



**Integrated Report  
Technical Annex  
For the year ending 31 July 2016**



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Including Transition Tables to SORP 2015

## Responsibilities of the University Court

In accordance with the Further and Higher Education (Scotland) Act 2005, the Court of the University of Abertay Dundee is responsible for the administration and management of the affairs of the University, including ensuring an effective system of internal control, and is required to present audited financial statements for each financial year.

The Court is responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the University and enable it to ensure that the financial statements are prepared in accordance with the Statement of Recommended Practice: Accounting for Further and Higher Education, The Further and Higher Education (Scotland) Act 2005, Scottish Funding Council Accounts Direction and other relevant accounting standards. In addition, within the terms and conditions of a Financial Memorandum agreed between the Scottish Funding Council and the Court of the University of Abertay Dundee, the University Court, through its designated office holder, is required to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the University and of the surplus or deficit and cash flows for that year.

In causing the financial statements to be prepared, the Court has to ensure that:

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

The Court has a responsibility to:

- Ensure that funds from the Scottish Funding Council are used only for the purposes for which they have been given and in accordance with the Financial Memorandum with the Funding Council and any other conditions which the Funding Council may from time to time prescribe;
- Ensure that there are appropriate financial and management controls in place to safeguard public funds and funds from other sources;
- Safeguard the assets of the University and hence to take reasonable steps to prevent and detect fraud; and
- Ensure reasonable steps have been taken to secure the economical, efficient and effective management of the University's resources and expenditure.

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

- clear definitions of the responsibilities of, and the authority delegated to, heads of academic and administrative departments;
- a comprehensive medium and short-term planning process, supplemented by detailed annual income, expenditure, capital and cash flow budgets;
- regular reviews of key performance indicators and business risks and quarterly reviews of financial results involving variance reporting and updates of forecast outturns;
- clearly defined and formalised requirements for approval and control of expenditure, with investment decisions involving capital or revenue expenditure being subject to formal detailed appraisal and review according to approval levels set by the Court;

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## **Responsibilities of the University Court (*continued*)**

- comprehensive Financial Regulations, detailing financial controls and procedures, approved by the Audit Committee and Finance, People and General Purposes Committee; and
- A professional Internal Audit team whose annual programme is approved by the Audit Committee and endorsed by the Court. The Internal Audit team provides a report of internal audit activity within the University and an opinion on the adequacy and effectiveness of the University's system of internal control, including internal financial control.

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

The officers and members of the Court who held office at the date of approval of the Annual Report and Financial Statements confirm that, so far as they are each aware, there is no relevant audit information of which the University's auditors are unaware; and each officer and member of the Court has taken all the steps that he/she ought reasonably to have taken as an officer and member of the Court to make himself/herself aware of any relevant audit information and to establish that the University's auditors are aware of that information.

# **Independent auditors' report to the Court of The University of Abertay Dundee (the "institution")**

## **Report on the financial statements**

### **Our opinion**

In our opinion, The University of Abertay's financial statements (the "financial statements"):

- give a true and fair view of the state of the institution's affairs as at 31 July 2016 and of the institution's income and expenditure and cash flows for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice;
- have been properly prepared in accordance with the requirements of the Statement of Recommended Practice – Accounting for Further and Higher Education; and
- have been prepared in accordance with the requirements of the Charities and Trustee Investment (Scotland) Act 2005 and regulation 14 of the Charities Accounts (Scotland) Regulations 2006 (as amended).

### **What we have audited**

The financial statements, included within the Annual Report and Financial Statements (the "Annual Report"), comprise:

- the Balance Sheets as at 31 July 2016;
- the Statement of Comprehensive Income and Income and Expenditure Account for the year then ended;
- the consolidated Statement of Changes in Reserves for the year then ended;
- the consolidated Statement of Cash Flows for the year then ended;
- the notes to the financial statements, which include a summary of significant accounting policies and other explanatory information.

Certain required disclosures have been presented elsewhere in the Annual Report, rather than in the notes to the financial statements. These are cross-referenced from the financial statements and are identified as audited.

The financial reporting framework that has been applied in the preparation of the financial statement is the Statement of Recommended Practice for Further and Higher Education, incorporating United Kingdom Accounting Standards, comprising FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland", and applicable law (United Kingdom Generally Accepted Accounting Practice).

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

### **Opinions on other matters prescribed in paragraph 39 of the mandatory requirements attached to the Scottish Funding Council's Financial Memorandum with The University of Abertay Dundee**

In our opinion, in all material respects:

- funds from whatever source administered by the parent institution for specific purposes have been properly applied to those purposes and, if relevant, managed in accordance with relevant legislation and any other terms and conditions attached to them; and
- funds provided by the Funding Council have been applied in accordance with the Financial Memorandum and the mandatory requirements attached to the Financial Memorandum.
- Other matters on which we are required to report by exception

### **Sufficiency of accounting records and information and explanations received**

Under the Charities Accounts (Scotland) Regulations 2006 (as amended) we are required to report to you if, in our opinion:

- sufficient accounting records have not been kept by the parent institution; or
- the parent institution financial statements are not in agreement with the accounting records and returns; or
- we have not received all the information and explanations we require for our audit.

We have no exceptions to report arising from this responsibility.

## **Independent auditors' report to the Court of The University of Abertay Dundee (continued)**

### **Other information in the Annual Report**

Under the Charities Accounts (Scotland) Regulations 2006 (as amended) we are required to report to you if, in our opinion, the information given in the Trustees' Annual Report is inconsistent in any material respect with the financial statements. We have no exceptions to report arising from this responsibility.

### **Responsibilities for the financial statements and the audit**

Respective responsibilities of the Court and auditors as explained more fully in the Corporate Governance Statement set out on pages 2-3, the Court (who are also charitable trustees for the purposes of charity law) are responsible for the preparation of financial statements which give a true and fair view.

We have been appointed as auditors under section 44(1)(c) of the Charities and Trustee Investment (Scotland) Act 2005 and report in accordance with regulations made under that Act. Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland) ("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 Court in accordance with section 44(1)(c) of the Charities and Trustee Investment (Scotland) Act 2005 and regulation 10 of the Charities Accounts (Scotland) Regulations 2006 (as amended) and for no other purpose. We do not, in giving these opinions, accept or assume responsibility for any other purpose or to any other person to whom this report is shown or into whose hands it may come save where expressly agreed by our prior consent in writing.

### **What an audit of financial statements involves**

We conducted our audit in accordance with 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's and parent institution's circumstances and have been consistently applied and adequately disclosed;
- the reasonableness of significant accounting estimates made by the Court; and
- the overall presentation of the financial statements.

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

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

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

PricewaterhouseCoopers LLP  
Chartered Accountants and Statutory Auditors  
Glasgow  
19 October 2016

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## **Independent auditors' report to the Court of The University of Abertay Dundee (continued)**

- The maintenance and integrity of the University of Abertay Dundee website is the responsibility of the Court; 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.
- Legislation in the United Kingdom governing the preparation and dissemination of the financial statements may differ from legislation in other jurisdictions.



## Statement of accounting policies

### Basis of Preparation

These financial statements have been prepared in accordance with the Statement of Recommended Practice (SORP): *Accounting in Further and Higher Education 2015* and in accordance with Financial Reporting Standard 102. The University is a public benefit entity and therefore has applied the relevant public benefit requirements of FRS102. The financial statements are prepared in accordance with the historical cost convention (modified by the revaluation of fixed assets).

The financial statements do not include the income and expenditure of the Students' Union as the University does not exert control or dominant influence over policy decisions.

### Income Recognition

Income from the sale of goods or services is credited to the Statement of Comprehensive Income and Expenditure when the goods or services are supplied to the external customers or the terms of the contract have been satisfied.

Fee Income is stated gross of any expenditure which is not a discount and credited to the Statement of Comprehensive Income and Expenditure over the period 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.

Investment income is credited to the statement of income and expenditure on a receivable basis.

### Grant Funding

Grant funding including funding council block grant, research grants from government sources, grants (including research grants) from nongovernment sources are recognised as income when the University is entitled to the income and performance related conditions have been met. Income received in advance of performance related conditions being met is recognised as deferred income within creditors on the Balance Sheet and released to income as the conditions are met.

### Donations and Endowments

Non exchange transactions without performance related conditions are donations and endowments. Donations and Endowments with donor imposed restrictions are recognised in income when the University is entitled to the funds. Income is retained within the restricted reserve until such time that it is utilised in line with such restrictions at which point the income is released to general reserves through a reserve transfer.

Donations with no reserves are recognised in income when the University is entitled to the funds.

Investment income and appreciation of endowments is recorded in income in the year in which it arises and as either restricted or unrestricted according to the terms or the restrictions applied to the individual endowment fund.

There are four main types of donations and endowments within reserves:

1. Restricted donations – the donor has specified that the donation must be used for a particular objective.
2. Unrestricted permanent endowments – the donor has specified that the fund is to be permanently invested to generate an income stream for the general benefit of the University.
3. Restricted expendable endowments – the donor has specified a particular objective other than the purchase of tangible fixed assets and the University has the power to use the capital.
4. Restricted permanent endowments – the donor has specified that the fund is to be permanently invested to generate an income stream to be applied to a particular objective.

### Capital Grants

Capital grants are recognised in income when the University is entitled to the funds subject to any performance conditions being met.

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

### Accounting for retirement benefits

The three principal pension schemes for the University staff are:

- (i) The Scottish Teachers Superannuation Scheme (STSS)
- (ii) The Tayside Local Government Pensions Fund (LGPS) and
- (iii) The Universities Superannuation Scheme (USS)

### Defined Benefit Plan

Defined benefit plans are post-employment benefit plans other than defined contribution plans. Under defined benefit plans, the University's obligation is to provide the agreed benefits to current and former employees and actuarial risk (that benefits will cost more or less than expected) and investment risk (that returns on net assets set aside to fund the benefits will differ from expectation) are borne, in substance, by the University. The university should recognise a liability for its obligations under defined benefit plans net of plan assets. This net defined benefit liability is measured as the estimated amount of benefit that employees have earned in return for their service in the current and prior periods, discounted to determine its present value less the fair value (at bid price) of plan assets. The calculation is performed by a qualified actuary using the projected unit credit method. Where the calculation results in a net asset, recognition of the asset is limited to the extent to which the University is able to recover the surplus either through reduced contributions in the future or through refunds from the plan.

Pension costs for LGPS are accounted for as a defined benefit plan.

### Defined Contribution Plan

A defined contribution plan is a post-employment benefit plan under which the company pays fixed contributions into a separate entity and will have no legal or constructive obligation to pay further amounts. Obligations for contributions to defined contribution pension plans are recognised as an expense in the income statement in the periods during which services are rendered by employees.

STSS is a multi-employer scheme, for which contributions are charged directly to the income and expenditure account as if the scheme was a defined contribution scheme. Because of the mutual nature of the scheme, the schemes assets are not hypothecated to individual institutions and a scheme wide contribution rate is set. The University is therefore exposed to actuarial risks associated with other institutions employees and is unable to identify its share of the underlying assets and liabilities of the scheme on a consistent and reasonable basis and therefore, as required by FRS 17, accounts for the scheme as if it were a defined contribution scheme. As a result, the amount charged to the income and expenditure account represents the contributions payable to the scheme in respect of the accounting year.

The institution participates in the USS. Throughout the current and preceding periods, the scheme was a defined benefit only pension scheme until 31 March 2016 which was contracted out of the State Second Pension (S2P). The assets of the scheme are held in a separate trustee-administered fund. Because of the mutual nature of the scheme, the scheme's assets are not hypothecated to individual institutions and a scheme-wide contribution rate is set. The institution is therefore exposed to actuarial risks associated with other institutions' employees and is unable to identify its share of the underlying assets and liabilities of the scheme on a consistent and reasonable basis and therefore, as required by Section 28 of FRS 102 "Employee benefits", accounts for the scheme as if it were a defined contribution scheme. As a result, the amount charged to the income and expenditure account represents the contributions payable to the scheme in respect of the accounting period. Since the institution has entered into an agreement (the Recovery Plan that determines how each employer within the scheme will fund the overall deficit), the institution recognises a liability for the contributions payable that arise from the agreement to the extent that they relate to the deficit and the resulting expense in the income and expenditure account.

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

### Foreign Currencies

Transactions denominated in foreign currencies are recorded at the exchange rates ruling at the dates of the transactions. Monetary assets and liabilities denominated in foreign currencies are translated into sterling at year-end rates. The resulting exchange differences are dealt with in the determination of income and expenditure for the financial year.

### Fixed Assets

Fixed assets are stated at cost less accumulated depreciation and accumulated impairment losses.

Land and buildings are stated at 2014 valuation less accumulated depreciation. Freehold land is not depreciated. All other categories of fixed assets are held at historic cost less accumulated depreciation. 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.

Finance costs which are directly attributable to the construction of land and buildings are capitalised as part of the costs of those assets.

A review for impairment of a fixed asset is carried out if events or changes in circumstances indicate that the carrying amount of any fixed asset may not be recoverable.

This year with the introduction of FRS102, the University followed the transitional arrangements and revalued its Teaching Estate Land and Buildings, Commercial Estate and Assets held for disposal at 31 July 2014, however does not intend to carry out regular revaluations of these assets in the future. The resultant impairment in these assets was charged to the Statement of Comprehensive Income and Expenditure in the year of revaluation.

Equipment, furniture and coherent packages of equipment costing £10,000 or more have been capitalised and depreciation charged in accordance with agreed rates, except for research assets funded through specific external grants, where the threshold is £50,000.

Straight-line depreciation has been provided from 1 August 1994 at the following rates:

General Equipment	20%
Computer Specialist Equipment	33%

Component accounting has been adopted for buildings at the following rates:

Short Term (eg Finishes and Floors)	10 Years
Medium Term (eg Mechanical and Engineering, Cladding)	30 Years
Long Term (eg Sub and Support Structure)	50 years

Depreciation methods, useful lives and residual values are reviewed at the date for the preparation of each Balance Sheet.

The depreciation charged in respect of revalued buildings for the year to 31 July 2016 has been transferred from the Revaluation Reserve to the Income and Expenditure Account.

### Investments

Non-current asset investments are held on the Balance Sheet at amortised cost less impairment.

Fixed Asset Unlisted Investments are included at cost, except where there is evidence of a permanent diminution in value.

Current Asset investments are held at fair value with movements recognised in the Surplus or deficit.

Investments also include Bank term accounts over 95 days.

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

### Stocks

Stocks of catering supplies are valued at the lower of cost or net realisable value on the basis of first in first out. Where necessary, provision is made for slow-moving stock.

### Cash and cash equivalents

Cash includes cash in hand, deposits repayable on terms less than 95 days and overdrafts.

Cash equivalents are short term, highly liquid investments that are readily convertible to known amounts of cash with insignificant risk of change in value.

### Provisions, contingent liabilities and contingent assets

Provisions are recognised in the financial statements when:

- (a) The University has a present obligation (legal or constructive) as a result of a past event
- (b) It is probable that an outflow of economic benefits will be required to settle the obligation; and
- (c) A reliable estimate can be made of the amount of the obligation.

The amount recognised as a provision is determined by discounting the expected future cash flows at a pre-tax rate that reflects risks specific to the liability.

A contingent liability arises from a past event that gives the University a possible obligation whose existence will only be confirmed by the occurrence of otherwise of uncertain future events not wholly within the control of the University. Contingent liabilities also arise in circumstances where a provision would otherwise be made but either it is not probable that an outflow of resources will be required or the amount of the obligation cannot be measured reliably.

A contingent asset arises where an event has taken place that gives the University a possible asset whose existence will only be confirmed by the occurrence of otherwise of uncertain future events not wholly within the control of the University.

Contingent assets and liabilities are not recognised in the Balance Sheet but are disclosed in the notes.

### Taxation

The University is an exempt charity within the meaning of Part 3 of the Charities Act 2011, [the University is an exempt Charity within the meaning of the Trustee Investment and Charities (Scotland) Act 2005 and, as such, is a charity within the meaning of Section 506 (1) of the Income and Corporation Taxes Act 1988. The University is recognised as charity by HM Revenue and Customs and is recorded on the index of charities maintained by the Office of Scottish Charity Regulator]. It is therefore a charity within the meaning of Para 1 of schedule 6 to the Finance Act 2010 and accordingly, the University is potentially exempt from taxation in respect of income or capital gains received within categories covered by section 478-488 of the Corporation Tax Act 2010 (CTA 2010) or section 256 of the Taxation of Chargeable Gains Act 1992, to the extent that such income or gains are applied exclusively to charitable purposes.

The university receives no similar exemption in respect of Value Added Tax. Irrecoverable VAT on inputs is included in the costs of such inputs. Vat allocated to Fixed Assets is included in their costs.

Deferred tax is provided in full on timing differences which result in an obligation at the Balance Sheet date to pay more tax, or a right to pay less tax, at a future date, at rates expected to apply when they crystallise based on current rates and law. Timing differences arise from the inclusion of items of income and expenditure in taxation computations in periods different from those in which they are included in Financial Statements. Deferred tax assets are more likely than not to be recovered. Deferred tax assets and liabilities are not discounted.

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

### **Reserves**

Reserves are classified as restricted or unrestricted. Restricted endowment reserves include balances which, through endowment to the University, are held as a permanent restricted fund which the University must hold in perpetuity.

Other restricted reserves include balances where the donor has designated a specific purpose and therefore the University is restricted in the use of these funds.

### **Transition to the 2015 SORP**

The University is preparing its financial statements in accordance with FRS102 for the first time and consequently has applied the first time adoption requirements. An explanation of how the transition to SORP has affected the reported financial position and financial performance of the results of the University is provided in note 23.

## Statement of Comprehensive Income and Expenditure

For the year ended 31 July 2016

	Note	2016 £000	2015 £000
<b>Income</b>			
Tuition Fees and education contracts	1	8,770	8,850
Funding body Grants	2	21,066	21,008
Research grants and contracts	3	909	820
Other income	4	3,192	3,016
Investment income	5	337	346
Donations and endowments	6	26	53
<b>Total Income</b>		<u>34,300</u>	<u>34,093</u>
<b>Expenditure</b>			
Staff costs	7	22,518	23,419
Other operating expenses		8,363	9,107
Depreciation	9	1,703	1,272
Finance costs		446	1,008
<b>Total Expenditure</b>		<u>33,030</u>	<u>34,806</u>
<b>Surplus before other gains/losses</b>		<u>1,270</u>	<u>(713)</u>
Disposals of fixed assets		84	124
Disposals of investments		14	93
		<u>98</u>	<u>217</u>
<b>Surplus before Tax/ Surplus for the year</b>		<u>1,368</u>	<u>(496)</u>
Actuarial gain/(loss) in respect of pension scheme		(6,329)	12,418
Other comprehensive income		26	172
		<u>(6,303)</u>	<u>12,590</u>
<b>Total Comprehensive income/(expense) for the year</b>		<u>(4,935)</u>	<u>12,094</u>
<b>Represented by:</b>			
Restricted comprehensive income for the year		(9)	159
Unrestricted comprehensive income for the year		(4,870)	12,041
Endowment comprehensive income for the year		51	1
Revaluation reserve comprehensive income for the year		(107)	(107)
		<u>(4,935)</u>	<u>12,094</u>

The Statement of Comprehensive Income and Expenditure is in respect of continuing activities.

## Statement of changes in reserves

	Endowment £000	Income and Restricted £000	Expenditure Unrestricted £000	Revaluation Reserve £000	Total £000
Balance at 1 August 2014	913	-	8,840	3,391	13,144
Surplus/(deficit) from the income and expenditure statement	-	14	(510)	-	(496)
Other comprehensive income	1	145	12,444	-	12,590
Transfers between revaluation and income and expenditure reserve	-	-	107	(107)	-
Total Comprehensive Income for the year	1	159	12,041	(107)	12,094
<b>Balance at 1 August 2015</b>	<b>914</b>	<b>159</b>	<b>20,881</b>	<b>3,284</b>	<b>25,238</b>
Surplus/(deficit) from the income and expenditure statement	-	(2)	1,370	-	1,368
Other comprehensive income/(expenditure)	51	(7)	(6,347)	-	(6,303)
Transfers between revaluation and income and expenditure reserve	-	-	107	(107)	-
Total Comprehensive Income/(expenditure) for the year	51	(9)	(4,870)	(107)	(4,935)
<b>Balance at 31 July 2016</b>	<b>965</b>	<b>150</b>	<b>16,011</b>	<b>3,177</b>	<b>20,303</b>

**Balance sheet**  
as at 31 July 2016

	Note	2016 £000	2015 £000
<b>Non-Current Assets</b>			
Tangible Assets	9	27,127	27,800
Non-Current Investments	10	<u>6,046</u>	<u>5,025</u>
		33,173	32,825
<b>Current assets</b>			
Stock		28	25
Trade and Other Receivables	11	1,470	1,535
Current Asset Investments	12	7,095	6,909
Cash and Cash Equivalents		<u>4,762</u>	<u>3,547</u>
		13,355	12,016
Less: Trade and Other Payables: amounts falling due within one year	13	<u>(6,229)</u>	<u>(6,968)</u>
<b>Net Current Assets</b>		7,126	5,048
		<u>          </u>	<u>          </u>
<b>Total Assets less current liabilities</b>		<u>40,299</u>	<u>37,873</u>
<b>Provisions</b>			
Pension Provisions	14	<u>(19,996)</u>	<u>(12,635)</u>
<b>Total Net Assets</b>		<u>20,303</u>	<u>25,238</u>
<b>Restricted Reserves</b>			
Endowment Reserve	15	965	914
Restricted Reserve	16	150	159
<b>Unrestricted Reserves</b>			
Income and Expenditure Reserve		16,011	20,881
Revaluation Reserve		3,177	3,284
		<u>          </u>	<u>          </u>
<b>Total Funds</b>		<u>20,303</u>	<u>25,238</u>

These financial statements were approved by Court on 19 October 2016 and were signed on its behalf by:

**Professor Nigel Seaton**  
*Principal & Vice-Chancellor*

**Mr Edward Frizzell**  
*Chair, University Court*

**Mr David Reeves**  
*Director of Finance and Research  
Funding*



**Cash flow statement**  
for the year ended 31 July 2016

	£000	£000
<b>Cashflow from operating activities</b>		
(Deficit)/Surplus for the year	1,368	(496)
Other Comprehensive Income	(6,347)	12,444
<b>Adjustment for non cash items</b>		
Depreciation and impairment charges	1,703	1,272
Decrease/(Increase) in stock	(3)	3
Decrease/(Increase) in debtors	65	(276)
(Decrease)/Increase in creditors	(739)	(179)
(Loss)/Gain on disposal of investments	(14)	(93)
Increase in Pension Provision	7,361	(10,395)
<b>Adjustment for investing or financing activities</b>		
Investment Income	(265)	(270)
Interest Income	(72)	(39)
Endowment Income	(26)	(52)
Gain on disposal of fixed assets	(84)	(124)
<b>Net cash (outflow)/inflow from operating activities</b>	<u>2,947</u>	<u>1,795</u>
 <b>Cashflows from investing activities</b>		
New non-current Investments	(1,021)	(2,011)
Income from current asset investments	1,246	386
Current Asset Investment Additions	(1,418)	(197)
Interest Income	72	39
Investment Income	265	270
Restricted Donations	24	187
Restricted Reserves Expenditure	(33)	(28)
Endowment Income	94	129
Endowment Expenditure	(8)	(76)
Endowment Investment Additions	(6)	-
Cash inflow/(outflow) from returns on investments and servicing of finance	<u>(785)</u>	<u>(1,301)</u>
 <b>Cashflows from financing activities</b>		
Payments made to acquire tangible fixed assets	(1,460)	(459)
Proceeds from the disposal of tangible fixed assets	513	308
<b>Cash outflow from capital expenditure and financial investments</b>	<u>(947)</u>	<u>(151)</u>
 <b>Increase/(Decrease) in cash and cash equivalents in the year</b>	<u>1,215</u>	<u>343</u>
 Cash and cash equivalents at beginning of the year	3,547	3,204
Cash and cash equivalents at end of the year	<u>4,762</u>	<u>3,547</u>
Increase/(Decrease) in cash and cash equivalents in the year	<u>1,215</u>	<u>343</u>

## Notes to the financial statements

### 1 Tuition Fees and Education Contracts

	<b>2016</b>	<b>2015</b>
	<b>£000</b>	<b>£000</b>
Scottish and EU student fees	6,493	6,708
RUK student fees	1,284	1,050
Non EU student fees	965	1,044
Other fees	28	48
<b>Total Income</b>	<u>8,770</u>	<u>8,850</u>

#### Supplementary Split

Full Time Home and EU Students	7,453	7,390
Full Time International Students	949	1,019
Part Time Students	368	441
	<u>8,770</u>	<u>8,850</u>

### 2 Funding Body Grants

	<b>2016</b>	<b>2015</b>
	<b>£000</b>	<b>£000</b>
<b>SFC Recurrent Grants</b>		
Teaching Grant	16,810	16,704
Research Grant	1,030	1,029
Regional Coherence	859	859
	<u>18,699</u>	<u>18,592</u>
<b>SFC Specific Grants</b>		
Dundee Academy of Sport	984	604
Capital Maintenance	439	425
Articulation	358	379
Other	586	1,008
	<u>2,367</u>	<u>2,416</u>
<b>Total Income</b>	<u>21,066</u>	<u>21,008</u>

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

### 3 Research grants and contracts

	<b>2016</b>	<b>2015</b>
	<b>£000</b>	<b>£000</b>
Research Councils	288	121
UK Charities	202	(70)
UK Government	319	283
UK Industry	1	50
EU	(44)	306
Other	143	130
<b>Total Income</b>	<u>909</u>	<u>820</u>

### 4 Other income

	<b>2016</b>	<b>2015</b>
	<b>£000</b>	<b>£000</b>
Commercial Income	1,887	1,978
Other Income	1,305	1,038
<b>Total Income</b>	<u>3,192</u>	<u>3,016</u>

### 5 Investment income

	<b>2016</b>	<b>2015</b>
	<b>£000</b>	<b>£000</b>
Other interest receivable	72	39
Income from current asset investments	265	270
Income from Endowment Asset investments	-	37
<b>Total Income</b>	<u>337</u>	<u>346</u>

### 6 Donations and Endowments

	<b>2016</b>	<b>2015</b>
	<b>£000</b>	<b>£000</b>
Donations with restrictions	31	43
Unrestricted donations	(5)	10
<b>Total Income</b>	<u>26</u>	<u>53</u>

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

### 7 Staff costs

	<b>2016</b>	<b>2015</b>
	<b>£000</b>	<b>£000</b>
<b>Staff Costs</b>		
Wages and salaries	17,198	17,999
Severance costs	622	432
Social security costs	1,456	1,399
Employer contribution - Pension costs	2,699	2,672
Pension service costs	543	917
	<u>22,518</u>	<u>23,419</u>
<b>Emoluments of the Principal:</b>		
Salary	175	169
Employer's contribution to pension	29	27
	<u>204</u>	<u>196</u>

No bonus or other taxable benefits were paid to the Principal during the year.

Remuneration excluding severance payments, employer's contributions to National Insurance and superannuation schemes, paid to other higher paid staff:

	<b>2016</b>	<b>2015</b>
	<b>Number</b>	<b>Number</b>
£70,001 - £80,000	13	11
£80,001 - £90,000	2	1
£120,001 - £130,000	2	2

During the year ended 31 July 2016 compensation arrangements applied to no senior members of staff (2015 - 2) earning in excess of £70,000. The terms for the compensation for loss of office were negotiated on an individual basis and were approved by the University Court.

#### Average staff numbers by major category, expressed as FTE :

	<b>2016</b>	<b>2015</b>
	<b>Number</b>	<b>Number</b>
Academic	178	185
Non Academic	293	310
	<u>471</u>	<u>495</u>

Academic Staff include Teaching Fellows, Lecturers and Professors. Non Academic Staff include Researchers and Senior Managers including Heads of Schools. There are a small number of non-salaried staff who are excluded from the above summary.

#### Key Management Personnel

Key management personnel are those persons having authority and responsibility for planning, directing and controlling the activities of the University. Staff costs consist of salary and benefits excluding any employer's pension contributions.

	<b>2016</b>	<b>2015</b>
	<b>£000</b>	<b>£000</b>
Key management personnel compensation	<u>507</u>	<u>488</u>

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

### 8 Analysis of total expenditure by activity

	<b>2016</b>	<b>2015</b>
	<b>£000</b>	<b>£000</b>
Academic Schools	11,417	11,648
Academic Services	3,491	3,537
Research grants and contracts	916	1,133
Commercial costs	2,414	2,382
Premises	3,611	3,667
Administration	7,686	8,725
Pension service cost	543	917
Other	2,952	2,797
	<u>33,030</u>	<u>34,806</u>

Other operating costs include:

External Auditors remuneration in respect of audit services £47,000 (2015 - £43,000)

Internal Auditors remuneration in respect of audit services £32,000 (2015 £33,000)

### 9 Tangible assets

	<b>Freehold Land and Buildings £000</b>	<b>Assets in the Course of Construction £000</b>	<b>General Equipment £000</b>	<b>Computer Specialist Equipment £000</b>	<b>Total £000</b>
<b>Cost</b>					
At 1 August 2015	42,168	-	2,055	3,048	47,271
Additions	573	370	177	340	1,460
Disposals	(1,312)	-	(169)	(422)	(1,903)
At 31 July 2016	<u>41,429</u>	<u>370</u>	<u>2,063</u>	<u>2,966</u>	<u>46,828</u>
<b>Accumulated Depreciation</b>					
At 1 August 2015	(15,214)	-	(1,917)	(2,340)	(19,471)
Additions	(1,187)	-	(116)	(400)	(1,703)
Eliminated in respect of disposals	882	-	169	422	1,473
At 31 July 2016	<u>(15,519)</u>	<u>-</u>	<u>(1,864)</u>	<u>(2,318)</u>	<u>(19,701)</u>
<b>Net Book Value</b>					
At 31 July 2016	<u>25,910</u>	<u>370</u>	<u>199</u>	<u>648</u>	<u>27,127</u>
At 31 July 2015	<u>26,954</u>	<u>-</u>	<u>138</u>	<u>708</u>	<u>27,800</u>

Buildings with a net book value of £21,333,000 and cost of £25,502,000 have been funded mostly from Treasury sources. Should these particular buildings be sold, the University would either have to surrender the proceeds to the Treasury or use them in accordance with the Financial Memorandum with the Scottish Funding Council.

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

### 10 Non-Current investments

	Unlisted Investment £000	Deposits over 95 Days £000	2016 £000	2015 £000
At 1 August	25	5,000	5,025	3,025
Additions/disposals	-	1,021	1,021	2,000
At 31 July	<u>25</u>	<u>6,021</u>	<u>6,046</u>	<u>5,025</u>

Unlisted investments are included at cost less provision for permanent diminution in value. The cost of these was £25,000 and no diminution in value is deemed necessary. The investment is in CVCP Properties plc.

### 11 Trade and Other Receivables

	2016 £000	2015 £000
Trade Debtors	167	423
Other Receivables	56	39
Prepayments and accrued income	1,247	1,073
	<u>1,470</u>	<u>1,535</u>

### 12 Current Asset investments

	2016 £000	2015 £000
<b>Current Asset Investments - Listed securities</b>		
At 1 August	6,909	7,005
Additions	1,418	197
Disposals	(1,283)	(183)
Appreciation on disposals/revaluation	51	(110)
At 31 July	<u>7,095</u>	<u>6,909</u>

### 13 Trade and Other Payables: amounts falling due within one year

	2016 £000	2015 £000
Trade Payables	188	430
Other Payables	838	896
Social Security and Other Taxation Payable	866	1,280
Accruals and Deferred Income	4,337	4,362
	<u>6,229</u>	<u>6,968</u>

**Notes to the financial statements (continued) Trade and Other Payables : amounts falling due within one year (continued)**

**Deferred Income**

Included within accruals and deferred income are the following items of income which have been deferred until specific performance related conditions have been met.

	<b>2016</b>	<b>2015</b>
	<b>£000</b>	<b>£000</b>
Donations	-	175
Research Grants received on account	829	388
Grant Income	801	1,056
Other Income	817	886
	<u>2,447</u>	<u>2,505</u>

**14 Pension Provision**

	<b>USS Pension £000</b>	<b>LGPS Pension £000</b>	<b>2016 £000</b>	<b>2015 £000</b>
At 1 August	162	12,473	12,635	23,030
Additions in year	42	7,319	7,361	(10,395)
At 31 July	<u>204</u>	<u>19,792</u>	<u>19,996</u>	<u>12,635</u>

**USS Deficit** – The obligation to fund the past University's' Superannuation Scheme (USS) arises from the contractual obligation with the pension scheme for total payments relating to benefits arising from past performance. Management have assessed future employees within the USS scheme and salary payments over the period of the contracted obligation in assessing the value of this provision.

**LGPS Deficit** – Full detail of the pension provision movement is provided in note 19.

**15 Endowment Reserves**

	<b>Permanent £000</b>	<b>Expendable £000</b>	<b>2016 £000</b>	<b>2015 £000</b>
<b>Balance at 1 August - Capital</b>	<u>519</u>	<u>395</u>	<u>914</u>	<u>913</u>
New Endowments	(97)	91	(6)	0
Investment Income	20	45	65	77
Expenditure	(7)	(1)	(8)	(76)
Total endowment comprehensive income for the year	<u>(84)</u>	<u>135</u>	<u>51</u>	<u>1</u>
<b>Balance at 31 July - Capital</b>	<u><b>435</b></u>	<u><b>530</b></u>	<u><b>965</b></u>	<u><b>914</b></u>
<b>Analysis by type of purpose</b>				
Scholarship funds	26	110	136	129
Prize funds	31	68	99	122
Other funds	378	352	730	663
	<u><b>435</b></u>	<u><b>530</b></u>	<u><b>965</b></u>	<u><b>914</b></u>
<b>Analysis by asset</b>				
Current and Non Current Asset Investments	<u>435</u>	<u>530</u>	<u>965</u>	<u>914</u>

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

### 16 Restricted Reserves

Reserves with restrictions are as follows:

	<b>2016</b>	<b>2015</b>
	<b>£000</b>	<b>£000</b>
<b>Donations</b>		
Balance at 1 August	159	-
Transfer from Abertay Foundation Trust	-	159
New donations	24	28
Expenditure	<u>(33)</u>	<u>(28)</u>
Total Restricted comprehensive income for the year	<u>(9)</u>	<u>-</u>
<b>Balance at 31 July</b>	<u><u>150</u></u>	<u><u>159</u></u>

#### Analysis of donations by type of purpose

Scholarships and bursaries	5	5
Research Support	64	89
Prize Funds	23	7
General	<u>58</u>	<u>58</u>
	<u><u>150</u></u>	<u><u>159</u></u>

### 17 Capital Commitments

Provision has not been made for the following capital commitments at 31 July:

	<b>2016</b>	<b>2015</b>
	<b>£000</b>	<b>£000</b>
Commitments contracted for	<u><u>2,903</u></u>	<u><u>52</u></u>

### 18 Lease Obligations

Total rentals payable under operating leases :

	<b>2016</b>	<b>2015</b>
	<b>£000</b>	<b>£000</b>
Commitments under non-cancellable operating leases expiring - Other:		
Within one year	13	3
Between one and five years	160	170
	<u><u>173</u></u>	<u><u>173</u></u>



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

### 19 Pension costs

The three principal pension schemes operated for the University's staff are the Scottish Teachers' Superannuation Scheme (STSS), the Local Government Pension Scheme (LGPS) and the Universities Superannuation Scheme (USS). The schemes are of a defined benefit type and are subject to independent actuarial valuations using the projected unit method. This determines the contribution rates payable by the University.

During the year to 31 July the total cost of these pension arrangements for the University was:

	<b>2016</b>	<b>2015</b>
	<b>£000</b>	<b>£000</b>
STSS	1,311	1,209
LGPS	1,271	1,372
USS	117	91
Total pension cost	<u>2,699</u>	<u>2,672</u>

The total pension cost for the University was £2,699,000 (2015 - £2,672,000), this includes £0 (2015 - £214,000) of outstanding contributions at the balance sheet date.

#### Scottish Teachers Superannuation Scheme (STSS)

The latest actuarial valuation of the STSS received from the Scottish Public Pensions Agency (Formerly the Scottish Office Pensions Agency) was at 31 March 2012. Employer contribution rates are reviewed every 5 years and following the scheme valuation by the Government Actuary contribution rates from 1 April 2009 were set at 14.9%. The contribution rates reflect benefits as they are accrued, not when costs are actually incurred and they reflect past experience of the scheme. The employers' contribution was 14.9% throughout the year. The employees' contribution varied between 6.4% and 11.2% throughout the year dependent on annual salary. Because the University is unable to identify its share of the scheme assets and liabilities on a consistent and reasonable basis, as permitted, the above scheme is accounted for as if it were a defined contribution scheme.

#### Local Government Pension Scheme (LGPS)

The last actuarial valuation of the LGPS (as at 31 March 2014), was based on assumptions of a nominal 8.5% return on investments, a 1.8% rate of increase in salaries and a 3.4% rate of increase in pensions. The valuation revealed a market value of assets of £1.9bn. It also revealed liabilities of the fund of £2.5bn, indicating a net deficit in funding of £4.8m. Employer contributions have remained at 17% during the course of the year and employee's contributions were variable based on salary. The University in 2013 restated its Financial Statements to account for the LGPS under the provisions of FRS 17 as a defined benefit scheme.

#### Composition of the scheme

The University operates a defined benefit scheme in the UK. A full actuarial valuation was carried out at 31 March 2014 by a qualified actuary. The financial assumptions used to calculate the results are as follows:

	<b>2016</b>	<b>2015</b>	<b>2014</b>
	<b>% pa</b>	<b>% pa</b>	<b>% pa</b>
Discount rate	2.6	3.8	4.3
Pension increases	2.2	2.6	2.7
Salary increases	3.2	4.4	4.9

## Notes to the financial statements (continued)

### 19 Pension costs (continued)

#### Mortality

The mortality table used is the standard “S2PA” pensioners table with a 120% multiplier based on the amounts projected to valuation data, making allowance for future improvement factors in line with CMI 2013 projections; with a long term rate of improvement of 1.5%.

The expected lifetime of a participant who is 65 and the expected lifetime (from age 65) of a participant who will be age 65 in 20 years are show in years below based on the above mortality tables.

Age	Males	Females
65	21.3	23.3
65 in 20 years	23.5	25.6

The estimated asset allocation in the scheme was:

	31 July 2016		31 July 2015	
	£000	%	£000	%
Equities	41,061	69.1	37,677	70.2
Gilts	3,136	5.3	2,908	5.4
Other bonds	7,730	13.0	6,419	12.0
Property	6,830	11.5	6,012	11.2
Cash	673	1.1	687	1.2
Total	<u>59,430</u>	<u>100.0</u>	<u>53,703</u>	<u>100.0</u>

#### Analysis of amount debited to the Statement of Comprehensive Income and Expenditure:

	2016	2015
	£000	£000
Service Cost	2,107	2,336
Net interest on the defined liability	446	1,008
Administration expenses	30	26
Total pension cost	<u>2,583</u>	<u>3,370</u>

#### Analysis of amount shown in the Balance Sheet:

	2016	2015
	£000	£000
Present Value of the defined benefit obligation	(78,821)	(65,787)
Fair value of Fund Assets (bid value)	59,430	53,702
Present value of unfunded obligation	(401)	(389)
Defined benefit liability at end of year	<u>(19,792)</u>	<u>(12,474)</u>

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

### 19 Pension costs (*continued*)

#### Change in actuarial value of scheme liabilities:

	<b>2016</b>	<b>2015</b>
	<b>£000</b>	<b>£000</b>
Opening defined benefit obligation	66,176	70,328
Current Service cost	1,943	2,283
Interest Cost	2,492	3,032
Change in financial assumptions	9,755	3,735
Change in demographic assumptions	-	(3,230)
Experience loss/(gain) on defined benefit obligation	2	(7,992)
Estimated benefits paid net of transfers in	(1,768)	(2,551)
Past service costs, including curtailments	164	53
Contributions by Scheme participants and other employers	489	550
Unfunded pension payments	(31)	(32)
	<u>79,222</u>	<u>66,176</u>

#### Universities Superannuation Scheme (USS)

The latest available full actuarial valuation of the USS scheme was at 31 March 2014 (“the valuation date”), which was carried out using the projected unit method. Since the institution cannot identify its share of scheme assets and liabilities, the following disclosures reflect those relevant for the scheme as a whole.

The 2014 valuation was the third valuation for USS under the scheme-specific funding regime introduced by the Pensions Act 2004, which requires schemes to adopt a statutory funding objective, which is to have sufficient and appropriate assets to cover their technical provisions. At the valuation date, the value of the assets of the scheme was £41.6 billion and the value of the scheme’s technical provisions was £46.9 billion indicating a shortfall of £5.3 billion. The assets therefore were sufficient to cover 89% of the benefits which had accrued to members after allowing for expected future increases in earnings.

Defined benefit liability numbers for the scheme have been produced using the following assumptions:

	<b>2016</b>	<b>2015</b>
Discount Rate	3.6%	3.3%
Pensionable salary growth (1st year)	n/a	3.5%
Pensionable salary growth (after 1st year)	n/a	4.0%
Pension increases (CPI)	2.2%	2.2%

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

Male members’ mortality 98% of S1NA [“light”] YoB tables – No age rating  
 Female members’ mortality 99% of S1NA [“light”] YoB tables – rated down 1 year

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

### 19 Pension costs (*continued*)

Use of these mortality tables reasonably reflects the actual USS experience. To allow for further improvements in mortality rates the CMI 2014 projections with a 1.5% pa long term rate were also adopted. The current life expectancies on retirement at age 65 are:

	2016	2015
Males currently aged 65 (years)	24.3	24.2
Females currently aged 65 (years)	26.5	26.4
Males currently aged 45 (years)	26.4	26.3
Females currently aged 45 (years)	28.8	28.7

  

	2016	2015
Scheme assets	£49.8bn	£49.1bn
Total scheme liabilities	£58.3bn	£60.2bn
FRS 102 total scheme deficit	£8.5bn	£11.1bn
FRS 102 total funding level	85%	82%

### 20 Contingent liabilities

There are no contingent liabilities at 31 July 2016.

### 21 Related parties

Due to the nature of the University's operations and the composition of the University Court being drawn from local public and private sector organisations, it is inevitable that transactions will take place with organisations in which a member of University Court may have an interest. All transactions involving organisations in which a member of the University Court may have an interest are conducted at arm's length and in accordance with the University's financial regulations and normal procurement procedures.

There is a Students Association at Abertay. This is separate to Abertay University and the University does not exercise control over the Association. The University makes an annual grant to support the Association's activities. Certain costs are recorded in the books of the University and reimbursed by the Association.

### 22 Administrative Details

The University of Abertay Dundee, known as Abertay University is a charity registered in Scotland, No SC016040. The registered office is at Bell Street, Dundee, DD1 1HG.

### 23 Transition to FRS102 and the 2015 SORP

As explained in the accounting policies, these are the Universities first financial statements prepared in accordance with FRS102 and the SORP. The accounting policies set out on page 7 have been applied in preparing the financial statements for the year ended 31 July 2016, the comparative information provided in these financial statements for the year ended 31 July 2015 and in the preparation of an opening FRS102 statement of financial position at 1 August 2014. In preparing the FRS102, SORP based statement of Financial position, the University has adjusted amounts reported previously in financial statements prepared in accordance with its old basis of accounting (2007 SORP). An explanation of how the transition to FRS 102 and the SORP has affected the University's financial position and financial performance are set out in the following tables.

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

**23 Transition to FRS102 and the 2015 SORP (continued) Transition Balance Sheet at 1 August 2014**

	2007 SORP £000	Fixed Asset Revaln. £000	Holiday Pay Accrual £000	Non Govt. Grants - Revenue £000	USS Pension Provision £000	Reclass. of Cash Equivalents £000	Reversal of Deferred Capital Grants £000	Reclass. of Endowments £000	Total Adjusts £000	2015 SORP £000
<b>Non-Current Assets</b>										
Fixed Assets	32,083	(3,284)	-	-	-	-	-	-	(3,284)	28,799
Investments	25	-	-	-	-	3,000	-	-	3,000	3,025
Endowment Assets	913	-	-	-	-	-	-	(914)	(914)	(1)
	33,021	(3,284)	-	-	-	3,000	-	(914)	(1,198)	31,823
<b>Current Assets</b>										
Stock	28	-	-	-	-	-	-	-	-	28
Trade and other receivables	1,259	-	-	-	-	-	-	-	-	1,259
Investments	7,005	-	-	-	-	-	-	-	-	7,005
Cash and cash equivalents	6,204	-	-	-	-	(3,000)	-	-	(3,000)	3,204
	14,496	-	-	-	-	(3,000)	-	-	(3,000)	11,496
	(6,647)	-	(871)	373	-	-	-	-	(498)	(7,145)
<b>Creditors: Amounts Falling Due Within One Year</b>										
	7,849	-	(871)	373	-	(3,000)	-	(914)	(3,498)	4,351
<b>Net Current Assets</b>										
	40,870	(3,284)	(871)	373	-	-	-	(914)	(4,696)	36,174
Pension Provisions	(22,966)	-	-	-	(64)	-	-	-	(64)	(23,030)
<b>Total Net Assets</b>	<b>17,904</b>	<b>(3,284)</b>	<b>(871)</b>	<b>373</b>	<b>(64)</b>	<b>-</b>	<b>-</b>	<b>(914)</b>	<b>(4,760)</b>	<b>13,144</b>
<b>Restricted Reserves</b>										
Deferred Capital Grants	15,462	-	-	-	-	-	(15,462)	-	(15,462)	-
Endowment Reserve	913	-	-	-	-	-	-	-	-	913
<b>Unrestricted Reserves</b>										
Income and Expenditure Reserve	(1,862)	(3,284)	(871)	373	(64)	-	15,462	(914)	10,702	8,840
Revaluation Reserve	3,391	-	-	-	-	-	-	-	-	3,391
<b>Total Reserves</b>	<b>17,904</b>	<b>(3,284)</b>	<b>(871)</b>	<b>373</b>	<b>(64)</b>	<b>-</b>	<b>-</b>	<b>(914)</b>	<b>(4,760)</b>	<b>13,144</b>

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

**23 Transition to FRS102 and the 2015 SORP (continued) Transition Balance Sheet at 31 July 2015**

	2007 SORP £000	Total Opening Balance Adjusts £000	Non Govt. Grants - Revenue £000	USS Pension Provision £000	Reclass. of Cash Equivalents £000	Reversal of Deferred Capital Grants £000	Reversal of Impairment £000	2015 SORP £000
<b>Non Current Assets</b>								
Fixed Assets	30,598	(3,284)	-	-	-	-	486	27,800
Investments	25	3,000	-	-	2,000	-	-	5,025
Endowment Assets	914	(914)	-	-	-	-	-	-
	31,537	(1,198)	-	-	2,000	-	486	32,825
<b>Current Assets</b>								
Stock	25	-	-	-	-	-	-	25
Trade and other receivables	1,535	-	-	-	-	-	-	1,535
Investments	6,909	-	-	-	-	-	-	6,909
Cash and cash equivalents	8,547	(3,000)	-	-	(2,000)	-	-	3,547
	17,016	(3,000)	-	-	(2,000)	-	-	12,016
	(6,170)	(498)	(300)	-	-	-	-	(6,968)
<b>Creditors: Amounts Falling Due Within One Year</b>								
	10,846	(3,498)	(300)	-	(2,000)	-	-	5,048
<b>Net Current Assets</b>								
	42,383	(4,696)	(300)	-	-	-	486	37,873
Pension Provisions	(12,473)	(64)	-	(98)	-	-	-	(12,635)
<b>Total Net Assets</b>	<b>29,910</b>	<b>(4,760)</b>	<b>(300)</b>	<b>(98)</b>	<b>-</b>	<b>-</b>	<b>486</b>	<b>25,238</b>
<b>Restricted Reserves</b>								
Deferred Capital Grants	15,464	(15,462)	-	-	-	(2)	-	-
Income and Expenditure Reserve - Endowment Reserve	914	-	-	-	-	-	-	914
Income and Expenditure Reserve - Restricted Reserve	159	-	-	-	-	-	-	159
<b>Unrestricted Reserves</b>								
Income and Expenditure Reserve - unrestricted	10,089	10,702	(300)	(98)	-	2	486	20,881
Revaluation Reserve	3,284	-	-	-	-	-	-	3,284
<b>Total Reserves</b>	<b>29,910</b>	<b>(4,760)</b>	<b>(300)</b>	<b>(98)</b>	<b>-</b>	<b>-</b>	<b>486</b>	<b>25,238</b>

## Notes to the financial statements (continued)

### 23 Transition to FRS102 and the 2015 SORP (continued) Transition Statement of Comprehensive Income – Year ending 31 July 2015

	2007 SORP £000	USS Pension Provision £000	LGPS Pension Provision £000	Impairment £000	Non Govt. Grants - Revenue £000	Total Opening Balance Adjusts £000	2015 SORP £000
<b>Income</b>							
Tuition Fees and education contracts	8,894	-	-	-	(44)	(44)	8,850
Funding body Grants	20,751	-	-	-	257	257	21,008
Research grants and contracts	1,099	-	-	-	(279)	(279)	820
Other income	3,271	-	-	-	(255)	(255)	3,016
Investment income	346	-	-	-	-	-	346
Donations and endowments	30	-	-	-	23	23	53
<b>Total Income</b>	<b>34,391</b>	-	-	-	<b>(298)</b>	<b>(298)</b>	<b>34,093</b>
<b>Expenditure</b>							
Staff costs	23,340	-	79	-	-	79	23,419
Other operating expenses	9,009	98	-	-	-	98	9,107
Depreciation	1,758	-	-	(486)	-	(486)	1,272
Finance costs	382	-	626	-	-	626	1,008
<b>Total Expenditure</b>	<b>34,489</b>	<b>98</b>	<b>705</b>	<b>(486)</b>	-	<b>(317)</b>	<b>34,806</b>
<b>Deficit before other gains/losses</b>	<b>(98)</b>	<b>(98)</b>	<b>(705)</b>	<b>486</b>	<b>(298)</b>	<b>(615)</b>	<b>(713)</b>
Disposals of fixed assets	124	-	-	-	-	-	124
Disposals of investments	93	-	-	-	-	-	93
<b>Surplus before Tax/for the year</b>	<b>119</b>	<b>(98)</b>	<b>(705)</b>	<b>486</b>	<b>(298)</b>	<b>(615)</b>	<b>(496)</b>
Actuarial loss in respect of pension scheme	11,713	-	705	-	-	705	12,418
Other comprehensive income	172	-	-	-	-	-	172
<b>Total Comprehensive income/ (expense) for the year</b>	<b>12,004</b>	<b>(98)</b>	-	<b>486</b>	<b>(298)</b>	<b>90</b>	<b>12,094</b>
<b>Represented by:</b>							
Restricted comprehensive income for the year	143	-	-	16	-	16	159
Unrestricted comprehensive income for the year	11,967	(98)	-	470	(298)	74	12,041
Endowment comprehensive income for the year	1	-	-	-	-	-	1
Revaluation reserve comprehensive income for the year	(107)	-	-	-	-	-	(107)
	<b>12,004</b>	<b>(98)</b>	-	<b>486</b>	<b>(298)</b>	<b>90</b>	<b>12,094</b>



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