

*Financial Statements
for the
Year ending
31 July 2014*

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TREASURER'S REPORT

Results for the Year

The summarised income and expenditure account for the year ended 31 July 2014, together with comparative figures for 2012/13 are shown as follows:

| | 2013/14 £'000 | 2012/13 £'000 |
|---|------------------|------------------|
| Income | 127,700 | 119,224 |
| Expenditure | 127,205 | 119,025 |
| Surplus on Continuing Operations after Depreciation of Assets | 495 | 199 |
| Profit on Disposal of Asset | 188 | 0 |
| Transfer to Accumulated Income within Endowment Funds | (377) | (127) |
| Surplus retained within General Reserves | 306 | 72 |
| Historical Cost Surplus | 2,484 | 2,188 |

The 2013/14 year witnessed the second cohort of full-time home and EU undergraduate students becoming liable for the £9,000 fee. From 2014/15 all cohorts will be liable for the £9,000 fee.

In terms of student numbers, the 2013/14 year contained a large cohort, recruited in 2011/12, who have now left the University. Given the current lower student number intakes, this loss of the large cohort will mean fewer students studying at the University over the next two years compared to 2013/14 levels.

The reported historical cost surplus is £2.5M and the surplus for the year retained within general reserves was above breakeven at £306k. The budgeted position was for a £2.4M surplus. The reason that the University did not achieve this level of surplus was that during the year, the University implemented a voluntary severance scheme during which a £2.8M investment was made in staff restructuring. The financial performance in 2013/14 therefore needs to be viewed in the context of having accommodated a significant initial investment in this scheme.

Efficient and effective control over expenditure was exercised during the year. Total income was lower than budgeted due to under-recruitment, and so the effective management of the cost base has ensured the (small) surplus for the year. The Finance Department has effectively managed the University's finances such that the fall in income compared to budget has been met with effective expenditure control whilst also maintaining the momentum of major projects.

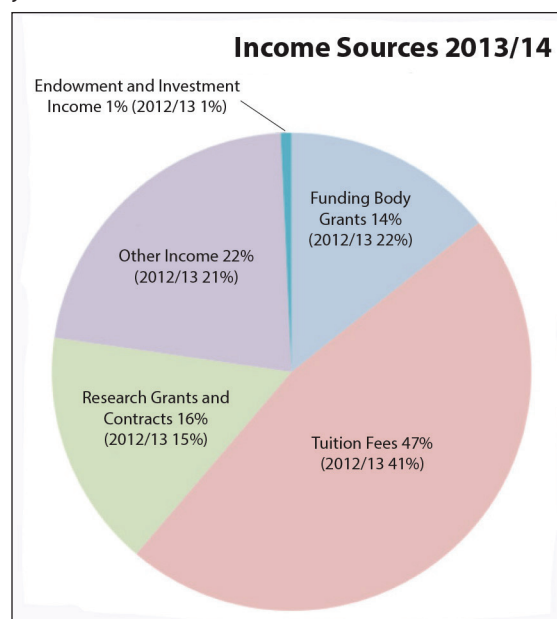
Income

The total underlying income on recurring activities increased by 7% compared to the prior year.

As stated above, during the year, two undergraduate cohorts were liable for the higher £9,000 fee. Universities are now significantly more heavily reliant on tuition fees than HEFCW teaching grants.

The increase in underlying income was mainly driven by the increase in income from Tuition Fees. Income from Tuition Fees paid by UK students increased by 24% from £40.9M to £50.9M. The fees from international students also increased by 10% from £6.7M to £7.4M. Overall, income from Tuition Fees increased from £49.2M to £59.9M.

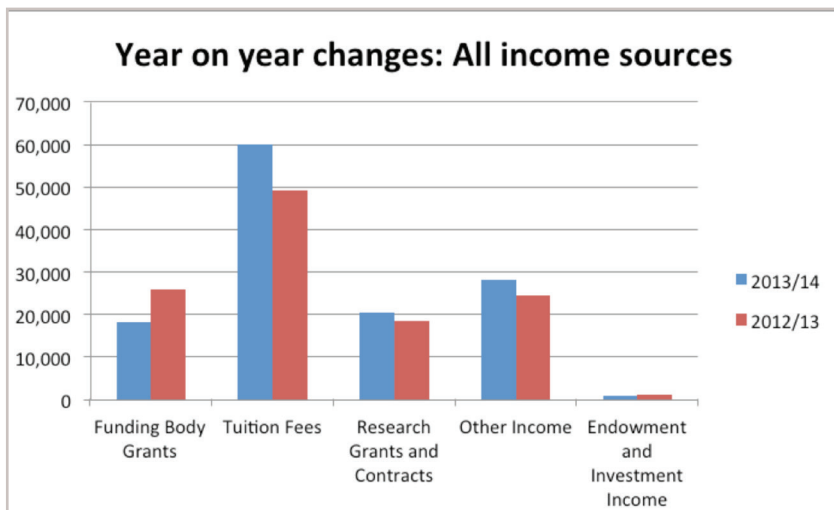
As a result of changes in the Higher Education Institutions are now funded, during 2013/14, the income from funding body grants decreased 24% from £23.9M to £18.2M



TREASURER’S REPORT (continued)

One of the University’s key strategic aims is to increase its Research Activity. Despite the competitive market for Research Funding it is encouraging to note that the University achieved an increase of 11% in funded Research Activity from £18.4M to £20.5M.

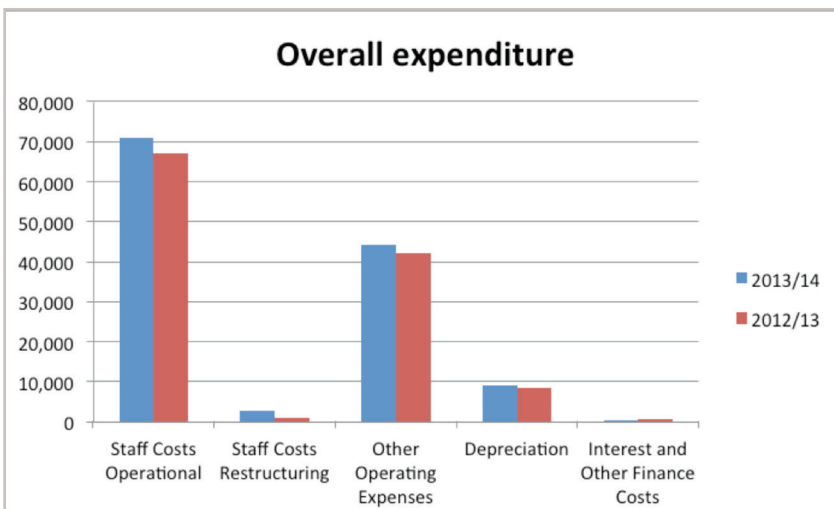
The University in particular has a strong partnership with the Biotechnology and Biological Sciences Research Council (BBSRC). During the year, the BBSRC awarded the University a £5.75M grant for Research Equipment and improving Research facilities. This award is reflected in an in year increase in income from Other Grants and an increase in the Deferred Capital Grant on the University Balance Sheet.



Expenditure

Total expenditure on recurring activities (excluding restructuring costs) has increased by 5% from £118.0M to £124.3M. There was a 6% increase in staff costs from £67M to £71M. This increase has been due to cost of living increases, salary increment increases, higher pension costs as a result of pension auto-enrolment and more staff were funded by research projects (£1M increase).

In addition to this spend on recurring staff costs, the University spent £2.8M on restructuring activity.



There has also been an increase in operating expenses associated with higher levels of Research Activity. The other operating expenditure funded by research projects have increased by 30% from £6.1M to £8.7M.

Balance Sheet

Overall net assets have increased by £3.0M from £174.6m to £177.6M. This has been reflected by an increase in the University’s cash balances. At the end of the 2012/13 year, I reported that the University had a strong Balance Sheet and it is pleasing to be able to report that it has strengthened further during 2013/14.

However, it is important to note that there are risks to the value of net assets in future years. The planned budget deficits for 2014/15 and 2015/16 will have a negative impact on net assets. In addition the University will implement the International Reporting Standard FRS102 in 2015/16. As a result, as noted in the Pensions section, a significant additional liability will need to be recognised for the USS pension scheme.

TREASURER'S REPORT (continued)

During the year £11.8M of expenditure was capitalised. This included £5.2M of equipment in IBERS funded by BBSRC, £4.0m in relation to the Llanbadarn Centre Refurbishment and £1.0M in relation to the refurbishment of Lecture Rooms.

During the year work continued on the Penglais Farm student accommodation project. The delivery of 1,000 high quality bedrooms was due to be handed over to the University in December 2014. This project has been affected by delays, but there have been no changes to proposed construction costs, and the University will receive an asset valued at £46M before the end of the 2014/15 year.

This project is majority funded by finance from Legal and General (L&G). The University will be leasing the buildings from L&G under a finance lease. For this reason the buildings cannot be considered to be University buildings until the project has been completed and the lease of the completed buildings has started. The University has recognised the £30.5M it has received from L&G by the 31st July 2014 as a liability due after more than 1 year. The University has recognised the £30.0M it has paid to Balfour Beatty as a prepayment that will be recovered after more than 1 year.

Investment Performance

The administration of our endowment investments continues much as before. In overall terms, the portfolio total return was 4.1% (10.4% in 2012/13). This is the return on total endowment assets not just those held with external managers.

This was a year in which the FTSE All Share Index returned 5.6% (24.3% in 2012/13) and the World ex UK Index returned 4.6% (25.6% in 2012/13). The IPD UK monthly Property index returned 18.5% (4.7% in 2012/13). Our holding of corporate bonds outperformed the appropriate index by returning 7.4% (gross of fees) compared with 5.4%. Our two absolute return funds returned 2.1% and 6.3% respectively, and their combined return is consistent with producing a steady, lower volatility sequence of returns.

The blended rate of return for the external managers' investments was approximately 6%. When combined with the internal assets (including cash), that leads to the portfolio return quoted earlier.

Pensions

Like many organisations pensions remain a significant liability and risk.

As set out in note 25, the Aberystwyth University Pension and Assurance Scheme (AUPAS) is a defined benefit scheme and assets and liabilities are re-measured each year by its actuaries. The Pension deficit for AUPAS (as measured by Financial Reporting Standard 17) decreased from £17.6M to £17.0M.

The pension cost increased by 11% from £8,622k to £9,595k. This compares to a 6% increase in staff costs in general. New auto-enrolment legislation is the main reason for this increase. A number of staff have been auto enrolled onto the pension scheme. The increase to pension costs for 2013/14 was limited by favourable actuarial adjustments. These actuarial adjustments, made in compliance with FRS 17, meant that reported pension costs were £415k lower than the payments made to the pension schemes.

During 2013-14 the University undertook a consultation exercise to assess the various options available to reduce the risk exposure in relation to AUPAS. Following this consultation the University Council decided to change its own internal pension scheme to a Fixed Contribution Scheme.

The Universities Superannuation Scheme (USS) is a multi-employer scheme and its assets and liabilities do not currently appear within these Financial Statements. The University's exposure to a share of the USS deficit will be a significant liability. Future changes in Financial Reporting Standards will mean that the University will need to create a liability if we have committed to contribute to a deficit recovery plan.

This will be a large and volatile new liability. These new standards are mandatory for accounting periods commencing on or after 1 January 2015 and will impact every university with members in USS.

There are UK wide plans to change the terms for the USS. The USS trustees are currently consulting on proposed changes to the USS pension scheme. The USS trustees held consultations with employers during the period July 2014 to September 2014. They plan to consult employees early in 2015.

TREASURER'S REPORT (continued)

Outlook

Over the coming years the Higher Education Sector is facing significant competition in relation to all income streams. In the UK as a whole the number of 16-18 year olds are falling. The cap on student numbers is being removed from English universities. Pressure on government finances is reducing the level of grant funding available. Overseas Universities are competing for international students.

Universities across the UK are also facing higher staff costs. A general 2% pay award was awarded to all University staff members in August 2014. The required contribution rates towards the USS pension scheme are likely to increase to address the deficit in the USS pension fund. In addition, as a consequence of the Government's State Pension reforms, the University will no longer receive a National Insurance rebate from April 2016. This means that National Insurance costs will increase.

As a result of these changes, the University is forecasting that finances during 2014-15 and 2015-16 will be subject to significant pressure.

The Council approved five-year financial forecasts including income and expenditure balance sheet, capital investment, cash flow and liquidity in June 2014. These five year financial forecasts include two years of planned deficits.

Looking forwards, the University is embarking upon a two-year recovery plan in order to re-balance its expenditure base and will incur two years of planned budget deficits. It will be essential that all recovery plan targets must be met with precision during the period, and the University's Finance & Strategy Committee will monitor closely progress against targets. In particular, the achievement of the full cash savings from the voluntary severance scheme will be fundamental to completing the recovery plan.

During these two years of planned deficits, the University will:

- invest in capital developments;
- invest in a Voluntary Severance Scheme to create a more fit-for purpose staffing structure that reflects changes in student demands; and
- seek to diversify its income by developing joint ventures with other education providers both in the UK and internationally.

In order to be able to be sustainable the University will need to grow its surpluses to a level approximating 5% of total income. The next two years of stabilisation and preparation for recovery will place the University in a good position to realise growth in student numbers and income from 2016-17 onwards. There are challenging times ahead for the University but it is confident that it will be able to grow the level of annual surpluses to a sustainable level.

I conclude by recording my appreciation for the work of Mr Peter Curran, Director of Finance, the Finance and Strategy Committee and the members of staff of the Finance Department during 2013-14, particularly as the Finance Department was reorganised during the year. These will be the last set of accounts prepared by Mr Curran and I would like to express my personal appreciation for his support over the previous two years.

Dr Timothy Brain, OBE QPM BA PhD FRSA CCMi
Treasurer
8 December 2014

CORPORATE GOVERNANCE AND INTERNAL CONTROL

The University is committed to best practice in all aspects of corporate governance. The Board of Governors is satisfied that the institution has complied throughout the period with the relevant provisions set out in the UK Corporate Governance Code. The university also complies with the Committee of University Chairs (CUC) code and has taken account of the advice and guidance as set out in The UK Corporate Governance Code issued by the Financial Reporting Council in June 2010.

The University aims to conduct its activities in an ethical manner in accordance with the seven principles set out in the Nolan Committee's Report on Standards in Public Life: selflessness, integrity, objectivity, accountability, openness, honesty and leadership. The University is committed to exhibiting best practice in all aspects of corporate governance; applying the principles set out in the UK Corporate Governance Code issued by the Financial Reporting Council. These Financial Statements have been prepared in an ethical, honest and transparent manner.

The University's Council 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 will only provide reasonable – and not absolute – assurance against material misstatement or loss.

The University's Council 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 2014 and up to the date of approval of the annual report and financial statements; that it is regularly reviewed by the University's Council; and that it accords with the internal control guidance for directors on the Combined Code as amended by the British Universities Finance Directors Group.

In line with the Committee of University Chairs Code of Practice and General Principles for Higher Education Governing Bodies in the UK, a review of governance effectiveness and institutional performance is undertaken not less than every five years. The last such review was undertaken at Aberystwyth University during 2011.

In accordance with the requirements of the University's Statutes, the Council comprises a number of ex-officio, appointed, elected, representative and co-opted members, including both independent and academic persons. The majority of Council members are non-executive, and the role of the Chairman of the Council is separated from the role of the University's Chief Executive, the Vice-Chancellor.

The powers of the Council are set out in the Statutes of the University. By custom, and under the Financial Memorandum with the Higher Education Funding Council for Wales, the Council holds to itself, inter alia, responsibility for the ongoing strategic direction of the University, approval of major developments and the receipt of regular minutes from its sub-committees on the day to day operations of its business and of its subsidiary companies.

During the 2013–2014 academic year, the Council met on 6 occasions. However, much of its detailed work is initially handled by several sub-committees, including a Finance and Strategy Committee, a Professional Development and Staffing Committee, a Remuneration Committee, a Nominations Committee and an Audit and Risk Committee. All of these sub-committees are formally constituted, each with its own terms of reference and with a proportion of members from the Independent Membership of Council. The decisions of these sub-committees are reported to the Council.

The Audit and Risk Committee is responsible for meeting with the External Auditors to discuss audit findings, and with the Internal Auditors to consider detailed internal audit reports and recommendations for the improvement of the University's systems of internal control, together with management's responses and implementation plans. The Committee also receives and considers reports from the Higher Education Funding Council for Wales as they affect the University's business, and monitor adherence with the regulatory requirements. The Audit and Risk Committee also reviews the University's annual financial statements together with the accounting policies. In addition they may be required to investigate instances of non-compliance with legislation and other regulations.

Whilst senior executives attend meetings of the Audit and Risk Committee as necessary, they are not members of the Committee, and the Committee may meet with the Auditors on their own for independent discussions.

The University has established a Risk Management Committee, which has set up a formal process for identifying, evaluating and managing significant risks faced by the University on an ongoing basis. This involves formally identifying the types of risks the University faces, prioritising them in terms of potential impact and likelihood of occurrence, and identifying means of mitigating the risks. These risks include business, operational and financial risks. The risks and associated controls are monitored on an ongoing basis, and with appropriate reports and recommendations presented to the Council, via the Audit and Risk Committee.

UNIVERSITY TRUSTEES

Organisation

The University's Trustees for the year ended 31 July 2014 were:

Ex-Officio Members

Sir Emyr Jones Parry, President*
Mrs Elizabeth France CBE, Vice-President*
Miss Gwerfyl Pierce Jones, Vice-President*
Dr Glyn Rowlands, Vice-President*
Dr Timothy Brain OBE, Treasurer
Prof April McMahon, Vice-Chancellor
Ms Rebecca Davies, Pro Vice-Chancellor
Prof John Grattan, Pro Vice-Chancellor
Dr Rhodri Llwyd Morgan, Pro Vice-Chancellor
Prof Chris Thomas, Pro Vice-Chancellor

Appointed Members

Mr Roger Banner (until 31 July 2014)
Mr Mick Buckley (until 25 November 2013)
Ms Anne Davies (from 01 August 2014)
Mrs Janet Davies
Mr Keith Evans
Mr Richard John (from 01 August 2014)
Professor Wynne Jones OBE
Mr Ian MacEachern OBE
Professor Gareth Roberts
Sir John Skehel

Representative Members

Mr Jacob Ellis, Students' Union President (from 01 July 2014)
Mr Ioan Evans, Students' Union President (until 30 June 2014)
Ms Mared Ifan, UMCA President (until 30 June 2014)
Ms Miriam Williams, UMCA President (from 01 July 2014)

Senate Members

Prof Kate Bullen (until 31 July 2014)
Prof Neil Glasser
Dr Joe Ironside (from 01 August 2014)
Prof David Trotter (from 01 August 2014)
Prof Tim Woods (until 31 July 2014)

Staff Members

Mrs Rachel Hubbard (until 31 July 2014)
Mr Nigel Thomas (from 01 August 2014)

* Now Chancellor and Pro-Chancellors.

PUBLIC BENEFIT STATEMENT

Aberystwyth University is a Registered Charity (No 1145141) in accordance with the terms of the Charities Act 2011. In setting and reviewing the University's objectives and activities, the University Council has due regard for the Charity Commission's general guidance on public benefit and supplementary guidance for charities established for educational purposes.

The activities through which the University delivers benefit to the public in accordance with its charitable objectives are in the advancement of learning by teaching and research and by giving special attention to the educational needs of Wales, having regard to the Welsh language and culture, economic development and social traditions of Wales.

Since 1872 the University has promoted excellence in research and teaching under its motto '*Nid byd, byd heb wybodaeth* – A world without knowledge is no world at all'. It is our firm belief that the student experience should develop a passion for academic enquiry, learning and personal development which is both lifelong and life-changing. We value innovation and excellence in research in all fields and disciplines and we encourage an inter-disciplinary approach to seek solutions to global issues. We seek to break down barriers to education and work closely with the community to widen access to our provision.

Strategic Aims

The University's strategic aims are set out in its Strategic Plan for 2012-2017 which can be found at www.aber.ac.uk/en/strategicplan. These are set out below, together with an assessment of the public benefit which stems from the University's commitment to these:

Creating Opportunities: breaking down barriers to access, supporting students and staff to succeed and grow, embedding employability across our curriculum and promoting experiences that allow our students to test and develop their skills, valuing people and maximising their potential, reflecting social responsibility in all we do.

Bursaries – Aberystwyth University has a comprehensive range of Bursaries, Entrance Scholarships and Awards which are open to students who are normally resident in the UK and the EU and provides a structure of financial support to ensure that students of all backgrounds can enjoy the benefits of Higher Education. A number of international excellence scholarships are also available. We work in close partnership with our student body, responding to feedback to ensure that the support packages we offer, including our bursary provision, respond to changing student needs.

Support for students and equal opportunities – Aberystwyth University provides a range of targeted academic and personal support for students to aid retention and promote student success. This includes counselling and financial advice services, accessibility advice and support targeted at specific student groups including international students and students from a care background. We are committed to ensuring that Aberystwyth is a welcoming space for staff and students of all backgrounds and we work with a range of organisations, including Stonewall, ButtleUK, Athena SWAN, the Equality Challenge Unit, and the Welsh Language Commissioner to promote diversity and equal opportunity for all staff and students. A renewed commitment to equality and diversity is evidenced through our GEM Equality Mark and Athena Swan submissions in 2014 (GEM Equality Mark Bronze award granted). We aim to maximise the career chances of our graduates. Through work placements, employability modules and a wide range of student engagement, volunteering, competitions, career advice and casual work opportunities, we ensure that our students are well-placed for the world of work and can continue to draw on the skills they develop at University throughout their career.

Widening participation – we believe that anyone who has the capacity to benefit from a university education should be enabled to do so. Our innovative approach to widening access includes projects aimed at raising school leaver aspirations, the flagship of which is our Summer University. Through this we offer a residential intensive Higher Education experience to students at risk of under performing, to encourage them to recognise their own potential. Other initiatives include the Expanding Horizons scheme through which local school pupils in year 11 can access weekly revision sessions in Maths and English and a week long residential Easter school, and the Taste of University Life initiative aimed at students in years 8 to 13, enabling them to visit and be introduced to University life.

PUBLIC BENEFIT STATEMENT (continued)

Research with excellence that makes an impact: building on our research successes to make a difference by addressing global challenges and providing a way of understanding the future through the past.

Supporting research that addresses world issues – Aberystwyth possesses a long and distinguished record of undertaking cutting edge research of international significance. Having submitted 83% of our research active staff into the REF2014, our interdisciplinary research is a particular focus. We value innovation and excellence in all fields, conducting research that addresses the major challenges society faces - climate and environmental change and associated food and water security, peace, security and global inequality, space research and its political implications, international economics and business, harnessing rapid technological change, artificial intelligence and robotics, cultural identity in a world without boundaries, digital expression and communication.

Public engagement with research through our research café and public lectures – Aberystwyth University supports public engagement with research through its Research Café series and public lecture series, both of which are open to the community and attract a programme of world-renowned speakers. Our researchers also work closely with schools, seeking to inspire and encourage a new generation of future researchers. AU has appointed two Professors of Public Engagement.

Teaching that inspires: enhancing our recognised world class student experience through investment in quality infrastructure and an excellent portfolio which emphasises employability and lifelong skills, equipping our students.

Excellent teaching as a public benefit – Our core mission is to produce well-educated, skilled and confident graduates fully equipped for the world of work and for the work of the world. We provide this through excellent teaching across 17 academic areas and embedding employability, transferrable skills and issues of global citizenship into our curriculum. We deliver high levels of student satisfaction from an engaged student body, drawing on student involvement and representation to identify where we need to improve and change. We seek to nurture confidence, independence, academic rigour, a global outlook and a lifelong passion for learning. We invest in modern teaching spaces and utilise the most up to date learning technologies. We use a variety of teaching and learning styles to ensure that our graduates have the skills to work confidently both on their own and collaboratively. We have special responsibility for furthering Welsh-medium education, with an excellent body of Welsh-speaking academic staff, offering Welsh-medium routes or options in the majority of our programmes

Lifelong learning and community learning – Aberystwyth University supports a range of projects for learning in the community. An portfolio of part-time courses is offered in a range of subjects across the arts, humanities and sciences. In addition, a range of day events are held in local community centres, including events to celebrate International Women's Day and day courses in art and creative writing and confidence building personal skills workshops. Work with local schools includes involvement with National Science and Engineering Week, through which local children can engage with the research being carried out by our academic staff and postgraduates, Science Circuit talks to schools and colleges and after school art classes.

Engaging the world: building our international reputation, attracting students and staff from across the globe and working in collaboration with internationally recognised partners.

Raising the international profile of West Wales – Aberystwyth University is a thriving international community, welcoming staff and students from over 90 countries worldwide and working in partnership with institutions, businesses and organisations across the world. The esteem in which Aberystwyth is held by international students is proven by our repeated success in the International Student Barometer survey of student satisfaction. This, together with our engagement with international research projects and conferences contributes to our work to raise the international profile of West Wales and encourage the world to see West Wales as a destination of choice for study and for business.

Promoting the Welsh language – Aberystwyth University is fully aware of its special responsibility for furthering Welsh-medium education and is proud to have a branch of the Coleg Cymraeg Cenedlaethol established at Aberystwyth. The presence of the Coleg will support our work in enriching our Welsh-medium provision and will also assist us in our commitment to the propagation of the cultural life of Wales. We are renewing our strategy for promoting Welsh Medium education, seeking new ways in which to encourage Welsh-speaking students to pursue their studies partly or wholly through the Medium of Welsh.

PUBLIC BENEFIT STATEMENT (continued)

Community work with a global reach – Our Arts Centre provides a cultural facility that is open to everyone. As part of this the centre runs one of the largest community arts programme in Wales, encouraging people to get involved in stage, dance, the spoken and written word and the visual arts. The programme attracts c.100,000 attendees per year. The Centre itself attracts over 700,000 visitors annually and is a focus for professional and amateur performances and exhibitions in the locality. As well as providing performance and rehearsal space for local amateur groups, the Centre brings world-class professional performances to Wales, including participating in the New York Metropolitan, Bolshoi Ballet and National Theatre Live streaming events. Through the Arts Centre we are able to provide a cultural hub for the area where people can enjoy the best that world theatre, cinema and visual arts have to offer, and participate in the arts themselves through a broad range of classes, day courses and practitioner groups.

Working in partnership: collaborating with other universities, with the local community and Further Education, with employers and businesses and with our alumni, working in collaboration with internationally recognised partners.

Community links and impact on the region – We work closely with a number of local partners, including the National Library of Wales, Coleg Ceredigion, local schools and community groups. We encourage our students to take all opportunities to work and volunteer with local groups and services and estimate that our students make an annual contribution of over 17,000 hours of volunteering in the local area. Our vision is to strengthen the already uniquely strong links between the local town and the University. We acknowledge our responsibility to the community in which we are based and are committed to strengthening our local links, recognizing the important contribution we make to the sustainability and wealth creation of our region. As part of the CADARN Regional Strategy for Mid and North Wales we deliver skills training, Higher Education Institutions progression routes from FE and a web portal focusing on routes into HE. Through the CADARN Skills Centre and in collaboration with HEIs across the region we help to provide a range of continuing professional development courses. We hold regular community events such as Access all Areas, through which we showcase the work of our academic departments in a day-long programme of family-focused activities

Investing in our future: growing our resources and investing in our environment to deliver on our strategic priorities, ensuring Aberystwyth's future sustainability and growth.

Impact on local economy – We are the largest employer in the region and a major source of wealth creation. We are also an important customer for many of the region's businesses and we are committed to sustainable procurement which often uses local suppliers. We provide a range of services to local businesses including consultancy services, CPD courses, technology for business and business events through the Business Network and Skills Centre events.

Impact on local environment – We are fortunate to be located on a campus which overlooks one of the most beautiful coastlines in the world and which is home to a wealth of plant and animal wildlife. Aberystwyth lies in the transition area of the Dyfi Biosphere, home to three Special Areas of Conservation and seven sites of Special Scientific Interest. We have set ourselves the challenge of 'greening' the University, improving our waste and water management, reducing our carbon footprint, embedding sustainability within the curriculum and supporting research into environmental issues which have an impact on the world, such as food and water security, flood risk and biodiversity.

Impact on local health – The university sports facilities, staff expertise and service play a huge part in promoting and enhancing the sport and exercise offer within the locality; from novice to elite performer; children to senior citizens; recreational to performance level; chronically ill to super fit. Through not charging the full commercial rate we offer local groups around £250k of subsidised access to our excellent facilities each year. We support the local hospital through a large and vibrant Cardiac Rehab Group and also provide weekly access to a local mental health group. We offer a wide range of after schools children's sports classes and provide market-leading children's sports camps during holidays. Our extensive programme of exercise and fitness classes is attended by members of the local community and we provide pitches for the local junior football leagues and local cricket club. The community enjoys 50% access to our all-weather floodlit astro pitch at peak times, sharing this facility with our student societies. The community also enjoys access to the only running track in Ceredigion. We also support community health via the GP referral programme and our trained staff share their wellness expertise and knowledge across a host of areas through programmes such as back care classes, personal training and sports therapy.

RESPONSIBILITIES OF THE UNIVERSITY'S COUNCIL

In accordance with the University's Royal Supplement Charter of Incorporation, the Council is the supreme governing body of the University, is responsible for the administration and management of the affairs of the University, and is required to present audited financial statements for each financial year.

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

The Council also has responsibility for the maintenance and integrity of the financial statements which are published on the University's website. It should be noted that legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

In preparing the financial statements, the Council has ensured that:

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

The Council has taken reasonable steps to:

- ensure that funds from the Higher Education Funding Council for Wales 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 as well as funds from other sources;
- safeguard the assets of the University and prevent and detect fraud and other irregularities; and
- secure the economical, efficient and effective management of the University's resources and expenditure.

INDEPENDENT AUDITORS' REPORT TO THE COUNCIL OF ABERYSTWYTH UNIVERSITY

We have audited the group and University financial statements (the "financial statements") of Aberystwyth University for the year ended 31 July 2014 which comprise the Income and Expenditure Account, the University Balance Sheet, the Cash Flow Statement, the Statement of Total Recognised Gains and Losses, the Accounting Policies and the related notes. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

This report is made solely to the Council, in accordance with the Charters and Statutes of the institution. Our audit work has been undertaken so that we might state to the Council 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 Council for our audit work, for this report, or for the opinions we have formed.

Respective responsibilities of the Council and auditor

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

Scope of the audit of the financial statements

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of: whether the accounting policies are appropriate to the University's circumstances and have been consistently applied and adequately disclosed; the reasonableness of significant accounting estimates made by the Council; and the overall presentation of the financial statements. In addition, we read all the financial and non-financial information in the Treasurer's Report to identify material inconsistencies with the audited financial statements. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

Opinion on financial statements

In our opinion the financial statements:

- give a true and fair view of the state of the affairs of the University as at 31 July 2014 and of the University's income and expenditure, recognised gains and losses and cash flows for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the Statement of Recommended Practice – Accounting for Further and Higher Education.

INDEPENDENT AUDITORS' REPORT (continued)

Opinion on other matters prescribed in the HEFCW Audit Code of Practice issued under the Further and Higher Education Act 1992

In our opinion, in all material respects:

- funds from whatever source administered by the University for specific purposes have been properly applied to those purposes;
- income has been applied in accordance with the University's Statutes; and
- funds provided by HEFCW have been applied in accordance with the Financial Memorandum and any other terms and conditions attached to them.

Matters on which we are required to report by exception

We have nothing to report in respect of the following matter where the HEFCW Audit Code of Practice issued under the Further and Higher Education Act 1992 requires us to report to you if, in our opinion:

- the statement of internal control included as part of the Corporate Governance Statement is inconsistent with our knowledge of the University and group.

Trevor Rees, Statutory Auditor
For and on behalf of KPMG LLP, Statutory Auditor
Chartered Accountants

December 2014

STATEMENT OF PRINCIPAL ACCOUNTING POLICIES

1 BASIS OF PREPARATION

- 1.1 The financial statements have been prepared under the historical cost convention, as modified by the revaluation of land and buildings, and in accordance with both the Statement of Recommended Practice: Accounting for Further and Higher Education (SORP), applicable Accounting Standards and the Accounts Direction issued by HEFCW.
- 1.2 Consolidated financial statements incorporating the University's subsidiary companies, Abertec Ltd, See3D Ltd and Khaydor Ltd have not been prepared because the results and assets and liabilities of these companies are not considered to be material.
- 1.3 The financial statements do not include those of the Aberystwyth University Students' Union in which the University has no proprietary financial interest and no control or significant influence over policy decisions.
- 1.4 The financial statements have been prepared on a going concern basis.

2 RECOGNITION OF INCOME

- 2.1 Income from Research Grants and Contracts and other restricted sources is included to the extent of the completion of the contract or service concerned. This is generally equivalent to the expenditure incurred during the year, together with related contributions towards overhead costs.
- 2.2 Income from tuition and hall fees is recognised in the period for which it is received and included all fees chargeable to students or their sponsors. Where the amount of tuition or hall fee is waived or reduced, income receivable is shown net of the discount.
- 2.3 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.
- 2.4 Where charitable donations are to be retained for the benefit of the institution as specified by the donors, these are accounted for as endowments. There are three main types:
- (i) 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.
 - (ii) 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.
 - (iii) Restricted Expendable Endowments – the donor has specified a particular objective other than the purchase or construction of tangible fixed assets, and the institution can convert the donated sum into income.

Where the donors wishes are unclear or unknown relating to donations received prior to 1 August 2007 the donations have continued to be accounted for as Permanent Endowments in accordance with the accounting practice adopted when the funds were established.

- 2.5 Recurrent grants from the Funding Councils are recognised in the period in which they are receivable.
- 2.6 Non-recurrent grants from the Funding Councils or other bodies received in respect of acquisition or construction of fixed assets are treated as deferred capital grants and amortised in line with depreciation over the life of the assets. Non-recurrent grants for specific purposes are recognised as they are expended, any unexpended elements are treated as deferred income.
- 2.7 All income from short-term deposits is credited to the income and expenditure account in the period which it is earned.

STATEMENT OF PRINCIPAL ACCOUNTING POLICIES (continued)

3 LAND AND BUILDINGS

- 3.1 The University's freehold and leasehold property was revalued on a depreciated replacement value basis as at 31 July 1994. Under the provisions of FRS 15 these assets continue to be carried at the 1994 valuation. Subsequent additions are held at cost.

Land is held freehold and is not depreciated as it is considered to have an indefinite useful life.

Capitalised buildings are depreciated over their useful economic life according to their constituent parts as follows:

| | |
|--|----------------|
| Long term e.g. foundations & structure | 40 to 60 years |
| Medium Term e.g. services | 10 to 30 years |
| Short Term e.g. internal fittings | 5 to 10 years |

These rates have been implemented for all new buildings with effect from 1st August 2011.

Prior to 1st August 2011 buildings were depreciated over 40 years on a straight line basis from the date of valuation or subsequent acquisition.

Major replacement and refurbishment work is capitalised if the work creates or enhances an existing asset, or improves or substantially overhauls an asset. The costs of refurbishments are capitalised and depreciated over varying periods of up to a maximum of 15 years.

- 3.2 Where buildings are acquired with the aid of specific grants they are capitalised and depreciated as above. The related grants are treated as deferred capital grants and released to income over the expected useful life of the buildings.
- 3.3 No depreciation is charged on assets in the course of construction, which are accounted for at cost.

4 EQUIPMENT

- 4.1 Equipment costing less than £10,000 per individual item is written off in the year of acquisition. All other equipment is capitalised.
- 4.2 Capitalised equipment is stated at cost and depreciated on a straight line basis over its expected useful life of five years other than equipment acquired for specific research projects which is depreciated over the life of the project (generally three years).
- 4.3 Where equipment is acquired with the aid of specific grants it is capitalised and depreciated as above. The related grants are treated as deferred capital grants and released to income over the expected useful life of the equipment.
- 4.4 Licences are classified as intangible assets and stated at cost and depreciated over the life of the licence. Capitalised licence costs are subject to regular impairment review and stated at cost less any accumulated impairment losses.

5 HERITAGE ASSETS

- 5.1 Heritage assets represent paintings, works of art and ceramics held by the University. They are held and maintained principally for their contribution to knowledge and culture. Those items valued at over £10,000 have been capitalised and recognised at the cost or value of acquisition, where such a cost or valuation is reasonably obtainable. Heritage assets are not depreciated since their long economic life and high residual value mean that any depreciation would not be material.
- 5.2 Any costs incurred relating to the restoration or conservation of these assets is included in the Income and Expenditure Account in the year in which it is incurred.

STATEMENT OF PRINCIPAL ACCOUNTING POLICIES (continued)

6 MAINTENANCE OF PREMISES

- 6.1 The University has a rolling maintenance plan which is reviewed on an annual basis. The cost of routine corrective maintenance is charged to the Income and Expenditure Account.

7 STOCKS

- 7.1 Stocks, with the exception of farm stocks, are stated at the lower of cost and net realisable value. Farm stocks are included on the basis of a professional market valuation. Stocks held in teaching and service departments, other than Maintenance and Printing Stores, are not included.

8 INVESTMENTS

- 8.1 Fixed Asset Investments are included in the financial statements at cost less any provision for impairment.
- 8.2 Endowment Asset Investments are included in the financial statements at their market value. Endowment Asset Property was revalued on a depreciated replacement value basis as at 31 July 1994.

9 TAXATION

- 9.1 The University is a registered charity in accordance with the Charities Act 2006 (now the Charities Act 2011). Accordingly the University is potentially exempt from taxation in respect of income or capital gains received within categories covered by sections 478-488 of the Corporation Tax Act 2010 (CTA 2010) (formerly enacted in section 505 of the Income and Corporation Taxes Act 1998 (ICTA)) 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.
- 9.2 All subsidiary companies are liable to Corporation tax and Value Added Tax in the same way as any other commercial organisation.
- 9.3 The University's principal activities are exempt from Value Added Tax, but certain ancillary supplies and services are liable to Value Added Tax at various rates. Expenditure includes irrecoverable Value Added Tax charged by suppliers to the University.
- 9.4 Provision is made for deferred taxation in respect of subsidiary companies using the liability method.

10 PENSION ARRANGEMENTS

- 10.1 The University participates in three separate Pension Schemes; the Universities Superannuation Scheme, the Dyfed Pension Fund, and the Aberystwyth University Pension and Assurance Scheme. The latter Schemes provide benefits for those staff who are not eligible for membership of USS. The Schemes are defined benefit Schemes which are contracted out of the State Second Pension. The Funds are valued every three years by professionally qualified independent actuaries, the rates of contribution payable being determined by the trustees on the advice of the actuaries. In the intervening years, the actuaries review the progress of the Schemes. Pension costs are assessed in accordance with the advice of the actuaries, based on the latest actuarial valuations of the Schemes.
- 10.2 The assets of the USS scheme are held in a separate trustee-administered fund. Because of the mutual nature of the scheme, the scheme's assets are not hypothecated to individual institutions and a scheme-wide contribution rate is set. The institution is therefore exposed to actuarial risks associated with other institutions' employees and is unable to identify its share of the underlying assets and liabilities of the scheme on a consistent and reasonable basis and therefore, as required by FRS 17 "Retirement benefits", accounts for the scheme as if it were a defined contribution scheme. As a result, the amount charged to the income and expenditure account represents the contributions payable to the scheme in respect of the accounting period.

STATEMENT OF PRINCIPAL ACCOUNTING POLICIES (continued)

- 10.3 The University has fully adopted accounting standard FRS 17 "Retirement Benefits" for the Dyfed Pension Fund and the Aberystwyth University Pension and Assurance Scheme.

11 PROVISIONS AND CONTINGENT LIABILITIES

- 11.1 Provisions are recognised in the financial statements when the University has a present obligation (legal or constructive) as a result of a past event, it is probable that a transfer of economic benefits will be required to settle the obligation and a reliable estimate can be made for the amount of the obligation.
- 11.2 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 present obligation; a possible rather than a probable outflow of economic benefits; an inability to measure the economic outflow.

12 CASH FLOWS AND LIQUID RESOURCES

- 12.1 Cash flows comprise increases or decreases in cash. Cash includes cash in hand, deposits repayable on demand and overdrafts. Deposits are repayable on demand if they are in practice available within 24 hours without penalty. No investments, however liquid, are included as cash.
- 12.2 Liquid resources comprise assets held as a 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 Assets Investments.

13 LEASES

- 13.1 Leases are classified as finance leases where the terms of the lease transfer substantially all the risks and rewards incidental to ownership of the property, plant or equipment from the lessor to the lessee. All other leases are classified as operating leases.
- 13.2 Property, plant and equipment held under finance leases is recognised on the Balance Sheet at the commencement of the lease at its fair value measured at the lease's inception (or the present value of the minimum lease payments, if lower). The asset recognised is matched by a liability for the obligation to pay the lessor. Initial direct costs of the Authority are added to the carrying amount of the asset. Premiums paid on entry into a lease are applied to writing down the lease liability. Contingent rents are charged as expenses in the periods in which they are incurred.
- 13.3 Lease payments are apportioned between:
- a charge for the acquisition of the interest in the property, plant or equipment- applied to write down the lease liability; and
 - a finance charge.
- 13.4 Property, Plant and Equipment recognised under finance leases is accounted for using the policies applied generally to such assets. An asset leased under a finance lease is depreciated over the shorter of the lease term and the useful economic life. In the case of hire purchase contracts which have the characteristics of finance leases, the asset will be depreciated over its useful economic life.
- 13.5 In the case of operating leases, the rental charges are taken to the profit and Joss account on a straight line basis over the life of the lease.

INCOME AND EXPENDITURE ACCOUNT for the year ended 31 July 2014

| | Note | 2014 £'000 | 2013 £'000 |
|--|------|----------------|----------------|
| INCOME | | | |
| Funding Body Grants | 1 | 18,257 | 23,904 |
| Tuition Fees | 2 | 59,925 | 49,191 |
| Research Grants and Contracts | 3 | 20,500 | 18,422 |
| Other Income | 4 | 28,090 | 26,473 |
| Endowment and Investment Income | 5 | 928 | 1,234 |
| Total Income | | <u>127,700</u> | <u>119,224</u> |
| EXPENDITURE | | | |
| Staff Costs - Operational | 6 | 71,038 | 66,959 |
| - Restructuring | 6 | 2,834 | 1,022 |
| Other Operating Expenses | 8 | 44,217 | 42,008 |
| Depreciation | 8 | 8,989 | 8,352 |
| Interest and Other Finance Costs | 7 | 127 | 684 |
| Total Expenditure | 8 | <u>127,205</u> | <u>119,025</u> |
| Surplus/(Deficit) on Continuing Operations after depreciation of assets and before and after tax | | 495 | 199 |
| Surplus on disposal of asset | | 188 | 0 |
| Surplus/(Deficit) on Continuing Operations of depreciation of assets at valuation and disposal of assets and tax | | 683 | 199 |
| Surplus transferred to Accumulated Income within Endowment Funds | | (377) | (127) |
| Surplus/(Deficit) retained within General Reserves | 17 | <u>306</u> | <u>72</u> |

The Income and Expenditure Account is in respect of continuing activities.

Grants provided by other non funding bodies of £1,904k were disclosed under Funding Body Grants in 2012-13. They are now disclosed under Other Income.

NOTE OF HISTORICAL COST SURPLUSES AND DEFICITS for the year ended 31 July 2014

| | | 2014 £'000 | 2013 £'000 |
|---|----|---------------|---------------|
| Surplus/(Deficit) on Continuing Operations after Depreciation of Assets, Disposal of Assets and Before and After Tax | | 683 | 199 |
| Difference between an Historical Cost Depreciation Charge and the Actual Depreciation Charge for the Year Calculated on the Revalued Amount | 18 | 1,989 | 1,989 |
| HISTORICAL COST SURPLUS AFTER TAX | | <u>2,672</u> | <u>2,188</u> |

BALANCE SHEET as at 31 July 2014

| | Note | 2014 £'000 | 2013 £'000 |
|---|------|-----------------|-----------------|
| FIXED ASSETS | | | |
| Intangible Assets | 9 | 492 | 196 |
| Tangible Assets | 9 | 153,373 | 150,948 |
| Investments | | 95 | 115 |
| ENDOWMENT ASSETS | 10 | 42,991 | 41,662 |
| CURRENT ASSETS | | | |
| Stocks | | 2,240 | 2,089 |
| Debtors: Due within one year | 11 | 12,595 | 16,939 |
| Debtors: Due after more than one year | 11 | 30,034 | 104 |
| Total Debtors | | 42,629 | 17,043 |
| Investments - Cash Deposits | | 182 | 177 |
| Cash at Bank and in Hand | | 25,271 | 22,291 |
| | | <u>70,322</u> | <u>41,600</u> |
| CURRENT LIABILITIES | | | |
| Creditors: Amounts falling due within one year | 12 | (30,730) | (31,950) |
| Bank Overdraft | | 0 | 0 |
| | | <u>(30,730)</u> | <u>(31,950)</u> |
| NET CURRENT ASSETS | | <u>39,592</u> | <u>9,650</u> |
| TOTAL ASSETS LESS CURRENT LIABILITIES | | | |
| Creditors: Amounts falling due after more than one year | 13 | (39,495) | (9,502) |
| Provisions for liabilities and charges | 14 | (2,481) | (949) |
| NET ASSETS EXCLUDING PENSIONS LIABILITY | | 194,567 | 192,120 |
| PENSIONS LIABILITY | 25 | (16,976) | (17,556) |
| NET ASSETS INCLUDING PENSIONS LIABILITY | | <u>177,591</u> | <u>174,564</u> |
| DEFERRED CAPITAL GRANTS | 15 | 55,602 | 54,656 |
| ENDOWMENTS | | | |
| Expendable | 16 | 592 | 609 |
| Permanent | 16 | 42,399 | 41,053 |
| | | <u>42,991</u> | <u>41,662</u> |
| RESERVES | | | |
| General Reserves excluding Pension Reserve | | 56,030 | 53,869 |
| Pension Reserve | 25 | (16,976) | (17,556) |
| General Reserves including Pension Reserve | 17 | 39,054 | 36,313 |
| Revaluation Reserve | 18 | 39,944 | 41,933 |
| | | <u>78,998</u> | <u>78,246</u> |
| TOTAL | | <u>177,591</u> | <u>174,564</u> |

The financial statements on pages 13 to 46 were approved by Council on 8 December 2014 and signed on its behalf by:

Dr Timothy Brain, Treasurer

Professor April McMahon, Vice Chancellor

STATEMENT OF TOTAL RECOGNISED GAINS AND LOSSES for the year ended 31 July 2014

| | Note | 2014 £'000 | 2013 £'000 |
|--|------|----------------|----------------|
| Surplus/(Deficit) on Continuing Operations after Depreciation of Assets, Disposal of Assets and Tax | | 683 | 199 |
| Appreciation of Endowment Investments | 16 | 917 | 2,983 |
| New Endowments | 16 | 35 | 584 |
| Actuarial Gain/(Loss) on Pension Schemes | 25 | 446 | 6,982 |
| TOTAL RECOGNISED GAINS FOR THE YEAR | | <u>2,081</u> | <u>10,748</u> |
| Reconciliation: | | | |
| Opening Reserves and Endowments as previously reported | | 119,908 | 109,160 |
| Recognised Gains for the Year | | <u>2,081</u> | <u>10,748</u> |
| Closing Reserves and Endowments | | <u>121,989</u> | <u>119,908</u> |

CASH FLOW STATEMENT for the year ended 31 July 2014

| | Note | 2014 £'000 | 2013 £'000 |
|---|------|---------------|---------------|
| Net Cash Inflow/(Outflow) from Operating Activities | 21 | 9,043 | 12,631 |
| Returns on Investments and Servicing of Finance | 22 | | |
| Income from endowments | | 800 | 929 |
| Interest received | | 128 | 305 |
| Interest paid | | 0 | 0 |
| | | 928 | 1,234 |
| Taxation | | 0 | 0 |
| Capital Expenditure | 23 | | |
| Endowment assets acquired and received | | 35 | 584 |
| Payments to acquire tangible assets | | (11,747) | (6,582) |
| Deferred capital grants received | | 5,135 | 3,983 |
| | | (6,577) | (2,015) |
| Cash Inflow/(Outflow) before Management of Liquid Resources | | 3,394 | 11,850 |
| Management of Liquid Resources | | | |
| Cash transferred from/(to) term deposits | 24 | (5) | 11,039 |
| Financing | | | |
| Bank loan drawn down in year | | 0 | 0 |
| Loan repayment in the year | | 0 | 0 |
| Increase/(Decrease) in Cash in the year | 24 | 3,389 | 22,889 |

RECONCILIATION OF NET CASH FLOW TO MOVEMENT IN NET FUNDS

| | | 2014 £'000 | 2013 £'000 |
|---|----|---------------|---------------|
| Increase/(Decrease) in Cash in the Year | 24 | 3,389 | 22,889 |
| Cash Flow from Liquid Resources | 24 | 5 | (11,039) |
| Change in Net Funds | | 3,394 | 11,850 |
| Net Funds at 1 August | | 31,081 | 19,231 |
| Net Funds at 31 July | 24 | 34,475 | 31,081 |

NOTES TO THE FINANCIAL STATEMENTS

| | 2014 £'000 | 2013 £'000 |
|--|---------------|---------------|
| 1) FUNDING BODY GRANTS | | |
| Higher Education Funding Council for Wales | | |
| Recurrent Grant | 12,631 | 18,008 |
| Specific Grants | 1,501 | 3,614 |
| Deferred Capital Grants Released in Year | | |
| Buildings (Note 15) | 1,011 | 981 |
| Equipment (Note 15) | 830 | 883 |
| Welsh Government Department for Education and Skills | 2,284 | 418 |
| | <u>18,257</u> | <u>23,904</u> |
| Grants from Other Bodies are now shown under Other Income. This is consistent with the presentation required by HESA. | | |
| 2) TUITION FEES | | |
| Full-time Home and EU Students | 50,924 | 40,942 |
| Full-time International Students | 7,430 | 6,764 |
| Part-time Students | 868 | 686 |
| Short Course and Other Fees | 703 | 799 |
| | <u>59,925</u> | <u>49,191</u> |
| 3) RESEARCH GRANTS AND CONTRACTS | | |
| Research Councils and Charities | 10,311 | 8,858 |
| Industry and Commerce | 1,453 | 1,233 |
| Governmental | 8,347 | 8,184 |
| Other Grants and Contracts | 389 | 147 |
| | <u>20,500</u> | <u>18,422</u> |
| Research grants and contracts include £407,000 of released Deferred Capital Grant released in year. | | |
| 4) OTHER INCOME | | |
| Residences, Catering and Conferences (Note 27) | 8,663 | 8,320 |
| Other Services Rendered | 3,772 | 4,615 |
| Arts Centre (Note 28) | 3,410 | 3,971 |
| Farms | 1,953 | 1,555 |
| Released from Deferred Capital Grants (Note 15) | 2,024 | 1,668 |
| Grants from other bodies | 3,802 | 1,904 |
| Other Income | 4,466 | 4,440 |
| | <u>28,090</u> | <u>26,473</u> |
| Grants of £1,904k provided by other non funding bodies are now shown in Other Income rather than under Funding Body Grants. This is consistent with the presentation required by HESA. | | |
| 5) ENDOWMENT AND INVESTMENT INCOME | | |
| Other Income from Endowments (Note 16) | 800 | 929 |
| Income from Short-term Investments | 128 | 305 |
| | <u>928</u> | <u>1,234</u> |

NOTES TO THE FINANCIAL STATEMENTS (continued)

| | 2014 | 2013 |
|-----------------------------------|---------------|---------------|
| | £'000 | £'000 |
| 6) STAFF COSTS | | |
| Staff Costs - Operational | | |
| Wages and Salaries | 57,290 | 54,251 |
| Social Security Costs | 4,153 | 4,086 |
| Other Pension Costs (Note 25) | 9,595 | 8,622 |
| Total Staff Costs (Note 8) | <u>71,038</u> | <u>66,959</u> |
| Staff Costs - Restructuring: | | |
| Payments made during the year | <u>2,834</u> | <u>1,022</u> |
| Emoluments of the Vice-Chancellor | | |
| Salary | 219 | 228 |
| Pension Contributions | 24 | 24 |
| | <u>243</u> | <u>252</u> |

The number of staff, including the Vice-Chancellor, who received emoluments in the following ranges was:

| | 2014 | 2013 |
|-------------------|--------|--------|
| | Number | Number |
| £100,000-£109,999 | 0 | 2 |
| £110,000-£119,999 | 2 | 2 |
| £120,000-£129,999 | 0 | 1 |
| £130,000-£139,999 | 0 | 0 |
| £140,000-£149,999 | 0 | 0 |
| £210,000-£219,999 | 1 | 0 |
| £220,000-£229,999 | 0 | 1 |

In 2013-14 HEFCW released guidance stating that the emoluments of the Vice-Chancellor and other higher paid staff should be disclosed excluding employer's pension contributions.

The figures for 2012-13 have also been restated to exclude employer's pension contributions.

The average number of persons employed by the University during the period, expressed as full-time equivalents, was:

| | 2014 | 2013 |
|---------------------------------------|--------------|--------------|
| | Number | Number |
| Academic Teaching and Research | 671 | 655 |
| Technical, Administrative and Support | 939 | 935 |
| | <u>1,610</u> | <u>1,590</u> |

| | 2014 | 2013 |
|--|------------|------------|
| | £'000 | £'000 |
| 7) INTEREST AND OTHER FINANCE COSTS | | |
| Interest on Penglais Farm Students Accommodation | 126 | 0 |
| Net charge on Pension Scheme (Note 25) | 0 | 684 |
| Other | 1 | 0 |
| | <u>127</u> | <u>684</u> |

NOTES TO THE FINANCIAL STATEMENTS (continued)

8) ANALYSIS OF TOTAL EXPENDITURE BY ACTIVITY

| | Staff Costs | | | Other Operating Expenses | Interest Payable | 2014 Total | 2013 Total |
|--|------------------|--------------------|-------------------|--------------------------------|---------------------|----------------|----------------|
| | Operat- ional | Restruct- uring | Depre- ciation | | | | |
| | £'000 | £'000 | £'000 | £'000 | £'000 | £'000 | £'000 |
| Academic Departments | 34,556 | 26 | 1,937 | 5,461 | 0 | 41,980 | 39,259 |
| Academic Services | 4,756 | 0 | 51 | 2,976 | 0 | 7,783 | 7,878 |
| Research Grants and Contracts | 9,687 | 0 | 185 | 8,712 | 0 | 18,584 | 15,144 |
| Residences, Catering and Conferences (Note 27) | 3,834 | 0 | 252 | 3,659 | 0 | 7,745 | 7,480 |
| Premises | 3,425 | 0 | 5,822 | 6,460 | 126 | 15,833 | 13,230 |
| General Education Expenditure | 1,994 | 5 | 55 | 8,261 | 0 | 10,310 | 11,749 |
| Administration | 6,323 | 0 | 150 | 2,796 | 1 | 9,270 | 8,192 |
| Student and Staff Facilities and Amenities | 2,062 | 0 | 69 | 435 | 0 | 2,566 | 2,948 |
| Other Services Rendered | 2,305 | 5 | 33 | 1,900 | 0 | 4,243 | 4,332 |
| Arts Centre (Note 28) | 1,728 | 0 | 274 | 1,673 | 0 | 3,675 | 4,020 |
| Farms | 622 | 0 | 161 | 1,283 | 0 | 2,066 | 2,223 |
| Auditors' Remuneration | 0 | 0 | 0 | 56 | 0 | 56 | 50 |
| FRS 17 Adjustment to Pension Costs | (254) | 0 | 0 | 0 | 0 | (254) | 202 |
| Other Expenses | 0 | 2,803 | 0 | 545 | 0 | 3,348 | 2,318 |
| | <u>71,038</u> | <u>2,834</u> | <u>8,989</u> | <u>44,217</u> | <u>127</u> | <u>127,205</u> | <u>119,025</u> |

Other Expenses include remuneration paid to the University's External Auditors for non audit services amounting to £61,008 (2012/13: £35,892). These fees were for the following services:

Audit related services:

Audit of specific grants and audit of funding data: £3,708 (2012/13: £22,092)

Due Diligence:

Due diligence on proposed projects £28,560 (2012/13: £nil)

Taxation:

Preparation of corporation tax computations and reviews: £19,800 (2012/13: £13,800)

Consultancy:

Pensions' Consultancy: £8,940 (2012/13 £nil)

Payments to Members of the University's Council

No member of Council has received any remuneration from the University for acting as a member of Council during the year (2012/13: NIL). Members of the University staff appointed to the Council do not receive any additional remuneration in respect of their membership of the Council.

No member of Council has received payment for other services provided to the University, other than under a contract of employment for members of Council who are also University employees, during the year (2012/13: Nil).

The total expenses paid to or on behalf of 13 Council members was £17,492 (2012/13: £14,101 to 9 Council members). This represents travel and subsistence expenses incurred in attending Council and other meetings in their official capacity.

NOTES TO THE FINANCIAL STATEMENTS (continued)

9) FIXED ASSETS – TANGIBLE

| | Land and Buildings | | | | | | Total £'000 |
|--------------------------|--------------------|----------------------------|------------------------------|-------------------|------------------------------|-----------------------------|----------------|
| | Freehold £'000 | Long Leasehold £'000 | Work in Progress £'000 | Tangible £'000 | Work in Progress £'000 | Heritage Assets £'000 | |
| COST OR VALUATION | | | | | | | |
| At 1 August 2013 | | | | | | | |
| Valuation | 130,489 | 2,981 | 0 | 0 | 0 | 1,347 | 134,817 |
| Cost | 72,683 | 1,428 | 4,383 | 40,231 | 1,800 | 0 | 120,525 |
| Additions at Cost | 5,067 | 0 | 684 | 5,720 | 93 | 0 | 11,564 |
| Completed construction | 1,425 | 0 | (1,425) | 1,518 | (1,800) | 0 | (202) |
| Disposal | (70) | 0 | 0 | 0 | 0 | 0 | (70) |
| At 31 July 2014 | 209,594 | 4,409 | 3,642 | 47,549 | 93 | 1,347 | 266,634 |
| Valuation | 130,419 | 2,981 | 0 | 0 | 0 | 1,347 | 134,747 |
| Cost | 79,175 | 1,428 | 3,642 | 47,549 | 93 | 0 | 131,887 |
| | 209,594 | 4,409 | 3,642 | 47,549 | 93 | 1,347 | 266,634 |
| DEPRECIATION | | | | | | | |
| At 1 August 2013 | | | | | | | |
| | 70,066 | 597 | 0 | 33,731 | 0 | 0 | 104,394 |
| Charge for the Year | 6,151 | 110 | 0 | 2,639 | 0 | 0 | 8,900 |
| Disposal | (33) | 0 | 0 | 0 | 0 | 0 | (33) |
| At 31 July 2014 | 76,184 | 707 | 0 | 36,370 | 0 | 0 | 113,261 |
| NET BOOK VALUE | | | | | | | |
| At 31 July 2014 | | | | | | | |
| | 133,410 | 3,702 | 3,642 | 11,179 | 93 | 1,347 | 153,373 |
| At 1 August 2013 | 133,106 | 3,812 | 4,383 | 6,500 | 1,800 | 1,347 | 150,948 |

University property was valued as at 31 July 1994 on a depreciated replacement value basis by the Buildings Officer, Mr P.S.Robinson FRICS, except where market value for existing use was available, in which case that value has been used. Property transferred from the Welsh Agricultural College was valued on the same basis as at 1 March 1995.

Land and Buildings acquired from IGER were valued on the same basis by Mr J.H.Jones FRICS, an independent external valuer, in accordance with the RICS appraisal and evaluation manual.

The lease of the leasehold property acquired from IGER extends to 31 March 2015 with an option to renew for a further term of seven years.

Heritage Assets refer to the University's Fine Art Collection which was valued in March 2011 by Webb Valuations Fine Art Ltd.

NOTES TO THE FINANCIAL STATEMENTS (continued)

9) FIXED ASSETS – INTANGIBLE

| | Intangible £'000 |
|------------------------|---------------------|
| COST OR VALUATION | |
| At 1 August 2013 | |
| Valuation | 0 |
| Cost | 326 |
| | |
| Additions at Cost | 183 |
| Completed construction | 202 |
| Disposal | 0 |
| At 31 July 2014 | 711 |
| | |
| Valuation | 0 |
| Cost | 711 |
| At 31 July 2014 | 711 |
| | |
| DEPRECIATION | |
| At 1 August 2013 | |
| Charge for the Year | 89 |
| Disposal | 0 |
| At 31 July 2014 | 219 |
| | |
| NET BOOK VALUE | |
| At 31 July 2014 | |
| At 31 July 2014 | 492 |
| | |
| At 1 August 2013 | |
| At 1 August 2013 | 196 |

NOTES TO THE FINANCIAL STATEMENTS (continued)

| | 2014 | 2013 |
|--|---------------|---------------|
| | £'000 | £'000 |
| 10) ENDOWMENT ASSETS | | |
| Balance at 1 August | 41,662 | 37,968 |
| Additions to Investments | 35 | 584 |
| Appreciation on Revaluation (Note 16) | 917 | 2,983 |
| Increase in Revenue Balances | 377 | 127 |
| Balance at 31 July | <u>42,991</u> | <u>41,662</u> |
| Represented by: | | |
| Fixed Interest Stocks | 2,874 | 5,856 |
| Equities | 17,588 | 17,554 |
| Absolute Returns | 8,945 | 5,571 |
| Property Unit Trust | 1,509 | 1,341 |
| Bank Balances | 894 | 581 |
| Total Investments (Note 30) | <u>31,810</u> | <u>30,893</u> |
| Land and Property | 2,654 | 2,654 |
| Revenue Balances | 8,527 | 8,115 |
| | <u>42,991</u> | <u>41,662</u> |
| 11) DEBTORS | 2014 | 2013 |
| | £'000 | £'000 |
| Amounts falling due within one year: | | |
| Trade and Other Debtors | 6,243 | 9,064 |
| Research Balances | 5,342 | 6,045 |
| Prepayments and Accrued Income | 1,010 | 1,830 |
| | <u>12,595</u> | <u>16,939</u> |
| Amounts falling due after more than one year: | | |
| Prepayment for Penglais Farm | 30,034 | 0 |
| Loan to Aberystwyth University Students' Union | <u>0</u> | <u>104</u> |

During 2013-14 building work started on new Student Accommodation known as Penglais Farm. This work was ongoing at the year end. The building is being funded through a sale and leaseback arrangement with Legal and General and the contractors are Balfour Beatty. The University will lease the building and land from Legal and General for a period of 34 years ending on July 2048. Ownership of the land and the student accommodation will transfer to the University at this date for a nil fee.

Under the lease arrangement, as at the 31st July 2014, the University had drawn down £30,547k from total available funding of £41,019k from Legal and General. The amount drawn down from Legal and General is shown under creditors due after 1 year. The total due to Legal and General, including interest is £30,673k.

The University had paid £30,034k to Balfour and Beatty. This building will be acquired under a finance lease. For this reason, this prepayment is currently shown under debtors due after more than 1 year rather than under fixed assets.

The University has repurchased the land under a sale and lease back arrangement. The finance cost of the lease in relation to the land element for the year has been recognised in the financial statements as £126k.

NOTES TO THE FINANCIAL STATEMENTS (continued)

| | 2014 £'000 | 2013 £'000 |
|--|---------------|---------------|
| 12) CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR | | |
| Unsecured Loans | 45 | 45 |
| Payments Received on Account | 1,368 | 1,994 |
| Trade and Other Creditors | 5,261 | 6,651 |
| Social Security and Other Taxation Payments | 2,743 | 2,900 |
| Research Grant Balances | 11,972 | 10,915 |
| Deferred Income from Student Village Lease | 680 | 679 |
| Accruals and other Deferred Income | 8,661 | 8,766 |
| | <u>30,730</u> | <u>31,950</u> |

Note that creditors totalling £3,969k that were classified as accruals in 2012/13 were reallocated to Trade and Other Creditors.

| | 2014 £'000 | 2013 £'000 |
|--|---------------|---------------|
| 13) CREDITORS FALLING DUE AFTER ONE YEAR | | |
| Deferred Income from Student Village Lease | 8,822 | 9,502 |
| Deferred Income from Penglais Farm Funding | 30,673 | 0 |
| | <u>39,495</u> | <u>9,502</u> |

Student Village Deferred Income

The Deferred Income from the Student Village Lease relates to the consideration received on the 25 year lease of student accommodation to Tai Cartrefi Cyf.

Under the terms of the arrangement, the properties have been leased to Tai Cartrefi Cyf for a period of 25 years for total consideration of £16.9 million. In return, Tai Cartrefi Cyf is guaranteed an income stream from the letting of the properties for the duration of the lease.

A number of factors within the arrangement result in the University retaining some of the risks and rewards of ownership of the properties throughout the period of the lease. The University retains the freehold to the properties which are the subject of the lease, and at the end of the 25 year agreement they revert back to the University for £nil consideration.

The £16.9 million consideration received by the University has been treated as deferred income and is being released to the income and expenditure account on a straight line basis over the period of the lease.

Penglais Farm Deferred Income

Under the arrangement with Legal and General, as at 31 July 2014, the University had drawn down £30,547k in funding. The total due to Legal and General including interest is £30,673k. The arrangement is described in Note 11.

| | £'000 |
|--|--------------|
| 14) PROVISIONS FOR LIABILITIES AND CHARGES | |
| At 1 August 2013 | 949 |
| Income and Expenditure Account | 1,532 |
| At 31 July 2014 | <u>2,481</u> |

The provision is broken down as follows:

£829k relates to the University's best estimate of liabilities in respect of farm trading activities, including VAT liabilities to HMRC. (£949k in 2012/13)

£1,652k relates to Voluntary Severance costs approved as at the year end. (£nil in 2012/13)

NOTES TO THE FINANCIAL STATEMENTS (continued)

| 15) DEFERRED CAPITAL GRANTS | Funding Council £'000 | Other Grants £'000 | Total £'000 |
|--|-----------------------------|--------------------------|----------------|
| At 1 August 2013 | | | |
| Buildings | 20,963 | 26,872 | 47,835 |
| Equipment | 1,299 | 5,522 | 6,821 |
| Total | <u>22,262</u> | <u>32,394</u> | <u>54,656</u> |
| Cash Received | | | |
| Buildings | 116 | 0 | 116 |
| Equipment | 82 | 4,937 | 5,019 |
| Total | <u>198</u> | <u>4,937</u> | <u>5,135</u> |
| Released to Income and Expenditure Account | | | |
| Buildings (Note 1) | 1,011 | 993 | 2,004 |
| Equipment (Note 1) | 830 | 1,355 | 2,185 |
| Total | <u>1,841</u> | <u>2,348</u> | <u>4,189</u> |
| At 31 July 2014 | | | |
| Buildings | 20,068 | 25,879 | 45,947 |
| Equipment | 551 | 9,104 | 9,655 |
| Total | <u>20,619</u> | <u>34,983</u> | <u>55,602</u> |

Of the £2,348k in Deferred Capital released to Income and Expenditure, £1,841k (2012/13 £1,864k) is shown within Funding Council Grants, £2,024k (2012/13 £1,668k) is shown within Other Income and £324k (2012/13 £407k) within Research Grants.

| 16) ENDOWMENTS | Unrestricted Permanent £'000 | Restricted Permanent £'000 | Total Permanent £'000 | Restricted Expendable £'000 | Total £'000 |
|---|------------------------------------|----------------------------------|-----------------------------|-----------------------------------|----------------|
| At 1 August 2013 | 21,111 | 19,942 | 41,053 | 609 | 41,662 |
| New Endowments | 10 | 25 | 35 | 0 | 35 |
| Investment Income | 391 | 395 | 786 | 14 | 800 |
| Expenditure | (124) | (250) | (374) | (49) | (423) |
| | <u>267</u> | <u>145</u> | <u>412</u> | <u>(35)</u> | <u>377</u> |
| Disposal of endowment assets | 0 | 0 | 0 | 0 | 0 |
| Increase in Market Value of Investments | 445 | 454 | 899 | 18 | 917 |
| At 31 July 2014 | <u>21,833</u> | <u>20,556</u> | <u>42,399</u> | <u>592</u> | <u>42,991</u> |

NOTES TO THE FINANCIAL STATEMENTS (continued)

| | | | |
|-----|---|---------------|---------------|
| 17) | MOVEMENT ON GENERAL RESERVES | 2014 £'000 | 2013 £'000 |
| | At 1 August | 36,313 | 27,270 |
| | Surplus/(Deficit) on Continuing Operations before transfer from Revaluation Reserve | 306 | 72 |
| | Transfer from Revaluation Reserve (Note 18) | 1,989 | 1,989 |
| | Actuarial Gain/(Loss) on Pension Scheme Liability (Note 25) | 446 | 6,982 |
| | At 31 July | 39,054 | 36,313 |
| 18) | REVALUATION RESERVE | 2014 £'000 | 2013 £'000 |
| | At 1 August | 41,933 | 43,922 |
| | Transfer from Revaluation Reserve to Other Reserves in respect of: | | |
| | Depreciation on Revalued Assets | (1,989) | (1,989) |
| | At 31 July | 39,944 | 41,933 |
| 19) | COMMITMENTS | 2014 £'000 | 2013 £'000 |
| | i) Capital Commitments: | | |
| | contracted at 31 July | 14,383 | 46,467 |
| | authorised but not contracted at 31 July | 0 | 0 |
| | | 14,383 | 46,467 |
| | ii) Annual commitments under non-cancellable operating leases on Land and Buildings which expire after five years | 380 | 321 |

NOTES TO THE FINANCIAL STATEMENTS (continued)

20) RELATED PARTIES

ABERYSTWYTH UNIVERSITY PENSION AND ASSURANCE SCHEME (AUPAS)

The University runs a payroll service on behalf of AUPAS for which no administrative cost recharges are made. Pensions are paid by the University on behalf of the scheme which are reimbursed on a periodic basis without any interest charges. The Pension Scheme debtor at the year end was £1,286,781 (2012/13 debtor £4,704,051).

SUBSIDIARY COMPANIES

Abertec Ltd

The University owns the whole of the issued share capital of Abertec Limited, a company registered in England and Wales, and performs research contract work on its behalf. Abertec is ceasing to trade in 2014/15. The Abertec Ltd debtor at the year-end was £nil (2012/13 £36). The University had provided the company with a loan. £Nil of this loan was outstanding at the year end (2012/13 £18,896)

Aber Trading Ltd

Abertec is succeeded by Aber Trading Ltd. The University owns the whole of the issued share capital of Aber Trading Limited, a company registered in England and Wales, and performs research contract work and consultancy work on its behalf. Aber Trading Limited owed the University £26,772 at the year end.

See3D Ltd

The University owns 75% of the issued share capital of See 3D Limited, a company registered in England and Wales. This company ceased trading in 2012-13. There are no related party transactions or balances requiring disclosure. The company was dissolved in February 2014.

Khaydor Ltd

The University owner 100% of Khaydor Ltd, a company registered in England & Wales. There are no related party transactions or balances requiring disclosure.

These companies' financial statements have not been consolidated with the University financial statements (Accounting Policy 1.2).

The results and net assets and liabilities are set out below:

| | Abertec Ltd | | Aber Trading Ltd | |
|---|---------------|---------------|------------------|---------------|
| | 2014 £'000 | 2013 £'000 | 2014 £'000 | 2013 £'000 |
| Summarised Profit and Loss Account | | | | |
| Turnover | 2 | 264 | 27 | 0 |
| Interest Receivable | | | | |
| Expenditure | (41) | (213) | (27) | 0 |
| Taxation | 0 | 0 | 0 | 0 |
| Profit/(Loss) for the year after taxation | (39) | 51 | 0 | 0 |
| | | | | |
| Summarised Balance Sheet | | | | |
| Fixed Assets | 0 | 0 | 0 | 0 |
| Net Current Assets/(Liabilities) | 30 | 69 | 0 | 0 |
| Net Assets/(Liabilities) | 30 | 69 | 0 | 0 |
| Capital and Reserves | 30 | 69 | 0 | 0 |

NOTES TO THE FINANCIAL STATEMENTS (continued)

20) RELATED PARTIES continued

ABERYSTWYTH STUDENTS' UNION

Aberystwyth University Students' Union (AUSU) is a separate entity funded by the University by the provision of a grant. It is administered by elected student officers for the benefit of students. The University's grant to AUSU amounted to £599,800 (2012/13 £549,810).

AUSU occupies premises owned by the University for which no rent is charged and receives payroll services from the University for which no fee is charged. The University has provided AUSU with a loan facility of £760,000 of which £nil (2012/13 £104,000) was outstanding at the year end to finance the extension to the Union's building.

The loan was interest free and the remaining balance of £104,000 was written off in 2013/14. (£52,000 was written off in 2012/13).

| | | | |
|-----|--|---------------|---------------|
| 21) | RECONCILIATION OF THE OPERATING SURPLUS TO THE NET CASH FLOW FROM OPERATING ACTIVITIES | 2014 £'000 | 2013 £'000 |
| | Surplus/(Deficit) on Continuing Operations after Depreciation of Assets and Tax | 495 | 199 |
| | Depreciation | 8,989 | 8,352 |
| | Deferred Capital Grants Released to Income | (4,189) | (3,939) |
| | Investment Income | 224 | (1,234) |
| | Interest Payable | 127 | 684 |
| | Pension Costs less Contributions Payable | (261) | (482) |
| | Increase in Stocks | (151) | 69 |
| | Increase in Debtors | (25,566) | 3,484 |
| | Increase in Endowment Debtors | (2) | (940) |
| | Increase in Investments | 20 | 51 |
| | Decrease in Creditors, Accruals and Deferred Income | 28,753 | 6,387 |
| | Increase in Provisions | 1,532 | - |
| | Net Cash Inflow/(Outflow) from Operating Activities | 9,043 | 12,631 |
| 22) | RETURNS ON INVESTMENT AND SERVICING OF FINANCE | 2014 £'000 | 2013 £'000 |
| | Income from Endowments | 800 | 929 |
| | Other Interest Receivable (Note 5) | 128 | 305 |
| | Net Cash Inflow from Returns on Investments and Servicing of Finance | 928 | 1,234 |
| 23) | CAPITAL EXPENDITURE AND FINANCIAL INVESTMENT | 2014 £'000 | 2013 £'000 |
| | Payments to acquire Fixed Assets | (11,747) | (6,582) |
| | Deferred Capital Grants Received (Note 15) | 5,135 | 3,983 |
| | Endowments Received (Note 16) | 35 | 584 |
| | Net Cash Outflow from Capital Expenditure and Financial Investment | (6,577) | (2,015) |

NOTES TO THE FINANCIAL STATEMENTS (continued)

| 24) ANALYSIS OF CHANGES IN NET FUNDS | At 1 August 2013 £'000 | Cash Flows £'000 | At 31 July 2014 £'000 |
|---|---------------------------------|------------------------|--------------------------------|
| Cash at Bank and Cash in Hand | 22,291 | 2,980 | 25,271 |
| Endowments Cash included in Endowments Revenue Balances | 8,613 | 409 | 9,022 |
| | 30,904 | 3,389 | 34,293 |
| Current Asset Investments | 177 | 5 | 182 |
| Total | 31,081 | 3,394 | 34,475 |

25) PENSION SCHEMES

The University participates in three separate Pension Schemes; the Universities Superannuation Scheme (USS), the Dyfed Pension Fund (DPF), and the Aberystwyth University Pension and Assurance Scheme (AUPAS).

The total pension cost for the University was:

| | 2014 £'000 | 2013 £'000 |
|--|---------------|---------------|
| USS contributions paid | 6,339 | 5,810 |
| AUPAS charge to the Income & Expenditure Account | 3,240 | 2,787 |
| DPF charge to the Income & Expenditure Account | 16 | 25 |
| | 9,595 | 8,622 |

THE UNIVERSITIES SUPERANNUATION SCHEME

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

Each year the USS trustee company issues to scheme members a summary of the scheme's funding position in the form of a Summary Funding Statement. This statement provides an update on how the scheme's assets compare with the value of the scheme's liabilities, the latter being the amount needed to pay current and future pensions and other benefits, given prevailing market conditions.

This year a formal valuation is being carried out as at 31 March 2014, which happens once every three years, and work is well under way to complete this in-depth review of scheme funding. The process involves detailed consideration by the trustee board, supported by specialist advisers, of the scheme's underlying member data, of demographic patterns and movements within the membership, and of financial information regarding the fund and its investments.

As this work is not yet complete the trustee cannot present a final position for the 2014 valuation at this stage (it will be completed early in 2015). However, the trustee has provided an assessment below using the assumptions used to deliver the 2011 actuarial valuation, updated for current market conditions.

As at the valuation date the Scheme was still a fully Final Salary Scheme for future accruals and the prevailing employer contribution rate was 16% of Salaries.

NOTES TO THE FINANCIAL STATEMENTS (continued)

25) PENSION SCHEMES continued

The latest full valuation, as at 31 March 2011, calculated that the funding level was 92% on a technical provisions basis and 57% on a buy-out basis.

Using the same base assumptions as the trustee board adopted at the last formal valuation in 2011, updated for market conditions, the latest funding deficit as at 31 March 2014 is estimated to be in the region of £7 billion representing an overall funding ratio of assets to liabilities of approximately 85%. However, as mentioned above this represents an estimated position based on the unadjusted 2011 assumptions (which are subject to review).

The funding ratio over the period since the last actuarial valuation is summarised in the following table:

| | Actuarial valuation as at March 2011 | March 2012 actuarial report | March 2013 actuarial report | March 2014 actuarial report |
|---------------------------------------|---|--------------------------------|--------------------------------|--------------------------------|
| Assets | £32.4bn | £33.9bn | 38.6bn | £41.6bn |
| Value placed on scheme liabilities | £35.3bn | £43.7bn | £50.1bn | £48.8bn |
| Deficit | £2.9bn | £9.8bn | £11.5bn | £7.2bn |
| Funding Ratio | 92% | 77% | 77% | 85% |

The figures shown above for the value of the scheme's liabilities (the value at a point in time of the pensions and other benefits payable to current and future beneficiaries) are calculated on an ongoing basis, which assumes that the scheme will continue into the future and that the employers and members will continue to make contributions.

The trustee board is required to review and consult with employers regarding the contributions payable to the scheme following each actuarial valuation. It is likely that once the 2014 actuarial valuation is complete the fund will report a deficit which is substantially greater than the deficit reported as at 31 March 2011 and the recovery plan will need to be updated.

SUMMARY OF FINANCIAL REPORTING STANDARD 17 ADJUSTMENTS TO THE FINANCIAL STATEMENTS

| | AU Scheme 2014 £'000 | Dyfed Scheme 2014 £'000 | Total 2014 £'000 | AU Scheme 2013 £'000 | Dyfed Scheme 2013 £'000 | Total 2013 £'000 |
|---|-------------------------------|----------------------------------|------------------------|-------------------------------|----------------------------------|------------------------|
| Analysis of amounts recognised on the balance sheet | | | | | | |
| Total market value of assets | 83,137 | 4,052 | 87,189 | 77,419 | 4,088 | 81,507 |
| Present value of scheme liabilities | (99,348) | (4,817) | (104,165) | (93,989) | (5,074) | (99,063) |
| Net pension liability | (16,211) | (765) | (16,976) | (16,570) | (986) | (17,556) |
| Analysis of amounts charged to staff costs within the operating surplus/(deficit): | | | | | | |
| Current service cost | (3,233) | 16 | (3,217) | (2,681) | (25) | (2,706) |
| Past service cost | (7) | 0 | (7) | (106) | (0) | (106) |
| Total operating charge | (3,240) | 16 | (3,224) | (2,787) | (25) | (2,812) |
| Analysis of the amount charged to interest payable: | | | | | | |
| Expected return on pension scheme assets | 4,476 | 236 | 4,712 | 3,194 | 198 | 3,392 |
| Interest on pension scheme liabilities | (4,352) | (199) | (4,551) | (3,887) | (189) | (4,076) |
| Pension finance cost | 124 | 37 | 161 | (693) | 9 | (684) |
| Analysis of amounts recognised in statement of total recognised gains and losses: | | | | | | |
| Actual return less expected return on pension scheme assets | 1,724 | 170 | 1,894 | 10,622 | 444 | 11,066 |
| Experience gains on liabilities | 0 | 0 | 0 | 0 | 0 | 0 |
| Actuarial gain on acquisition | 0 | 0 | 0 | 0 | 0 | 0 |
| Changes in assumptions | (1,448) | 0 | (1,448) | (4,084) | 0 | (4,084) |
| Total actuarial (loss)/gain recognised | 276 | 170 | 446 | 6,538 | 444 | 6,982 |

NOTES TO THE FINANCIAL STATEMENTS (continued)

25) PENSION SCHEMES (continued)

ABERYSTWYTH UNIVERSITY PENSION AND ASSURANCE SCHEME

The University operates a defined benefit scheme in the United Kingdom. The last full actuarial valuation was carried out at 31 July 2011 by a qualified independent actuary.

The major assumptions used by the actuary were:

| | 2014 £'000 | 2013 £'000 |
|---|---------------|---------------|
| Rate of increase in salaries | 3.20% | 3.35% |
| Rate of increase in pensions to 31 July 2003 | 2.20% | 2.55% |
| Rate of increase in pensions from 1 August 2003 to 31 July 2006 | 2.20% | 2.55% |
| Rate of increase in pensions from 1 August 2006 | 2.20% | 2.50% |
| Discount rate | 4.25% | 4.65% |
| Rate of retail price inflation | 3.20% | 3.35% |
| Rate of consumer price inflation | 2.20% | 2.55% |

Weighted average assumptions used to determine net pension cost:

| | | |
|--|-------|-------|
| Rate of increase in salaries | 3.35% | 2.75% |
| Discount rate | 4.65% | 4.50% |
| Expected long-term return on Scheme assets | 5.80% | 5.00% |

The current mortality assumptions include sufficient allowance for future improvements in mortality rates.

The assumed life expectations on retirement were as at 31 July 2014:

| | 2014 | | 2013 | |
|------------------------------------|------|--------|------|--------|
| | Male | Female | Male | Female |
| Member age 65 retiring today | 20.9 | 23.3 | 21.1 | 23.5 |
| Member age 45 retiring in 20 years | 23.0 | 25.6 | 23.2 | 25.8 |

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

| | Long term rate of return expected at 31 July 2014 | Value at 31 July 2014 £'000 | Long term rate of return expected at 31 July 2013 | Value at 31 July 2013 £'000 | Long term rate of return expected at 31 July 2012 | Value at 31 July 2012 £'000 |
|-------------------------------|--|-----------------------------------|--|-----------------------------------|--|-----------------------------------|
| Equities | 6.25% | 57,032 | 5.5% | 54,585 | 5.5% | 41,608 |
| Corporate Bonds | 3.80% | 17,625 | 3.6% | 15,941 | 3.6% | 8,572 |
| Property | 6.25% | 8,480 | 5.5% | 7,297 | 5.5% | 7,084 |
| Cash and Other Current Assets | 2.95% | – | 2.2% | (404) | 2.2% | 296 |
| Index Linked Bonds | | | 2.2% | | 2.2% | 6,611 |
| Total Market Value of Assets | | <u>83,137</u> | | <u>77,419</u> | | <u>57,560</u> |

Analysis of the amount shown in the balance sheet:

| | 2014 £'000 | 2013 £'000 |
|---|-----------------|-----------------|
| Market Value of Assets | 83,137 | 77,419 |
| Present Value of Scheme Liabilities | (99,348) | (93,989) |
| Deficit in the Scheme - Net Pension Liability | <u>(16,211)</u> | <u>(16,570)</u> |

NOTES TO THE FINANCIAL STATEMENTS (continued)

25) PENSION SCHEMES (continued)

ABERYSTWYTH UNIVERSITY PENSION AND ASSURANCE SCHEME (continued)

Analysis of amounts charged to staff costs within the operating deficit:

| | | |
|------------------------|----------------|----------------|
| Current service cost | (3,233) | (2,681) |
| Past service cost | (7) | (106) |
| Total operating charge | <u>(3,240)</u> | <u>(2,787)</u> |

Analysis of the amount charged to interest payable:

| | | |
|--|----------------|----------------|
| Expected return on pension scheme assets | 4,476 | 3,194 |
| Interest on pension scheme liabilities | <u>(4,352)</u> | <u>(3,887)</u> |
| Pension finance cost | <u>124</u> | <u>(693)</u> |

Analysis of amounts recognised in statement of total recognised gains and losses:

| | | |
|---|----------------|----------------|
| Actual return less expected return on pension scheme assets | 1,724 | 10,622 |
| Experience gains and losses arising on scheme liabilities | 0 | 0 |
| Actuarial gain on acquisition | 0 | 0 |
| Changes in assumptions | <u>(1,448)</u> | <u>(4,084)</u> |
| Total actuarial gain/(loss) recognised | <u>276</u> | <u>6,538</u> |

Movement in deficit during the year:

| | 2014 £'000 | 2013 £'000 |
|--|-----------------|-----------------|
| Deficit in scheme at beginning of year | (16,570) | (22,874) |
| Movement in year: | | |
| Current service cost | (3,233) | (2,681) |
| Contributions | 3,480 | 3,246 |
| Past service costs | 0 | 0 |
| Amendments | (7) | (106) |
| Net interest on liabilities | 124 | (693) |
| Prior year adjustment | (281) | 0 |
| Actuarial gain/(loss) | <u>276</u> | <u>6,538</u> |
| Deficit in scheme at end of year | <u>(16,211)</u> | <u>(16,570)</u> |

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

| | 2014 £'000 | 2013 £'000 |
|--------------------------------------|----------------|----------------|
| At beginning of the year | 93,989 | 87,045 |
| Current service cost | 3,233 | 2,681 |
| Interest cost | 4,352 | 3,887 |
| Contributions by scheme participants | 56 | 51 |
| Past service costs | 0 | 0 |
| Amendments | 7 | 106 |
| Actuarial (gains)/losses | 1,448 | 4,084 |
| Prior year adjustment | 281 | 0 |
| Benefits paid | <u>(4,018)</u> | <u>(3,865)</u> |
| At end of year | <u>99,348</u> | <u>93,989</u> |

NOTES TO THE FINANCIAL STATEMENTS (continued)

25) PENSION SCHEMES (continued)

ABERYSTWYTH UNIVERSITY PENSION AND ASSURANCE SCHEME (continued)

| Analysis of the movement in the market value of the scheme assets: | 2014 £'000 | 2013 £'000 |
|---|---------------|---------------|
| At beginning of the year | 77,419 | 64,171 |
| Expected return on scheme assets | 4,476 | 3,194 |
| Actuarial gains | 1,724 | 10,622 |
| Contributions by the employer | 3,480 | 3,246 |
| Contributions by scheme participants | 56 | 51 |
| Benefits paid | (4,018) | (3,865) |
| | 83,137 | 77,419 |

History of experience gains and losses for the year ended 31 July:

| | 2014 | 2013 | 2012 | 2011 | 2010 |
|--|-------|--------|---------|-------|-------|
| Difference between expected and actual return on scheme assets: | | | | | |
| amount (£000) | 1,724 | 10,622 | (2,514) | 3,073 | 5,202 |
| percentage of scheme assets | 0% | 1% | 4% | 5% | 9% |
| Experience gains on scheme liabilities: | | | | | |
| amount (£000) | - | - | - | 2,093 | 73 |
| percentage of scheme liabilities | 0% | 0% | 0% | 3% | 0% |
| Total amount recognised in statement of total recognised gains and losses: | | | | | |
| amount (£000) | 276 | 6,538 | (5,681) | 4,127 | (786) |
| percentage of scheme liabilities | 0% | 0% | 7% | 5% | 1% |

The University expects to contribute 22.05% of members' total pensionable salaries to its pension scheme in 2014/15. The Defined Contribution scheme is due to start on 1st April 2015. The Employer's contribution rate has been set at 10%. The University will continue to pay towards the AUPAS deficit. The contribution towards the deficit currently represents 8.4% of the 22.05% contribution.

THE DYFED PENSION FUND

The University is an admitted member of the Dyfed Pension Fund which is a multi-employer Local Government Pension Scheme regulated by statute. The benefits of the scheme are determined nationally by regulation and meet the definition of a defined benefit scheme. The last full actuarial valuation was carried out at 31 March 2013 by a qualified independent actuary. An approximate actuarial valuation was carried out at 31 July 2014 by a qualified independent actuary.

The major assumptions used by the actuary were:

| | 2014 | 2013 |
|---|-------|-------|
| Rate of increase in salaries | 3.70% | 3.95% |
| Rate of increase in pensions in payment | 2.20% | 2.20% |
| Discount rate | 4.10% | 4.00% |
| Rate of consumer price inflation | 2.20% | 2.20% |

NOTES TO THE FINANCIAL STATEMENTS (continued)

25) PENSION SCHEMES (continued)

THE DYFED PENSION FUND (continued)

The current mortality assumptions include sufficient allowance for future improvements in mortality rates.

The assumed life expectations on retirement were as at 31 July 2014:

| | 2014 | | 2013 | |
|------------------------------------|------|--------|------|--------|
| | Male | Female | Male | Female |
| Member age 65 retiring today | 25.4 | 28.0 | 24.2 | 27.0 |
| Member age 45 retiring in 20 years | 23.2 | 25.7 | 22.4 | 25.0 |

The assets attributable to the University members of the scheme and the expected rate of return were:

| | Long term rate of return expected at 31 July 2014 | Value at 31 July 2014 £'000 | Long term rate of return expected at 31 July 2013 | Value at 31 July 2013 £'000 | Long term rate of return expected at 31 July 2012 | Value at 31 July 2012 £'000 |
|-----------------------------|--|-----------------------------------|--|-----------------------------------|--|-----------------------------------|
| Equities | 7.00% | 2,841 | 7.00% | 2,906 | 7.00% | 2,485 |
| Government Bonds | 3.20% | 389 | 3.30% | 405 | 3.90% | 402 |
| Other Bonds | 4.10% | 393 | 4.30% | 417 | 3.40% | 388 |
| Property | 6.20% | 413 | 5.70% | 311 | 6.00% | 266 |
| Cash and Net Current Assets | 0.50% | 16 | 0.50% | 49 | 0.50% | 50 |
| Market Value of Assets | | 4,052 | | 4,088 | | 3,591 |

| | 2014 £'000 | 2013 £'000 |
|--|---------------|---------------|
| Analysis of the amount shown in the balance sheet: | | |
| Market Value of Assets | 4,052 | 4,088 |
| Present Value of Scheme Liabilities | (4,817) | (5,074) |
| Deficit in the Scheme - Net Pension Liability | (765) | (986) |
| Analysis of amounts charged to staff costs within the operating surplus/deficit: | | |
| Current service cost | (16) | (25) |
| Past service cost | 0 | 0 |
| Total operating charge | (16) | (25) |
| Analysis of the amount charged to interest payable: | | |
| Expected return on pension scheme assets | 236 | 198 |
| Interest on pension scheme liabilities | (199) | (189) |
| Pension finance cost | 37 | 9 |
| Analysis of amounts recognised in statement of total recognised gains and losses: | | |
| Actual return less expected return on pension scheme assets | (170) | 444 |
| Experience gains and losses on liabilities | 0 | 0 |
| Changes in assumptions | 0 | 0 |
| Total actuarial gain recognised | (170) | 444 |

NOTES TO THE FINANCIAL STATEMENTS (continued)

25) PENSION SCHEMES (continued)

THE DYFED PENSION FUND (continued)

Movement in deficit during the year:

| | 2014 £'000 | 2013 £'000 |
|--|---------------|---------------|
| Deficit in scheme at beginning of year | (986) | (1,462) |
| Movement in year: | | |
| Current service cost | (16) | (25) |
| Past Service Cost | 0 | 0 |
| Contributions | 30 | 48 |
| Net interest on liabilities | 37 | 9 |
| Actuarial gain/(loss) | 170 | 444 |
| Deficit in scheme at end of year | <u>(765)</u> | <u>(986)</u> |

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

| | | |
|--------------------------------------|--------------|--------------|
| At beginning of the year | 5,074 | 5,053 |
| Current service cost | 16 | 25 |
| Past service cost | 0 | 0 |
| Interest cost | 199 | 189 |
| Contributions by scheme participants | 4 | 6 |
| Actuarial gains | (309) | 0 |
| Benefits paid | (167) | (199) |
| At end of year | <u>4,817</u> | <u>5,074</u> |

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

| | | |
|--------------------------------------|--------------|--------------|
| At beginning of the year | 4,088 | 3,591 |
| Expected return on scheme assets | 236 | 198 |
| Actuarial gains/(losses) | (139) | 444 |
| Contributions by the employer | 30 | 48 |
| Contributions by scheme participants | 4 | 6 |
| Benefits paid | (167) | (199) |
| At end of year | <u>4,052</u> | <u>4,088</u> |

History of experience gains and losses for the year ended 31 July:

| | 2014 | 2013 | 2012 | 2011 | 2010 |
|--|------|------|-------|------|------|
| Difference between expected and actual return on scheme assets: | | | | | |
| amount (£000) | 139 | 444 | (154) | 428 | 239 |
| percentage of scheme assets | 3.4% | 11% | 4% | 12% | 8% |
| Experience gains and losses on scheme liabilities: | | | | | |
| amount (£000) | 309 | 0 | 0 | 0 | 0 |
| percentage of scheme liabilities | 6.4% | 0% | 0% | 0% | 0% |
| Total amount recognised in statement of total recognised gains and losses: | | | | | |
| amount (£000) | 170 | 444 | (559) | 95 | 307 |
| percentage of scheme liabilities | 3.5% | 9% | 11% | 2% | 7% |

The University expects to contribute 46.8% of members' total pensionable salaries to its pension scheme in 2014/15.

NOTES TO THE FINANCIAL STATEMENTS (continued)

| 26) FINANCIAL CONTINGENCY FUND | 2014 £'000 | 2013 £'000 |
|----------------------------------|---------------|---------------|
| Funding Council Grants | 175 | 164 |
| Interest Earned | 1 | 1 |
| | 176 | 165 |
| Disbursements to Students | (188) | (138) |
| Fund Running Costs | (5) | (5) |
| Returned to the Welsh Government | 0 | (20) |
| Balance Unspent at 1 August | 17 | 15 |
| Balance Unspent at 31 July | 0 | 17 |

Funding Council grants received are available solely for students. The University acts only as paying agent.

The grants and related disbursements are therefore excluded from the Income and Expenditure Account.

27) RESIDENCES AND CATERING OPERATIONS, HALLS AND RENTED PROPERTIES
INCOME AND EXPENDITURE ACCOUNT
for the year ended 31 July 2014

| INCOME | 2014 £'000 | 2013 £'000 |
|--|---------------|---------------|
| Students Fees net of Accommodation Bursaries | 5,670 | 5,155 |
| Conferences and Events | 465 | 597 |
| Hospitality | 2,202 | 2,178 |
| Other Income | 888 | 886 |
| Internal Adjustment | (562) | (496) |
| | 8,663 | 8,320 |
| EXPENDITURE | | |
| Central Salaries and Wages | 484 | 435 |
| Hospitality Salaries and Wages | 1,257 | 1,207 |
| Residential Salaries and Wages | 1,991 | 2,030 |
| Hospitality Provisions | 935 | 927 |
| Fuel, Light and Water | 983 | 970 |
| Furniture and Equipment | 206 | 126 |
| Interior Repairs and Maintenance including Refurbishment | 515 | 529 |
| Internal Charges | 445 | 445 |
| Central Operational Expenses | 758 | 701 |
| Residential Operational Expenses | 556 | 406 |
| Internal Adjustment | (562) | (496) |
| Penglais Farms | 177 | 200 |
| | 7,480 | 7,480 |
| Surplus for the Year | 918 | 840 |

NOTES TO THE FINANCIAL STATEMENTS (continued)

28) ABERYSTWYTH ARTS CENTRE INCOME AND EXPENDITURE ACCOUNT for the year ended 31 July 2014

| | 2014 £'000 | 2013 £'000 |
|--|---------------|---------------|
| INCOME | | |
| Arts Programme | 1,206 | 1,470 |
| Trading Sales | 1,562 | 1,789 |
| Grants | | |
| Arts Council for Wales | 562 | 652 |
| Arts Outside Cardiff | | |
| Community Arts Development | | |
| Ceredigion County Council | 66 | 67 |
| Aberystwyth Town Council | 0 | 0 |
| Mid Wales Circuit | 7 | 16 |
| Film Council | 28 | 22 |
| Other Income | 68 | 68 |
| Excluding Internal transfers | (89) | (113) |
| | <u>3,410</u> | <u>3,971</u> |
| EXPENDITURE | | |
| Arts Programme | 1,850 | 2,099 |
| Trading | 1,322 | 1,464 |
| Administration, Services and Marketing | 667 | 672 |
| Other Central Expenditure | 145 | 145 |
| Excluding Internal transfers | (89) | (113) |
| Included under General Educational Expenditure in the General University Income and Expenditure Account | (222) | (247) |
| | <u>3,673</u> | <u>4,020</u> |
| Deficit for the Year | <u>(263)</u> | <u>(49)</u> |

Note:

Internal transfers have been excluded from income and expenditure.

NOTES TO THE FINANCIAL STATEMENTS (continued)

| 29) MARKET VALUE OF ENDOWMENT FUNDS INVESTMENTS (Excluding Land and Buildings) | 2014 £ | 2013 £ |
|---|-----------|-----------|
| UNRESTRICTED FUNDS | | |
| Sir D Owen Evans Bequest | 550,197 | 534,339 |
| General Endowment Fund | 677,863 | 648,613 |
| Rendel Fund | 168,349 | 163,497 |
| J B Willans Bequest | 237,521 | 230,674 |
| Trefloyne Fund | 2,236,956 | 2,172,479 |
| Centenary Appeal Fund | 397,129 | 385,682 |
| Tithe and Welsh Church Fund | 5,096,803 | 4,949,896 |
| Gogerddan Estate | 1,765,772 | 1,714,876 |
| Mary Myfanwy Williams Fund | 329,500 | 320,003 |
| Dr William Thomas Fund | 1,265,648 | 1,229,168 |
| Dr J Gareth Thomas Fund | 319,279 | 310,076 |
| Thomas Watcyn Evans Fellowship | 828,460 | 804,581 |
| Blaenllynant Fund | 1,584,891 | 1,539,209 |
| RESTRICTED FUNDS | | |
| Mrs Foster Watson Memorial Fund | 3,949 | 3,835 |
| Colonial History Endowment Fund | 166,762 | 161,956 |
| Gregynog Gift Fund | 1,356,160 | 1,317,071 |
| Wilson Chair of International Politics | 1,355,849 | 1,316,769 |
| Extra Mural Fund | 69,567 | 67,562 |
| Davies Llandinam Fund | 217,375 | 211,110 |
| D Alban Davies Fund | 986,490 | 958,056 |
| Corporation of Aberystwyth Annuity | 641 | 622 |
| Gwobr Eisteddfod Aberystwyth | 2,314 | 2,247 |
| Aberystwyth Papers Fund | 58,173 | 56,497 |
| Andre Barbier Prize | 15,676 | 15,225 |
| Lillian Mary Bowman Fund | 18,717 | 18,178 |
| Brereton Scholarship | 18,753 | 18,212 |
| Robert Bryan Music Scholarship | 24,679 | 23,967 |
| Bunford Prize | 3,409 | 3,311 |
| Mary Burlington Legacy | 6,449 | 6,263 |
| Mrs Clarke Scholarship | 63,457 | 61,628 |
| Charles Clements Prize | 4,347 | 4,222 |
| Travel Scholarships | 36,477 | 35,426 |
| Cranogwen Scholarship | 25,896 | 25,150 |
| Cynddelw Welsh Prize | 9,145 | 8,881 |
| Elizabeth Anne Davies Scholarship | 17,365 | 16,865 |
| Dr John Davies Scholarship | 34,254 | 33,267 |
| Miss Margaret Davies Prize | 4,296 | 4,173 |
| Miss S A Davies Scholarship | 55,991 | 54,377 |

NOTES TO THE FINANCIAL STATEMENTS (continued)

29) MARKET VALUE OF ENDOWMENT FUNDS INVESTMENTS (continued)
(Excluding Land and Buildings)

| RESTRICTED FUNDS (continued) | 2014 £ | 2013 £ |
|--|-----------|-----------|
| Thomas Davies Scholarship | 60,298 | 58,560 |
| T Maelgwyn Davies Memorial Fund | 17,706 | 17,196 |
| Elizabeth Davies Brynteifi Fund | 35,072 | 34,061 |
| G and D Edmunds Scholarship | 115,431 | 112,104 |
| Thomas C Edwards Scholarship | 57,265 | 55,615 |
| T E Ellis Prize | 1,942 | 1,886 |
| J D Evans Scholarship | 28,195 | 27,382 |
| D and M.Evans Prize | 19,439 | 18,879 |
| Ellis Eyton Exhibition | 7,333 | 7,122 |
| G and J Fairgrieve Fund | 13,340 | 12,955 |
| John Francis Scholarship | 43,983 | 42,715 |
| Lady Gladstone of Hawarden Scholarship | 6,859 | 6,662 |
| R A Griffiths Scholarship | 28,883 | 28,051 |
| Gwobr y Gyngres Geltaidd | 5,557 | 5,397 |
| Joseph Hamwee Prize | 3,484 | 3,384 |
| John Hughes Scholarship | 89,815 | 87,226 |
| Hugh James Memorial Scholarship | 37,966 | 36,872 |
| David Jenkins Music Scholarship | 29,221 | 28,378 |
| J R Johnson Memorial Scholarship | 28,639 | 27,813 |
| Sir Alfred Jones Scholarship | 121,187 | 117,694 |
| Edward Jones Scholarship | 19,662 | 19,095 |
| Sir Henry Jones Prize | 3,729 | 3,621 |
| Dr Tom Jones Scholarship | 16,483 | 16,007 |
| Professor Thomas Jones Prize | 2,446 | 2,376 |
| Dr W Idris Jones Fellowship | 133,810 | 129,953 |
| Keeling Entrance Scholarship | 14,173 | 13,765 |
| Keeling Research Scholarship | 33,272 | 32,313 |
| T A Levi Law Prize | 5,074 | 4,928 |
| Alun Lewis Memorial History Prize | 2,928 | 2,843 |
| Dr E A Lewis Research Scholarship | 79,321 | 77,035 |
| R J R Loxdale Legacy Fund | 6,214 | 6,035 |
| Thomas Lewis Scholarship | 141,060 | 136,994 |
| Gwobr Eisteddfod Machynlleth | 3,801 | 3,691 |
| Marshall Memorial Fund | 16,339 | 15,867 |
| Mold Eisteddfod Scholarship | 13,665 | 13,271 |
| Miss J Elizabeth Morris Prize | 5,068 | 4,922 |
| Museum Endowment Fund | 66,715 | 64,792 |
| Richard Davies Mynyddog Scholarship | 18,022 | 17,503 |
| Maths Honours Prize | 29,374 | 28,528 |

NOTES TO THE FINANCIAL STATEMENTS (continued)

29) MARKET VALUE OF ENDOWMENT FUNDS INVESTMENTS (continued)
(Excluding Land and Buildings)

| RESTRICTED FUNDS (continued) | 2014 £ | 2013 £ |
|---|-----------|-----------|
| Matthews Chemistry Prize | 1,272 | 1,235 |
| Organ Fund | 22,122 | 21,484 |
| Pritchard Scholarship | 32,603 | 31,663 |
| Heather Meredydd Parry Prize | 15,895 | 15,437 |
| W B Pennington Memorial Fund | 22,449 | 21,802 |
| Rendel Memorial Fund | 34,183 | 33,198 |
| J Foulks Roberts Scholarship | 44,588 | 43,302 |
| Dr R D Roberts Scholarship | 340,694 | 330,874 |
| R and A Roberts Scholarship | 57,326 | 55,673 |
| T Roberts of Portland Scholarship | 8,770 | 8,517 |
| Rudler Exhibition | 13,195 | 12,815 |
| Rudler Geological Fund | 1,707 | 1,658 |
| RT F D Roberts Bequest | 9,954 | 9,667 |
| Thomas Stephens Scholarship | 21,096 | 20,487 |
| L E Sulston Memorial Prize | 1,150 | 1,117 |
| Dr David Thomas Scholarship | 48,095 | 46,709 |
| D Morgan Thomas of Caterham Scholarship | 114,640 | 111,336 |
| Sir Garrod Thomas Fellowship | 213,237 | 207,091 |
| J J Thomas of Kendal Scholarship | 170,802 | 165,879 |
| J Thomas Scholarship | 37,164 | 36,093 |
| Lewis Thomas Scholarship | 70,322 | 68,295 |
| Dr W Thomas Prize | 5,027 | 4,882 |
| Mrs Elizabeth Thomas Prize | 4,783 | 4,645 |
| Frances Williams Art Prize | 15,039 | 14,606 |
| Sir John Williams Bequest Fund | 1,016,561 | 987,260 |
| Miss E E Willis Prize | 4,030 | 3,914 |
| The Calcott Prize | 63,632 | 61,798 |
| Meurig James Fund | 4,345 | 4,220 |
| T Redvers Llewellyn Prize | 6,812 | 6,616 |
| Dorothy Wilson Prize | 9,132 | 8,869 |
| Staff Emergency Fund | 196,596 | 190,930 |
| Sir D Hughes Parry Fund | 253,898 | 246,579 |
| Sir Ben Bowen Thomas Fund | 52,129 | 50,627 |
| Chapel Fund | 36,111 | 35,070 |
| Rhiannon Picton Prize | 2,435 | 2,365 |
| Meurig Williams Prize | 1,611 | 1,564 |
| Emrys Watkin Prize | 3,057 | 2,969 |
| Simon T Thorpe Prize | 3,724 | 3,616 |
| T E Nicholas Prize | 10,848 | 10,536 |

NOTES TO THE FINANCIAL STATEMENTS (continued)

29) MARKET VALUE OF ENDOWMENT FUNDS INVESTMENTS (continued)
(Excluding Land and Buildings)

| RESTRICTED FUNDS (continued) | 2014 £ | 2013 £ |
|---|-----------|-----------|
| Catherine Lewis Trust | 936,244 | 909,259 |
| Llewelfryn Davies Fund | 33,347 | 32,386 |
| T and E Maelgwyn Davies Prize | 6,482 | 6,296 |
| Walford Davies Fund | 5,989 | 5,816 |
| Ian Parrott Prize | 1,742 | 1,692 |
| Ernest J Gooding Fund | 356,572 | 346,295 |
| E E Pritchard Prize | 3,088 | 2,999 |
| W C Bradley Geomorphology Prize | 844 | 820 |
| Sarah Jane Cross Memorial Prize | 1,064 | 1,033 |
| Enid Lewis Fund | 239,218 | 232,323 |
| Anne Elizabeth Lewis Prize | 3,227 | 3,134 |
| Lawrence Wild Prize | 2,224 | 2,160 |
| Margaret E Pryde Prize | 741 | 720 |
| Dr Arthur Luther Trott Fund | 189,152 | 183,700 |
| Louis De-Burgh Prize | 2,304 | 2,238 |
| Margaret and Elwyn Davies Fund | 12,931 | 12,558 |
| Alun G Davies Prize in History | 5,101 | 4,954 |
| David Williams Memorial Prize | 614 | 596 |
| V C Morton Prize | 10,142 | 9,850 |
| The Rhys Lovelock Prize | 8,289 | 8,050 |
| Lady Amy Parry Williams Fund | 9,204 | 8,938 |
| Sidney Herbert Memorial Fund | 38,470 | 37,361 |
| Rhiannon Davies Prize | 2,958 | 2,873 |
| I L Gowan Prize | 3,947 | 3,833 |
| Evan James Williams Memorial Fund | 6,118 | 5,942 |
| Alun R Edwards Memorial Fund | 16,503 | 16,027 |
| Leslie Patrick Scholarship | 4,889 | 4,748 |
| Thomas and Elizabeth Evans Irish Prize Fund | 7,515 | 7,298 |
| O L Davies Prize in Statistics | 2,935 | 2,850 |
| Cambria Mathematics Fund | 8,932 | 8,675 |
| Jones Pierce Memorial Lecture Fund | 10,634 | 10,328 |
| Pembrokeshire Fund | 30,038 | 29,172 |
| Elizabeth Richards Scholarship | 19,915 | 19,341 |
| Professor J Taylor Prize | 804 | 781 |
| Evan Morgan Scholarship Fund | 1,023,597 | 994,093 |
| Reverend Wynford Thomas Prize | 242 | 235 |
| Kathane Thomas Prize | 276 | 268 |
| Torbet Prize | 2,874 | 2,791 |
| Edward Hamer Scholarship | 18,330 | 17,802 |

NOTES TO THE FINANCIAL STATEMENTS (continued)

29) MARKET VALUE OF ENDOWMENT FUNDS INVESTMENTS (continued)
(Excluding Land and Buildings)

| RESTRICTED FUNDS (continued) | 2014 £ | 2013 £ |
|---|-----------|-----------|
| M L M Reeves Prize | 11,920 | 11,576 |
| Sir Thomas Parry Williams Fund | 10,263 | 9,968 |
| Jane Morgan Prize | 2,288 | 2,222 |
| Paul Metcalfe Prize | 19,499 | 18,937 |
| MANWEB Energy Prize | 2,401 | 2,331 |
| Barrie N Davies Prize in Economics | 4,631 | 4,498 |
| Professor G L Rees Prize | 4,646 | 4,512 |
| H Daniels American Study Prize | 3,966 | 3,852 |
| Professor P N Mathur Prize | 1,145 | 1,112 |
| E G Bowen Memorial Fund | 8,332 | 8,092 |
| Glaxo Book Prize | 601 | 583 |
| Hudson Williams Prize | 11,321 | 10,995 |
| Dr & Mrs E E Edwards Research Fund | 69,223 | 67,228 |
| Bessie Jones Bequest | 39,780 | 38,633 |
| T Muthuswami Ayer Prize | 1,720 | 1,670 |
| Sir William Mars-Jones Prize | 9,662 | 9,384 |
| Professor Norman Twiddy Memorial Prize | 1,843 | 1,790 |
| Professor Lance Thomas Prize | 4,032 | 3,916 |
| Dewi & Ann Williams Scholarship | 39,852 | 21,080 |
| Evan Bolle-Jones Scholarship | 18,156 | 17,633 |
| Postgraduate Fund | 103,582 | 100,596 |
| Open Scholarship Fund | 246,895 | 239,778 |
| Michael MccGwire Prize | 6,989 | 6,788 |
| Lady Enid Parry Fund | 3,534 | 3,432 |
| Clay Jones Scholarship | 14,909 | 14,479 |
| Bryn Terfel Scholarship | 35,756 | 34,725 |
| Dr Glyn Rowlands Scholarship | 478 | 29,389 |
| 125th Anniversary Appeal | 56,066 | 54,227 |
| Dr Owen Price Scholarship | 39,019 | 37,894 |
| Music Bursaries | 20,178 | 19,596 |
| Miss R M Creed Bequest | 3,772 | 3,663 |
| Colin Phillips Prize in Labour Law | 2,107 | 2,046 |
| Colin Easthope Award in Mathematics | 24,974 | 24,254 |
| T D and C M Adams Scholarship | 98,668 | 95,824 |
| Faculty Prize | 6,433 | 6,248 |
| Professor Caerwyn and Mrs Gwen Williams Scholarship | 38,726 | 37,609 |
| Mrs Ann Doreen Price Travel Scholarship | 77,358 | 75,128 |
| R M Davies Research Prize | 149,223 | 144,922 |
| Gwyneth Evans Scholarship | 16,179 | 15,712 |

NOTES TO THE FINANCIAL STATEMENTS (continued)

29) MARKET VALUE OF ENDOWMENT FUNDS INVESTMENTS (continued)
(Excluding Land and Buildings)

| RESTRICTED FUNDS (continued) | 2014 £ | 2013 £ |
|---|-------------------|-------------------|
| Endowment Campaign | 321,311 | 312,049 |
| Elvira M K Lewis Bequest | 442,115 | 429,372 |
| Rhiannon Powell Memorial Fund | 26,185 | 25,430 |
| Elizabeth Helen and Eric Thomas Edwards Fund | 250,528 | 243,307 |
| Sir Goronwy H Daniel Prize | 3,557 | 3,454 |
| David Butler Scholarship | 16,979 | 16,489 |
| Captain Marsden Fund | 32,409 | 31,475 |
| Sir Granville Beynon Prize | 4,182 | 4,061 |
| Mervin Williams Prize | 2,810 | 2,729 |
| Handel Evans Trust | 390,520 | 379,264 |
| Dorothy Skeel Meyler Fund | 32,475 | 31,538 |
| B E Lee Davies Fund | 13,159 | 12,780 |
| Sydney Orford Fund | 49,108 | 47,692 |
| David Davies Prize in Human Resource Management | 2,937 | 2,852 |
| Mary Young Smith | 7,328 | 0 |
| J D R and Gwyneth Thomas Fund | 29,328 | 28,483 |
| Catrin Prys Jones Prize | 7,709 | 7,487 |
| Mike Jones Memorial Prize | 20,741 | 20,144 |
| Fergus Johnston Scholarship | 826,877 | 803,044 |
| Tessa Sidey Print Acquisition Fund | 151,935 | 147,555 |
| Dr Owen Price Expendable Scholarship | 591,522 | 579,527 |
| TOTAL ENDOWMENT FUNDS INVESTMENTS | 31,809,701 | 30,892,141 |