m which has been fully utilised and is repayable by instalments by 2036. The Salix loan is an interest free loan.

14. Provisions for liabilities and charges

	Consolidated and The University
	£000
At 1 August 2013	1,567
Change in provision	-
As at 31 July 2014	1,567

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	Consolidated		Total
		HEFCE	Other	
At 1 August 2013	£000	£000	£000	£000
Land and buildings	49	15,644	8,382	24,075
Equipment	-	1,306	6	1,312
Total	49	16,950	8,388	25,387

Cash received

Land and buildings	-	-	2,250	2,250
Equipment	-	516	-	516
Total	-	516	2,250	2,766

Released to income and expenditure

Land and buildings (Note 1)	1	734	1,377	2,112
Equipment (Note 1)	-	691	6	697
Total	1	1,425	1,383	2,809

	TDA	HEFCE	Other	Total
At 31 July 2014	£000	£000	£000	£000
Land and buildings	48	14,910	9,255	24,213
Equipment	-	1,131	-	1,131
Total	48	16,041	9,255	25,344

At 1 August 2013

Land and buildings	49	15,644	6,385	22,078
Equipment	-	1,306	6	1,312
Total	49	16,950	6,391	23,390

Cash received

Land and buildings	-	-	2,250	2,250
Equipment	-	516	-	516
Total	-	516	2,250	2,766

Released to income and expenditure

Land and buildings (Note 1)	1	734	879	1,614
Equipment (Note 1)	-	691	6	697
Total	1	1,425	885	2,311

At 31 July 2014

Land and buildings	48	14,910	7,756	22,714
Equipment	-	1,131	-	1,131
Total	48	16,041	7,756	23,845

16. Income and expenditure reserve

	Consolidated	University
	£000	£000
As at 1 August 2013	37,070	38,191
Surplus retained for the year	6,822	6,251
Add back pension deficit	1,031	1,031
Adjustment for historical gift aid payments	-	(417)
At 31 July 2014	44,923	45,056

17. Revaluation reserve

	Consolidated and The University		
	Inherited assets	Inherited loans	Total
Revaluations	£000	£000	£000
At 1 August 2013 and 31 July 2014	34,040	(3,675)	30,365
Contribution to depreciation / repayment of principal			
At 1 August 2013	16,892	(3,664)	13,228
Released in year	1,309	-	1,309
At 31 July 2014	18,201	(3,664)	14,537
Net revaluation amount			
At 31 July 2014	15,839	(11)	15,828
At 31 July 2013	17,148	(11)	17,137

18. Lease obligations

	Consolidated		The University	
	2014	2013	2014	2013
Operating lease commitments in respect of equipment for the 2013/14 financial year, on leases expiring:	£000	£000	£000	£000
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	
	2014	2013	2014	2013
	£000	£000	£000	£000
Commitments contracted at 31 July	9,966	-	9,966	-
	9,966	-	9,966	-

20. Contingent liabilities

On the 31 October 2014, new technical guidance was issued by the ICAEW relating to the distribution of taxable profits by wholly-owned subsidiaries of charities. It has been common practice for companies that are wholly-owned subsidiaries of charities to donate all their taxable profits to the parent charity and to claim charitable donations relief under Part 6 of the Corporation Tax Act 2010, even if in some cases the amount donated exceeds the amount of profits available for distribution under the Companies Act 2006. This practice was endorsed by the Charities Commission. Following the revised guidance, it appears likely that the distributions of profits in excess of available distributable profit reserves will now be deemed unlawful, resulting potentially in a backdated repayment claim from the subsidiaries of the distributions going back 6 years. HMRC has yet to decide how they intend to approach this matter in respect of revised taxable profits of the companies concerned.

The University has reviewed the historic Gift Aid payments it has received and identified £407,213 of potentially unlawful gift aid payments from its subsidiaries, with a potential corporation tax liability arising from their repayment of £83,482. In line with the guidance, the £407,213 is now repayable by the University and an intercompany debt has been raised. As the HMRC response is currently unclear, the £83,482 corporation tax liability is recognised as a contingent liability.

21. Reconciliation of consolidated operating surplus to net cash from operating activities

	2014	2013
	£000	£000
Surplus before tax	5,514	505
Depreciation & impairment (Note 9)	7,724	4,557
Loss on fixed asset disposals	-	157
Deferred capital grants released to income (Note 15)	(2,810)	(2,167)
Investment income	(446)	(467)
Interest payable (Note 7)	2,730	2,358
Pension cost less contributions payable (Note 25)	446	236
(Increase) in stocks	-	(1)
(Increase) in debtors	(414)	(1,578)
Increase in creditors	1,248	447
Net cash inflow from operating activities	13,992	4,047

22. Management of liquid resources

	2014	2013
	£000	£000
Increase in short-term cash deposits	(2,339)	(3,655)
	(2,339)	(3,655)

23. Analysis of changes in net debt

	At 1 August 2013	Cash Flows	Non-cash changes	At 31 July 2014
	£000	£000	£000	£000
Cash at bank and in hand	2,392	(2,028)	-	364
	2,392	(2,028)	-	364
Short-term cash investments	33,847	2,339	-	36,186
Debt due within 1 year	(1,423)	(94)	-	(1,517)
Debt due after 1 year	(40,923)	(5,454)	-	(46,377)
	(6,107)	(5,237)	-	(11,344)

24. Access funds

	2014	2013
	£000	£000
Balance at 1 August	22	6
Funding Council grants	342	299
	364	305
Disbursed to students	(364)	(283)
Balance unspent at 31 July	-	22

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. 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 £6,450k (Note 5) (2013: £5,758k).

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:

Latest actuarial valuations	31 March 2012
Actuarial method	Projected Unit Method
Gross rate of return	6.5%
Real rate of return in excess of prices	3.0%
Real rate of return in excess of earnings	2.0%
Rate of real earnings growth	1.5%
Notional value of assets at date of last valuation	£176 million
Proportion of members' accrued benefits covered by the actuarial value of the assets	98%

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 £2,958k (2013: £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.

	Past service liabilities	Future service liabilities
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.

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 2014 was £2,396k of which employer's contributions totalled £1,544k and employees' contributions totalled £852k. As per the Actuarial report,

the estimated Employer's contributions for the year ended 31 July 2014 will be approximately £2,855k. As at the 31 July 2014 amounts due were £nil (2013: £nil).

The contribution rate for 2013/14 was 12% along with a monetary supplement of £1,031,000. In future years the

percentage contribution remains at 12%, the monetary supplement agreed for 2014/15 is £1,200,000.

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.

	31 July 2014	31 July 2013	31 July 2012
	£000	£000	£000
Inflation	2.7%	2.8%	2.2%
Rate of increase in salaries	4.5%	5.1%	4.5%
Rate of increase in pensions	2.7%	5.7%	2.2%
Discount rate for liabilities	4.0%	4.6%	4.1%

The assumed life expectations on retirement at age 65 are:

Retiring today	2014	2013
Males	22.3	21.4
Females	24.3	23.3

Retiring in 20 years

Males	24.0	23.4
Females	26.6	25.5

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

	2014		2013		2012	
	Long term rate of return expected at 31 July 2014	Value at 31 July 2014	Long term rate of return expected at 31 July 2013	Value at 31 July 2013	Long term rate of return expected at 31 July 2012	Value at 31 July 2012
		£000		£000		£000
Equities	6.7%	39,077	6.5%	37,018	5.5%	28,856
Bonds	3.3%	9,505	3.4%	9,128	3.0%	9,618
Property	4.7%	3,696	4.6%	2,535	3.7%	2,509
Cash	3.6%	528	3.4%	2,028	2.8%	836
Total market value of assets		52,806		50,709		41,819

	2014	2013	2012
	£000	£000	£000
University's estimated asset share	52,806	50,709	41,819
Present value of scheme liabilities	(85,336)	(73,285)	(67,063)
Deficit in the scheme - University	(32,530)	(22,576)	(25,244)

	2014
	£000
Consolidated	
Estimated asset share	56,416
Present value of scheme liabilities	(89,144)
Deficit in the scheme - Consolidated	(32,728)

	2014	2013
	£000	£000
Analysis of net return on pension scheme University		
Expected return on pension scheme assets	2,920	2,043
Interest on pension scheme liabilities	(3,400)	(2,785)
Net return	(480)	(742)

	2014
	£000
Analysis of net return on pension scheme - Consolidated	
Expected return on pension scheme assets	3,093
Interest on pension scheme liabilities	(3,544)
Net return	(451)

	2014	2013
	£000	£000
Amounts recognised in the statement of total recognised gains and losses (STRGL)		
Actual return less expected return on pension scheme assets	(2,139)	5,343
Change in financial and demographic assumptions underlying the scheme liabilities	(6,967)	(1,699)
Actuarial loss recognised in STRGL	(9,106)	3,644

	2014
	£000
Amounts recognised in the statement of total recognised gains and losses (STRGL) - Consolidated	
Actual return less expected return on pension scheme assets	(1,849)
Change in financial and demographic assumptions underlying the scheme liabilities	(7,382)
Actuarial loss recognised in STRGL	(9,231)

	2014	2013
	£000	£000
Movement in deficit during year		
Deficit in scheme at beginning of year	(22,483)	(25,244)
Movement in year:		
Current service charge	(3,068)	(2,386)
Contributions	2,607	2,248
Net interest / return on assets	(480)	(740)
Actuarial gain or loss	(9,106)	3,639
Deficit in scheme at end of year	(32,530)	(22,483)

	2014
	£000
Movement in deficit during year - Consolidated	
Deficit in scheme at beginning of year	(22,556)
Movement in year:	
Current service charge	(3,318)
Contributions	2,828
Net interest / return on assets	(451)
Actuarial gain or loss	(9,231)
Deficit in scheme at end of year	(32,728)



	2014	2013
Analysis of the movement in the present value of the scheme liabilities	£000	£000
At the beginning of the year	(72,996)	(67,063)
Current service charge	(3,057)	(2,355)
Interest cost	(3,400)	(2,779)
Contributions by scheme participants	(846)	(719)
Actuarial (gains) and losses	(6,967)	(1,693)
Benefits paid	1,941	1,644
Past service cost	-	-
Curtailments	(11)	(31)
At the end of the year	(85,336)	(72,996)

	2014
Analysis of the movement in the present value of the scheme liabilities - Consolidated	£000
At the beginning of the year	(75,986)
Current service charge	(3,307)
Interest cost	(3,542)
Contributions by scheme participants	(902)
Actuarial (gains) and losses	(7,382)
Benefits paid	1,986
Past service cost	-
Curtailments	(11)
At the end of the year	(89,144)

	2014	2013
Analysis of the movement in the market value of the scheme assets	£000	£000
At the beginning of the year	50,513	41,819
Expected rate of return on scheme assets	2,920	2,039
Actuarial gains and losses	(2,139)	5,332
Contribution by the employer	2,607	2,248
Contributions by scheme participants	846	719
Benefits paid	(1,941)	(1,644)
At the end of the year	52,806	50,513

	2014
Analysis of the movement in the market value of the scheme assets - Consolidated	
	£000
At the beginning of the year	53,606
Expected rate of return on scheme assets	3,093
Actuarial gains and losses	(1,851)
Contribution by the employer	2,663
Contributions by scheme participants	891
Benefits paid	(1,986)
At the end of the year	56,416

	2014	2013	2012	2011	2010
	£000	£000	£000	£000	£000
History of experience gains or losses					
Difference between the expected and actual return on assets:					
Amount	289	5,343	(1,267)	1,367	2,666
% of scheme assets	0.1%	10.5%	3.0%	8.5%	8.0%
Experience gains and (losses) on scheme liabilities:					
Amount	2,039	(2)	(566)	2,128	9
% of scheme assets	2.4%	0%	0.8%	3.2%	0%
Total amounts recognised in statement of total recognised gains and (losses):					
Amount	(9,106)	3,644	(8,076)	4,961	249

The cumulative amount of actuarial gains and losses recognised in the Statement of Total Recognised Gains and (Losses) is £(18,351)k (2013: £(9,245)k).



26. 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.

Board of Governors Member	Party Associated	Relationship to Party	Transactions in year	Amounts due / receivable with University at 31 July 2014
Mr Milan Shah and Professor Nick Petford	Northamptonshire Enterprise Partnership (NEP)	Board Member	£13,499 invoiced from NEP to The University	nil
			£37,920 invoiced from The University to NEP	nil
Mr Terry Neville	Uno Buses (Northampton) Limited	Director	£643,257 invoiced from Uno Buses (Northampton) Limited to The University of Northampton Enterprises Limited	nil

27. Endowment assets/funds - Consolidated & university

	Restricted Permanent £000	Total Permanent £000	Restricted Expendable £000	Total £000
Balances at 1 August 2013				
Capital	941	941	-	941
Reclassification	(19)	(19)	19	-
New endowments	-	-	43	43
Investment income	12	12	-	12
Expenditure	(12)	(12)	(4)	(16)
At 31 July 2014	922	922	58	980
Represented by:				
Investments	669	669	-	669
Cash	253	253	58	311
	922	922	58	980

28. Post balance sheet events

As at 19 November 2014, the University had committed to a major scheme of circa £300m to build a new campus on a development site near Northampton town centre named as 'Waterside'. This development which will replace the University's Park Campus is planned to consist of a mixture of academic buildings, student residences and commercial outlets and is due for completion in time for the 2018/19 academic year.

This commitment and resulting accounting adjustments to fixed asset values in relation to this project are recognised in the accounts at the balance sheet date due to the significant nature of transactions that have occurred since the year end 31 July 2014;

- A land swap has been entered into with Taylor Wimpey to obtain 23 acres of land at Waterside in exchange for 8.5 acres of the current Park Campus site.

- 25 acres of surplus land has been purchased from Avon Products Inc at Waterside, who will remain an adjacent occupier of the site after development is completed.
- A fixed rate debt Bond for £231.5m is being issued for sale on 19 November to fund the development, guaranteed by HM Treasury.
- Agreement has been reached to borrow £14m from Northamptonshire County Council and £46m from Northampton Borough Council in connection with the project, guaranteed by HM Treasury.
- Planning permission for a scheme to construct a new road, academic buildings and student residences on the Waterside site has been received.

As a result of the decision to exit the main Park Campus, an impairment review has been undertaken on the fixed assets of the University, in particular the existing buildings. These have been assessed as having a reduced useful economic life to end of 2017/18 and accordingly, depreciation has been accelerated and a corresponding release of Deferred Capital Grants and revaluation reserve that are related to the assets being written down has taken place. In addition, current year costs that had been classed as revenue expenditure due to the uncertainty of the project have now been capitalised.





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