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The University of Reading has a global reputation for academic excellence in both research and teaching. We are committed to further improvement in these strengths. Our mission is to educate talented people well, to conduct outstanding research and to promote the responsible application " ' omo

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Mrs B. Edwards, BA, MA (until 31 July 2014)
Mrs M.T. Martin, BA, MA, PGCE (from 1 August 2014)

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&KDQFHOORU
Sir John Madejski, OBE, DL, Hon DLitt (Reading)

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Sir David Bell, KCB, MA, MEd, DipEd (Glasgow), PGCE (Jordanhill College of Education), HonDUniv (Strathclyde), HonEdD (De Montfort)

'HSXW\ 9LFH &KDQFHOORU
Professor T.A. Downes, BA, BCL (Oxford) (until 31 July 2014)
Professor S.J. Mithen, BA (She ǫ eld), MSc (York), PhD (Cambridge), FSA, FSA (Scot), FBA (from 1 August 2014)

3UHVLGHQW RI WKH &RXQFLO
Mr C.C. Fisher, BA (Reading), MPP (Harvard)

9LFH 3UHVLGHQWV RI WKH &RXQFLO
Mr R. Dwyer, BSc (London), FCIPD
Ms S.M. Woodman, BA (Reading)

3UR 9LFH &KDQFHOORUV
Professor G. Brooks, BPharm, PhD (London), MRPharmS, FAHA
Mr V. Raimo, BA (Reading), MA (Leicester) (from 1 August 2014)
Professor R. Van de Noort, BA (Utrecht), Drs (Amsterdam), PhD (Exeter) (from 1 August 2014)
Professor C.M. Williams, OBE, BSc, PhD (London) (until 31 July 2014)

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$UWV +XPDQLWLHV DQG 6RFLDO 6FLHQFH
Professor G.H. Tucker, MA, PhD (Cambridge)

+HQOH\ %XVLQHVV 6FKRRO
Professor J.L.G. Board, BA, PhD (Newcastle)

/LIH 6FLHQFHV
Professor R.H. Ellis, BSc (Wales), PhD (Reading), CBiol, FIBiol

6FLHQFH
Dr B. Cosh, BSc (She ǫ eld), PGCE (Greenwich), PhD (London) (from 1 August 2014)
Professor G. Marston, MA, DPhil (Oxford), CChem, MRSC (until 31 July 2014)

these areas which it believes are to the benefit of the local, national and international communities.

A key part of the University's strategy in ensuring it delivers its core purposes for the public benefit lies in its policy of equal opportunities for all. The University aims to encourage people of all backgrounds to participate in and benefit from its teaching, research and other activities.

The University and its subsidiaries also carry out teaching and research of a more commercial nature, for example in some of the executive education programmes run by Henley Business School, and in research carried out for private sector organisations. The University is careful to ensure that the extent of these activities does not conflict with or detract from its core charitable purposes.

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The University's admissions policy is to attract and admit the most able and motivated undergraduate and postgraduate students with the greatest potential to contribute to, and to benefit from, the education provided, irrespective of their background. The admissions procedures and the provision of bursaries are designed to support this policy fully.

The University currently has over 9,300 undergraduate and over 7,700 postgraduate students. It promotes among all its students excellence in their studies and the other activities in which they participate while at Reading such as sporting, cultural and voluntary engagements, and encourages the opportunities these activities provide for stimulating personal development and the wellbeing of the community. When students complete their studies, they are able to use the skills they have acquired, both academic and non-academic, in their lives and careers beyond the University.

The University offers support to students through its access bursary scheme which allows it to recruit the most able students, regardless of financial background. The University aims to offer programmes of study that are attractive to a diverse range of potential students, have fair and transparent admission policies, and provide financial support to low income students. The University has a comprehensive Student Complaints Procedure to deal swiftly and effectively with problems which arise during a student's time at Reading.

The University seeks to encourage potential students to consider entering higher education and a range of methods are adopted including visits to schools and open days and events aimed at schools.

In the summer pupils from schools and co " e " " h ȿ M

sponsorship of posts within the University, the formation of spin-out companies, Continuing Professional Development, support for spin-in businesses, and museums and special collections.

The University is one of the leading centres in the UK for developing and managing Knowledge Transfer Partnerships (KTPs). These programmes allow businesses of all sizes from a wide range of industries and sectors to access the expertise of academics and researchers in the University, helping them address issues in the development of commercial applications.

The University is drawing up plans to develop a new Science and Innovation Park to the south of Reading which will play a key role in allowing the region's knowledge economy to thrive. The park will provide technology-led companies with dedicated facilities and services in a strategic location along with access to the high-quality research and graduate support available from the University. Work has started on developing the park with the first occupiers scheduled to arise in late 2017.

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The University of Reading takes its environmental responsibilities seriously and aims to manage its operations in ways that are environmentally sustainable, economically feasible and socially responsible. The University is committed to achieving the highest standards of environmental performance, preventing pollution and minimising the impact of its operations. The University sets challenging environmental targets to continually improve its environmental performance. These objectives and targets are reviewed and updated annually.

The University is establishing an Environmental Management System (EMS) through EcoCampus and ISO 14001 accreditation in order to ensure that the environmental impact of the University including associated risks is monitored, controlled and minimised, and that it continues to make improvements.

The University is making good progress under its Carbon Management Plan which commits it to reducing its carbon footprint by 35% over a five year period to 2016 and 40% by 2020.

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The University aims to be an employer of choice and to create a stimulating and supportive working environment where people can flourish, with opportunities for individual professional and personal development and career progression. The University rewards staff who demonstrate exceptional performance, leadership and innovation.

The University values its highly skilled and dedicated staff. Many of the University's academic staff members are acknowledged to be world-leading experts in their field, working at the cutting edge of their area of specialism.

The University actively engages with staff on a regular basis using a variety of methods including publications, the intranet, staff briefing meetings led by the Vice-Chancellor and the appointment of staff representatives to Council. The University also consults regularly with staff and their representatives to discuss issues affecting their working life.

A comprehensive range of training programmes for staff are available, designed to develop management and leadership capability, as well as a wide range of practical skills that staff need for their day to day work. Arrangements in this area have been strengthened by the establishment of a dedicated People Development function with effect from 1 August 2014. Further practical support for staff is available 24/7 via the Employee Assistance Programme.

The work associated with the HR Strategy, Working Together: A Strategy for Success, in tandem with the Promoting Excellence Project, has been completed with all major objectives met. The Staǭng Committee will consider a new HR Strategy during the 2014²15 session.

In addition the University has published its Equality Policy and Objectives, runs a very successful Springboard programme aimed at developing female staǨ and continues to widen its work under the Athena SWAN banner.

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The University of Reading is proud to have a diverse community of staǨ and students and strives to ensure that everyone, regardless of their background, is able to reach their full potential whilst studying or working at the University. The University is committed to providing an inclusive environment, which promotes equality and diversity and respects the rights and dignity of all its staǨ, students and visitors. The University takes action to ensure that no individual, applicant, student, employee, provider, contractor or user of f-ers ɿ ҿ M ҿ ʊ ȳ ɣ ᵐ ʊ . The tdem
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The split of income for the year reQected the changes in funding within the sector. Recurrent grants received from HEFCE and the National College for Teaching and Leadership fell by ½7.1m. Tuition fee income increased by ½19.5m, arising from the second year since the introduction of ½9,000 fees for undergraduates and an increase in fees received from international students.

Research income rose by ½0.9m to ½34.1m.

Other income increased by ½2.4m. Endowment and investment income rose by ½0.3m to ½5.0m.

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A summary of the Group's expenditure is given below:

	2014 £'000	2013 £'000	Increase / (decrease) £'000	Increase / (decrease) %
StaK costs	137,841	127,891	9,950	7.8%
Other operating expenses ² regular	82,686	83,996	(1,310)	²1.6%
Other operating expenses ² exceptional	7,114	0	7,114	N/A
Depreciation	19,698	18,573	1,125	6.1%
Interest payable	4,907	6,066	(1,159)	²19.1%
Total expenditure	252,246	236,526	15,720	6.6%

StaK costs rose by ½10m in the year. This increase was mainly attributable to the posts created through the Academic Investment Project along with the annual cost of living award.

Exceptional other operating expenses related to professional fees of ½7.1m incurred in the aforementioned current review of eǫciency and eKectiveness.

Depreciation rose by ½1.1m as a result of the extensive capital programme undertaken in recent years. Interest payable fell by ½1.2m mainly as a result of the net interest charge associated with the UREPF pension scheme.

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Overall the University has a solid balance sheet with consolidated net assets of ½368m at 31 July 2014 (2013: ½349m). Net assets increased during the year as a result of cash generated from land and property disposals less an increase in short-term creditors. The Group has net current assets of ½17m at 31 July 2014 (2013: ½nil).

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The University aims to provide a high quality environment that facilitates student recruitment and the retention of staK, providing the conditions in which teaching and research, students and staK, can thrive. Infrastructure developments are designed to enhance the University's academic activity and ensure that it continues to be regarded as one of the leading universities in the UK and internationally.

Developments associated with the University's signiQcant landholdings which are not part of its operational estate have been ongoing during the year. The Bulmershe campus and the sites of Sibly Hall and Wells Hall have all been sold. The University currently has a number of planning permissions for the development of land in and around ShinQeld.

The funds which are being generated from the development of these sites will allow the University to carry out further capital investment in its academic facilities on its campuses as well as to develop a Science and Innovation Park.

During the year, work commenced on a ½13m project for the installation of a new heating and combined heat and power (CHP) system on the Whiteknights campus. The system will contribute substantially to the University's carbon reduction target, reducing total carbon emissions by an estimated 1,200 tonnes of CO2 and introducing signiǫcant savings on utilities costs.

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The investments held by the University and its trusts within current asset investments and endowment assets fell in value by ½0.9m over the year to 31 July 2014. The University and its trusts hold some properties for their investment potential. Their combined market value at 31 July 2014 was ½49.2m (2013: ½53.2m).

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The primary pension schemes available to staǨ working for the University are the Universities Superannuation } e M p M ∃ 20M φ è r

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make themselves aware of any relevant audit information and to establish that the University's auditor is aware of that information.

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The world of higher education is changing. Increasingly, the University will no longer be able to rely on public funding, protected markets and predictable demand for its teaching and research. It will become more reliant on the willingness of organisations and individuals to pay for work and services that they value. The University's strategy must enable it to understand and address the changing conditions for success and sustainability, to capitalise on opportunities for growth, innovation and influence, and to be resilient in a volatile world.

There is a wealth of new opportunities for enterprising and innovative universities including:

- The demand for education that meets the needs of professional working lives
- Global demand for greater understanding of the past, present and future of the

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The University is committed to the highest standards of governance and continues and staff, with much of the detailed work falling to sub-committees. Here broad majority representation by lay members, drawn from commercial, community and professional organisations, provides a valuable perspective. The primary responsibilities of the Council are set out in Statute XV, Powers of the Council, which can be viewed on the University website at www.reading.ac.uk/web/FILES/Calendar/statutes.pdf.

Lay members of the Council receive no remuneration for their role in these bodies although they are reimbursed for expenses incurred in attending meetings.

The role of President of Council is separated from the role of the University's Chief Executive, the Vice-Chancellor. The Vice-Chancellor is an ex-officio member of the Council and the princi¾ m ꝑʿ M m† e) v
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reviewed and updated on a regular basis. Reports documenting the policy, system, procedures and issues arising are reported to the Strategy and Finance Committee on a regular basis. A comprehensive set of policies and procedures designed to manage and monitor risks is in place. The key elements of these systems are explained below:

- the Council meets four times a year to consider the University's strategic direction, decisions and progress against the Corporate Plan and is advised by various Committees. The Council, through the Strategy and Finance Committee, is responsible for reviewing the effectiveness of the internal controls of the University.
- the University has developed a system of internal control in line with best practice. This system is designed to identify the principal risks which may prevent or inhibit the achievement of the University's aims and objectives, to evaluate the nature and extent of those risks and manage them efficiently, effectively and economically.
- the Audit Committee receives regular reports from the Head of Internal Audit Services, together with recommendations for improvement. These reports comment on the arrangements for internal control, risk management and governance.
- a Risk Management Group reporting to the University Executive Board and led by the Deputy Vice-Chancellor oversees risk management at the University. The University has developed its Corporate Plan with specific reference to the key risks identified for the University. The Risk Management Group also oversees work on major incident and business continuity planning.
- a framework for managing risk is in place and includes a risk register. Each key risk is assigned to named members of the University Executive Board. Each risk has also been assigned to the appropriate committee to monitor the operation of the associated controls within their broader remit. The risks are prioritised based on the likelihood of an event arising from a particular risk and an assessment of the anticipated impact. The assigned priority helps focus resources on critical areas.
- corporate and subsidiary risk registers held at school and central services level which document controls, mitigating actions and early warning mechanisms in place to manage each risk. These registers are assessed by the Risk Management Group who consider the risks identified, their interactions and interdependencies, the exposure and the proposed processes for managing these risks. Schools and central services also report on their risk management arrangements to the Risk Management Group. The registers are directly linked to and inform the Corporate and Operational Plans.
- internal and external audit review the system of risk management and internal controls on an ongoing basis. The internal audit programme is driven by the strategic, operational and financial risks potentially affecting the University with each risk being reviewed by internal audit on a three year rolling programme. In discharging its plan, internal audit gives assurance on the quality and reliability of the risk management framework and the controls which protect the University against exposure to risk and reviews compliance with policies and procedures.

The development of a risk management framework over recent years has been an evolutionary process. Significant work on embedding the framework and raising awareness across the University has been undertaken and efforts continue to ensure staff at school level are able to participate in and inform the process.

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The Secretary to the Council maintains a register of interests for Council members, lay members of University committees and senior members of staff.

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The Council is responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the Group and enable it to ensure that the financial statements are prepared in accordance with the University's Charter of Incorporation, the Statement of Recommended Practice: Accounting for Further & Higher Education 2007 and other relevant accounting standards. In addition, within the terms and conditions of a Memorandum of Assurance and Accountability agreed between HEFCE and the University, the Council, through its designated office holder, is required to prepare financial statements for each financialyear which give a true and fair view of the state of affairs of the Group and University and of the surplus or deficit and cash flows for that year.

In preparing the financial statements, the Council is required to ensure that:

- suitable accounting policies are selected and applied consistently
- judgements and estimates are made that are reasonable and prudent
- applicable accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements, and
- financial statements are prepared on a going concern basis unless it is inappropriate to presume that the University will continue in operation. The Council is satisfied that it 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 these financial statements.

The Council has taken reasonable steps to:

- ensure that the University's funds have been applied in accordance with the University's Statutes, the Memorandum of Assurance and Accountability agreed with HEFCE and the funding agreement with the National College for Teaching and Leadership as appropriate
- ensure that there are appropriate financial and management controls in place to safeguard public funds and funds from other sources
- safeguard the assets of the University and prevent and detect fraud and other irregularities
- secure the economical, efficient and effective management of the University's resources and expenditure, and
- ensure that material risks are identified, carefully considered and properly managed and that appropriate risk management procedures and processes are in place across the University.

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The key elements of the University's system of internal financial controls and the associated process for monitoring the effectiveness of these controls include the following:

- clear definitions of the responsibilities of, and the authority delegated to, heads of academic schools and central services and such other staff to whom such authority and responsibility is from time to time delegated
- a comprehensive corporate planning process supported by key strategic and financial resource plans and a robust investment appraisal process

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We have audited the Group and University financial statements (the 'financial statements') of the University of Reading for the year ended 31 July 2014 which comprise the Group income and expenditure account, the Group and University balance sheets, the Group cash flow statement, the Group statement of total recognised gains and losses and the related notes. 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 University Council, in accordance with the Charter and Statutes of the University. Our audit work has been undertaken so that we might state to the University 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 University Council for our audit work, for this report, or for the opinions we have formed.

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As explained more fully in the governance statement set out on pages 22 to 27 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.

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An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of: whether the accounting policies are appropriate to the Group's and 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 operating and financial review to identify material inconsistencies with the audited financial statements and to identify any information that is apparently materially incorrect based on, or materially inconsistent with, the knowledge acquired by us in the course of performing the audit. If we become aware of any apparent material misstatements or inconsistencies we consider the im y" merree MA T T enc

Income and expenditure account for the year ended 31 July 2014

		Consolidated	
		2014	2013
		£'000	£'000
	, Q F R P H		
1 R W H	Funding body grants	37,099	44,197
	Tuition fees and education contracts	114,729	95,187

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Statement of total recognised gains and losses

		Consolidated 2014 £'000	Consolidated 2013 £'000
	Surplus after exceptional items	20,885	4,262
1 R W H	Unrealised surplus on revaluation of heritage assets	0	15,233
	Unrealised (deficit) / surplus on revaluation of fixed assets held by associate	(1)	2,990
	Transfer out of investment properties	0	(393)
	Unrealised gain on revaluation of investment property	2,692	3,955

Balance sheet as at 31 July 2014

	Note	Consolidated 2014 £'000	Consolidated 2013 £'000	University 2014 £'000	University 2013 £'000
)L[HG DVVHWV					
Tangible assets	1RWH	357,087	354,664	339,512	334,593
Investment properties		26,525	26,174	26,525	26,174
Investments		44	58	4,105	4,119
Investments in associates		9,316	10,053	10,554	10,411
(QGRZPHQW DVVHWV		90,445	90,835	12,559	11,594
&XUUHQW DVVHWV					
Stocks		1,723	1,687	1,701	1,676
Debtors		32,594	28,842	44,291	39,093
Investments		58,032	33,630	39,373	19,821
Cash at bank and in hand		3,780	1,537	1,882	0
&UHGLWRUV: Amounts falling due within one year		(78,896)	(65,674)	(91,097)	(67,106)
1HW FXUUHQW DVVHWV OLDELOLWLHV					
7RWDO DVVHWV OHVV FXUUHQW OLDELOLWLHV					
&UHGLWRUV Amounts falling due after more than one year		(131,113)	(130,838)	(131,113)	(130,838)
3URYLVLRQV IRU OLDELOLWLHV		(13)	(39)	0	(20)
1HW DVVHWV H[FOXGLQJ SHQVLRQ OLDELOLW\					
1HW SHQVLRQ OLDELOLW\		(1,604)	(1,627)	(1,604)	(1,627)
7RWDO QHW DVVHWV LQFOXGLQJ SHQVLRQ OLDELOLW\					
'HIHUUHG FDSLWDO JUDQWV		96,033	99,411	115,323	118,159
(QGRZPHQWV					
Expendable		79,391	80,500	1,505	1,259
Permanent		11,054	10,335	11,054	10,335
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General reserves		123,982	104,212	74,365	66,312

Cash flow statement for the year ended 31 July 2014

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related assets is retained within restricted endowments recorded in the balance sheet.

is the net financing cost attributable to the pension liabilities and return on assets. Actuarial gains and losses on the scheme, including the differences between expected and actual return on scheme assets, are recognised in the statement of total recognised gains and losses. The surplus or deficit on the scheme is reported on the balance sheet with the scheme assets valued at market value and scheme liabilities measured on an actuarial basis using the projected unit method. The post retirement surplus or deficit is included on the University's balance sheet, net of the related amount of deferred tax. A surplus will only be included to the extent that

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Land and buildings are stated at cost. Costs incurred in relation to a tangible fixed asset after its initial purchase or production are capitalised to the extent that they increase the expected future benefits to the University from the existing tangible

where the donor has speciQed that the capital funds are to be held by the University in perpetuity.

ii) Restricted expendable endowments ² these are funds given to the University where the capital and income derived therefrom are to be applied for purposes speciQed by the donor.

iii) Unrestricted permanent endowments ² these are funds where the donor has speciQed that the fund is to be permanently invested to generate an income stream for the general beneQt of the University.

The University¶s Trusts have been excluded from the University endowments and are included on consolidation.

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Fixed asset investments that are not listed on a recognised stock exchange and are not associated undertakings are carried at historic cost less any proy n n he ib

Notes to the accounts

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	Consolidated 2014 £'000	2013 £'000
Recurrent grants		
Higher Education Funding Council (HEFCE)	30,164	37,019
National College for Teaching and Leadership (NCTL)	414	784
SpeciQc grants		
Higher Education Academic Subject Centres	418	333
Higher Education Innovation Fund	2,171	2,171
Other	29	37
Deferred capital grants released in year:		
Buildings	2,976	3,011
Equipment	927	842

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	Consolidated 2014 £'000	2013 £'000
Full-time home and EU students	59,771	46,035
Full-time international students	35,597	31,159
Part-time students	13,031	11,618
Research training support grants	4,190	4,089
Short course fees	1,148	941
Total fees paid by or on behalf of individual students	113,737	93,842
Education contracts	992	1,345

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	Consolidated 2014 £'000	2013 £'000
Research Councils and charities	19,006	19,049
Industry and commerce	4,006	3,822
Governmental	10,585	10,068
Releases from deferred capital grants	466	268

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	Consolidated 2014 £'000	2013 £'000
Residences, catering and conferences	8,767	8,604
Other income	39,646	37,295
Releases from deferred capital grants	515	676

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	Consolidated 2014 £'000	2013 £'000
Income from expendable endowments	3,250	3,145
Income from permanent endowments	349	328
Income from short-term investments	1,259	1,211
Net interest credit on pension scheme	152	0

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$QDO\VLV RI VWDª FRVWV	Consolidated 2014 £'000	2013 £'000
Salaries	104,875	98,045
Social security costs	8,729	8,264
Occupational pension scheme costs		
Employer contributions	22,147	20,561
FRS 17 adjustments	470	(210)
Other staǨ and pension costs	1,620	1,231

(PROXPHQWV RI WKH 9LFH &KDQFHOORU	2014 £	2013 £
Sir David Bell:		
Salary	250,000	232,452
Pension contributions	40,000	37,192

Remuneration of higher paid staǨ, excluding employerꞌs pension contributions:

	2014 Number	2013 Number
½100,000 to ½109,999	14	10
½110,000 to ½119,999	8	11
½120,000 to ½129,999	10	3
½130,000 to ½139,999	3	2
½140,000 to ½149,999	3	2
½150,000 to ½159,999	0	1
½160,000 to ½169,999	1	1
½170,000 to ½179,999	0	1
½180,000 to ½189,999	1	0
½190,000 to ½199,999	0	0
½200,000 to ½209,999	0	0
½210,000 to ½219,999	0	0
½220,000 to ½229,999	0	1
½230,000 to ½239,999	1	0

	2014 £	2013 £
Compensation for loss of oǭce paid to a senior post holder	88,678	110,000

$YHUDJH VWDª QXPEHUV E\ PDMRU FDWHJRU\	Consolidated 2014 Number	2013 Number
Academic	814	760
Research	333	318
Management and specialist	710	683
Technical	173	163
Other	900	874

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&RQVROLGDWHG	Land and EXLOGLQJV	3ODQW DQG PDFKLQHU\	(TXLSPHQW	$VVHWV LQ WKH FRXUVH RI FRQVWUXFWLRQ	+HULWDJH assets	7RWDO
&RVW RU YDOXDWLRQ	£'000	£'000	£'000	£'000	£'000	£'000
At 1 August 2013	363,150	7,314	84,628	6,629	38,338	500,059
Additions	7,591	276	15,637	11,305	962	35,771
Transfers between categories	2,715	0	0	(2,715)	0	0
Transfers from investment properties	1,295	0	0	0	0	1,295
Disposals	(20,137)	0	0	0	0	(20,137)
Exchange diǨerences	(52)	0	(54)	0	0	(106)
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'HSUHFLDWLRQ						
At 1 August 2013	98,388	3,080	43,927	0	0	145,395
Charge for the year	11,643	435	7,620	0	0	19,698
Disposals	(5,265)	0	0	0	0	(5,265)
([FKDQJH GLªHUHQFHV	(14)	0	(19)	0	0	(33)
$W -XO\						
1HW ERRN YDOXH DW -XO\						
1HW ERRN YDOXH DW -XO\	264,762	4,234	40,701	6,629	38,338	354,664

8QLYHUVLW\	Land and EXLOGLQJV	3ODQW DQG PDFKLQHU\	(TXLSPHQW	$VVHWV LQ WKH FRXUVH RI FRQVWUXFWLRQ	+HULWDJH assets	7RWDO
&RVW RU YDOXDWLRQ	£'000	£'000	£'000	£'000	£'000	£'000
At 1 August 2013	340,459	7,302	84,092	6,257	38,159	476,269
Additions	7,263	276	15,556	11,304	962	35,361
Transfers between categories	2,715	0	0	(2,715)	0	0
Transfers to investment properties	1,295	0	0	0	0	1,295
Disposals	(18,252)	0	0	0	0	(18,252)
$W -XO\						
'HSUHFLDWLRQ						
At 1 August 2013	94,911	3,068	43,697	0	0	141,676
Charge for the year	10,830	435	7,485	0	0	18,750
Disposals	(5,265)	0	0	0	0	(5,265)
$W -XO\						
1HW ERRN YDOXH DW -XO\						
1HW ERRN YDOXH DW -XO\	245,548	4,234	40,395	6,257	38,159	334,593

Included in land and buildings above is land which is not depreciated as follows:

	Consolidated 2014	Consolidated 2013	University 2014	University 2013
	£'000	£'000	£'000	£'000
Land not depreciated	19,226	15,677	11,226	7,677

During the year the University completed the sale of its Bulmershe campus and sold the sites of two of its former halls of residence, Sibly Hall and Wells Hall. The income generated from these sales gave rise to the following proǪts on disposal which have been treated as exceptional.

&RQVROLGDWHG	3URFHHGV	/HVV ERRN YDOXH	3URILW RQ GLVSRVDO
	£'000	£'000	£'000
Bulmershe campus	30,300	(11,378)	18,922
Sibly Hall	11,391	(1,885)	9,506
Wells Hall	6,769	(978)	5,791
Other disposals	850	(892)	(42)

Tangible fixed assets continued

Heritage assets

Heritage assets include many unique items and collections which the University has accumulated since incorporation. These are held and maintained principally for their contribution to knowledge and culture. The University conserves these assets and augments the collections where appropriate in order to enable use of the assets for teaching and research and access to the assets for engagement with members of the public. The items and collections are carefully catalogued and custodianship is given to specific areas and persons for their care and maintenance.

The University's collections span museum, archive and library holdings of regional, national and international significance. These include the

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	Consolidated & University	
	2014	2013
	£'000	£'000
At 1 August	26,174	22,126
Additions	85	0
Transfers (to) / from tangible fixed assets	(1,295)	505
Transfers to endowment assets	(275)	0
Disposals	(1,010)	0
Reclassification of properties as non-investment properties	0	(393)

,QYHVWPHQWV LQ DVVRFLDWHV	Consolidated		University	
	2014	2013	2014	2013
	£'000	£'000	£'000	£'000
Share of operating deQcit in associates	(879)	(860)	0	0
Amortisation of goodwill - credit	0	215	0	0
Net share of operating deQcit in associates	(879)	(645)	0	0
(Losses) / gains on revaluations of tangible Qxed assets	(1)	2,990	0	0
Total gains and losses in the year in associates	(880)	2,345	0	0
At 1 August	10,053	3,984	10,411	6,687
Acquisitions	143	3,724	143	3,724
$W -XO\		!ú	G 0	

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	Consolidated		University	
	2014	2013	2014	2013
	£'000	£'000	£'000	£'000
% D O D Q F H D W $ X J X V W	90,835	78,784	11,594	9,493
New endowments invested	5,682	4,950	713	1,135
Transfers from tangible ￼xed assets	0	70	0	0
Transfers from investment properties	275	0	0	0
(Decrease) / increase on revaluation of investments	ç ‡À œ@ p e ç ‡À œ@ p e			

&XUUHQW DVVHW LQYHVWPHQWV	Consolidated		University	
	2014	2013	2014	2013
	£'000	£'000	£'000	£'000
$W $XJXVW	33,630	14,787	19,821	2,842
Net additions	24,267	18,358	19,417	16,494
Changes in market value	135	485	135	485
$W -XO\				

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	Consolidated		University	
	2014	2013	2014	2013
	£'000	£'000	£'000	£'000
At 1 August	39	510	20	471
Utilised in the year	(20)	(491)	(17)	(471)
Transfer from income and expenditure account	(6)	20	(3)	20
$W -XO\				
5HSUHVHQWHG E				
Insurance claim refund provision	0	20	0	20
Other provisions	13	19	0	0

The insurance claim refund provision in 2013 related to an insurance mutual of which the University was a policyholder. The mutual went into administration and policyholders were advised that they may be liable for a partial refund of historic claims. The Qnal settlement resulted in the University paying an amount of ½17,000.

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Consolidated	University

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2SHQLQJ EDODQFH	8QUHVWULFWHG SHUPDQHQW	5HVWULFWHG SHUPDQHQW	7RWDO SHUPDQHQW	5HVWULFWHG H[SHQGDEOH	7RWDO
	£'000	£'000	£'000	£'000	£'000
Capital	2,099	5,804	7,903	80,236	88,139
Accumulated income	388	2,044	2,432	264	2,696
At 1 August	2,487	7,848	10,335	80,500	90,835
New endowments	0	0	0	165	165
Gain on disposal of assets	0	0	0	1,793	1,793
Surplus of income over expenditure / (expenditure over income)	89	191	280	(336)	(56)
Contribution to capital works	0	0	0	(8)	(8)
Decrease in market value of investment properties	0	0	0	(85)	(85)
Increase / (decrease) in market value of investments	110	329	439	(1,490)	(1,051)
Transfer to income and expenditure reserve	0	0	0	(1,148)	(1,148)
$W -XO\					
5HSUHVHQWHG E					
Capital	2,209	6,134	8,343	79,088	87,431
Accumulated income	477	2,234	2,711	303	3,014

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2SHQLQJ EDODQFH	8QUHVWULFWHG SHUPDQHQW	5HVWULFWHG SHUPDQHQW	7RWDO SHUPDQHQW	5HVWULFWHG H[SHQGDEOH	7RWDO
	£'000	£'000	£'000	£'000	£'000
Capital	2,099	5,804	7,903	977	8,880
Accumulated income	388	2,044	2,432	282	2,714
At 1 August	2,487	7,848	10,335	1,259	11,594
New endowments	0	0	0	165	165
Surplus of income over expenditure	89	191	280	26	306
Increase in market value of investments	110	329	439	55	494
$W -XO\					
5HSUHVHQWHG E					
Capital	2,209	6,134	8,343	1,181	9,524
Accumulated income	477	2,234	2,711	324	3,035

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5HYDOXDWLRQ UHVHUYH	&RQVROLGDWHG 2014 £'000	2013 £'000	8QLYHUVLW\ 2014 £'000	2013 £'000
At 1 August	56,471	34,217	53,452	34,217
Increase in value of heritage assets	0	15,233	0	15,204
(Decrease) / increase in value of tangible Ͽxed assets held by associates	(1)	2,990	(1)	0
Transfer out of investment properties	0	(393)	0	(393)
Increase in value of investment properties in the year	2,692	3,955	2,692	3,955
Revaluation of investments in the year	121	489	121	489
Transfer to income and expenditure reserve	(219)	0	(219)	0
Transfer to endowment funds	0	(20)	0	(20)
$W -XO\				
7RWDO UHVHUYHV DW -XO\				

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	Consolidated 2014 £'000	2013 £'000
DeϿcit on continuing operations	(12,417)	(12,676)
Depreciation	19,698	18,573
ProϿt on disposal of Ͽxed assets	(119)	0
Permanent diminution in value ² net (credit) / charge for the year	(154)	19
ProϿt on disposal of Ͽxed asset investments	0	(2)
Amortisation of Ͽnance costs	(49)	79
Exchange diǇerences	132	177
Deferred capital grants released to income	(4,884)	(4,797)
Endowment and investment income	(5,010)	(4,684)
Interest payable	4,907	6,066
(Increase) / decrease in stocks	(36)	84
Decrease in debtors	1,244	1,389
Increase / (decrease) in creditors	13,307	(803)
Decrease in provisions	(26)	(471)
DiǇerence between pension charge and cash contributions	(2,453)	(2,989)
1HW FDVK LQ®RZ RXW®RZ IURP RSHUDWLQJ DFWLYLWLHV		

5HWXUQV RQ LQYHVWPHQWV DQG VHUYLFLQJ RI ¬QDQFH

	Consolidated 2014 £'000	2013 £'000
Income from endowments	3,599	3,473
Other interest received	1,259	1,211
Interest paid	(4,907)	(5,259)

0DQDJHPHQW RI OLTXLG UHVRXUFHV

	&RQVROLGDWHG	
	2014	2013
	£'000	£'000
Increase in current asset investments	(24,402)	(18,843)

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	Consolidated	
	2014	2013
	£'000	£'000
Unsecured loans		

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The trustee's role is to set risk and return parameters which reflect the strength of the sponsoring employers and the nature of the scheme's liabilities. These parameters, taken together with the anticipated returns form the basis of the trustee's funding strategy. These parameters are informed by advice from its internal investment team, its investment consultant and the scheme actuary, as well as an independent assessment of the support available from the sponsoring employers. The trustee remains confident that it can continue to take a long-term view of scheme funding, backed as it is by a robust higher education sector.

The fund is invested in a wide range of asset classes, both publicly traded (including equities and fixed income) and private (including private equity, infrastructure, property and timberland). A diversified portfolio helps to spread investment risk across different asset classes and to boost the level of confidence in maintaining sufficient investment returns from the fund as a whole. This investment approach is innovative and responsible, and is targeted at achieving returns required to meet the scheme's liabilities. Recently, the trustee has invested dire]ne fei, " astreÆe ! M γ ihavhis
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The weighted-average asset allocation was as follows:	2014 £'000	2013 £'000
Equity securities	69,642	67,632
Gilts	29,301	27,310
Property	6,269	5,926
Corporate bonds	25,622	24,605
Other	5,451	3,350

Disclosure of related party transactions

Due to the nature of the University's operations and the composition of the Council, being drawn from local public and private organisations, it is inevitable that transactions will take place with organisations in which a member of the Council may have an interest. All transactions involving organisations in which a member of the Council may have an interest are conducted at arm's length and in accordance with the University's financial regulations and usual procurement procedures. The following transactions were identified for disclosure under FRS 8:

The University's financial statements include the following balances due from / to related parties	2014 £'000	2013 £'000
Reading University Students' Union	509	610

The University paid the following grants to Reading University Students' Union	2014 £'000	2013 £'000
Core block grant	962	905
Specific grant	34	14
	996	919

Transactions with the University's 20% owned associate, UPP (Reading I) Holdings Limited, and its wholly owned subsidiary, UPP (Reading I) Limited, are set out in note 13.

Subsidiary undertakings

The subsidiary companies (wholly owned or effectively controlled by the Un

Name of company	Country of registration	Principal activity
Henley Business School Limited	England & Wales	Management education
Reading Real Estate Foundation	England & Wales	Real estate education
The University of Reading Science & Technology Centre Limited	England & Wales	Property letting business
Henley Business School GmbH	Germany	Management education
Henley Business School (Hong Kong) Limited	Hong Kong	Management education
RUMAL Reading Sdn. Bhd.	Malaysia	Establishing a campus
Henley Business School (South Africa) Limited	South Africa	Management education
The Henley Business School (South Africa)	South Africa	Not currently trading
Henley Management College (South Africa) Section 21A	South Africa	Not currently trading

Connected charitable institutions

A number of charitable institutions are administered by or on behalf of the University and have been established for its general or special purposes. As a result, under paragraph 28 of Schedule 3 to the Charities Act 2011, these connected institutions are exempt from registration with the Charity Commission. The movements in the year on the total funds of all connected institutions, as reported in their own accounts, were as follows:

	August £'000	Income £'000	Expenditure £'000	Other gains / losses £'000	July £'000
Research Endowment Trust	63,777	19,686	(4,230)	(1,894)	77,339
National Institute for Research in Dairying Trust	14,751	595	(599)	(4)	14,743
Hugh Sinclair Trust	5,291	212	(382)	267	5,388
Beckett International Foundation	33	1	(3)	0	31
Greenlands Trust	18,332	6	(759)	0	17,579

The Research Endowment Trust provides funds for specific research and education projects at the University of Reading.

The National Institute for Research in Dairying Trust aims to promote and develop high quality research into agriculture and food at the University of Reading.

The Hugh Sinclair Trust promotes research into human nutrition at the University of Reading.

The Beckett International Foundation provides seminars and exhibitions on and promotes research into the works of Samuel Beckett. It also contributes to the preservation and cataloguing of the Samuel Beckett Archive held by the University of Reading.

The Greenlands Trust aims to advance education and learning in business and management studies which it does through the provision of specific grants to Henley Business School, a Faculty of the University of Reading.