

York St John University
Financial Statements for the year ended 31st July 2008

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University Information

Governors

Trustee Governors

		<u>Date of Appointment</u>	<u>Date of Expiry of Office</u>
Representative of the Lord Archbishop of York	Prof Gerald J Pillay	01/03/2007	31/08/2010
Diocese of Bradford	Fiona Beevers	01/09/2005	31/08/2011
Diocese of Ripon & Leeds	Dr Richard Byrn	01/09/2000	31/08/2009
Diocese of York	Rt Revd David Smith	01/09/2003	31/08/2009
Diocese of Wakefield	Revd Paul Wilcock	01/09/2000	31/08/2009
General Synod Board of Education	Michael Lindley	01/01/2008	31/08/2010
Association of the Colleges of Ripon & York St John	Judith Hewitt	01/09/2007	31/08/2010
6 restricted co-options (members of the Church of England or a Church in communion with it)	Robin Guthrie ¹	01/09/2003	14/07/2008
	Robin Hall	01/09/2000	31/08/2009
	John Finnigan	01/09/2005	31/08/2011
	Diana Gant	01/09/2005	31/08/2011
	Philip Williamson ²	01/09/1999	31/08/2008
	Paul Murphy	01/09/2006	31/08/2009

Governors

University of Leeds	Prof Peter McWilliam ³	01/09/2003	31/05/2008
Vice Chancellor (ex-officio)	Prof Dianne Willcocks	ex officio	
Staff Governor	Stella Jones-Devitt	01/09/2007	31/08/2010
Staff Governor	Pauline Kollontai ⁴	01/09/2005	31/08/2008
Staff Governor	Alex Swift	01/09/2007	31/08/2010
Student Governor (President of Students' Union)	Peter Gorbett	ex officio	
North Yorkshire County Council	Cllr Roger Harrison-Topham	01/09/2001	31/08/2010
City of York Council	Cllr Roger Pierce	01/09/2007	31/08/2010
4 unrestricted co-options	Vicky Biles ²	01/09/2006	31/08/2008
	Gurdeep Kaur Chadha	01/09/2005	31/08/2011
	Jane Hanstock	01/09/2006	31/08/2009
	Vacancy		
Corporate Trustee (limited by guarantee)	York St John Endowment, a registered charity		
Vice Chancellor	Prof Dianne M. Willcocks, BSc, DipM, FRSA		
Deputy Vice Chancellor	Prof David Maughan Brown, BA, MA, D.Phil		
Clerk to the Governors	Janet Looker		
Director of Finance	John Gallacher BA, FCA		

Bankers

Bankers	External Auditors	Internal Auditors	Solicitors	Corporate Office
Barclays Bank plc Parliament Street York YO1 1XD	KPMG LLP 1 The Embankment Leeds LS1 4DW	PriceWaterhouse Coopers LLP Benson House 33 Wellington Street Leeds LS1 4JP	Langleys Queens House Micklegate York YO1 6WG	Lord Mayor's Walk York YO31 7EX

Status

Church of England voluntary University. A charitable trust, registered charity number 529589.

¹ Replaced by Vicky Biles to 31/08/2011

² Post currently vacant

³ Post vacant from 1/06/2008 to 31/08/2008, replaced by Prof Miriam Zukas to 31/08/2011

⁴ Replaced by Diana Wetherell-Terry to 31/08/2011

Operating and Financial Review

Scope and period of accounts

These financial statements include the results of York St John University and its subsidiary company York St John Enterprises Ltd for the year ended 31 July 2008.

The University is an unincorporated charitable trust with a wholly owned trading subsidiary, York St John Enterprises Ltd, the results of which are included in the consolidated accounts. On 1st April 2008, York St John Enterprises Ltd ceased trading and transferred its activities to the University. The Group's 25% interest in Knowledge Base (UK) Limited (2007: 25%) has not been treated as an associated undertaking as the Governing Body of the University do not consider that they exercise significant influence over the operations of this company, which is currently in liquidation. The financial statements exclude the results for the York St John Students' Union, which is a separate entity.

Strategic and Operational Review

The University operates within a Strategic and Corporate Plan developed by the Senior Management Team, informed and approved by the Governing Body. This Corporate Plan for the period 2007-2012 sets out eight Key Strategic Aims, within which Objectives, Priorities and Main Outcomes have been specified.

The Key Strategic Aims are;

1. To be an inclusive and accessible University by focusing on widening participation, retention, progression partnerships and employer engagement.
2. To provide flexible student-centred curricula with excellent teaching by focusing on a flexible, high-quality and distinctive provision, and to be a Centre for Excellence.
3. To be an employer of choice, focusing on work-life balance, staff development and performance, equality and diversity, and reward and recognition.
4. To be a leading regional University with a developing internationalisation agenda.
5. To be a learning organisation promoting lifelong learning through partnership and collaboration through collaborative provision, community partnerships, and learning organisation.
6. To offer a transforming student experience at a technologically-enabled campus.
7. To build capacity and good practice in research and knowledge exchange.
8. To be financially and environmentally sustainable, with good governance and excellent estates and facilities.

Financial Review

Overview

The University's consolidated income and expenditure are summarised as follows:

	2007/08	2006/07	2005/06	2004/05	2003/04
	£000	£000	£000	£000	£000
Income	36,247	33,240	29,614	26,130	24,147
Expenditure	35,162	31,507	27,124	24,853	23,898
Surplus after depreciation of assets at valuation and before taxation	1,085	1,733	2,490	1,277	249
Restructuring costs	-	-	-	(678)	-
Profit /(loss) on disposal of fixed assets	(7)	(3)	(1)	(11)	2,208
Surplus after depreciation of assets at valuation, disposal of assets, but before taxation	1,078	1,730	2,489	588	2,457
Taxation	271	(32)	(42)	(77)	(120)
Surplus after depreciation of assets at valuation, disposal of assets, and taxation	1,349	1,698	2,447	511	2,337
Transfer to endowments	28	(3)	(28)	(4)	(6)
Surplus for the year retained within general reserves	1,377	1,695	2,419	507	2,331
Surplus retained as a % of income	3.8%	5.1%	8.2%	1.9%	9.7%

The University's financial target is to achieve a sustainable surplus on continuing activities in the range 3 to 5% of income and target surpluses are reported in the Financial Forecasts to 2010-11 submitted to HEFCE and are evaluated each year. The University is reporting a surplus of income over expenditure of £1.4m for the year ended 31st July 2008 (2007:£1.7m).

The cash position of the University remains healthy, showing a balance of £5.7m (2007: £10.1m). This reduction is due to the development of the corner of the campus bounded by Clarence Street, Lord Mayors Walk and De Grey Terrace, of De Grey Court a significant contemporary building providing excellent teaching and learning facilities and a new base for the Faculty of Health and Life Science.

The University achieved additional student numbers largely through the partnership with Higher York, generating additional income of £0.5m. Additional fee income of £1.2m resulting from the second year of variable fee regime was partly offset by additional generous bursary payments to students of £0.5m. NHS fees were £0.4m lower this year due to the discontinuation of the Occupational Therapy Accelerated programme and fewer part time physiotherapy students.

The University's income grew by 9% in the year and costs increased by 11.6% with staff costs increasing by 11.4%, including an increase in the FRS17 provision for pension costs. The actuarial assessment of the pension fund for FRS17 disclosure indicated an increased deficit in the fund of which the University's share rose to £10m. Other operating costs increased by 12.6%.

During the year the University borrowed an additional £3m, taking borrowing to £13m, as part of the funding for the De Grey Court development and refinanced existing loans to achieve improved interest charges.

Capital Programme

Work has continued on the De Grey Court development. The estimated cost of this project is £15.2m, and £10.2m (2007: £1.4m) of this is included in assets under the course of construction at 31st July 2008.

Treasury Policies & Objectives

The investment policy of the University states that in balancing risk against return, security of the University's funds is a higher priority than maximising interest earned. Funds are placed with institutions approved by the Strategy, Planning & Resources Committee, and a limit for deposits with individual institutions is reviewed regularly, based on a formula approved by that Committee.

York St John Enterprises Limited

The consolidated financial statements include the University's wholly owned trading subsidiary, York St John Enterprises Ltd (the Company). The Company ran conferencing and merchandising activities of the University Group, together with providing library and sports facilities.

Following a long running dispute with HM Revenue & Customs over the VAT implications of Library Schemes, HM Revenue & Customs offered a standard settlement across the Higher Education sector, which was accepted by the York St John Group. As a result the library's activities were transferred to the University with effect from 1st August 2007.

The remaining trading activities of the Company were transferred to the University with effect from 1st April 2008, and the assets of the Company were purchased by the University. The Company is currently being wound up.

Current and Future Development and Performance

Students

The student population was 5,555 at June 2008, slightly down from the previous year's figure of 5,689 at the same point. The rate of withdrawals fell from 10.8% in 2006/07 to 9.6% in 2007/08

1,336 students achieved a degree in the year (2007: 1,249). 80% of the previous year's graduates are in full or part time employment.

Curriculum Developments

It is not planned to change the current structure of learning and teaching.

Summary of Key Performance Indicators

The latest information available for the 10 most important performance indicators for the University are summarised below. Items marked * will be available in May 2009. Items marked ** will be available in May 2010:

	2007/08	2006/07	2005/06
Student withdrawals	537	678	423
Entrants from low socio-economic groups	*	28.9%	31.5%
Entrants from low participation neighbourhoods	*	13%	18.9
Continuation to a second year of study	**	*	89.4%
Successful student outcomes	83.9%	81.3%	84.4%
Project student degree achievement rates	*	78.5%	80.2%
Overall student satisfaction in NSS	81%	78%	74%
Student:Staff Ratios	*	22.3	24.9
Income	36,247	33,240	29,614
Surplus	3.8%	5.1%	8.2%

The University's Estate

Since 2000, a considerable investment of circa £60 million via some 76 capital projects has taken place to develop a modern campus combining contemporary and historic buildings. The success of which and the high quality of Estate Management has been recognised by HEFCE with the University receiving Capital Round 5 funding on the basis of its performance and plans. Data from the University's annual return to HEFCE is shown below comparing the estate with the sector using the 2005-06 averages of the standard classifications of the Royal Institution of Chartered Surveyors.

Indicator	York St John University	Sector Median (2005-06)	Variance
Building Condition- % condition A and B ⁵	88%	71%	+17%
Functional Suitability - % grade 1 and 2 ⁶	91%	77%	+14%

Employees

The University employs 534 people (expressed as full time equivalents, 2007: 509), of whom 281 (2007: 254) are in academic faculties.

The University uses a range of processes to ensure that staff are involved and kept informed about developments in the University. Staff Forum meetings are held during the year for staff to engage in discussion on key issues, all are invited to attend and may add items to the agenda. More frequent forms of communication include the regular staff newsletter "YorkTalk", emails sent to all staff, and the Vice Chancellor's update, which is distributed to all staff to communicate key information as required. Planning documents, including specific performance targets and indicators, and key financial information including monthly results and forecasts are published on the staff intranet.

⁵ A= As new condition; B=Sound, operational safe; C=Operational but major repair or replacement needed; D=Inoperable

⁶ 1=Excellent; 2=Good; 3=Fair; 4=Poor

Regular formal consultation meetings are held with both academic and support trade unions to seek views on key issues such as changes to key policies and procedures. Specific consultation with staff is carried out as and when appropriate and ongoing discussion takes place within Faculties and Departments to develop plans and strategies.

The University has a comprehensive set of Policies and Procedures to ensure compliance with the requirements of legislation in the area of employing disabled people. The University holds the Two Ticks symbol and complies with the relevant requirements.

Student Involvement

Students' Union sabbatical officers sit on every University committee and working party in relation to the student experience, both academic and non-academic to ensure that the student voice is central to strategic and operational decision making. The Student Services Graduate Intern for Evaluation and Research of the Student Experience works closely with the Students' Union and reports to Academic Board via the Standing Committee on Evaluation.

The Programme Representative scheme allows the Students' Union and students themselves to be active in enhancing performance of the University. The Graduate Intern works closely with the University Strategic Analyst and students in analysing and exploring issues on the back of the National Student Survey and other internal research to improve subsequent performance of the University.

Staff running services for students work alongside the Students' Union to ensure that campaigns on issues of concern are both reactive and systematic throughout the year e.g. personal safety campaigns, information on new landlord legislation, credit awareness campaigns etc.

Insurance for Officers

The University maintains insurance to cover:

- legal liability for any wrongful act or omission resulting in a civil liability in the course of provision of education and training activities or related professional services
- loss due to fraud or dishonesty by an employee
- any actual or alleged act committed or attempted by any governor, director, council member, officer, trustee, or employee acting in a management or supervisory capacity solely by reason of serving in that capacity.

Principal Risks and Uncertainties

The Executive Group and Senior Management amended the approach to risk management in 2007/8. Risk to the University's effectiveness, reputation and sustainability is managed by the University's Senior Management Team. The Vice-Chancellor accepts ultimate responsibility for the management of risk. The Governors will maintain oversight of University risk management.

While the management of risk and the implementation of all procedures designed to ensure control is the business of all University managers and employees, designated managers are identified to manage and report on the current status of risk according to key domains of University activity. These managers produce and maintain risk statements, procedures and business continuity plans and critical incident plans and will review them annually with designated committees or the Senior Management Team as appropriate.

An overall table of risk status is produced and updated annually or as necessary by members of the Senior Management Team. The Vice-Chancellor and Executive Group will review the status of the table of University risks twice annually, considering risk statements and any supporting indicators as necessary. The reviews take place in November and March. An Annual Risk Report is made to Academic Board in June. The report confirms the current status of risk (scored as to impact and likelihood), notes changes in risk score proposed for the forthcoming academic year and any major factors which have influenced changed scores and confirm the existence of risk statements and risk mitigation arrangements.

At present, the table shows the following risks that could have high impact, none of which are high likelihood:

- Failure to meet expectations of validation authorities and major customers, such as the NHS funded courses could lead to withdrawal of contract and a significant proportion of the University's funding. Careful management of activities and regular consultation with interested parties ensures that potential problems are identified and overcome promptly.
- Failure to reduce exposure to accident or ill health of staff and students. This risk is managed through the activities of the Health & Safety Committee, and its sub group, the Business Continuity Planning Group, which evolved from the Pandemic Flu Group.
- Failure to plan effectively for the effects of an act of terrorism. An Emergency Plan is being drawn up as part of the overall business continuity plan.

Conclusion

The accounts reflect an active and successful University with educational achievements underpinned by financial strength. The Governors wish to record their thanks for the hard work and commitment shown by all of the staff in achieving these results.

Professor Dianne Willcocks
Vice Chancellor
17th November 2008

On behalf of the Governing Body
Robin Hall
Pro Chancellor
17th November 2008

Statement of Corporate Governance and Internal Control

The University is committed to exhibiting best practice in all aspects of corporate governance. This summary describes the manner in which the University has applied the principles set out in the revised “Combined Code on Corporate Governance” issued by the London Stock Exchange in July 2006. Its purpose is to help the reader of the accounts understand how the principles have been applied.

In the opinion of the Governors, the University complies with all the provisions of the Combined Code in so far as they apply to the Higher Education Sector, and it has complied throughout the year ended 31 July 2008. The University has also had regard to the Committee of University Chairmen Governance Code of Practices. Practices are consistent with the provisions of the Code.

The Governing Body

It is the Governing Body’s responsibility to bring independent judgement to bear on issues of strategy, performance, resources and standards of conduct.

The Governing Body is of the view that:

- there is an ongoing process for identifying, evaluating and managing the University's significant risks,
- that it has been in place for the year ended 31 July 2008 and up to the date of approval of the annual report and accounts,
- that it is regularly reviewed by the Governing Body, and
- that it accords with the internal control guidance for directors on the Combined Code as deemed appropriate for higher education.

The University's Governing Body meets three times a year and has the following committees:

- Strategy, Planning and Resources,
- Nominations,
- Remuneration,
- Human Resources Development,
- Governance,
- Foundation, and
- Audit.

All of these Committees are formally constituted with terms of reference. They comprise mainly lay members of the Governing Body, one of whom is the Chair. The committee structure of the University was reviewed during the year and one of the outcomes was that responsibility for the Human Resources Development Committee was transferred, with effect from 1st September 2008, to the University management whilst retaining a Governor presence.

All Governors are able to take independent professional advice in furtherance of their duties at the University’s expense and have access to the Clerk to the Governing Body, who is responsible to the Governing Body for ensuring compliance with all applicable procedures and regulations. The appointment and removal of the Clerk are matters for the Governing Body as a whole.

Formal agendas, papers and reports are supplied to governors in a timely manner, prior to meetings. Briefings are also provided on an ad-hoc basis.

The Governing Body has a strong and independent non-executive element and no individual or group dominates its decision making process. The Governing Body considers that each of its non-executive members is independent of management and free from any business or other relationship which could materially interfere with the exercise of their independent judgement.

There is a clear division of responsibility in that the roles of the Chairman and Vice Chancellor are separate.

Appointments to the Governing Body

The Nominations Committee recommends the appointment of members to the Governing Body and its sub-committees, in accordance with the relevant terms of reference.

Remuneration Committee

The Remuneration Committee determines the remuneration of the University Senior Management Team (formerly Executive Group).

Audit Committee

The Audit Committee meets four times a year, with the University's External and Internal Auditors in attendance. The Committee considers detailed reports together with recommendations for the improvement of the University's systems of internal control, and management's responses and implementation plans. It also receives and considers reports from the Funding Council as they affect the University's business and monitors adherence to the regulatory requirements. Whilst senior executives attend meetings of the Audit Committee as necessary, they are not members of the Committee and once a year the Committee meets both the Internal and External Auditors on their own for independent discussions.

Internal Control

The University's Governing Body is responsible for the University's system of internal control and for reviewing its effectiveness. Such a system is designed to manage rather than eliminate the risk of failure to achieve business objectives and can only provide reasonable and not absolute assurance against material misstatement or loss.

The Governing Body has reviewed the key risks to which the University is exposed together with the operating, financial and compliance controls that have been implemented to mitigate those risks. The Governing Body is of the view that there is an ongoing process for identifying, evaluating and managing the University's significant risks, that it has been in place for the year ended 31 July 2008 and up to the date of approval of the annual report and accounts, that it is regularly reviewed by the Governing Body and that it accords with the internal control guidance for directors on the Combined Code as deemed appropriate for higher education.

The Senior Management Team receives reports setting out key performance and risk indicators and considers possible control issues brought to their attention by early warning mechanisms which are embedded within the operational units and reinforced by risk awareness training. The Senior Management Team and the Audit Committee also receive regular reports from Internal Audit and from the Health and Safety Committee which include recommendations for improvement. The Audit Committee's role in this area is confined to a high level review of the arrangements for internal financial control. The Governing Body's agenda includes a regular item for consideration of risk and control and

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receives reports thereon from the Senior Management Team and the Audit Committee. The emphasis is on obtaining the relevant degree of assurance and not merely reporting by exception. At its November 2008 meeting, the Governing Body carried out the annual assessment for the year ended 31st July 2008 by considering documentation from the Senior Management Team and Internal Audit, and taking account of events since 31st July 2008.

Going concern

After making appropriate enquiries, the Governing Body considers that the University has adequate resources to continue in operational existence for the foreseeable future. For this reason they continue to adopt the going concern basis in preparing the financial statements.

Professor Dianne Willcocks
Vice Chancellor
17th November 2008

On behalf of the Governing Body
Robin Hall
Pro Chancellor
17th November 2008

Statement of Responsibilities of the University's Governing Body

In accordance with the University's Constitution, the Governing Body is responsible for ensuring the proper administration and management of the affairs of the University and Group, and is required to present audited financial statements for each financial year.

The Governing Body is responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the University and Group, and to enable it to ensure that the financial statements are prepared in accordance with the University's Constitution, the Statement of Recommended Practice: Accounting for Further and Higher Education (2007) and other relevant accounting standards. In addition, within the terms and conditions of a Financial Memorandum agreed with the Higher Education Funding Council for England, the Governing Body of the University, 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 Group, and of the surplus or deficit and cash flows for that period.

In preparing those financial statements, the Governing Body is required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and estimates that are reasonable and prudent;
- state whether applicable Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that business will continue.

The Governing Body has taken reasonable steps to:

- ensure that funds from the Higher Education Funding Council for England (HEFCE), the Teacher Development Agency (TDA), and the Learning and Skills Council (LSC) are used only for the purposes for which they have been given and in accordance with the Financial Memorandum with the HEFCE and any other conditions which the HEFCE, TDA or LSC 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 Group, and to prevent and detect fraud and other irregularities;
- secure the economical, efficient and effective management of the University's resources and expenditure.

Professor Dianne Willcocks
Vice Chancellor
17th November 2008

On behalf of the Governing Body
Robin Hall
Pro Chancellor
17th November 2008

Independent Auditor's Report to the Governing Body of York St John University

We have audited the Group and University financial statements (the "financial statements") of York St John University for the year ended 31 July 2008 which comprise the Group Income and Expenditure Account, the Group and University Balance Sheets, the Group Cash Flow Statement, the Group Statement of Total Recognised Gains and Losses and the related notes. These financial statements have been prepared under the historical cost convention (as modified by the revaluation of certain fixed assets) and in accordance with the accounting policies set out therein.

This report is made solely to the Governing Body, in accordance with paragraph 12.4 of the University's Articles of Government and section 124B of the Education Reform Act 1988. Our audit work has been undertaken so that we might state to the Governing Body those matters we are required to state to it in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Governing Body, for our audit work, for this report, or for the opinions we have formed.

Respective Responsibilities of the University's Governing Body and Auditors

The University's Governing Body's responsibilities for preparing the Operating and Financial Review and the group financial statements in accordance with the Accounts Direction issued by the Higher Education Funding Council for England, the Statement of Recommended Practice: Accounting for Further and Higher Education (2007), applicable law and UK Accounting Standards (UK Generally Accepted Accounting Practice) are set out in the Statement of Responsibilities on the previous page.

Our responsibility is to audit the financial statements in accordance with relevant legal and regulatory requirements and International Standards on Auditing (UK and Ireland).

We report to you our opinion as to whether the financial statements give a true and fair view and are properly prepared in accordance with the Statement of Recommended Practice: Accounting for Further and Higher Education (2007). We also report to you whether income from funding bodies, grants and income for specific purposes and from other restricted funds administered by the University have been properly applied only for the purposes for which they were received and whether, in all material respects, income has been applied in accordance with the Statutes and, where appropriate, with the Financial Memorandum with the Higher Education Funding Council for England, the Financial Memorandum with the Training and Development Agency for Schools and the funding agreement with the Learning and Skills Council. We also report to you whether in our opinion the Operating and Financial Review is consistent with the financial statements. In addition we report to you if, in our opinion, the University has not kept proper accounting records, or if we have not received all the information and explanations we require for our audit.

We read the Operating and Financial Review and the Statement of Corporate Governance and Internal Control, and consider the implications for our report if we become aware of any apparent misstatements within them or material inconsistencies with the financial statements.

Basis of Opinion

We conducted our audit in accordance with International Standards on Auditing (UK and Ireland) issued by the Auditing Practices Board and the Audit Code of Practice issued by the Higher Education Funding Council for England. An audit includes examination, on a test basis, of evidence relevant to the amounts and disclosures in the financial statements. It also includes an assessment of the significant estimates and



judgements made by the University's Governors in the preparation of the financial statements and of whether the accounting policies are appropriate to the Group and University's circumstances, consistently applied and adequately disclosed.

We planned and performed our audit so as to obtain all the information and explanations which we considered necessary in order to provide us with sufficient evidence to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or other irregularity or error. In forming our opinion we also evaluated the overall adequacy of the presentation of information in the financial statements.

Opinion

In our opinion:

- the financial statements give a true and fair view, in accordance with UK Generally Accepted Accounting Practice, of the state of affairs of the University and the group as at 31 July 2008 and of the Group's surplus of income over expenditure for the year then ended;
- the financial statements have been properly prepared in accordance with the Statement of Recognised Practice: Accounting for Further and Higher Education (2007);
- in all material respects, income from the Higher Education Funding Council for England, the Training and Development Agency for Schools and the Learning and Skills Council, grants and income for specific purposes and from other restricted funds administered by the University during the year ended 31 July 2008 have been applied for the purposes for which they were received; and
- in all material respects, income during the year ended 31 July 2008 has been applied in accordance with the University's statutes and, where appropriate, with the Financial Memorandum with the Higher Education Funding Council for England, the funding Financial Memorandum with the Training and Development Agency for Schools and the funding agreement with the Learning and Skills Council.

KPMG LLP

Chartered Accountants
Registered Auditor

The maintenance and integrity of York St John University's website is the responsibility of the Governing Body of the University; 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 financial statements may differ from legislation in other jurisdictions.

**Consolidated Income and Expenditure Account
for the Year Ended 31st July 2008**

	Note	2007/08 £ 000	2006/07 £ 000
INCOME			
Funding Council income	1	17,628	15,897
Tuition fees and educational contracts	2	12,360	11,439
Research grants and contracts	3	26	37
Other income	4	5,789	5,349
Endowment and investment income	5	444	518
TOTAL INCOME		<u>36,247</u>	<u>33,240</u>
EXPENDITURE			
Staff costs	6	20,861	18,732
Other operating expenses		12,035	10,688
Depreciation	11	1,541	1,324
Interest and other financial costs	8	725	763
TOTAL EXPENDITURE		<u>35,162</u>	<u>31,507</u>
Surplus after depreciation of assets at valuation and before taxation		1,085	1,733
Loss on disposal of assets		(7)	(3)
Surplus after depreciation of assets at valuation, and disposal of assets, but before taxation		1,078	1,730
Taxation	9	271	(32)
Surplus after depreciation of assets at valuation, disposal of assets, and taxation		1,349	1,698
Surplus / (deficit) for the year transferred to accumulated income in endowment funds		28	(3)
Surplus for the year retained within general reserves	20	<u>1,377</u>	<u>1,695</u>

The consolidated income and expenditure account of the University and its subsidiary relate wholly to continuing activities of the Group.

On 1st April 2008 York St John Enterprises Ltd transferred its remaining activities to the University and ceased to trade.

**Consolidated Statement of Historical Cost Surpluses and Deficits
for the Year Ended 31st July 2008**

	Note	2007/08 £ 000	2006/07 £ 000
Surplus on continuing operations before taxation		1,078	1,730
Difference between historical cost depreciation and the actual charge for the year calculated on the re-valued amount	20	222	181
Valuation gains realised on disposal of tangible fixed assets	21	-	-
Historical cost surplus before taxation		<u>1,300</u>	<u>1,911</u>
Taxation	9	271	(32)
Historical cost surplus after taxation		<u><u>1,571</u></u>	<u><u>1,879</u></u>

**Consolidated Statement of Total Recognised Gains and Losses
for the Year Ended 31st July 2008**

	Note	2007/08 £ 000	2006/07 £ 000
Surplus on continuing operations after depreciation of assets at valuation and disposal of assets and taxation		1,349	1,698
Unrealised surplus on revaluation of fixed assets		-	-
New Endowments	19	23	33
Actuarial gain / (loss) in respect of pension scheme		(6,087)	979
Total recognised gains / (losses) relating to the year		<u>(4,715)</u>	<u>2,710</u>

**Consolidated Reconciliation of Opening & Closing Reserves
for the Year Ended 31st July 2008**

	2007/08 £ 000	2006/07 £ 000
Opening reserves and endowments		
Endowments	225	189
Income & expenditure	22,023	19,168
Revaluation reserve	27,276	27,457
	<u>49,524</u>	<u>46,814</u>
Total recognised gains for the year	(4,715)	2,710
	<u><u>44,809</u></u>	<u><u>49,524</u></u>
Closing reserves and endowments		
Endowments	220	225
Income & expenditure	17,535	22,023
Revaluation reserve	27,054	27,276
	<u><u>44,809</u></u>	<u><u>49,524</u></u>

Balance Sheets as at 31st July

	Note	Group		University	
		2008 £ 000	2007 £ 000	2008 £ 000	2007 £ 000
Fixed assets					
Tangible assets	11	79,550	71,026	79,550	54,364
Investments	12	1	1	1	1
		<u>79,551</u>	<u>71,027</u>	<u>79,551</u>	<u>54,365</u>
Endowment assets	13	220	225	220	225
Current assets					
Stocks		28	31	28	24
Debtors due within one year	14	2,324	2,502	2,324	2,937
Debtors due after more than one year	14	-	-	-	12,066
Investments - short term deposits		4,961	9,461	4,961	9,462
Cash at bank and in hand		692	685	692	617
		<u>8,005</u>	<u>12,679</u>	<u>8,005</u>	<u>25,106</u>
Creditors: amounts falling due within one year	15	(5,182)	(7,501)	(5,182)	(7,102)
Net current assets		<u>2,823</u>	<u>5,178</u>	<u>2,823</u>	<u>18,004</u>
Total assets less current liabilities		82,594	76,430	82,594	72,594
Creditors: amounts falling due after more than one year	16	(13,403)	(10,300)	(13,403)	(10,544)
Provisions for liabilities and charges	17	(1,277)	(1,118)	(1,277)	(847)
Net assets excluding pension asset / (liability)		67,914	65,012	67,914	61,203
Net pension asset / (liability)	30	(10,914)	(4,363)	(10,914)	(4,363)
NET ASSETS including pension asset / (liability)		<u>57,000</u>	<u>60,649</u>	<u>57,000</u>	<u>56,840</u>
Deferred capital grants	18	<u>12,191</u>	<u>11,125</u>	<u>12,191</u>	<u>11,125</u>
Endowments					
Restricted expendable	19	178	180	178	180
Restricted permanent	19	42	45	42	45
		<u>220</u>	<u>225</u>	<u>220</u>	<u>225</u>
Reserves					
Income and expenditure account excluding pension reserve	20	28,449	26,386	32,397	26,606
Pension reserve	30	(10,914)	(4,363)	(10,914)	(4,363)
Income and expenditure account including pension reserve	20	17,535	22,023	21,483	22,243
Revaluation reserve	21	27,054	27,276	23,106	23,247
		<u>44,589</u>	<u>49,299</u>	<u>44,589</u>	<u>45,490</u>
TOTAL FUNDS		<u>57,000</u>	<u>60,649</u>	<u>57,000</u>	<u>56,840</u>

The Financial Statements on pages 15 to 43 were approved by the Governors on 17th November 2008 and signed on their behalf by :

Professor Dianne Willcocks, Vice Chancellor

Robin Hall, Pro Chancellor

**Consolidated Cash Flow Statement
 for the Year Ended 31st July 2008**

	Note	2007/08 £ 000	2006/07 £ 000
Net cash inflow from operating activities	23	3,004	3,351
Returns on investments and servicing of finance	24	(281)	(245)
Capital expenditure and financial investment	25	(8,732)	(2,537)
Management of liquid resources		4,500	(869)
Financing	26	1,511	264
Increase / (decrease) in cash		<u>2</u>	<u>(36)</u>

Reconciliation of Net Cash Flow to Movement in Net (Debt) / Funds

	Note	2007/08 £ 000	2006/07 £ 000
Increase / (decrease) in cash in the year		2	(36)
Increase / (decrease) in short term deposits		(4,500)	869
(Increase) / decrease in debt	26	(1,511)	(264)
Decrease/ (increase) in net debt		<u>(6,009)</u>	<u>569</u>
Net funds / (debt) at 1st August 2007	27	<u>(1,118)</u>	<u>(1,687)</u>
Net funds / (debt) at 31st July 2008		<u>(7,127)</u>	<u>(1,118)</u>

Statement of Principal Accounting Policies

Basis of Accounting

The financial statements have been prepared under the historical cost convention as modified by the revaluation of freehold properties and in accordance with applicable accounting standards. They have been prepared in accordance with the Statement of Recommended Practice: Accounting for Further and Higher Education (2007). Due to its status as a registered charity, the University has also taken consideration of the Statement of Recommended Practice: Accounting and Reporting by Charities and the Charities Act.

Basis of Consolidation

The consolidated financial statements include the financial statements of the University and its subsidiary undertaking, York St John Enterprises Limited. Intra-group sales and profits are eliminated fully on consolidation. In accordance with FRS2 the activities of the Students' Union have not been consolidated because the Governing Body do not consider that the University has any financial interest, control or significant influence over policy decisions. The Company ceased trading on 1st April 2008 and transferred its assets & activities to the University.

Recognition of income

Funding Council block grants are accounted for in the period to which they relate.

Fee income is stated gross and credited to the income and expenditure account over the period in which students are studying. 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 the contract or service has been completed. Payments received in advance of performance are included in liabilities.

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 University 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 construction 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.

Agency arrangements

Funds the University receives and disburses as paying agent on behalf of a funding body are excluded from the income and expenditure of the University where the University is exposed to minimal risk or enjoys minimal economic benefit related to the transaction.

Leases and hire purchase contracts

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

Finance leases, which substantially transfer all the benefits and risks of ownership of an asset to the University, 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 outstanding. Assets held under finance leases are depreciated over the shorter of the lease term or the useful economic lives of equivalent owned assets.

The University is an exempt charity within the meaning of schedule 2 of the Charities Act 1993 and as such is a charity within the meaning of section 506(1) of the Income and Corporation Taxes Act 1988 (ICTA 1988). Accordingly, the University is potentially exempt from taxation in respect of income or capital gains received within categories covered by section 505 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 University 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.

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 recognised to the extent they are regarded as more likely than not that they will be recovered. Deferred tax assets and liabilities are not discounted.

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.

Fixed Assets

Land and buildings are included in the accounts at valuation. The assets are re-valued every five years, with an interim valuation after three years. Freehold land is not depreciated. Freehold buildings are depreciated over their expected useful economic life of 100 years. The All Weather Pitch is depreciated over its expected useful life of 20 years, and Portakabins are depreciated over 3 years.

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

Buildings under Construction are accounted for at cost, based on the value of architect's certificates and other direct costs incurred to 31st July. They are not depreciated until brought into use.

Fixtures, Fittings and Equipment: Depreciation is provided on the cost of fixtures, fittings and equipment in equal annual instalments over the estimated useful lives of the assets of:

- between three and five years for equipment
- ten years for fixtures & fittings

Items costing less than £5k per individual item are written off to the Income and Expenditure account in the year of acquisition. All other equipment is capitalised at cost.

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

Finance Costs: which are directly attributable to the construction of land and buildings are not capitalised as part of those assets.

Expenditure to ensure that a tangible fixed asset maintains its previously recognised standard of performance is recognised in the income and expenditure account in the period it is incurred. The University has a planned maintenance programme, which is reviewed on an annual basis.

Assets used by the University

A value is attributed to the benefit of assets which the University does not own and for which no annual or nominal rental is paid, and are capitalised, with a corresponding credit to deferred capital grants, and thereafter depreciated over the period of use.

Assets held for resale

Tangible fixed assets surplus to requirements are held at the lower of cost and net realisable value.

Investments

Fixed asset investments that are listed on a recognised stock exchange are carried at market value. Fixed asset investments that are not listed on a recognised stock exchange are carried at historic cost less any provision for impairment in their value.

Current asset investments are included in the balance sheet at the lower of their original cost and net realisable value.

Stocks

Stocks are stated at the lower of cost or net realisable value. Stocks held in academic departments are written off to the Income and Expenditure Account in the year of purchase. Where necessary, a provision is made for obsolete, slow-moving and defective stocks.

Cash flows and liquid resources

Cash flows comprise increases or decreases in cash. Cash includes cash in hand, cash at bank, and deposits repayable on demand. Deposits are repayable on demand if they are available within 24 hours without penalty. No other investments, however liquid, are included as cash. Liquid resources comprise assets held as readily disposable store of value. They include term deposits, government securities and loan stock held as part of the University's treasury management activities. They exclude any such assets held as endowment asset investments.

Foreign currency translations

Assets and liabilities denominated in foreign currencies are translated at the rates of exchange ruling at the end of the financial year, with all resulting exchange differences being taken to the income and expenditure account in the period in which they arise.

Accounting for research and development

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

Website development costs

Design and content costs relating to the development of websites to support specific teaching or training courses, or for specific research projects, are capitalised. These are amortised over the useful economic life of projects.

Where there is uncertainty over the life of the course or its viability such costs are written off as incurred as are design and content costs for websites that are for the general use of the University and its staff.

Joint venture entities and associates

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

Intra-group transactions

Gains or losses on any intra-group transactions are eliminated in full. Amounts in relation to debts and claims between undertakings included in the consolidation are also eliminated. Balances between the University and its associates and joint ventures are not eliminated; unsettled normal trading transactions are included as current assets or liabilities. Any gains or losses are included in the carrying amount of assets of either entity, the part relating to the University's share is eliminated.

Accounting for charitable donations

Unrestricted donations

Charitable donations are recognised in the accounts when the charitable donation has been received or if, before receipt, there is sufficient evidence to provide the necessary certainty that the donation will be received and the value of the incoming resources can be measured with sufficient reliability.

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. There are three main types:

1. 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.
2. 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.
3. 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.

Total return on investment for permanent endowments

Total return is the whole of the investment return received by the University on the permanent endowment funds regardless of how it has arisen.

The total return, less any part of the return which has previously been applied for the purposes of the University, remains in the unapplied total return fund. This fund remains part of the permanent endowment until such time as a transfer is made to the income and expenditure account.

Donations for fixed assets

Donations received to be applied to the cost of a tangible fixed asset are shown on the balance sheet as a deferred capital grant. The deferred capital grant is released to the income and expenditure account over the same estimated useful life that is used to determine the depreciation charge associated with the tangible fixed asset.

Gifts in kind, including donated tangible fixed assets

Gifts in kind are included in 'other income' or 'deferred capital grants' as appropriate using a reasonable estimate of their gross value or the amount actually realised.

Pension Costs

Retirement benefits for most employees of the University are provided by the Teachers' Pension Scheme (TPS) for academic staff, the North Yorkshire County Council Superannuation Fund (NYCCSF) for non-academic staff, and the Church of England Pensions Board for the Chaplains. These are defined benefit schemes which are externally funded and contracted out of the State Earnings Related Pension Scheme.

Contributions to the TPS are charged to the Income and Expenditure Account so as to spread the cost of pensions over the employees' working lives with the University in such a way that the pension cost is a substantially level percentage of present and future pensionable payroll. The contributions are determined by qualified actuaries on the basis of quinquennial valuations using a prospective benefit method.

The assets of the NYCCSF are measured using closing market values. NYCCSF liabilities are measured using the projected unit method and discounted at the redemption yield on the iBoxx Sterling AA corporate bond over 15 years index. The increase in the present value of the liabilities of the scheme expected to arise from employee service in the period is charged to the operating surplus. The expected return on the scheme's assets and the increase during the period in the present value of the scheme's liabilities, arising from the passage of time, are included in pension finance costs. Actuarial gains and losses are recognised in the Statement of Recognised Gains & Losses.

Enhanced pensions

The actual cost of certain enhanced ongoing pensions to former members of staff is being paid by the University annually. An estimate of the change in expected future cost of these enhancements was charged in full to the income and expenditure account in the past. The provision for these costs is adjusted annually. In these accounts the provision has been calculated using the enhanced pensions spreadsheet provided by the Learning and Skills Council.

Provisions

Provisions are recognised when the University group has a present legal or constructive obligation as a result of a past event, it is probable that a transfer of economic benefit will be required to settle the obligation, and a reliable estimate can be made of the amount of the obligation.

The 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.

Contingent liabilities

Contingent liabilities are disclosed by way of a note, when the definition of a provision is not met and includes three scenarios: possible rather than a present obligation; a possible rather than a probable outflow of economic benefits; an inability to measure the economic outflow.

Contingent assets

Contingent assets are disclosed by way of a note, where there is a possible, rather than present, asset arising from a past event.

Notes to the Financial Statements

1 Funding Council income

	HEFCE	2007/08 TDA	Total	2006/07 Total
	£ 000	£ 000	£ 000	£ 000
Recurrent grant	12,114	3,530	15,644	14,470
Specific grants	1,678	55	1,733	1,244
Deferred capital grants:				
Buildings (note 18)	105	-	105	95
Equipment (note 18)	146	-	146	88
	<u>14,043</u>	<u>3,585</u>	<u>17,628</u>	<u>15,897</u>

2 Tuition fees and educational contracts

	2007/08	2006/07
	£ 000	£ 000
Home full-time students	6,769	5,419
Overseas students	1,462	1,600
Part-time students	554	512
Short course fees	308	280
Occupational therapy & physiotherapy students	3,267	3,628
	<u>12,360</u>	<u>11,439</u>

3 Research grants and contracts

	2007/08	2006/07
	£ 000	£ 000
Research councils and charities	26	37
Industry and commerce	-	-
Governmental	-	-
	<u>26</u>	<u>37</u>

4 Other income

	2007/08	2006/07
	£ 000	£ 000
Residences, catering and conferences	3,709	3,526
Releases from deferred capital grants (non Funding Council) (note 18)	1	1
Other income	2,079	1,822
	<u>5,789</u>	<u>5,349</u>

5 Endowment and investment income

	2007/08	2006/07
	£ 000	£ 000
Income from expendable endowments	7	8
Income from permanent endowments	2	2
Income from short-term investments	435	508
	<u>444</u>	<u>518</u>

6 Staff costs	2007/08	2006/07
	£ 000	£ 000
Wages and salaries	17,122	15,415
Social security	1,229	1,165
Other pension costs (including FRS17 adjustments, note 30)	2,510	2,152
	<u>20,861</u>	<u>18,732</u>

Average weekly number of persons employed by the University Group during the period, expressed as full time equivalents

	Number	Number
Academic faculties	281	254
Academic services	74	69
Administration & central services	105	110
Premises	58	60
Residence & catering	16	16
	<u>534</u>	<u>509</u>

7 Higher paid employees

The emoluments of the Vice Chancellor during the year were:

	2007/08	2006/07
	£	£
Emoluments	160,000	136,836
Pension costs	22,560	18,952
	<u>182,560</u>	<u>155,788</u>

Remuneration (excluding pension contributions) of higher paid staff, including the Vice Chancellor

£100,000 - £110,000	-	-
£110,000 - £120,000	-	-
£120,000 - £130,000	-	-
£130,000 - £140,000	-	1
£140,000 - £150,000	-	-
£150,000 - £160,000	1	-
	<u>1</u>	<u>1</u>

8 Interest and other financial costs	2007/08	2006/07
	£ 000	£ 000
Loans repayable in the year	2	-
Repayable wholly or partly in more than five years	631	655
Net charge on pension scheme	92	108
	<u>725</u>	<u>763</u>

9 Taxation (group only)	2007/08	2006/07
	£ 000	£ 000
UK corporation tax at 20.33% (2007: 19%):	-	-
Deferred taxation: origination and reversal of timing differences (note 17)	(271)	32
Total tax on profit / (loss) on ordinary activities	<u>(271)</u>	<u>32</u>

The Governing Body do not believe that the University is liable for any corporation tax arising out of its activities during the period.

10 Analysis of expenditure by activity	2007/08	2006/07
	£ 000	£ 000
Academic departments	15,375	13,552
Academic services	4,218	4,228
Premises	4,189	3,982
Residences, catering and conferences	2,041	1,810
Research grants and contracts	499	485
Administration and central services	3,304	2,939
General educational expenditure	3,995	3,123
Staff & student facilities	1,541	1,388
	<u>35,162</u>	<u>31,507</u>
Other operating expenses include:		
External auditors remuneration in respect of audit services	28	28
External auditors remuneration in respect of non-audit services	21	-
Operating lease rentals		
Land and buildings	482	474
Other	104	104
	<u>104</u>	<u>104</u>

11 Tangible fixed assets

GROUP	Freehold land and buildings	Equipment	Total
	£ 000	£ 000	£ 000
Valuation/Cost			
At 1st August 2007			
Valuation	59,865	-	59,865
Cost	8,924	6,469	15,393
Additions at cost	9,401	672	10,073
Surplus on revaluation	-	-	-
Disposals	-	(77)	(77)
At 31st July 2008			
Valuation	59,865	-	59,865
Cost	18,325	7,064	25,389
	<u>78,190</u>	<u>7,064</u>	<u>85,254</u>
Depreciation			
At 1st August 2007	590	3,642	4,232
Charge for Year	661	880	1,541
On revaluation	-	-	-
Disposals	-	(69)	(69)
Depreciation at 31 July 2008	<u>1,251</u>	<u>4,453</u>	<u>5,704</u>
Net book value			
At 31 July 2008	<u>76,939</u>	<u>2,611</u>	<u>79,550</u>
At 1st August 2007	<u>68,199</u>	<u>2,827</u>	<u>71,026</u>
Financed by:			
Capital grant	11,399	792	12,191
Other	65,540	1,819	67,359
Net book value at 31st July 2008	<u>76,939</u>	<u>2,611</u>	<u>79,550</u>

11 Tangible fixed assets (continued)

University ONLY	Freehold land and buildings £ 000	Equipment £ 000	Total £ 000
Valuation/Cost			
At 1st August 2007			
Valuation	43,799	-	43,799
Cost	8,924	4,812	13,736
Additions at cost	29,801	1,587	31,388
Surplus on revaluation	-	-	-
Disposals	-	(330)	(330)
At 31st July 2008			
Valuation	43,799	-	43,799
Cost	38,725	6,069	44,794
	<u>82,524</u>	<u>6,069</u>	<u>88,593</u>
Depreciation			
At 1st August 2007			
	423	2,748	3,171
Charge for Year	550	781	1,331
Impairment provision (see below)	4,613	-	4,613
On revaluation	-	-	-
Disposals	-	(72)	(72)
Depreciation at 31st July 2008	<u>5,586</u>	<u>3,457</u>	<u>9,043</u>
Net book value			
At 31st July 2008			
	<u>76,938</u>	<u>2,612</u>	<u>79,550</u>
At 1st August 2007			
	<u>52,300</u>	<u>2,064</u>	<u>54,364</u>
Financed by:			
Capital grant	11,399	792	12,191
Other	65,539	1,820	67,359
Net book value at 31st July 2008	<u>76,938</u>	<u>2,612</u>	<u>79,550</u>

Since the implementation of the new Charity Scheme in July 2003, all the land & buildings of the University have been vested in York St John Endowment, its corporate trustee.

During the year, the University acquired the 3 buildings owned by York St John Enterprises Ltd at open market value. This was considerably higher than the previous valuation on the basis of existing use.

The net book value of these buildings has been reduced to the previous net book value by an impairment provision. This ensures that the basis of valuation is comparable with the other buildings.

Included in freehold buildings are the following assets in the course of construction which were not depreciated during the year:

	2008 £ 000	2007 £ 000
Freehold buildings	<u>10,243</u>	<u>1,494</u>

11 Tangible fixed assets (continued)

Buildings were revalued on an existing use basis by Nigel Taylor FRICS of Taylor York Commercial Limited on 31st July 2006, in accordance with the RICS Appraisal and Valuation Manual.

The Governing Body are not aware of any material change in the value and therefore the valuations have not been updated.

The revalued buildings include notionally directly attributable acquisition costs of £4,219k (2007: £4,219k) relating to irrecoverable VAT.

The historical cost of assets held at valuation is £34.7m (2007: £35.2m).

The land used for the buildings originally owned by York St John Enterprises Limited was leased to the Company by the Trustees.

Under the terms of the library scheme settlement offered by HM Revenue & Customs, these buildings were transferred to the University in spring 2008 and this lease was cancelled.

The exchequer interest in fixed assets is £9.9m (2007: £9.6m)

12 Investments - University and Group

	2008	2007
	£ 000	£ 000
UK fixed interest stocks	-	-
UK unlisted shares	1	1
UK fixed interest and equities at cost	<u>1</u>	<u>1</u>

	York St John Enterprises Ltd	Knowledge Base (UK) Ltd
Activity	Until 1st April 2008 - Trading activities to support the University	Managing projects for Learndirect
Status	Ceased trading on 1st April 2008 - in the process of being struck off	Currently in liquidation
Nominal value - ordinary shares	£1	£1,000
Holding	100%	25%
Incorporated in	England and Wales	England and Wales
Operating in	UK	UK

13 Endowment assets - University and Group cash

	2008	2007
	£ 000	£ 000
Balance at 1 August 2007	225	189
New endowments invested	23	33
(Decrease) / increase in cash balances held for endowment funds	<u>(28)</u>	<u>3</u>
	<u>220</u>	<u>225</u>

14 Debtors

	Group		University	
	2008	2007	2008	2007
	£ 000	£ 000	£ 000	£ 000
Amounts falling due within one year:				
Debtors	1,903	1,683	1,903	1,503
York St. John Enterprises Ltd	-	-	-	703
Prepayments & accrued income	421	819	421	731
	<u>2,324</u>	<u>2,502</u>	<u>2,324</u>	<u>2,937</u>
Amounts falling due after one year:				
York St. John Enterprises Ltd	-	-	-	12,066
	<u>-</u>	<u>-</u>	<u>-</u>	<u>12,066</u>

The loan to the University's trading subsidiary, York St John Enterprises Limited, was secured by a charge over the leasehold property of the Company.

The loan, on which a commercial interest rate was paid, was repayable over 25 years, but was repaid in spring 2008 when the Company sold its buildings and transferred its trade to the University, and ceased to trade.

15 Creditors: amounts falling due within one year

	Group		University	
	2008	2007	2008	2007
	£ 000	£ 000	£ 000	£ 000
Bank overdraft	-	801	-	801
Secured loans	-	549	-	549
Unsecured loans	-	253	-	253
Trade creditors	796	1,444	796	1,428
Social security and other taxation payable	651	762	651	401
Accruals and deferred income	3,735	3,692	3,735	3,547
York St. John Enterprises Ltd	-	-	-	123
	<u>5,182</u>	<u>7,501</u>	<u>5,182</u>	<u>7,102</u>

16 Creditors: Amounts Falling Due After More Than One Year

	Group		University	
	2008 £ 000	2007 £ 000	2008 £ 000	2007 £ 000
Mortgages secured on property:				
Amounts repayable in:				
Less than 2 years	-	549	-	549
2 to 5 years	-	1,648	-	1,648
More than 5 years	13,000	7,689	13,000	7,689
Amounts due under operating lease	403	414	403	658
	<u>13,403</u>	<u>10,300</u>	<u>13,403</u>	<u>10,544</u>

During the year, the University refinanced its loan with Barclays and borrowed an additional £3m. On the old loan the University paid interest at LIBOR plus 0.5875% on £10.4m as at 31st July 2007.

The interest payments were hedged with a Swap under which the University paid the Barclays Capital Swaps Receives rate (capped to 31st July 2019 at 5.39%), less Barclays Capital Swaps Pays rate on 75% of the loan (2007: 75% of the loan).

This amount was secured with legal charges over certain properties on the York campus.

The new 25 year loan of £13m is at a fixed rate of 5.73%, and is unsecured.

17 Provisions for liabilities and charges

	Enhanced pensions	Other Provisions	Total	Deferred taxation	Total
	(University only)	(University only)	(University only)	(Subsidiary company only)	(Group)
	£ 000	£ 000	£ 000	£ 000	£ 000
At 1st August 2007	847	-	847	271	1,118
Utilised in year	3	-	3	-	3
Provision for VAT liability on the library	-	427	427	-	427
Transferred to income & expenditure account	-	-	-	(271)	(271)
Balance At 31st July 2008	<u>850</u>	<u>427</u>	<u>1,277</u>	<u>-</u>	<u>1,277</u>

The provision for deferred taxation comprises:

Accelerated capital allowances

-

Other provisions represents the estimated cost of VAT under the capital goods scheme following the settlement of the library scheme with HM Revenue & Customs. This liability will be paid over the period to 2013.

18 Deferred capital grants - University and Group

	Buildings £ 000	Equipment £ 000	Total £ 000
Balance At 1st August 2007	10,322	803	11,125
Received in year	1,183	135	1,318
Transferred to income & expenditure account	(106)	(146)	(252)
Balance At 31st July 2008	11,399	792	12,191
Capital grants were provided by:	£ 000	£ 000	£ 000
Higher Education Funding Council for England	11,285	787	12,072
Training and Development for Schools Agency	-	5	5
Students' Union	114	-	114
	11,399	792	12,191

19 Endowments - University and Group

	Restricted Permanent £ 000	Restricted Expendabl e £ 000	2008 Total £ 000	2007 Total £ 000
Balances at 1st August 2007				
Capital	35	211	246	211
Accumulated income	10	(31)	(21)	(22)
	45	180	225	189
New endowments	-	23	23	33
Investment income	2	7	9	10
Expenditure	(5)	(32)	(37)	(7)
At 31st July 2008	42	178	220	225
Represented by				
Capital	35	234	269	244
Accumulated income	7	(56)	(49)	(19)
Balances at 31st July 2008	42	178	220	225

In previous years endowments were analysed into general & specific. The revised headings above reflect the new SORP & the University's accounting policies.

Following the implementation of the new Charity Scheme in July 2003, all the land & buildings vested in York St John Endowment, the corporate trustee.

20 Income and expenditure account reserve

	2008		2007	
	Group £ 000	University £ 000	Group £ 000	University £ 000
Balance at 1st August 2007	22,023	22,243	19,168	19,469
Surplus for the year	1,377	5,186	1,695	1,653
Actuarial gain / (loss) in respect of pension scheme	(6,087)	(6,087)	979	979
Transfer from revaluation reserve re disposal	-	-	-	-
Release from revaluation reserve	222	141	181	142
Balance At 31st July 2008	17,535	21,483	22,023	22,243

Balance represented by:

Income and expenditure account	28,449	32,397	26,386	26,606
Pension reserve	(10,914)	(10,914)	(4,363)	(4,363)
	17,535	21,483	22,023	22,243

21 Revaluation reserve

	2008		2007	
	Group £ 000	University £ 000	Group £ 000	University £ 000
Revaluations				
At 1st August 2007	27,276	23,247	27,457	23,389
Add: Surplus on revaluation	-	-	-	-
Add: Depreciation reversed on revaluation	-	-	-	-
Less: Disposal of tangible assets	-	-	-	-
Less: Contribution to depreciation for the year	(222)	(141)	(181)	(142)
At 31st July 2008	27,054	23,106	27,276	23,247

Represented by:

Endowment fixed assets (University assets)	23,106	23,106	23,247	23,247
Other fixed assets (Subsidiary's assets, transferred to the University on 14th March 2008)	3,948	-	4,029	-
	27,054	23,106	27,276	23,247

22 Capital commitments

	2008		2007	
	Group £ 000	University £ 000	Group £ 000	University £ 000
Commitments Contracted	1,962	1,962	9,694	9,694

Commitments have decreased because the redevelopment of the former shop on Clarence Street corner as a base for the Faculty of Health & Life Science, post graduate research, and Institutional Advancement is nearing completion.

23 Reconciliation of consolidated operating surplus to net cash flow from operating activities

	2008	2007
	£ 000	£ 000
Surplus before tax on continuing operations after depreciation of assets at valuation or cost and disposal of asset	1,078	1,730
Depreciation	1,541	1,324
Deferred capital grants released	(252)	(183)
Endowment and investment income	(444)	(518)
(Profit) / loss on sale of assets	7	3
Interest payable	725	763
Pension costs less contributions payable (notes 6, 8, & 30)	465	367
Decrease / (increase) in stocks	3	(7)
Decrease / (increase) in debtors	178	(724)
(Decrease) / increase in creditors	(727)	624
(Decrease) / increase in provisions	430	(28)
Net cash (outflow) / inflow from operating activities	3,004	3,351

24 Returns on investments and servicing of finance

	2008	2007
	£ 000	£ 000
Income from expendable endowments	7	8
Income from permanent endowments	2	2
Other interest received	435	508
Interest paid	(725)	(763)
	(281)	(245)

25 Capital expenditure and financial investment

	2008	2007
	£ 000	£ 000
Tangible assets acquired	(10,073)	(3,508)
Receipts from sale of assets and investments	-	15
New endowments received	23	33
Deferred capital grants received	1,318	923
	(8,732)	(2,537)

26 Analysis of changes in group financing during the year

	2008	2007
	£ 000	£ 000
Mortgages and loans		
Balance At 1st August 2007	11,489	11,225
Accrued interest added to loan	-	12
New loans	13,000	801
Capital repayments	(11,489)	(549)
Net amount (repaid) / acquired in year	1,511	264
Balance at 31st July 2008	13,000	11,489

27 Analysis of changes in net debt / funds

	At 1st August 2007 £ 000	Cash flow £ 000	Other changes £ 000	At 31st July 2008 £ 000
Endowment cash	225	(5)	-	220
Cash at bank and in hand	685	7	-	692
Short term deposits	9,461	(4,500)	-	4,961
Debt due within one year	(1,603)	1,603	-	-
Debt due after one year	(9,886)	(3,114)	-	(13,000)
	<u>(1,118)</u>	<u>(6,009)</u>	-	<u>(7,127)</u>

28 Operating lease commitments

In the year to 31st July 2002, the University Trustees granted two 99 year operating leases to its subsidiary company on two parcels of land. These were cancelled in spring 2008 when the University bought the buildings.

The total received of £700,000 was being released to the income & expenditure account over the life of the leases. The total included in creditors at 31st July 2007 was £664,647.

Commitments on operating leases can be analysed as follows:

	2008			2007		
	Buildings £ 000	Equipment £ 000	Total £ 000	Buildings £ 000	Equipment £ 000	Total £ 000
Within one year	-	-	-	-	83	83
2-5 years	41	5	46	40	-	40
After 5 years	1,528	-	1,528	442	-	442
	<u>1,569</u>	<u>5</u>	<u>1,574</u>	<u>482</u>	<u>83</u>	<u>565</u>

29 Contingent liability

The University from time to time receives claims from contractors re construction contracts. Amounts due at the year end cannot be estimated reasonably and management believe that they are not material to the Financial Statements.

30 Pensions

Retirement benefits for employees of the University are provided by defined benefit schemes which are funded by contributions from the University and employees. Payments are made to the Teachers' Pension Scheme (TPS) for academic staff, the North Yorkshire County Council Superannuation Fund for non-academic staff, and the Church of England Pensions Board for the Chaplain. These are all independently administered schemes.

The contribution of the University as a percentage of pensionable salaries is:

13.5% for academic staff

13.8% from 1st April 2006 for ancillary staff who contribute 5% of their salary

13.8% from 1st April 2006 for other non-academic staff

	2008	2007
Total pension costs included in staff costs for the year	£ 000	£ 000
Teachers Pension Scheme: contributions paid	1,221	1,087
Church of England Pension Scheme: contributions paid	4	4
North Yorkshire County Council Superannuation Fund: charge to the Income & Expenditure account (Note 30 a iii)	1,213	1,023
Enhanced pension charged to the Income & Expenditure account	72	38
	2,510	2,152

It is not possible to identify each institutions' share of the underlying liabilities and assets of the Teachers' Superannuation Scheme for academic staff and the Church of England Pensions Board for the Chaplain. Under FRS 17 contributions to each scheme are to be accounted for as if both were defined contribution schemes.

30a North Yorkshire County Council Superannuation Fund: non academic staff

i) The 2007 valuation

The North Yorkshire County Council Superannuation Fund is valued every three years by a professionally qualified independent actuary, the rates of contribution payable being determined by the actuary. The latest actuarial assessment of the North Yorkshire County Council Superannuation Fund available was at 31st March 2007. That assessment was based on the following assumptions:

	Per annum	Per annum
	2007	2004
Investment returns pre retirement	6.4%	6.6%
Investment returns post retirement	4.90%	5.10%
Rate of salary increase	4.85%	4.55%
Rate of increase of present & future pensions	3.10%	2.80%

The actuarial valuation showed the market value of the scheme's assets was £12.657 million (2004: £765.8 million) and that the actuarial value of these assets represented 67.8% (2004: 59.4%) of the past service benefits that has accrued to members after allowing for expected increases in earnings.

30a North Yorkshire County Council Superannuation Fund: non academic staff (continued)

ii) The valuation as at 31st July 2008

Under the definitions set out in FRS 17, the North Yorkshire County Council Scheme is a multi-employer defined benefit pension scheme. The actuary of the scheme has identified the University's share of the fund's assets and liabilities for non-academic staff as at 31st July 2008.

It is based upon a full actuarial valuation of the Fund at 31 March 2007 updated to 31st July 2008 by an independent actuary. The end of year figures for the market value of the assets and split of assets between investment categories have been calculated as at 31st July 2008. The corresponding figures for the start of the year have been calculated as at 30th June 2007.

The pension scheme assets are held in a separate Trustee-administered fund to meet long-term pension liabilities to past and present employees. The trustees of the fund are required to act in the best interests of the fund's beneficiaries. The appointment of trustees to the fund is determined by the scheme's trust documentation. The trustees are responsible for setting the investment strategy for the Scheme after consultation with professional advisers.

The actuarial assumptions made for this valuation were:

	Start of the year	End of the year
Rate of inflation	3.20%	3.80%
Rate of increases in salaries	4.95%	5.55%
Rate of increases in pensions	3.20%	3.80%
Discount rate	5.80%	5.90%

The current mortality assumptions include sufficient allowance for future improvements in mortality rates. The assumed life expectations on retirement at age 65 are:

		Start of the year	End of the year
Retired today	Males	19.7	21.1
	Females	22.6	24
Retiring in 20 years	Males	22.2	22.2
	Females	25	25

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

	Long-term rate of return at 31st July 2008	Value at 31st July 2008 £000	Long- term rate of return at 31st July 2007	Value at 31st July 2007 £000	Long- term rate of return at 31st July 2006	Value at 31st July 2006
Equities	7.50%	12,147	7.50%	14,610	7.00%	12,438
Government Bonds	4.80%	1,049	4.90%	1,432	4.40%	1,182
Other Bonds	5.90%	3,653	5.80%	2,005	5.10%	1,948
Cash	N/A	-	5.75%	1,050	4.50%	1,082
Other	7.50%	629	N/A	-	N/A	-
Total Market Value of assets		<u>17,478</u>		<u>19,097</u>		<u>16,650</u>
Liabilities		<u>(28,392)</u>		<u>(23,460)</u>		<u>(21,625)</u>
Deficit		<u>(10,914)</u>		<u>(4,363)</u>		<u>(4,975)</u>

The market value of total fund assets at 30th June 2008 was £1,178 millions (£1,317 millions as at 30th June 2007).

30a North Yorkshire County Council Superannuation Fund: non academic staff (continued)
iii) The results of the valuation at 31st July 2008, included in the Financial Statements

	2008	2007
	£ 000	£ 000
Charge to Income & Expenditure account		
Current Service cost	1,010	1,001
Past service cost	203	-
Curtailement cost	-	22
	<u>1,213</u>	<u>1,023</u>

	2008	2007
	£ 000	£ 000
Pension finance income / (costs)		
Expected return on pension scheme assets	1,292	1,014
Interest on pension liabilities	(1,384)	(1,122)
	<u>(92)</u>	<u>(108)</u>

	2008	2007
	£ 000	£ 000
Amount Recognised in the Statement of Total Recognised Gains and Losses (STRGL)		
Actuarial gains /(losses) on pension scheme assets	(3,538)	935
Actuarial gains /(losses) on pension scheme assets on restatement of opening assets	(19)	-
Experience gains and losses arising on the scheme liabilities	-	-
Actuarial (gains)/losses on pension scheme liabilities	(2,530)	44
Actuarial gain / (loss) recognised in STRGL	<u>(6,087)</u>	<u>979</u>

	2008	2007
	£ 000	£ 000
Movement in deficit during the year		
Deficit in the scheme at 1st August 2007	4,363	4,975
Current service cost	1,010	1,001
Employer contributions	(841)	(764)
Past service costs	203	-
Curtailement costs	-	22
Net interest / return on assets	92	108
Actuarial (gain) / loss	6,087	(979)
Deficit in the scheme at 31st July 2008	<u>10,914</u>	<u>4,363</u>

	2008	2007
	£ 000	£ 000
Analysis of the movement in the present value of the scheme liabilities		
At beginning of the year	23,460	21,625
Current service cost	1,010	1,001
Interest cost	1,384	1,122
Contributions by scheme participants	355	313
Actuarial gains and losses	2,530	(44)
Benefits paid	(550)	(579)
Past service cost	203	-
Curtailements	-	22
At end of the year	<u>28,392</u>	<u>23,460</u>

30a North Yorkshire County Council Superannuation Fund: non academic staff (continued)

iii) The results of the valuation at 31st July 2008, included in the Financial Statements (continued)

	2008	2007
	£ 000	£ 000
Analysis of movement in the market value of the scheme assets		
At beginning of the year	19,097	16,650
Expected rate of return on scheme assets	1,292	1,014
Actuarial gains and losses	(3,557)	935
Contribution by the employer	841	764
Contributions by scheme participants	355	313
Benefits paid	(550)	(579)
At end of the year	<u>17,478</u>	<u>19,097</u>

iv) North Yorkshire County Council Superannuation Fund: History of experience gains & losses

	2008	2007	2006	2005	2004
Difference between the expected & actual return on assets:	(3,538)	935	1,003	1,660	3
Percentage of scheme assets	(20.24%)	4.90%	6.02%	11.64%	0.03%
Experience gains and losses arising on the scheme liabilities	-	-	(439)	680	-
Percentage of scheme liabilities	0.00%	0.00%	2.00%	3.60%	0.00%
Total amount recognised in STRGL	(6,087)	979	(184)	(16)	(273)
Percentage of scheme liabilities	(21.44%)	4.17%	0.90%	0.10%	1.71%

30b The Teachers' Pension Scheme

The Teachers' Pension Scheme is a statutory, contributory, defined benefit scheme. The regulations under which the TPS operates are the Teachers' Pensions Regulations 1997, as amended. These regulations apply to teachers in schools and other educational establishments in England and Wales maintained by local authorities, to teachers in many independent and voluntary aided schools, and to teachers and lecturers in establishments of further and higher education.

Membership is automatic for full-time teachers and lecturers and from 1st January 2007 automatic too for teachers and lecturers in part-time employment following appointment or a change of contract. Teachers and lecturers are able to opt out of the TPS.

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

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

30b The Teachers' Pension Scheme (continued)

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

The standard contribution rate (SCR) of pension contributions is assessed in two parts.

First, a standard contribution is determined. This is the contribution, expressed as a percentage of the salaries of teachers and lecturers in service or entering service during the period over which the contribution rate applies, which if it were paid over the entire active service of these teachers and lecturers would broadly defray the cost of benefits payable in respect of that service.

Secondly, a supplementary contribution is payable if, as a result of the actuarial investigation, it is found that accumulated liabilities of the Account for benefits to past and present teachers, are not fully covered by standard contributions to be paid in future and by the notional fund built up from past contributions.

The last valuation of the TPS related to the period 1st April 2001 – 31st March 2004. The GA's report of October 2006 revealed that the total liabilities of the Scheme (pensions currently in payment and the estimated cost of future benefits) amounted to £166,500 millions. The value of the assets (estimated future contributions together with the proceeds from the notional investments held at the valuation date) was £163,240 millions. The assumed real rate of return is 3.5% in excess of prices and 2% in excess of earnings. The rate of real earnings growth is assumed to be 1.5%. The assumed gross rate of return is 6.5%.

As from 1st January 2007, and as part of the cost-sharing agreement between employers' and teachers' representatives:

The standard contribution has been assessed at 19.75%, plus a supplementary contribution rate of 0.75% (to balance assets and liabilities as required by the regulations within 15 years).

That is a SCR of 20.5%. This translates into an employee contribution rate of 6.4% and employer contribution rate of 14.1% payable. The cost-sharing agreement has also introduced – effective for the first time from the 2008 valuation - a 14% cap on employer contributions payable.

The 2006 interim actuarial review, published in June 2007, did not recommend any changes to the SCR and concluded, as at 31st March 2006, and using the above assumptions, that the Scheme's total liabilities amounted to £176,600 millions.

A copy of the GA's 2004 valuation report and 2006 interim valuation report can be found on the TeacherNet website at: www.teachernet.gov.uk/pensions.

31a Access Grants

The University administers an Access Fund provided by the Higher Education Funding Council for England by awarding grants to students experiencing severe financial hardship.

	2007/08 £ 000	2006/07 £ 000
Income Received	179	241
Interest Added	7	4
	<u>186</u>	<u>245</u>
Disbursements	<u>157</u>	<u>200</u>

31b TDA Training Bursaries

The University administers Training Bursaries on behalf of the Training and Development for Schools Agency (TDA).

	2007/08 £ 000	2006/07 £ 000
Income Received	<u>1,404</u>	<u>1,410</u>
Disbursements	<u>1,244</u>	<u>1,364</u>

31c TDA Ethnic Minority Recruitment Funding

In the year, the University received income of £3k (2007: £7k) from TDA for Ethnic Minority Recruitment Funding. A total of £9k (2007: £3k) was spent in the year, including funds brought forward of £12k, leaving a balance carried forward of £6k.

32 Related Party Transactions

The University made a grant to the York St John Students' Union of £213,000 (2007: £206,000) and charged rent of £11,992 (2007: £11,054).

The University received project funding of £78,570 from Yorkshire Universities (2007: £69,692). The University paid £5,300 to Yorkshire Universities in affiliation fees (2007: £5,000).

The Governors and their connected persons have received no remuneration during the year. Due to the nature of the University's operations and the composition of the Governing Body (being drawn from local public and private sector organisations) it is inevitable that transactions will take place with organisations in which a member of Governing Body may have an interest. All transactions involving organisations in which a member of the Governing Body may have an interest are conducted at arm's length and in accordance with the University's financial regulations and normal procurement procedures. Material transactions and balances were:

	Group		University	
	Income	Expenditure	Income	Expenditure
	£	£	£	£
North Yorkshire County	1,152	18,599	-	18,599
University of Leeds	31,246	53,140	31,246	53,140
City of York Council	26,848	109,796	24,245	109,671
Yorkshire Film Archive	14,882	30,835	5,036	30,835