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Annual Report and Financial Statements

For the year ended 31 July 2008

TUESDAY



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Report of the board of trustees

Structure, governance and management

The Board presents the report and financial statements of Yorkshire Universities for the year ended 31 July 2008. The statements appear in the format required by the Statement of Recommended Practice for Accounting and Reporting by Charities (revised March 2005). The report and statements also comply with the Companies Act 1985 as Yorkshire Universities was incorporated by guarantee on 17 November 1997 and registered as a charity on 25 April 2005. The company was established under a Memorandum of Association which established the objects and powers of the company and is governed under its Articles of Association. In the event of the company being wound up members are required to contribute an amount not exceeding £1.

Board of trustees

The trustees of the charity are also directors for the purposes of company law and under the company's Articles are known as members of the Board. Under the requirements of the Memorandum and Articles of Association, each member of the Board is the Vice Chancellor or Principal or Chief Executive of an eligible institution in the Yorkshire and Humber Region. The Chair and Deputy Chair are appointed for two years and are drawn from the membership.

Induction and training for new trustees is led by the Chief Executive Officer. New members are invited and encouraged to attend a Board meeting prior to taking up appointment and to meet senior managers to familiarise themselves with our remit and work. This includes:

- The obligations of trustees;
- Key documents which set out the operation framework for Yorkshire Universities including the Memorandum and Articles;
- Resourcing and the current financial position as set out in the latest published accounts, and
- Future plans and objectives.

Upon appointment, all members complete a register of interests, which is reviewed and updated annually.

Risk management

We continue to evaluate and mitigate risk through adopting appropriate policies, procedures and systems. These procedures are periodically reviewed to ensure they continue to comply with statutory requirements and the needs of the organisation.

In year no new significant risks have been identified and the Board and Senior Management Team continue to keep areas of potential risk under review. Organisational risks relate to strategic direction and partnerships, financial management and business continuity. To address these risks, we have:

- Commenced a strategic review of Yorkshire Universities in June 2008;
- Regular engagement with the Board and membership to shape and inform strategic priorities;
- Adopted an approach of continuous improvement and effective business processes in the management of programmes and operations;

- Sought to diversity funding in line with our strategic direction;
- Introduced initiatives to attract and retain members of staff.

Organisational structure

The Chief Executive Officer has responsibility for the day-to-day management of the organisation within the context of the strategic direction set by the Board. He is supported by a team of 25 staff members responsible for strategy, policy development and programme implementation.

The Board approves the delegation of financial authority through the Chief Executive Officer, with specific scheme of delegation.

Objectives and activities

Yorkshire Universities' strategic aim is: "To promote the region's Higher Education Institutions as providers of world-class knowledge and learning opportunities and as major contributors to sustainable regional development and community regeneration".

Four strategic themes or goals have been identified in the Strategic Plan for 2007-10. They are broad and high-level, and are intended to provide a sustainable framework for both the range of activities that we currently undertake and those activities which are planned or may be expected to emerge over the period of the Plan. These four themes are underpinned by a number of outcomes, objectives and activities, some of which are cross-cutting and will contribute to achieving other goals. The Plan is intended to align with relevant, shared objectives of partners and with the regional policy framework. The 2007-10 Plan continues to build on work in developing productive relationships with partners, managing collaborative programmes and providing services to the region's Higher Education Institutions.

Strategic themes

- Support the contribution of higher education to regional development.
- Promote the role of higher education in contributing to social cohesion.
- Promote the development of a quality higher education sector.
- Provide quality services to the higher education institutions.

In order to achieve our aim, we:

- Promote the role of higher education, ensuring that the higher education institutions are represented by, and contribute to, the regional and sub-regional agenda;
- Provide an intelligence gateway for and about higher education in the region;
- Provide a forum for sharing, communicating and disseminating good practice in higher education, and
- Facilitate the development and delivery of collaborative policies, programmes and activities.

We are responsible for producing a collective policy view from the higher education institutions on regional and other issues, and are the focal point for contact between the higher education institutions, the government and other regional bodies. We also manage and administer a number of major regional programmes, on behalf of the higher education institutions, providing services and information to schools, students, graduates and businesses.

Activities

Our activity is focused on responding to the priorities of the membership and on the delivery of a range of separately-funded programmes. These activity areas are presented in the financial statements as:

- **Central representation and central projects**, including provision of a co-ordination service to members, and other central projects to deliver events and conferences (detailed under 'central representation' and 'other central projects' in the financial statements);

- **Graduate and business opportunities**, including programmes to retain graduate talent, e.g. employment opportunities, within the region and the KnowledgeRICH business support service to connect businesses with the expertise and services available in higher education (see activity reported under 'graduate opportunities' in the financial statements);
- **Widening participation**, including co-ordination of the Aimhigher project and Summer Schools aimed at creating opportunities for young people to access higher education (detailed under 'widening participation' in the financial statements);
- **European opportunities**, which encompasses project activity to foster skills development and exchange of expertise by enabling students and graduates to undertake placements in Europe as part of the Leonardo da Vinci mobility programme (reported as 'European opportunities' in the financial statements);
- **Other grants**, which includes Department of Health funded activities to boost teaching capacity within the region in order to develop a stronger public health workforce and to encourage and support organisations and their staff to understand their contribution to improving health and ensure they are enabled to play their part.

The activity areas reflect the priorities identified in the current Operational Plan.

Strategic Plan 2007-10

As previously outlined, we have identified four strategic themes which encompass developing a collective policy view from the higher education institutions on regional and other issues; co-ordination and delivery of collaborative programmes or initiatives, and as a focal point for the extensive contacts between the higher education institutions and Government and other regional bodies.

Our role is predicated on a commitment to facilitate and encourage co-operation between the higher education institutions; to respond to the priorities of the membership, and to foster productive working relationships with other organisations. We will act:

- Where regional and sub-regional activity can bring added value to existing activities and can deliver practical benefits;
- Where it would be difficult, impossible or cost inefficient for higher education institutions to act independently;
- Where new initiatives appear to demand a regional response, and
- Where best practice may be shared by the higher education institutions to mutual advantage.

Operational Plan

The Operational Plan seeks to translate the Strategic Plan into priority areas of activity. The Plan is reviewed and updated annually to reflect the changing context for higher education and other regional influences.

Achievements and performance

Yorkshire has a significant higher education presence across the region. This critical mass of higher education helps to attract young people into the Yorkshire region, many of whom remain after graduation as highly skilled employees contributing to the economy. It also gives the region world class research, expertise and resources which organisations and employers can access to develop and grow their business. But the higher education sector also contributes extensively to health, culture, sport, and communities within the region, making its impact far reaching.

Our advocacy and representation activities provided valuable intelligence for the sector on regional policy and strategic drivers. We also lead on the development, co-ordination and management of a range of collaborative projects with the higher education institutions in the region, including: Yorkshire Concept Proof of Commercial Concept Fund; Graduate Entrepreneurship; KnowledgeRICH business brokering service; Yorkshire and Humber Teaching Public Health Network; and Higher Level Skills promotion.

In terms of financial performance, Yorkshire Universities Group incoming resources have increased from £4.719m in 2006/07 to £5.281m in 2007/08 as a result of successful partnerships with regional and national organisations on behalf of the membership.

Central representation and central projects

We commissioned an assessment of the impact of the higher education sector in the region. Individually and collectively the higher education institutions represent a huge asset for the region. The wide-ranging evaluation looked at impacts relating to the economy, health, society and community, culture and sport, and skills. The report *Higher Education: Delivering Positive Impact* was published in June 2008 with an event in York with key regional decision makers and guest speaker the Rt Hon Rosie Winterton MP, Minister for Yorkshire and Humber. A new microsite to access the report findings was also launched in June (www.yorkshireuniversities.ac.uk/impact).

Headline findings include:

- The total annual income of the region's higher education sector is £1.429bn.
- The annual spending power of students in the region is £980m.
- The total economic impact of the region's HE sector is £2.8bn per annum, which is equal to 3.2% of the region's estimated GDP.
- The total HE student population in the region is 206,130. 44% of students come from within the region, 43% come from other parts of the UK, (this is the highest inflow of undergraduates of all English regions), and 10% are from the rest of the world (non EU).
- In Yorkshire and Humber HE investment represents a more significant proportion of research & development (R&D) investment than the rest of the UK.

Since publishing the report, we have undertaken significant advocacy and influencing activities with a wide range of regional partners.

The Strategic Alliance with Yorkshire Forward, the Regional Development Agency, has been endorsed by the joint Yorkshire Universities and Yorkshire Forward Board. Implementation of the Alliance is progressing well with a flagship proposal to tackle the challenges of climate change in development. Four strategic areas of focus have been identified:

- create, cultivate and exploit knowledge;

- support business growth and innovation;
- develop creative and enterprising people; and
- promote the region internationally.

The proposals under the Alliance represent major partnership programmes seeking to implement fewer larger interventions that have significant impact and will realise sustained economic development for Yorkshire and Humber. In the context of the challenging economic climate, working successfully in partnership will be a priority for Yorkshire Universities.

Membership subscriptions included in voluntary income, as shown at appendix 1, were £171,250 in 2007/8.

During the year, we developed and co-ordinated a range of events and briefings across the region. The programme included our forth annual conference, a briefing on European Regional Development Funding (ERDF), faith on campus, student experience of higher education and research links with the health sector.

Graduate and business opportunities

Graduates Yorkshire was successfully established as a social enterprise during the year and is a wholly-owned subsidiary of Yorkshire Universities (as presented in the statement of financial activities). From 1 April 2008, Graduates Yorkshire has been trading independently of partnership funding. Graduates Yorkshire has handled over 25,000 graduate vacancies since 1996.

KnowledgeRICH is a free brokerage service connecting businesses with a challenge to the network of experts in the region's leading higher education institutions. The service helps businesses to grow through innovation by putting them in touch with the specialist expertise they need to turn a good idea into a profitable reality. During the year, contracts between businesses and universities brokered by KnowledgeRICH topped £1m.

The Graduate Entrepreneurship initiative moved into the second year of operation. The programme is aimed at developing awareness and understanding of enterprise and entrepreneurship, building graduate confidence and motivation, and assisting in the better preparation of students for business start-up. During the year, the annual entrepreneurial intentions survey provided valuable evidence to inform the programme of activities. Responses based on over 8,000 students surveyed confirmed that the characteristics of those students and graduates likely to start their own business remain constant and the most likely start-up time is within 2-5 years of completion of studies.

Widening participation

Aimhigher is a major national initiative to increase and widen participation in higher education. Over the last three years, HEFCE funding has supported region-wide work to widen participation in higher education in addition to the work of our four Aimhigher sub-regions. From August 2008, Aimhigher will move into a new phase in which funding will flow to the sub-regions, bringing more resource to front line activities.

Achievements include launching a new website to create a region-wide resource to promote initiatives, successes and policies. Since launch in summer 2007, the website has received 334,881 hits and 1,025 visitors to www.aimhigheryandh.co.uk every day. Other successes include regional events to enable disadvantaged learners to progress to higher education and to build upon activities that are currently in place to help learners reach their potential.

European opportunities

As part of the Leonardo da Vinci Mobility Programme, we have co-ordinated 119 placements in 10 European countries for students and graduates from across the region. Each placement ranged from between 6 and 52 weeks and over 60 host organisations. The project has succeeded in its over-arching objectives to improve the skills and competencies of those in higher education and assisting the responsiveness of training provision to business needs.

Other grants

The Yorkshire and Humber Teaching Public Health Network (YHTPHN) is one of 9 regional Networks established in 2006 by the Department of Health. During the year, a new website to promote the work of the TPHN was successfully launched (www.yhtphn.co.uk) which brings together practice and learning and development. We have also commenced implementation of an integrated public health CPD programme in partnership with the Faculty of Public Health, the Strategic health Authority and Primary Care Trusts – building on the excellent work of a voluntary register. The healthy learning environments initiative has established a regional network to facilitate a collaborate approach, offer good practice sharing opportunities and to enable higher education institutions contribute to national developments.

During the year, we undertook a new initiative, funded by the Higher Education Funding Council for England, aims to promote higher level skills in the region. We are working with higher education institutions, employers and stakeholders to determine future skills requirements and to promote on-going investment in learning and continuing professional development (CPD). We have also been charged (jointly with Yorkshire Forward) by the Regional Skills Partnership to take the initiative in proposing regional strategies which will enable the region to move towards the commitments made in the Leitch Report *Prosperity for all in the Global Economy: World Class Skills*.

Financial position and policies

Reserves policy

Our operating position on reserves is informed by the view of the Board, that a proportion of the unrestricted income should be held as free reserve funds to meet the working capital requirements of the organisation, to allow for the development of new initiatives (where the organisation would incur expenditure in advance of anticipated income) and to mitigate against any significant drop in funding. As at the 31 July 2008, the unrestricted reserve was £211k.

The trustees continue to hold funds in relation to planned activity for future periods. These restricted funds, totalling £1.553m, are held on reserve and will be dispersed in line with existing contractual obligations.

Investment policy

We receive income on an annual basis through membership subscriptions, grants and other sources e.g. conference sponsorship. The current position is that all income should be available immediately or on short-term deposit rather than invested for the longer term. Consequently funds are invested on deposit to secure the best rate available with recognised financial institutions and banks.

Plans for the future

During the year, we undertook a review of our organisational strategy and priorities for the future. The review commenced with a Board event in June with the development work led by the Yorkshire Universities staff team. The review has focused on the purpose and focus of the organisation including a review of current activities in the context of strategic drivers for sector.

Yorkshire Universities' has adopted a new business model based on advocacy, influencing and brokerage to lever significant impact for Yorkshire – working in partnership with key strategic partners and collaborations to implement programmes aligned to our strategic priorities. We will continue to work collaboratively as members to nurture partnerships and influence opportunities and to realise added value for the membership. During 2008/09, we plan to review governance arrangements, which will inevitably involve some restructuring of the organisation to realise our strategic aims.

Our aims for 2008/09

1. Strategy development

We will develop a new strategy for the period to 2011. Strategic priorities for 2008/09 are focus on higher educations contribution to the economy including support to businesses, graduate employability and workforce development.

2. Influencing

As part of the strategic review we seek to further key strategic relationships through collaborative working. We will also establish board champions to influence regional and national policy and decision making.

3. Brokerage

We will continue to broker collaborative opportunities particularly under the Strategic Alliance with Yorkshire Forward. Implementation of the Alliance will focus on highlighting and promoting areas of international research excellence in regional universities that both address significant global issues and are strong drivers of regional economic growth. The first proposal is to create a centre for low carbon futures to tackle issues around climate change by unifying regional academic strengths. This was endorsed by the joint Yorkshire Universities and Yorkshire Forward Boards in summer 2008.

We will continue to further our programmes for graduate entrepreneurship and business engagement.

We anticipate a new region-wide programme to promote participation amongst staff and students in physical activity. The programme will also realise a legacy for 2012 by developing volunteering and placement opportunities for students from a range of disciplines to gain experience of work in a sport setting, for example a marketing student working with a local sports club. This programme complements our existing work on promoting universities as healthy learning environments for staff and students.

4. Effectiveness

We will review governance arrangements and structures to strengthen involvement and engagement of wider membership determining strategic priorities and programmes of activity and to provide direction and support to the staff team.

Transition activities to implement the strategic review are expected to continue during 2008/09. We anticipate that restructuring will be complete by the end of March 2009.

Responsibilities of the Board of Directors

The trustees are responsible for preparing the annual report and the financial statements in accordance with applicable law and United Kingdom Generally Accepted Accounting Practice.

Legislation requires the trustees to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the charity and of the net income or expenditure of the charity for the year. In preparing these financial statements the trustees are required to:

- Select suitable accounting policies and then apply them consistently;
- Make judgments and estimates that are reasonable and prudent;
- State whether applicable accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements, and
- Prepare the financial statements on the going-concern basis unless it is inappropriate to presume that the charity will continue in business.

The trustees are responsible for keeping proper accounting records that disclose with reasonable accuracy at any time the financial position of the charity and enable them to ensure that the financial statements comply with the Companies Act 1985. They are also responsible for safeguarding the assets of the charity and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Members of the Board

Members of the Board, who are directors for the purpose of company law and trustees for the purpose of charity law, who served during the year and up to the date of this report are set out on page 13.

In accordance with company law, as the company's directors, we certify that:

- So far as we are aware, there is no relevant audit information of which the company's auditors are unaware, and
- As the directors of the company we have taken all the steps that we ought to have taken in order to make ourselves aware of any relevant audit information and to establish that the charity's auditors are aware of that information.

This report has been prepared in accordance with the Statement of Recommended Practice: Accounting and Reporting by Charities (issued in March 2005) and in accordance with the special provisions of Part VII of the Companies Act 1985 relating to small entities.

Approved by the Board on 12 March 2009 and signed on its behalf by:



Professor Bob Cryan (Trustee)

Trustees and advisers

Board of trustees

Professor M Arthur Chair
 (Appointed 1 August 2007)
 Mr N Berry Deputy Chair
 (Appointed 1 August 2007)
 Professor B Boucher
 (Resigned 30 September 2007)
 Dr F Bridge
 Professor K Burnett
 (Appointed 1 October 2007)
 Professor B Cantor
 Professor M Cleary
 Professor R Cryan
 Professor D Drewry
 Mr D Hoult
 (Resigned 31 March 2008)
 Professor P Jones
 (Appointed 1 August 2007)
 Professor S Lee
 Dr P Meaden
 (Appointed 1 April 2008)
 Professor D Willcocks

Secretary
 Ms A Morgan

Senior Management Team
 Mr M Noble
 Chief Executive Officer
 Mrs M Barnett
 Marketing & Information Manager
 Mr M Edmondson
 Graduates Yorkshire Regional Strategic
 Manager
 Mrs A Marriott-Mills
 Aimhigher Regional Strategic Manager
 Ms A Morgan
 Operations Manager
 Ms C Toms
 Strategic Development & Policy Manager

Note: Of the Senior Management Team
 listed above only Ms A Morgan is currently
 in post and is Acting Chief Executive

Auditors
 PKF (UK) LLP
 Pannell House
 6 Queen Street
 Leeds
 LS1 2TW

Bankers
 NatWest
 Commercial Banking UK
 4th Floor
 2 Whitehall Quay
 Leeds
 LS1 4HR

Solicitors
 Eversheds LLP
 Eversheds House
 70 Great Bridgewater Street
 Manchester
 M1 5ES

Charity number: 1109200

Company number: 3467035

**Registered office and operational
 address:** University House, Cromer
 Terrace, Leeds LS2 9JT

Independent auditors' report to the Members of Yorkshire Universities

We have audited the group and parent entity financial statements ('the financial statements') of Yorkshire Universities for the year ended 31 July 2008 which comprise the consolidated statement of financial activities, the consolidated and entity balance sheets and the related notes. The financial statements have been prepared under the accounting policies set out therein.

This report is made solely to the charity's members, as a body, in accordance with section 235 of the Companies Act 1985. Our audit work has been undertaken so that we might state to the charity's members those matters we are required to state to them in an auditors' 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 charity and the charity's members as a body, for our audit work, for this report, or for the opinions we have formed.

Respective responsibilities of trustees and auditors

The responsibilities of the trustees (who are also the directors of the company for the purposes of company law) for preparing the annual report and the financial statements in accordance with applicable law and United Kingdom accounting standards ('United Kingdom Generally Accepted Accounting Practice') are set out in the statement of trustees' responsibilities.

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

We report to you our opinion as to whether the financial statements give a true and fair view and have been properly prepared in accordance with the Companies Act 1985. We also report to you whether in our opinion the information given in the trustees' report is consistent with the financial statements.

In addition we report to you if, in our opinion, the charity has not kept proper accounting records, if we have not received all the information and explanations we require for our audit, or if information specified by law regarding trustees' remuneration and other transactions is not disclosed.

We read the trustees' report and consider the implications for our report if we become aware of any apparent misstatements within it.

Basis of audit opinion

We conducted our audit in accordance with International Standards on Auditing (UK and Ireland) issued by the Auditing Practices Board. An audit includes examination, on a test basis, of evidence relevant to the amounts and disclosures in the financial statements. It also includes an assessment of the significant estimates and judgments made by the trustees in the preparation of the financial statements, and of whether the accounting policies are appropriate to the group's and charity's circumstances, consistently applied and adequately disclosed.

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

Independent auditors' report to the Members of Yorkshire Universities

Opinion

In our opinion:

- the financial statements give a true and fair view, in accordance with United Kingdom Generally Accepted Accounting Practice, of the state of the group's and the parent entity's affairs as at 31 July 2008 and of the group's incoming resources and application of resources, including its income and expenditure, for the year then ended;
- the financial statements have been properly prepared in accordance with the Companies Act 1985 and
- the information given in the trustees' report is consistent with the financial statements.

PKF(UK)LLP

PKF (UK) LLP
Registered auditors
Leeds, UK
Date 29 May 2009

Yorkshire Universities (Group)
Statement of Financial Activities
incorporating a consolidated Income and Expenditure Account
for the year ended 31st July 2008

	Notes	Unrestricted Funds 31st July 2008 £	Restricted Funds 31st July 2008 £	Total Funds 31st July 2008 £	Total Funds 31st July 2007 £
Incoming resources					
Incoming resources from generated funds					
Voluntary Income		171,250	-	171,250	180,370
Activities for generating funds: continuing		13,339	-	13,339	21,011
Activities for generating funds: acquired		-	103,945	103,945	-
Investment Income	4	78,900	-	78,900	56,742
Incoming resources from charitable activities		67,651	4,845,794	4,913,445	4,482,254
Total incoming resources		331,140	4,949,739	5,280,879	4,740,377
Resources expended					
Costs of generating funds: continuing		5,316	-	5,316	7,112
Costs of generating funds: acquired		-	109,554	109,554	-
Costs of charitable activities		302,365	4,089,304	4,391,669	4,415,234
Governance costs	7	8,055	9,860	17,915	16,755
Total resources expended		315,736	4,208,718	4,524,454	4,439,101
Net (outgoing) incoming resources before transfers between funds		15,404	741,021	756,425	301,276
Transfers between funds	15	(53,785)	53,785	-	-
Net (outgoing) incoming resources before Other recognised gains and losses		(38,381)	794,806	756,425	301,276
Exceptional Item					
Repayment of Grant received in error		-	-	-	(786,044)
Net movement in funds	2	(38,381)	794,806	756,425	(484,768)
Reconciliation of funds					
Total funds brought forward		249,814	758,334	1,008,148	1,492,916
Total Funds carried forward		211,433	1,553,140	1,764,573	1,008,148

The net movement in funds referred to above is the net incoming resources as defined in the Statement of Recommended Practice for Accounting and Reporting issued by the Charity Commission for England & Wales and is reconciled to the total funds as shown in note 15. All activities derive from continuing operations.

This statement of Financial Activities includes all gains and losses recognised in the year.

Yorkshire Universities (Group)
Consolidated Balance Sheet
as at 31st July 2008

	Notes	At 31st July 2008 £	At 31st July 2007 £
The assets and liabilities of the charity :			
Fixed assets			
Tangible assets	10	23,005	27,535
Current assets			
Debtors	11	372,010	946,524
Cash at bank and in hand		1,843,130	817,332
Total current assets		<u>2,215,140</u>	<u>1,763,856</u>
Creditors:-			
amounts falling due within one year	12	(473,572)	(783,243)
Net current assets		<u>1,741,568</u>	<u>980,613</u>
Total assets less current liabilities		<u>1,764,573</u>	<u>1,008,148</u>
Net assets		<u>1,764,573</u>	<u>1,008,148</u>
The funds of the charity :			
Unrestricted revenue accumulated funds		211,433	249,814
Restricted revenue accumulated funds		<u>1,553,140</u>	<u>758,334</u>
Total charity funds	15	<u>1,764,573</u>	<u>1,008,148</u>

The accounts have been prepared in accordance with the special provisions relating to small companies in Part VII of the Companies Act 1985 and in accordance with the Financial Reporting Standard for Smaller Entities (effective January 2007). These financial statements were approved and authorised for issue by the Board and were signed on its behalf on 12 March 2009


Professor Bob Cryan (Trustee)

The notes on pages 19 to 31 form an integral part of these accounts.

Yorkshire Universities (Charity)
Balance Sheet
as at 31st July 2008

	Notes	At 31st July 2008 £	At 31st July 2007 £
The assets and liabilities of the charity :			
Fixed assets			
Tangible assets	10	23,005	27,535
Current assets			
Debtors	11	365,949	946,524
Cash at bank and in hand		<u>1,833,984</u>	<u>817,332</u>
Total current assets		<u>2,199,933</u>	<u>1,763,856</u>
Creditors:-			
amounts falling due within one year	12	(445,323)	(783,243)
Net current assets		<u>1,754,610</u>	<u>980,613</u>
Total assets less current liabilities		<u>1,777,615</u>	<u>1,008,148</u>
Net assets		<u>1,777,615</u>	<u>1,008,148</u>
The funds of the charity :			
Unrestricted revenue accumulated funds		211,434	249,814
Restricted revenue accumulated funds		<u>1,566,181</u>	<u>758,334</u>
Total charity funds	15	<u>1,777,615</u>	<u>1,008,148</u>

The accounts have been prepared in accordance with the special provisions relating to small companies in Part VII of the Companies Act 1985 and in accordance with the Financial Reporting Standard for Smaller Entities (effective January 2007). These financial statements were approved and authorised for issue by the Board and were signed on its behalf on 12 March 2009



Professor Bob Cryan (Trustee)

The notes on pages 19 to 31 form an integral part of these accounts.

Yorkshire Universities (Group)
Notes to the Accounts
for the year ended 31st July 2008

1 Accounting policies

Basis of preparation of the accounts

The financial statements have been prepared in accordance with the Financial Reporting Standard for Smaller Entities (FRSSE), effective January 2007, and all other applicable accounting standards, as modified by the 2005 Revision of the Statement of Recommended Practice for Accounting and Reporting issued by the Charity Commissioners for England & Wales, effective April 2005.

The accounts have been drawn up in accordance with the provisions of the Charities Act and the Companies Act. Insofar as the Statement of Recommended Practice for Accounting and Reporting issued by the Charity Commissioners for England & Wales, effective April 2005 requires compliance with specific Financial Reporting Standards other than the FRSSE then the specific Financial Reporting Standards have been followed where their requirements differ from those of the FRSSE.

Advantage has been taken of paragraph 3(3) of Schedule 4 of the Companies Act 1985 to allow the format of the financial statements to be adapted to reflect the special nature of the group operation. The group has taken advantage of the exemption in FRSSE from the requirement to produce a cash flow statement. The particular accounting policies adopted are set out below.

The Trustees have prepared an indicative budget for the period to 31 July 2010 based on the new business model of influencing and brokerage to lever significant impact for Yorkshire. The Higher Education Institutions continue to work collaboratively as members to nurture partnerships and influence opportunities and to realise added value for membership. Following the proposed restructure of the organisation future activities of the Charity will be dependant on future membership income levels and financial support from the current members. The ongoing membership levels for 2009/10 have recently been agreed by the Trustees. The Trustees, being the representatives of the current members, have also confirmed their financial support for the Charity for at least twelve months from the date of approval of the financial statements being to provide the necessary funds to enable the Charity to meet its liabilities as and when they fall due.

The Trustees believe it is appropriate for the accounts to have been drawn up on a going concern basis.

Accounting convention

The financial statements are prepared, on a going concern basis, under the historical cost convention. The group is entirely dependent on continuing grant aid and as a consequence the going concern basis is also dependent on the continuing grant aid.

Method of consolidation of subsidiaries

The group financial statements consolidate the accounts of Yorkshire Universities and its subsidiary on a line by line basis. Transactions between group companies are eliminated on consolidation. No Statements of Financial Activities is presented for Yorkshire Universities as permitted by Section 230 of the Companies Act 1985.

Graduates Yorkshire Ltd is the only subsidiary and has a financial year end of 31 March. As this is non-coterminous with the charity, the period of accounts that has been consolidated, is from incorporation of the subsidiary on 26 July 2007 to 31 July 2008, based on the management accounts of the subsidiary. There are no associates.

Yorkshire Universities (Group)
Notes to the Accounts
for the year ended 31st July 2008

Incoming Resources and Deferred Income

Incoming resources are recognised in the year in which entitlement and the amount can be measured with certainty. Income is deferred only when the group has to fulfil conditions before becoming entitled to it or where the donor has specified that the income is to be used in a future period. Bank interest is included in the accounts on a receivable basis.

In accordance with the Statement of Recommended Practice for Accounting and Reporting (effective April 2005) issued by the Charity Commissioners for England & Wales, grants received in advance and specified by the donor as relating to specific accounting periods or alternatively which are subject to conditions which are still to be met, and which are outside the control of the group or where it is uncertain whether the conditions can or will be met, are deferred on an accruals basis to the period to which they relate. Such deferrals are shown in the notes to the accounts and the sums involved are shown as creditors in the accounts.

Resources Expended

Resources expended are included in the Statement of Financial Activities on an accruals basis. Resources expended are allocated directly to a particular activity where costs relate directly to that activity. Where costs cannot be directly attributed they have been allocated to activities on a basis consistent with the use of the resources.

The policy for including items within costs of generating funds, charitable activities and governance costs is to consider their management. Costs are allocated in relation to the manager responsible for managing the activity. Governance costs are those incurred in connection with the administration of the group and compliance with constitutional and statutory requirements. Grant costs are allocated directly as costs are incurred by each activity. These are tracked with individual project controllers who are accountable to project boards and funders for the correct allocation of expenditure and the resulting financial reports. Indirect expenses are apportioned in line with the staff time for the activities to which the expense relates.

Fixed Assets and depreciation

All tangible fixed assets are stated at cost less depreciation. Items of less than £100 are not capitalised. Depreciation has been provided at the following rates in order to write off the assets (less their expected residual value) over their estimated useful economic lives, commencing on the year following that of acquisition:

Fixtures and Fittings	25% straight line
Office Equipment	25% straight line

Taxation

As a registered charity, Yorkshire Universities is exempt from income and corporation tax to the extent that its income and gains are applicable to charitable purposes only. Value Added Tax is not recoverable by the company, and is therefore included in the relevant costs in the Statement of Financial Activities. Graduates Yorkshire Ltd has no liability to UK Corporation Tax on ordinary activities for the period.

Foreign Currencies

Assets in foreign currencies are translated into Sterling at the rates of exchange ruling at the balance sheet date. Transactions in foreign currencies are translated into sterling at the rate recommended by the grant funder. Exchange differences are taken into account when arriving at the net movement in funds.

Yorkshire Universities (Group)
Notes to the Accounts
for the year ended 31st July 2008

Finance and operating leases

Rentals payable in respect of operating leases where substantially all the benefits and risks of ownership remain with the lessor, are charged to the Statement of Financial Activities as incurred. Finance leases are accounted for in accordance with the requirements of the Financial Reporting Standard for Smaller Entities (FRSSE), effective January 2007.

Pensions Fund

The institution participates in the Universities Superannuation Scheme (USS), a defined benefit scheme which is contracted out of the State Second Pension (S2P). The assets of the scheme are held in a separate trustee-administered fund. Because of the mutual nature of the scheme, the institution 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.

Funds Policy

Unrestricted funds are funds available for use at the discretion of the trustees in furtherance of the general objectives of the group and which have not been designated for other purposes. Such funds may be held in order to finance both working capital and capital investment.

Restricted funds have been provided to the group for particular purposes, and it is the policy of the board of trustees to carefully monitor the application of those funds in accordance with the restrictions placed upon them.

There is no formal policy of transfer between funds or on the allocation of funds to designated funds, other than that described above. Any other proposed transfer between funds would be considered on the particular circumstances.

	Year to 31st July 2008	Year to 31st July 2007
	£	£
2 Net movements in funds		
This is stated after charging:		
Depreciation of owned fixed assets	8,298	5,694
Indemnity Insurance for trustees and employees	1,743	1,995
Auditors' remuneration	11,600	14,760

Funds belonging to the group have been used for the purchase of insurance to protect the group from loss arising from the neglect or defaults of its trustees, employees or agents, or to indemnify its trustees, employees or agents, against the consequences of any neglect or default on their part. The sum expended on such insurance was as indicated in the above schedule.

3 Payments to trustees or persons connected with trustees

There were no fees, expenses or other remuneration paid to the trustees.

	Year to 31st July 2008	Year to 31st July 2007
	£	£
4 Investment Income		
Bank deposit interest receivable	78,900	56,742

Yorkshire Universities (Group)
Notes to the Accounts
for the year ended 31st July 2008

5 Analysis of support costs

Support costs are charged to activities by direct allocation and by apportionment of overheads based on the staff hours directly spent on activities. An analysis of support costs by activity can be found in Appendix 2. Costs are analysed between staff and non staff cost elements.

6 Analysis of charitable expenditure

Charitable expenditure is allocated directly from grants and other direct costs incurred by each activity. These are tracked with individual project controllers who are accountable to project boards and funders for the correct allocation of expenditure and the resulting financial reports. An analysis of charitable expenditure by activity is included in Appendix 3. Charitable expenditure is analysed between grants payable to individuals, grants paid to institutions, support costs and conference costs.

7 Governance Costs

	2008	2007
	£	£
Auditors' remuneration	-	-
Audit Fees	11,600	14,760
Other Fees paid to auditors	4,572	-
Indemnity Insurance	1,743	1,995
Total governance costs	<u>17,915</u>	<u>16,755</u>

8 Deferred Incoming Resources & Reserves- Restricted funds

	Opening Deferrals	Released from prior years	Received less released in year	Deferred at year end
	£	£	£	£
Teaching Public Health Network	110,000	(110,000)	110,000	110,000

Teaching Public Health Network funds are deferred until the period for which they are paid falls due. They crystallise in early 2008/09. Receipts are generally deferred until criteria set by the donor have been met.

	2008	2007
	£	£
These deferrals are included in creditors (Note 13)	<u>110,000</u>	<u>110,000</u>

9 Staff Costs and Emoluments

	2008	2007
	£	£
Gross Salaries	720,932	512,415
Employer's National Insurance	74,129	40,754
Pension Contributions	93,233	65,734
	<u>888,294</u>	<u>618,903</u>

Numbers of full time employees or full time equivalents

	2008	2007
Engaged on charitable activities	17	12
Engaged on management and administration	9	9
	<u>26</u>	<u>21</u>

Yorkshire Universities (Group)
Notes to the Accounts
for the year ended 31st July 2008

9 Staff Costs and Emoluments (continued)

Yorkshire Universities 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 fund administered by the trustee, Universities Superannuation Scheme Limited. The appointment of directors to the board of the trustee is determined by the company's Articles of Association. Four of the directors are appointed by Universities UK; three are appointed by the University and College Union, of whom at least one must be a USS pensioner member; one is appointed by the Higher Education Funding Councils; and a minimum of two and a maximum of four are co-opted directors appointed by the board. Under the scheme trust deed and rules. The employer contribution rate is determined by the trustee, acting on actuarial advice.

Because of the mutual nature of the scheme, Yorkshire Universities 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.

The latest actuarial valuation of the scheme was at 31 March 2005. The valuation was carried out using the projected unit method. The assumptions which have the most significant effect on the result of the valuation are those relating to the rate of return on investments (ie the valuation rate of interest), the rates of increase in salary and pensions and the assumed rates of mortality. In relation to the past service liabilities the financial assumptions were derived from market yields prevailing at the valuation date. It was assumed that the valuation rate of interest would be 4.5% per annum, salary increases would be 3.9% per annum (plus an additional allowance for increases in salaries due to age and promotion and a further amount of £800m of liabilities to reflect recent experience) and pensions would increase by 2.9% per annum. In relation to the future service liabilities it was assumed that the valuation rate of interest would be 6.2% per annum, including an additional investment return assumption of 1.7% per annum, salary increases would be 3.9% per annum (also plus an allowance for increases in salaries due to age and promotion) and pensions would increase by 2.9% per annum.

Standard mortality tables were used as follows:

Pre-retirement mortality PA92 rated down 3 years

Post-retirement mortality PA92 (c=2020) for all retired and Non-retired members

Use of these mortality tables reasonably reflects the actual USS experience but also provides an element of conservatism to allow for further small improvements in mortality rates. The assumed life expectations on retirement at age 65 are:

Males 19.8 years

Females 22.8 years

At the valuation date, the value of the assets of the scheme was £21,740 million and the value of the past service liabilities was £28,308 million indicating a deficit of £6,568 million. The assets therefore were sufficient to cover 77% of the benefits which had accrued to members after allowing for expected future increases in earnings.

The actuary also valued the scheme on a number of other bases as at the valuation date. Using the Minimum Funding Requirement prescribed assumptions introduced by the Pensions Act 1995, the scheme was 126% funded at the date; under the Pensions Protection Fund regulations introduced by the Pensions Act 2004 it was 110% funded; on a buy out basis (ie assuming the Scheme had discontinued on the valuation date) the assets would have been approximately 74% of the amount necessary to secure all the USS benefits with an insurance company; and using the FRS17 formula as if USS was a single employer scheme, the actuary estimated that the funding level would have been approximately 90%.

Yorkshire Universities (Group)
Notes to the Accounts
for the year ended 31st July 2008

9 Staff Costs and Emoluments (continued)

Since 31 March 2005 the funding level of the scheme has undergone considerable volatility. The actuary has estimated that the funding level had increased to 91% at 31 March 2007 but that at 31 March 2008 it had fallen back to 77%. This fluctuation in the scheme's funding level is due to a combination of the volatility of the investment returns on the scheme's assets in the period since 31 March 2005 compared to the returns allowed for in the funding assumptions and also the changing gilt yields, which are used to place a value on the scheme's liabilities.

The estimated funding levels are based on the funding levels at 31 March 2005, adjusted to reflect the fund's actual investment performance and changes in gilt yields (ie the valuation rate of interest). On the FRS17 basis, using AA bond discounted rate of 6% based on spot yields, the actuary estimated that the funding level at 31 March 2008 was 104%. An estimate of the funding level measured on a buy-out basis was approximately 78%.

The institution contribution rate required for future service benefits alone at the date of the valuation was 14.3% of pensionable salaries but the trustee company, on the advice of the actuary, decided to maintain the institution contribution rate at 14% of pensionable salaries. While the contribution rate payable by the charity was 14% of pensionable salaries it 3% in Graduates Yorkshire Ltd.

Surpluses or deficits which arise at future valuations may impact on the institution's future contribution commitment. The sensitivities regarding the principal assumptions used to measure the scheme liabilities are set out below:

Assumption Changes: in assumption	Increase or decrease	Impact on scheme liabilities
Valuation rate of interest	0.5%/- 0.5%	Decrease/increase by £2.2 billion
Rate of pension increases	0.5%/- 0.5%	Increase/decrease by £1.7billion
Rate of Salary growth	0.5%/- 0.5%	Increase/decrease by £0.5 billion
Rate of mortality	Mortality used at last valuation down by a further year	Increase by £0.8 billion

USS is a "last man standing" scheme so that in the event of the insolvency of any of the participating employers in USS, the amount of any pension funding shortfall (which cannot otherwise be recovered) in respect of that employer will be spread across the remaining participant employers and reflected in the next actuarial valuation of the scheme.

The trustee believes that over the long-term equity investment and investment in selected alternative asset classes will provide superior returns to other investment classes. The management structure and targets set are designed to give the fund a bias towards equities through portfolios that are diversified both geographically and by sector. The trustee recognises that it would be possible to select investments producing income flows broadly similar to the estimated liability cash flows.

However, in order to meet the long-term funding objective within a level of contributions that it considers the employers would be willing to make, the trustee has agreed to take on a degree of investment risk relative to the liabilities. This taking of investment risk seeks to target a greater return than the matching assets would provide whilst maintaining a prudent approach to meeting the fund's liabilities. Before deciding to take investment risk relative to the liabilities, the trustee receives advice from its investment consultant and the scheme actuary, and considers the views of the employers. The strong positive cash flow of the scheme means that it is not necessary to realise investments to meet liabilities. The trustee believes that this, together with the ongoing flow of new entrants into the scheme and the strength of covenant of the employers enables it to take a long-term view of its investments. Short-term volatility of returns can be tolerated and need not feed through directly to the contribution rate. The actuary has confirmed that the scheme's cash flow is likely to remain positive for the next ten years or more.

Yorkshire Universities (Group)
Notes to the Accounts
for the year ended 31st July 2008

9 Staff Costs and Emoluments (continued)

The next formal triennial actuarial valuation was due as on 31 March 2008, but this has not yet been received. The contribution rate will be reviewed as part of each valuation.

There were no employees with emoluments in excess of £80,000 per annum. The number of employees whose emoluments including taxable benefits but excluding employer's pension contributions fall into the following bands were:

	2008	2007
£50,001 to £60,000	1	1
£60,001 to £70,000	1	-
Numbers of such staff to whom benefits are accruing :-	2008	2007
Under defined benefit pension schemes	2	1

10 Group and charity tangible fixed assets

	Fixtures and Fittings £	Office Equipment £	Total £
Asset cost, valuation or revalued amount			
at 31st July 2007	13,752	22,585	36,337
Additions	2,438	1,330	3,768
at 31st July 2008	16,190	23,915	40,105
Accumulated depreciation and impairment provisions			
at 31st July 2007	2,764	6,038	8,802
Charge for the year	3,438	4,860	8,298
at 31st July 2008	6,202	10,898	17,100
Net book value			
at 31st July 2007	10,988	16,547	27,535
at 31st July 2008	9,988	13,017	23,005

11 Debtors

	Group		Charity	
	2008 £	2007 £	2008 £	2007 £
Trade debtors	136,077	210,506	130,016	210,506
Prepaid expenses	10,900	3,555	10,900	3,555
Accrued income	225,033	732,463	225,033	732,463
	372,010	946,524	365,949	946,524

Yorkshire Universities (Group)
Notes to the Accounts
for the year ended 31st July 2008

12 Creditors: amounts falling due within one year

	Group		Charity	
	2008	2007	2008	2007
	£	£	£	£
Trade creditors	218,020	390,322	194,751	390,322
Accrued expenses	141,572	15,729	140,572	15,729
PAYE and NI	3,459	-	-	-
Deferred income (see note 8)	110,000	110,000	110,000	110,000
Other Creditors	521	267,192	-	267,192
	<u>473,572</u>	<u>783,243</u>	<u>445,323</u>	<u>783,243</u>

13 Group and charity operating Leases

At the year end the company had annual commitments under non-cancellable operating leases as set out below:

Operating leases which expire:

	2008	2007
	£	£
within one year	-	1,634
within two to five years	<u>2,482</u>	<u>-</u>
	<u>2,482</u>	<u>1,634</u>

14 Related party transactions

Yorkshire Universities has paid grants, refunds of costs incurred and payments for other services to institutions employing its directors during the year. These were all on the basis of simple recharge of direct costs incurred or arms length relationships between those institutions and Yorkshire Universities. During the year most of the institutions paid grants to Yorkshire Universities for European Opportunities and Graduate Opportunities. Grant income received by Yorkshire Universities from the Higher Education Funding Council (HEFCE) has been subject to grant agreement specifying Leeds University as sponsor. University of Leeds has kindly provided this supervision free of charge. Graduates Yorkshire Ltd is a subsidiary that is entered here for completeness. The transactions are summarised below:

	Charged to YU	Charged by YU
	£	£
Graduates Yorkshire Ltd	140,794	389
Leeds College of Music	41,741	-
Leeds Metropolitan University	307,075	16,379
Leeds Trinity and All Saints	103,604	6,040
Open University	-	-
Sheffield Hallam University	254,072	18,501
University of Bradford	291,238	16,446
University of Huddersfield	315,944	16,088
University of Hull	176,963	15,808
University of Leeds	1,269,887	21,377
University of Sheffield	283,201	19,999
University of York	313,277	14,950
York St John University	137,512	6,400

Yorkshire Universities (Group)
Notes to the Accounts
for the year ended 31st July 2008

14 Related party transactions (cont'd)

At 31st July 2008 balances reflecting part of these transactions were outstanding either to or from the institutions. These balances are summarised below:

	Receivable from YU £	Owed to YU £
Graduates Yorkshire Ltd	-	240
Leeds College of Music	-	-
Leeds Metropolitan University	26,830	280
Leeds Trinity and All Saints	6,609	-
Open University	-	-
Sheffield Hallam University	28,095	1,100
University of Bradford	22,225	-
University of Huddersfield	11,200	2,300
University of Hull	7,000	-
University of Leeds	66,664	599
University of Sheffield	-	3,700
University of York	8,034	13,532
York St John University	2,511	-

15 Assets and liabilities represented by funds and Individual Fund Particulars

Group

At 31st July 2008

	Unrestricted funds £000s	Restricted funds £000s	Total Funds £000s
Tangible Fixed Assets	23	-	23
Current Assets	263	1952	2215
Current Liabilities	(75)	(399)	(474)
Total	211	1553	1764

At 31st July 2007

	Unrestricted funds £000s	Restricted funds £000s	Total Funds £000s
Tangible Fixed Assets	27	-	27
Current Assets	327	1437	1764
Current Liabilities	(104)	(679)	(783)
Total	250	758	1008

Charity

At 31st July 2008

	Unrestricted funds £000s	Restricted funds £000s	Total Funds £000s
Tangible Fixed Assets	23	-	23
Current Assets	263	1937	2200
Current Liabilities	(75)	(371)	(446)
Total	211	1566	1777

At 31st July 2007

	Unrestricted funds £000s	Restricted funds £000s	Total Funds £000s
Tangible Fixed Assets	27	-	27
Current Assets	327	1437	1764
Current Liabilities	(104)	(679)	(783)
Total	250	758	1008

Yorkshire Universities (Group)
Notes to the Accounts
for the year ended 31st July 2008

15 Assets and liabilities represented by funds and Individual Fund Particulars (cont'd)

The individual funds included above are :-

	Funds at 31st July 2007 £000s	Movements in funds as below £000s	Transfers Between funds £000s	Funds at 31st July 2008 £000s
Graduates Yorkshire Ltd	-	(13)	-	(13)
Graduate Opportunities	(7)	1341	54	1388
Widening Participation	655	(638)	-	17
Leonardo restricted fund	70	(74)	(1)	(5)
Sundry other restricted funds	40	125	-	165
Unrestricted funds	250	15	(53)	212
	<u>1008</u>	<u>756</u>	<u>-</u>	<u>1764</u>

The position of Graduates Yorkshire Limited is explained in note 16.

The individual funds included in the company figures are as stated above for the Group excluding Graduates Yorkshire Limited.

Explanation of the nature of each material transfer between funds.

Transfers between reserves are generally carried out for one of the following reasons:-

1. To release losses on closed Restricted Fund projects to Unrestricted Funds.
2. To provide counterpart funds on partially subsidised restricted fund projects.

In this particular year £56k has been transferred from Central Funds to the Yorkshire Forward led-Knowledge Rich and Enterprise Shows funds, to offset losses incurred on the project. £3k has been transferred into Unrestricted Funds as internal recharges between projects.

Analysis of movements in funds as shown in the table above

	Incoming Resources £000s	Outgoing Resources £000s	Movement in funds £000s
Graduates Yorkshire Ltd	242	255	(13)
Graduate Opportunities	3403	2062	1341
Widening Participation	867	1505	(638)
Leonardo restricted fund	110	184	(74)
Sundry other restricted funds	327	202	125
Unrestricted funds	332	317	15
	<u>5281</u>	<u>4525</u>	<u>756</u>

Note: Due to the nature of the Leonardo project it is not possible to account for this on an accruals basis and therefore this has been treated on a receipts and payments basis.

Yorkshire Universities (Group)
Notes to the Accounts
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16 Consolidation of the Yorkshire Universities Group

Graduates Yorkshire Ltd (registered company number: 06325906), is a subsidiary created on 26 July 2007. This is a Private trading company, limited by guarantee and with no share capital. It is controlled by YU which is the sole member. Graduates Yorkshire Limited is the successor body to the Yorkshire Universities - led Graduates Yorkshire project. The funding required for this project is now paid from Yorkshire Universities to Graduates Yorkshire Limited and is eliminated on consolidation.

During the twelve month period to 31st July 2008, Graduates Yorkshire Limited had turnover of £241,664 and expenditure of £254,705.

At the year ended 31st July 2008 the company's balance sheet showed assets of £15,208 and liabilities of £28,249. The funds are therefore in deficit by £13,041 representing the loss for the period. The transactions of the company within the Financial Statements are included within restricted funds and the affairs of the company. Its affairs are accounted for as an activity in its own right within Appendix 1.

Funds retained within charitable subsidiaries	31st July 2008	31st July 2007
	£	£
The funds retained by the charitable subsidiary and offset within the restricted funds in the notes to the accounts are	(13,041)	-

Appendix 1
Analysis of Total Incoming & Outgoing Resources by Activity
for the year ended 31st July 2008

	Graduates Yorkshire Ltd £000s	Graduate Opport- unities £000s	Widening Particip- ation £000s	European Opport- unities £000s	Other Grants £000s	Central Represent- ation £000s	Other Central Projects £000s	31st July 2008 Total £000s	31st July 2007 Total £000s
Incoming resources from generated funds									
Voluntary Income	-	-	-	4	-	167	-	171	180
Activities for generating funds	104	-	-	-	-	1	12	117	21
Investment Income	-	-	-	-	-	-	79	79	57
Total resources from generated funds	104	-	-	4	-	168	91	367	258
Incoming resources from charitable activities									
Grants received for external work and grants	-	2987	799	111	-	-	-	3897	3594
Grants received for internal charitable work	138	416	68	25	327	-	-	974	835
Conference Income	-	-	-	-	-	-	43	43	54
Total resources from charitable activities	138	3403	867	136	327	-	43	4914	4483
Total Incoming Resources	242	3403	867	140	327	168	134	5281	4741
Costs of generating funds	110	-	-	-	-	-	-	115	7
Costs of charitable activities incl conference	145	2062	1505	207	202	222	49	4392	4415
Governance costs	-	-	-	-	-	18	-	18	17
Total resources expended	255	2062	1505	207	202	240	54	4525	4439
Net Incoming Resources	(13)	1341	(638)	(67)	125	(72)	80	756	302

Note the Leonardo activity contains both restricted fund and unrestricted fund elements. The loss of £67,000 represents the sum of the £74,000 restricted fund loss (which reconciles to the Leonardo fund described in note 15), and the £7,000 profit on the unrestricted fund which is part of the overall unrestricted fund surplus also in note 15 of the accounts. Central Representation and Other Central Projects are held entirely within the unrestricted fund. The remaining five activities are entirely restricted.

Appendix 2
Analysis of Total Support Costs by Activity
for the year ended 31st July 2008

	Graduates Yorkshire Ltd £000s	Graduate Opport- unities £000s	Widening Particip- ation £000s	European Opport- unities £000s	Other Grants £000s	Central Represent- ation £000s	Other Central Projects £000s	31st July 2008 Total £000s	31st July 2007 Total £000s
Nature of support costs									
Salaries and Wages	102	327	171	20	122	153	4	898	619
Non Staff costs	43	291	53	4	80	87	9	569	467
Total support costs analysed by activity	145	618	224	24	202	240	13	1466	1086

	Year to 31st July 2008 £000s	Year to 31st July 2007 £000s
Support costs for charitable activities	413	193
Support costs for grants paid	1036	877
Governance costs	18	16
	<u>1467</u>	<u>1086</u>

The above amounts are shown in the accounts as :
Support costs for charitable activities
Support costs for grants paid
Governance costs

Appendix 3
Analysis of charitable expenditure by activity
for the year ended 31st July 2008

	Graduates Yorkshire Ltd £000s	Graduate Opport- unities £000s	Widening Particip- ation £000s	European Opport- unities £000s	Other Grants £000s	Central Represent- ation £000s	Other Central Projects £000s	31st July 2008 Total £000s	31st July 2007 Total £000s
Nature of charitable expenditure									
Grants to individuals	-	-	-	183	-	-	-	183	195
Grants to institutions	-	1444	1281	-	-	-	-	2725	3097
Support costs incl Governance costs	145	618	224	24	202	240	13	1468	1086
Conference costs	-	-	-	-	-	-	36	34	54
Total charitable expenditure	145	2062	1505	207	202	240	49	4410	4432

An explanation of the main features of charitable expenditure is given in note 6 to the accounts