

Financial Statements for the Research Council UK (RCUK)

for the year ended 31 March 2015

DRAFT

Primary Statements

Consolidated Statement of Comprehensive Net Expenditure

for the year ended 31 March 2015

	Note	2014-15	2013-14
		£000s	£000s
		Group	Group
Administration costs			
Staff costs	2	52,162	
Other costs	3	38,490	
Income	5	(3,734)	
<i>Total net administration costs</i>		<i>86,918</i>	<i>-</i>
Programme expenditure			
Staff costs	2	322,524	
Other costs	4	3,334,397	
Income	5	(358,072)	
<i>Total net programme costs</i>		<i>3,298,849</i>	<i>-</i>
Net operating costs for the period		3,385,767	-
Total expenditure		3,747,573	-
Total income		(361,806)	-
Net operating costs for the period		3,385,767	-
Net expenditure for the period		3,385,767	-
Other Comprehensive Net Income and Expenditure			
Items that will not be reclassified to net operating costs:			
Net (gain)/loss on:			
- revaluation of property, plant and equipment		(107,476)	
- revaluation of intangible assets		(31,457)	
Items that may be reclassified subsequently to net operating costs:			
Net (gain)/loss on:			
- revaluation of investments		197	
- actuarial (gains)/losses		74,254	
- other movements in fair value		(349)	
Total other comprehensive net income and expenditure		(64,831)	-
Total comprehensive expenditure for the period		3,320,936	-

The Notes on pages 7 to 32 form part of these Accounts.

Consolidated Statement of Financial Position as at 31 March 2015

		31 March 2015 £'000s	31 March 2014 £'000s	1 April 2013 £'000s
	Note	Group	Group	Group
Non-current assets:				
Property, plant and equipment	6	2,139,025		
Intangible assets	7	62,931		
Other financial assets	10	13,693		
Investment in joint ventures and associates	11	680,201		
Trade and other receivables	12	5,480		
Total non-current assets		2,901,330	-	-
Current assets:				
Non-current assets held for sale		2,167		
Trade and other receivables	12	213,101		
Derivative financial instruments		(1,913)		
Cash and cash equivalents	13	33,632		
Total current assets		246,987	-	-
Total assets		3,148,317	-	-
Current liabilities:				
Trade and other payables	14	(497,761)		
Total current liabilities		(497,761)	-	-
Non-current assets plus/less net current assets/ liabilities		2,650,556	-	-
Non-current Liabilities:				
Trade and other payables	14	(17,589)		
Provisions	15	(53,204)		
Retirement benefit obligations	17	22,894		
Total non-current liabilities		(47,899)	-	-
Total assets less liabilities		2,602,657	-	-
Taxpayers' equity and other reserves:				
General fund		1,703,785		
Revaluation reserve		898,872		
Total equity		2,602,657	-	-

Accounting Officer

xx July 2015

The Notes on pages 7 to 31 form part of these Accounts.

Consolidated Statement of Cash Flows

for the year ended 31 March 2015

	Note	2014-15	2013-14
		£000	£000
		Group	Group
Cash flows from operating activities			
Net operating cost		(3,385,767)	
Adjustment for non-cash admin expenditure	3	1,157	
Adjustment for non-cash programme expenditure	4	238,633	
Adjustment for non-cash programme income	5	(46,479)	
Adjustment for non-cash pension costs		(4,274)	
(Increase)/decrease in trade and other receivables	12	6,717	
Increase/(decrease) in trade and other payables	14	(52,344)	
Less movements in payables relating to items not passing through the Consolidated Statement of Comprehensive Net Expenditure		(256)	
Use of provisions	15	(8,723)	
Adjustment for capital element of payments in respect of finance leases and on-balance sheet PFI contracts		1,594	
Net cash outflow from operating activities		(3,249,742)	-
Cash flows from investing activities			
Purchase of property, plant and equipment	6	(144,281)	
Purchase of intangible assets	7	(601)	
Proceeds of disposal of property, plant and equipment		1,146	
Proceeds of disposal of assets held for sale		30,987	
Repayments of other loans and investments		1,395	
Investment in joint ventures and associates	11	(70,260)	
Other investments and loans made	10	(296)	
Net cash outflow from investing activities		(181,910)	-
Cash flows from financing activities			
Grant-in-aid received from BIS		3,408,229	
Capital element of payments in respect of finance leases and on-balance sheet PFI contracts		(1,594)	
Hedge fund adjustment		(92)	
Net Financing		3,406,543	-
Net increase/(decrease) in cash and cash equivalents in the period before adjustment for receipts and payments to the Consolidated Fund		(25,109)	-
Net increase/(decrease) in cash and cash equivalents in the period after adjustment for receipts and payments to the Consolidated Fund		(25,109)	-
Cash and cash equivalents at the beginning of the period	13	58,741	
Transfers (in)/out of boundary		-	
Restated cash and cash equivalents opening balance		58,741	-
Cash and cash equivalents at the end of the period	13	33,632	-

The Notes on pages 7 to 31 form part of these Accounts.

Consolidated Statement of Changes in Taxpayers' Equity for the year ended 31 March 2015

	Note	General reserve £000	Revaluation reserve £000	Taxpayers' equity £000	Total Reserves £000
Balance at 1 April 2014		1,652,019	881,587	2,533,606	2,533,606
Grants from parent Department (BIS)		3,407,973	-	3,407,973	3,407,973
Net expenditure for the year		(3,385,767)	-	(3,385,767)	(3,385,767)
Movements in Reserves:					
Other Comprehensive Net Expenditure/Income for the year		(74,254)	139,084	64,830	64,830
Transfers between reserves		87,932	(87,932)	-	-
Other movements		15,882	(3133,867)	(15,962)	(15,962)
Balance at 31 March 2015		1,703,785	898,872	2,604,680	2,604,680

The Notes on pages 7 to 31 form part of these Accounts.

Notes to the Accounts

1. Statement of Accounting Policies

** Further analysis and review to be undertaken which could lead to a reduction in the length and disclosures within the accounting policies note.*

a. Basis of accounting

These financial statements have been prepared in accordance with a Direction issued by the Secretary of State for Business, Innovation and Skills (BIS) in pursuance of Section 2(2) of the Science and Technology Act 1965 and Section 6(3) of the Higher Education Act 2004.

These financial statements have been prepared in accordance with the 2014-5 Government Financial Reporting Manual (FReM) issued by HM Treasury. The accounting policies contained in the FReM apply International Financial Reporting Standards (IFRS) as adapted or interpreted for the public sector context. Where the FReM permits a choice of accounting policy, the accounting policy which is judged to be most appropriate to the particular circumstances of the RCUK for the purpose of giving a true and fair view has been selected. The particular policies adopted by the RCUK are described below. They have been applied consistently in dealing with items that are considered material to the accounts.

b. Adoption of New or Revised Standards Effective and Major FReM Changes for 2014/15

All International Financial Reporting Standards, Interpretations and Amendments to published standards, effective at 31 March 2015, have been adopted in these financial statements, taking account the specific interpretations and adaptations included in the FReM.

IFRS 10 (Consolidated Financial Statements), 11 (Joint Arrangements), 12 (Disclosure of Interests in Other Entities), IAS 27 (Separate Financial Statements), IAS 28 (Investments in Associates and Joint Ventures) - (effective for periods beginning on or after 1 January 2014 per FReM) - IASB have issued new and amended standards that affect the consolidation and reporting of subsidiaries, associates and joint ventures.

IAS 19 – Employee Benefits – Amends the standard to clarify the requirements that relate to how contributions from employees or third parties that are linked to service should be attributed to periods of service.

IAS 32 – Financial Instruments: Presentation – Amendments to the offsetting of assets and liabilities focussed on four main areas:

- The meaning of 'currently has a legally enforceable right of set-off'
- The application of simultaneous realisation and settlement
- The offsetting of collateral amounts
- The unit of account for applying offsetting requirements

These disclosures have been adopted in full but have no impact within these financial statements due to the nature of the RCUK's business.

Effective for Future Financial Years

The IASB and IFRIC issued certain standards and interpretations with an effective date after these financial statements. Where these changes are relevant to RCUK's circumstances they are listed below and will be adopted at the effective date. They have not been adopted early and their adoption is not expected to have a material impact on RCUK's reported income or net assets in the period of adoption.

IFRS 13 – Fair Value Measurement – (effective for periods beginning on or after 1 January 2015 per FReM – early adoption not permissible) - IFRS 13 has been prepared to provide consistent guidance on fair value measurement for all relevant balances and transactions covered by IFRS (except where IFRS 13 explicitly states otherwise). Final details are currently under consultation and further impact of how this will affect the RCUK will be addressed when these details are announced.

IFRS 9 Financial Instruments: Classification and Measurement (at its November 2014 meeting the IASB decided that the mandatory effective date for IFRS 9 will be no earlier than for periods beginning on or after 1

January 2018) – IFRS 9 is a replacement for IAS 39 and introduced new requirements for the classification and measurement of financial assets, together with the elimination of two categories. RCUK will undertake an assessment of the impact of IFRS 9 once the full requirements are known.

IFRS 15 – Revenue from Contracts with Customers – (effective for periods beginning on or after January 2017) – IFRS 15 provides for a single, principles based five-step model to be applied to all contracts with customers. Guidance is provided on topics such as the point in which the revenue is recognised, accounting for variable consideration, costs of fulfilling and obtaining a contract and various related matters. New disclosures around revenue are also introduced.

c. Accounting convention

These financial statements are prepared under the historical cost convention, modified by the revaluation of non-current assets, and, where material, current asset investments to fair value as determined by the relevant accounting standard. This is in accordance with the 2014-15 FReM issued by Treasury. The accounting policies contained in the FReM apply International Financial Reporting Standards (IFRS) as adapted or interpreted for the public sector context.

These financial statements are presented in Sterling, the RCUK's functional currency and all amounts have been rounded to the nearest thousand.

d. Changes in accounting policy

There are no changes in accounting policy in the 2014/15 financial year.

e. Investment in Joint Ventures

A joint venture is a contractual arrangement whereby two or more parties undertake an economic activity that is subject to joint control.

The RCUK has two joint venture investments: the Francis Crick Institute (CRICK); and Imanova Limited (Imanova).

Investments in Joint Ventures are accounted for using the equity method, unless they are not yet fully operational, in which case they are valued at the cost to RCUK of the development (as represented by assets under construction or the purchase of shares). This is deemed equivalent to fair value of the investment in the development phase. Impairment is considered at each year end, taking into account the ongoing service potential of the assets held.

CRICK is accounted for at cost to RCUK. Imanova is accounted for using the equity method.

RCUK holds the majority shareholding in the joint venture company, DLSL. Under the terms of the joint venture agreement, control is shared jointly with the minority shareholder, the Wellcome Trust. The results of DLSL are therefore accounted for as a joint venture consolidated with those of RCUK. RCUK recognises investment in DLSL in the period that the funding is budgeted.

RCUK holds a one-third shareholding in the joint venture company ILL. Under the terms of the joint venture agreement control is shared jointly with two other shareholders. The results of ILL are therefore accounted for as a joint venture consolidated with those of RCUK. ILL's reporting period is January to December.

f. Investments

Listed investments are shown at market value. Unrealised gains or losses arising as a result are included in the Statement of Change in Taxpayers Equity in revaluation reserve. Realised gains or losses are included in the Statement of Comprehensive Net Expenditure. Any investments the Directors intend to dispose within 12 months are included in current assets.

Unlisted investments are shown at cost. Any surplus or temporary deficit on revaluation is taken to the revaluation reserve. Any permanent impairment in value is charged to the Statement of Comprehensive Net Expenditure in the year in which it arises.

g. Property, Plant and Equipment and depreciation

Expenditure on property, plant and equipment includes the purchase of land, buildings and equipment costing £10,000 or more. Property, plant and equipment are included at valuation, being its fair value at the date of revaluation less any subsequent accumulated depreciation and impairment losses if any. Equipment, excluding computers and software, is revalued annually using appropriate indices. Land and buildings are professionally revalued every five years and in the intervening period relevant indices are used. The basis of valuation for land and buildings is open market value for existing use where this can be established. However, because of the specialised nature of the RCUK's properties, most valuations are on a depreciated replacement cost basis. Any surplus on revaluation is taken to a revaluation reserve. Impairments in value are charged to the Statement of Consolidated Net Expenditure in the year in which they arise.

Assets under construction are valued at cost, including directly attributable in-house costs required to bring the asset into working condition for its intended use.

Increased depreciation charges arising from revaluations are matched by transfers from the revaluation reserve to the general reserve.

On disposal of a revalued asset, the resulting element of the revaluation reserve that is realised is transferred directly to the general reserve.

Provision is made for depreciation on all property, plant and equipment at rates calculated to write off each asset evenly to its residual value over its expected useful life, as follows:

Freehold land	Not depreciated
Leasehold land	Up to 60 years (subject to length of lease)
Freehold buildings	Up to 60 years
Leasehold buildings	Up to 60 years (subject to length of lease)
Major facilities (items costing over £50,000)	11 years
Other scientific equipment	5 to 15 years
Computers	3 years
Engineering, office and catering equipment	8 years
Motor vehicles	5 years
Assets under construction	Not depreciated until brought into use

Depreciation is charged from the date the property, plant and equipment are available for use.

h. Intangible assets and amortisation

The values of patents, licences and royalties held by the RCUK are capitalised as intangible assets based on their expected income streams. Income from these patents, licences and royalties is generated from agreements between the RCUK and companies engaged in the commercial exploitation of RCUK inventions and research. The values of these intangible assets are amortised over the period these agreements are in force, including a full year's amortisation charge in the year of valuation. For most cases this is between seven and fifteen years, and such assets are not capitalised until the income stream is reasonably certain. Income streams are reviewed each year. Any surplus or deficit on valuations following such reviews is taken to the intellectual property reserve.

Software costing £10,000 or more are included in intangibles and are stated at fair value and amortised from the date they are available for use over their useful lives estimated at three years.

i. Impairment

The carrying amounts of the RCUK's assets are reviewed at each statement of financial position date to determine whether there is any indication of impairment: a financial asset is considered to be impaired if objective evidence indicates that one or more events have had a negative effect on the estimated future cash flows of that asset. If any such indication exists, the asset's recoverable amount is estimated.

An impairment loss is recognised whenever the carrying amount of an asset or its cash generating unit exceeds its recoverable amount. Impairment losses are recognised in the Statement of Comprehensive Net Expenditure.

j. Non-current assets held for resale

Non-current assets held for sale are valued at the lower of carrying amount and fair value less costs to sell and are not depreciated.

Non-current assets are classified as held for sale if their carrying value will be recovered through a sale transaction rather than through continuing use. This condition is regarded as met only when the sale is highly probable, the asset is available for immediate sale in its present condition, Management are committed to the sale and completion is expected within one year from the date of the classification.

k. Ownership of equipment purchased with RCUK research grants

Equipment purchased by an institution with research grant funds supplied by the RCUK belongs to the institution and is not included in RCUK's property, plant and equipment. Through the Conditions of Grant applied to funded institutions, the RCUK reserves the right to determine the disposal of such equipment and of the proceeds of any sale. Once the research has been completed the institution is free to use the equipment without reference to the RCUK.

l. Decommissioning costs

Decommissioning costs are recognised in full as soon as the obligation exists. When the obligation incurred gives access to future benefits a corresponding asset is set up in the Statement of Financial Position at the same time with depreciation being charged to the Statement of Comprehensive Net Expenditure over its useful economic life.

m. Grant-in-aid

Grant-in-aid is treated as financing, rather than income and is credited to general reserve in the year in which it is received.

n. Income

RCUK derives its income from a number of sources. These include income from Commercial Activities, contributions from other government bodies and contributions and grants from other bodies and other income. Commercial activities include royalties from licence agreements relating to intellectual property. It also receives income from government departments and other bodies which help co-fund research both of a collaborative and non-collaborative nature. Other income is derived from the sale of laboratory and library services, as well as proceeds from the sales of radio isotopes and other items. All income is shown net of trade discount, Value Added Tax and other taxes. Income is recognised in accordance with IAS 18. See note aa for details of deferred income.

o. Research and development

As a research organisation, all of the RCUK's research and development expenditure is charged to the Statement of Comprehensive Net Expenditure when it is incurred.

p. Cash and cash equivalents

Cash and cash equivalents comprise cash balances and deposits which are repayable on demand.

q. Foreign currencies

Monetary assets and liabilities denominated in foreign currencies are translated at the rates of exchange ruling at the statement of financial position date. Transactions in foreign currencies are recorded at the rate ruling at the time of the transaction. All exchange differences are taken to the Statement of Comprehensive Net Expenditure.

r. Value Added Tax (VAT)

As the RCUK is partially exempt for VAT purposes, all expenditure and non-current asset purchases are shown inclusive of VAT where applicable. Residual input tax reclaimable by the application of the partial exemption formula is taken to the Statement of Comprehensive Net Expenditure as a reduction of expenditure.

s. Pension costs

Employer superannuation costs are based on an actuarially derived calculation under IAS 19. See note 2. The defined benefit plan requires contributions to be made to separately administered funds. The cost of providing benefits under the defined benefit plan is determined using the projected unit credit actuarial valuation method.

Actuarial gains and losses are recognised in full as income or expense in the Comprehensive Statement of Net Expenditure.

The past service cost is recognised as an expense on a straight-line basis over the average period until the benefits become vested. If the benefits are already vested immediately following the introduction of, or changes to, a pension plan, past service cost is recognised immediately.

The defined benefit liability is the aggregate of the present value of the defined benefit obligation and actuarial gains and losses not recognised reduced by past service cost not yet recognised and the fair value of plan assets out of which the obligations are to be settled directly. If such aggregate is negative, the asset is measured at the lower of such aggregate or the aggregate of cumulative unrecognised net actuarial losses and past service cost and the present value of any economic benefits available in the form of refunds from the plan or reductions in the future contributions to the plan.

t. Early retirement costs

Compensation payments are provided for in the Statement of Comprehensive Net Expenditure. Obligations relating to those former members of staff aged 50 or over are provided for until their normal date of retirement.

Unwinding of discount: the provision for early retirement costs is discounted at 1.30 per cent (2013/14 1.80 per cent). The unwinding of the discount has been charged to the Statement of Comprehensive Net Expenditure.

u. Operating leases

Operating lease charges are recognised in the Statement of Comprehensive Net Expenditure on a straight line basis over the term of the lease.

v. Provisions

Provisions have been made in accordance with IAS 37 for early retirement and decommissioning costs. Provisions are recognised when it is probable that RCUK will be required to settle a present obligation and a reliable estimate can be made of that obligation. The obligation is normally the amount that RCUK would rationally pay to settle the obligation at the statement of financial position date or to transfer it to a third party at that time.

This may require estimating the future cash flows in current-year prices (i.e. at the price level prevailing in and, where the time value of money is material, discounting them at the standard public sector real rate set by HM Treasury).

w. Derivatives and other financial instruments

Due to the non-trading nature of its activities and the way in which the RCUK is financed, the RCUK is not exposed to the degree of financial risk faced by non-public sector entities. Moreover, financial instruments play a much more limited role in creating or changing risk than would be typical of the listed companies to which IAS 32, 39 and IFRS 7 mainly apply. The RCUK has very limited powers to borrow or invest surplus funds and financial assets and liabilities are generated by day to day operational activities and are not held to change the risks facing the RCUK in undertaking its activities.

Trade receivables are recognised and carried at original invoice amount less an allowance for any uncollected amounts. Provision is made when there is objective evidence that the RCUK will not be able to collect certain debts.

Bad debts are written off when identified. The amount of provision is the difference between the carrying amount and the recoverable amount and is recognised in the Statement of Comprehensive Net Expenditure.

Trade and other payables are recognised in the period in which related money, goods, or services are received or when a legally enforceable claim against the RCUK is established or when the corresponding assets or expenses are recognised. Receivables and payables which mature or become payable within 12 months from the statement of financial position date have been omitted from the currency profile.

x. Grants payable

Research grants and fellowships are recognised in line with a schedule of pre-agreed payment profiles, which include matching considerations, over the period of the grant duration and to the period which they relate.

Where the terms and conditions do not specify a pre-agreed payment profile or other matching considerations, obligations are recognised in full.

y. Employee benefits

Short term employee benefits are recognised by RCUK when an employee has rendered service in exchange for those benefits. Included in the financial statements is an accrual for the outstanding paid holiday entitlement at 31 March 2015 on a non-discounted basis.

z. Significant estimation uncertainty

The preparation of the financial statements requires management to make estimates and assumptions that affect the application of policies and reported amounts. Estimates are continually evaluated and are based on historical experience and other factors including expectations of future events that are believed to be reasonable under the circumstances.

Actual results may differ from these estimates. The estimates and assumptions which have a significant risk of causing a material adjustment to the carrying amount of assets and liabilities are discussed below.

aa. Deferred Income

The RCUK receives funding for mainly collaborative projects to support the RCUK's research. The majority of such funding is received from the UK public sector, medical charities, and from overseas via the European Commission (EC). Some of the funding may involve payment for the collaboration a number of years in advance of the accounting period to which it relates; such as is common with the EC. Where there is a variance between work done in the accounting period and received funding, income will be deferred. When there is both a) a condition which makes the grant repayable or returnable and b) a variance between the work done in the accounting period and received funding.

bb. Pension Costs

The determination of the pension cost and defined benefit obligation (liabilities) of the employer's pension scheme depends on the selection of certain assumptions which include the discount rate, inflation rate, salary growth, mortality rates and expected rate of return. See Note 9 for further details.

cc. Property, Plant and Equipment

Property, plant and equipment lives have been estimated by management. Much of the asset stock is of a specialised nature, scientific equipment and buildings; lives have been based on management's experience of productive use and these are sometimes at odds with the actual useful lives with the assets. Where there are material differences in the estimated lives of the assets, the assets are re-lived and accounted for accordingly.

dd. Judgements made in the process of applying accounting policies

The RCUK's significant accounting policies are stated above. Not all of these policies require management to make difficult subjective or complex judgements. Those that follow are intended to provide an understanding of the policies that management consider critical because of the level of complexity and judgement involved in their application and their impact on the financial statements.

ee. Provisions for liabilities and charges

Estimates are subject to uncertainty regarding timing or amounts of obligations (legal or constructive) due by the RCUK. Significant judgements are made regarding probability and measurement of obligations. These include early retirement, disposal of (sealed) radioactive sources requiring the removal of radioactive substances by specialist suppliers, and dilapidations.

ff. Impairment of assets

Property, plant and equipment are included at recoverable amounts. Management assess whether assets retain their recoverable amount or whether the asset is impaired, suffering a permanent diminution in value. Judgements are made on obsolescence, damage and loss resulting from normal business operations, and changes in value as part of the annual review of property, plant and equipment. This includes assets of significant value brought into use for the first time.

Where those assets concern investments in joint ventures, consideration has also been given to the impact on service potential as a means of determining valuation.

gg. Going concern

RCUK has no reason to believe that future funding will not be forthcoming. Therefore the accounts are produced on a going concern basis.

2 Staff numbers and related costs

Staff costs comprise:

	2014-15 £000			2013-14 £000
	Permanently employed staff	Other	Total	Total
Wages and salaries	278,787	9,850	288,637	
Social security costs	23,387	-	23,387	
Other pension costs	62,662	-	62,662	
Sub total	364,836	9,850	374,686	
Less recoveries in respect of outward secondments	-	-	-	
Total net costs	364,836	9,850	374,686	

Of which:

	2014-15	2013-14
Admin	52,162	
Programme	322,524	
Total net costs	374,686	

Average number of persons employed

The average number of whole-time equivalent persons employed during the year is shown in the table below.

Number of staff by category	2014-15			2013-14
	Permanent employed staff	Others	Total	Total
Knowledge & Innovation	4,554	487	5,041	
Total	4,554	487	5,041	-

2.1 Reporting of Civil Service and other compensation schemes - exit packages

Exit package cost band	Number of compulsory redundancies		Number of other departures agreed		Total number of exit packages by cost band	
	2014-15	2013-14	2014-15	2013-14	2014-15	2013-14
Less than £10,000	-	-	10	-	10	-
£10,000 - £25,000	-	-	24	-	24	-
£25,000 - £50,000	-	-	28	-	28	-
£50,000 - £100,000	-	-	23	-	23	-
£100,000 - £150,000	-	-	1	-	1	-
£150,000 - £200,000	-	-	-	-	-	-
More than £200,000	-	-	-	-	-	-
Total number of exit packages	-	-	86	-	86	-
Total cost (£'000)	-	-	3,178	-	3,178	-

Redundancy and other departure costs have been paid in accordance with the provisions of the Civil Service Compensation Scheme, a statutory scheme made under the Superannuation Act 1972. Exit costs are accounted for in full in the year that the departure is agreed and are based on the expected cost in relation to that financial year.

2.2 Pension scheme

The RCUK operates a funded pension scheme (MRCPS) providing benefits based on service and final pensionable pay at the normal retirement age of 65. The scheme is a defined benefit scheme that prepares its own scheme statements. Benefits accrue at the rate of 1/80th of pensionable salary for each year of service. In addition a lump sum equivalent to three years' pension is payable on retirement. Members pay contributions of between 6.0% and 6.5% pensionable earnings to the Scheme.

During the year obligations of £9m of were recognised under Section 75 (S.75) of the 1995 pensions Act in respect of liabilities of transferred employees; a separate section, the University section, has been set up within MRCPS to manage S.75 liabilities. These costs are reflected in the valuation of the pension Scheme.

The required MRCPS contribution rate is assessed every three years in accordance with advice of the Government Actuary. The latest actuarial assessment of the MRCPS was at 31 December 2013 at which showed a surplus of £160.1m (2010 valuation £82.1m) and the market value of the assets of the MRCPS was £1,054m (2010 = £884m). an ongoing funding level of 118 per cent (2010 valuation 110 per cent). The actuarial value of the assets was sufficient to cover 118 per cent of the benefits that had accrued to members after allowing for expected future increases in earnings. Triennial valuations are conducted under the Pensions Act 2004 on a scheme specific funding basis. The present MRCPS employers' contribution rate remained at 13% in 2014/15 (2013/14 – 13%) but will rise to 14% in 2015/16

The contributions due to the scheme are set out in the schedule of contributions for each section. The most recent schedules of contributions were signed on 10 December 2014 and are due to be reviewed following the next actuarial valuation of the scheme which is due to be carried out as at 31 December 2016.

The following payments are due in 2015/16:

RCUK Section

By the members:	6.5% of pensionable pay
By RCUK:	14.0% of pensionable pay
By other employers	14.9% of pensionable pay

The total contribution expected to be paid into the MRC section in 2015/16 is £17m.

University Section

By the members:	6.5% of pensionable pay
By the universities:	14.9% of pensionable pay
By RCUK:	21.4% of pensionable pay

The total contribution expected to be paid into the university section in 2015/16 is £10m.

As at 30 September 2014 the average maturity of the scheme as a whole was around 20 years.

The valuation used for IAS 19 disclosures has been based on the data for the most recent actuarial valuations as at 31 December 2013, and updated to take account of the requirements of IAS 19 in order to assess the liabilities of the scheme at 31 March 2015. The mortality assumptions included within the figures are that male (female) members who retire at typical ages will live to approximately age 88 (90).

a. Financial assumptions used to calculate scheme liabilities

	2014/15	2013/14
	%	%
Rate of increase on pensionable salaries	2.85	3.25
Rate of increase on pension payments	1.85	2.25
Discount rate	3.10	4.29
Inflation rate	1.85	2.25
Expected return on equities	3.10	4.29
Expected return on bonds	3.10	4.29
Expected return on overall fund	3.10	4.29

The results of any actuarial calculation are inherently uncertain because if the assumptions which must be made. The table below indicates the approximate effects on the actuarial liability as at 31 March 2015 of changes to the main actuarial assumptions.

Change in assumption		Approximate effect on total liability	
Discount rate	-1/2% a year	+10.5%	+£127m
Rate of increase in earnings	-1/2% a year	-1.5%	-£18m
Rate of increase in pensions	-1/2% a year	-7.0%	-£84m
Removing age rate for pensioner mortality		+2.5%	+£30m

b. Analysis of actuarial (loss)/gain

	2014/15	2013/14
	£000	£000
Actual return less expected return on pension scheme assets	93,422	38,050
Experience gain arising on the scheme liabilities	1,481	12,998
Changes in demographic assumptions	(2,027)	974
Changes in financial assumptions	(167,130)	47,028
Actuarial (loss)/gain	(74,254)	99,050

c. Analysis of actuarial gain expressed as a percentage of the scheme's assets and liabilities at the statement of financial position date

	2014/15	2013/14	2012/13	2011/12	2010/11
	%	%	%	%	%
Actual return less expected return on pension scheme assets	7.60	3.51	6.06	-4.12	1.02
Experience gain/(loss) arising on the scheme liabilities	0.12	-1.29	1.65	0.33	-3.98
Actuarial (loss)/gain	(6.17)	9.81	-5.94	-6.81	-7.24
The assets and liabilities in the scheme					
	2014/15	2013/14	2012/13	2011/12	2010/11
	£000	£000	£000	£000	£000
Assets					
- Equities and property	985,883	925,159	877,449	787,429	778,855
- Bonds and cash	241,873	158,261	128,944	112,708	121,669
	1,227,755	1,083,420	1,006,393	900,137	900,524
Actuarial value of liability	(1,204,861)	(1,009,683)	(1,040,420)	(887,192)	(832,945)
Surplus/(Deficit) in scheme	22,894	73,737	(34,027)	12,945	67,579

d. The movements in the scheme surplus

	2014/15	2013/14
	£000	£000
Surplus at the start of the year	73,737	(34,027)
Current service costs net of employee contributions (note 8a)	(20,821)	(21,868)
Employer contributions	41,069	31,963
Other finance income (note 9f)	3,163	(1,381)
Actuarial (loss)/gain (note 9b)	(74,254)	99,050
Surplus at end of year	22,894	73,737

e. Other finance income

	2014/15	2013/14
	£000	£000
Expected return on pension scheme assets	46,479	40,860
Interest on pension scheme liabilities	(43,316)	(42,241)
Net return – other finance income (note 9e)	3,163	(1,381)

3 Other Administration Costs

	2014-15 £000	2013-14 £000
Rental under operating leases - plant and machinery	14	
Rentals under operating leases - other	769	
Accommodation	2,357	
Bank charges	8	
Professional services	3,092	
Consultancy	1,708	
Finance and HR services	608	
IT costs / support costs	8,157	
Training and other staff costs	2,965	
Staff severance costs	2,209	
UK travel and subsistence	2,666	
Overseas travel and subsistence	554	
Telecommunications cost	324	
Advertising and publicity	313	
Research and development	4	
Audit fees	608	
Professional subscriptions	302	
Net loss/(gain) on foreign exchange	(8)	
Postage and freight	42	
Hire of conference facilities	1,511	
Catering services	351	
Outsourced programme management services	103	
Miscellaneous other costs	5,634	
Losses and compensation	(55)	
Other grant expenditure	2,815	
Other audit costs	282	
	37,333	-
Non-cash expenditure	1,157	-
Total other administration costs	38,490	-

	2014-15 £000	2013-14 £000
Depreciation PPE	1,025	
Amortisation intangible assets	107	
Profit on disposal of PPE	24	
Specific bad debt write offs	75	
Movement in bad debt provision	(74)	
Total non-cash expenditure	1,157	-

Auditors' remuneration

The cash audit costs of £608k relate to the statutory audit of the RCUK.

4 Programme Costs

	Note	2014-15 £000	2013-14 £000
Rental under operating leases - plant and machinery		104	
Rentals under operating leases - other		3,710	
Accommodation		63,518	
Bank charges		59	
Professional services		14,503	
Consultancy		6,341	
Finance and HR services		(9)	
IT costs / support costs		15,955	
Training and other staff costs		5,817	
Staff severance costs		4,839	
UK travel and subsistence		12,585	
Overseas travel and subsistence		7,748	
Telecommunications cost		2,678	
Advertising and publicity		4,007	
Media and design services		45	
Research and development		81,206	
Audit fees		17	
International subscriptions		142,811	
Professional subscriptions		1,223	
Net loss/(gain) on foreign exchange		(164)	
Legal costs		814	
Postage and freight		5,650	
Hire of conference facilities		2,053	
Catering services		6,120	
Outsourced programme management services		4,795	
Miscellaneous other costs		65,274	
Cost of goods sold		12	
Losses and compensation		725	
Grant expenditure	4.2 & 4.3	2,638,844	
Other audit costs		94	
Donations		(5)	
Interest charges under finance leases		540	
Purchase of scientific equipment		3,855	
		3,095,764	
Non-cash expenditure		238,633	
Total other Programme costs		3,334,397	

		2014-15 £000	2013-14 £000
Depreciation PPE		138,849	
Amortisation intangible assets		23,563	
Profit on disposal of PPE		313	
Loss on disposal of PPE		685	
Impairment PPE		4,999	
Revaluation of PPE		(678)	
Impairment investments		787	
Share of loss of joint ventures and associates		27,856	
Share of profit of joint ventures and associates		(396)	
Interest on pension liabilities		43,316	
Specific bad debt write offs		35	
Movement in bad debt provision		(76)	
Provisions expense - early departure		(200)	
Provisions movement		(894)	
Change in price levels - other provisions		123	
Borrowing costs (unwinding of discount) on provisions		351	
Total non-cash expenditure		238,633	

Auditors' remuneration

The cash audit costs of £17k relate to the statutory audit of the RCUK.

4.1 Grant expenditure

	2014-15 £000	2013-14 £000
Post-graduate grants	419,003	
Research grants	2,219,841	
Total Grant expenditure	2,638,844	

4.2 Post-graduate grants

	2014-15 £000	2013-14 £000
Centres for Doctoral Training	81,921	
Doctoral Training Grants	80,952	
Research studentships/advanced course studentships	51,174	
Training & Skills	47,039	
Post-doctoral fellowships	42,595	
Block Grant Partnerships	33,621	
Post Graduate training awards	24,057	
Awards, Fellowships	22,082	
Capital Grants	15,200	
Collaborative Training Accounts	13,725	
Other	6,637	
Total post-graduate grants	419,003	

4.3 Research grants

	2014-15	2013-14
	£000	£000
Research Grants	996,161	
National Capability Infrastructure	396,502	
Energy	120,740	
University Units	84,237	
Manufacturing	66,644	
Healthcare	55,571	
Methods & Infrastructure	48,956	
Strategic & Collaborative	48,560	
Programme Grants	46,229	
Research contracts	45,257	
Responsive	43,248	
Particle physics	42,310	
Astronomy	39,991	
Other	32,045	
Digital Economy	22,202	
Centre Grants	15,743	
Trial Grant	14,838	
Training & Skills	11,363	
Other	10,863	
New Investigator Research Grant	10,298	
Quantum Technology	9,329	
The Francis Crick Institute	9,170	
Knowledge Exchange	8,524	
Global Uncertainties	8,363	
UK Infrastructure for large	5,997	
Knowledge Transfer	5,739	
Nuclear physics	5,592	
Living with Environmental Change	5,310	
Capital Grants	5,265	
Science and Innovation Capacity	4,794	
Total research grants	2,219,841	

5 Income

	2014-15 £000	2013-14 £000
Administration Income:		
Current grants from private sector - companies	(23)	
Income from other government departments	(1,164)	
Income from other government departments 1	47	
Fees and charges from external customers		
Fee income	(111)	
Other recoveries	(1)	
Sale of goods and services	(366)	
Bank interest	(24)	
Miscellaneous income	(1,600)	
Other administration income	(75)	
Current grants from EU	(417)	
Total Administration income	(3,734)	-
Programme Income:		
Fee income	(754)	
Other fees and charges to external customers	(16)	
Current grants from EU	(22,004)	
Current grants from private sector - companies	(23,417)	
Income from other government departments	(25)	
Income from other government departments 1	(34,505)	
Sales of goods and services	(146,732)	
Current grants from central government	(35,529)	
Bank interest receivable	(365)	
Rental income	(1,714)	
Miscellaneous programme income	(10,129)	
Other programme income	(36,403)	
Programme income excluding non-cash	(311,593)	-
Non-cash:		
Expected return on funded pension scheme assets	(46,479)	
Non-cash programme income	(46,479)	-
Total programme income	(358,072)	-
Total operating income	(361,806)	-

6 Property, plant and equipment

Group	Land	Freehold Buildings	Dwellings	Information Technology	Plant and Machinery	Furniture, Fixtures and Fittings	Transport Equipment	Assets under Construction	Total
2014-15	£000	£000	£000	£000	£000	£000	£000	£000	£000
Cost or valuation									
Balance at 1 April 2014	232,375	1,465,165	32,493	115,525	1,134,505	4,254	297,215	291,062	3,572,594
Additions	-	8,152	-	13,751	33,744	834	4,518	83,282	144,281
Disposals	(65)	(822)	-	(6,099)	(54,920)	(544)	(1,199)	-	(63,649)
Impairments	-	(7,189)	(86)	129	(159)	-	-	-	(7,305)
Reclassifications	5,056	164,235	(719)	21,742	23,244	271	5,199	(224,085)	(5,057)
Revaluations	51,144	37,704	3,659	917	36,346	133	6,155	20,173	156,231
At 31 March 2015	288,510	1,667,245	35,347	145,965	1,172,760	4,948	311,888	170,432	3,797,095
Depreciation									
Balance at 1 April 2014	(3,011)	(624,757)	(29)	(44,805)	(722,564)	(3,347)	(133,186)	-	(1,531,699)
Charged in year	(391)	(42,482)	(340)	(22,534)	(60,190)	(775)	(14,135)	-	(140,847)
Disposals	-	475	-	5,868	53,444	543	1,151	-	61,481
Impairments	-	183	-	-	97	-	-	-	280
Reclassifications	-	202	-	28	6	13	1	-	250
Revaluations	(2,027)	(23,018)	340	(441)	(20,809)	(52)	(1,528)	-	(47,535)
At 31 March 2015	(5,429)	(689,397)	(29)	(61,884)	(750,016)	(3,618)	(147,697)	-	(1,658,070)
Carrying amount at 31 March 2015	283,081	977,848	35,318	84,081	422,744	1,330	164,191	170,432	2,139,025
Carrying amount at 31 March 2014	229,364	840,408	32,464	70,720	411,941	907	164,029	291,062	2,040,895
Asset financing:									
Owned	283,081	977,848	35,318	84,081	422,744	1,330	164,191	170,432	2,139,025
Carrying amount at 31 March 2015	283,081	977,848	35,318	84,081	422,744	1,330	164,191	170,432	2,139,025

7. Intangible Assets

Group 2014-15	Assets under Construction £000	Information Technology £000	Software Licences £000	Websites £000	Patents £000	Total £000
Cost or Valuation						
Balance at 1 April 2014	(149)	4,207	3,417	838	216,030	224,343
Additions	-	-	601	-	-	601
Disposals	-	(131)	(431)	-	-	(562)
Reclassifications	446	49	855	-	-	1,350
Revaluations	-	84	46	9	31,393	31,532
At 31 March 2015	297	4,209	4,488	847	247,423	257,264
Amortisation						
Balance at 1 April 2014	-	(2,470)	(2,708)	(337)	(165,508)	(171,023)
Charged in year	-	(467)	(523)	(166)	(22,515)	(23,671)
Disposals	-	131	431	-	-	562
Impairments	-	-	-	(1)	-	(1)
Reclassifications	-	12	(137)	-	-	(125)
Revaluations	-	(56)	(18)	(1)	-	(75)
At 31 March 2015	-	(2,850)	(2,955)	(505)	(188,023)	(194,333)
Carrying amount at 31 March 2015	297	1,359	1,533	342	59,400	62,931
Carrying amount at 31 March 2014	(149)	1,737	709	501	50,522	53,320
Asset financing:						
Owned	297	1,359	1,533	342	59,400	62,931
Carrying amount at 31 March 2015	297	1,359	1,533	342	59,400	62,931

8. Capital Commitments

	31 March 2015	31 March 2014
	£000	£000
	Group	Group
Contracted capital commitments not otherwise included in these financial statements:		
Property, plant and equipment	200,434	
Intangible assets	1,352	
Total	201,786	-

Capital commitments as at 31 March 2015 includes property, plant and equipment commitments relating to commitments on capital projects of £184 million (31 March 2014: £195 million).

9 International Subscriptions

The financial commitments payable in the next financial year include subscriptions payable to the following bodies, analysed by the period in which the commitments expire:

Organisation	Within 1 Year	Later than 1 year and not later than 5 years	Later than 5 Years	Total 2014-15	Total 2013-14
	£000	£000	£000	£000	£000
CERN	109,107	67,010	0	176,117	
ESO	18,978	9,095	0	28,073	
ESRF	7,841	27,298	0	35,139	
ILL	15,603	57,946	58,447	131,996	
UK IODP subscription	1,950	-	-	1,950	
Other	130	-	-	130	
Total	153,609	161,349	58,447	373,405	-

10. Other financial assets

	31 March 2015			
	Private sector loans	Private equities	Other investments	Total
	£000	£000	£000	£000
Balance at 31 March	11,096	530	3,345	14,971
Balance at 1 April	11,096	530	3,345	14,971
Additions	70	226	-	296
Redemptions	(1,395)	-	-	(1,395)
Revaluations	-	-	(197)	(197)
Impairments	-	18	-	18
Balance at reporting date	9,771	774	3,148	13,693

11. Joint Ventures and Associates

	31 March 2015	31 March 2014
	Group £000	Group £000
Balance at 1 April	670,050	
Transfers in	-	
Reclassifications	-	
Additions	70,260	
Dividends	-	
Disposals	-	
Profit/(Loss)	(27,856)	
Impairments	(805)	
Impairment reversal	-	
Revaluations	(31,448)	
Balance at reporting date	680,201	-

Significant Joint Ventures in RCUK are as follows:

The Francis Crick Institute Limited and UKCMRI Construction Limited

The Francis Crick Institute is a UK registered charity and limited company formed to deliver the proposed UK Centre for Medical Research and Innovation. RCUK in partnership with Cancer Research UK, University College London, Kings College London, Imperial College of Science Technology and Medicine and the Wellcome Trust, own the Francis Crick Institute Ltd. The entity is designed to allow the delivery of the scientific aims of the joint venture. The original Joint Venture Agreement (JVA) was signed on 9th November 2010 which established the Francis Crick Institute as a charity limited by shares, following agreement of the Charity Commission. A Deed of accession varying the original Joint Venture Agreement was signed by all venturers in 11 October 2011.

Until such time as the Institute becomes operational the Council believe that their investment is best represented by the cost of the shares and therefore we have not consolidated the results of the Francis Crick Institute Ltd.

Shares in UKCMRI Construction Limited the construction company owned by the original partners, of which each partner held one £1 share, were transferred to The Francis Crick Institute Ltd upon as part of the JVA and became a wholly owned subsidiary of the Francis Crick Institute Ltd. The funding of the project has been by capital contributions leading to shares. The RCUK investment in the Francis Crick Institute Ltd is represented by issued shares.

Shares are issued in respect of payments and these are accounted for as investments. In return for providing the Francis Crick Institute with in-year funding under the joint venture agreement of £38m, the Francis Crick Institute agreed to issue the Council ordinary shares in the Francis Crick Institute to the same value. In addition at the year end the Francis Crick Institute owed the Council £151,076 (2013/14 £116,349) and the Council owed the Francis Crick Institute £0 (2013/14 £1,525,648).

A lease was made between the original founders and the Francis Crick Institute Ltd on 7th June 2012 granting lease of land at Brill Place, Camden, London (site of the Francis Crick Institute) to the Francis Crick Institute Ltd. The lease term is for a period of 55 years at peppercorn rent. The land had already been revalued by Powis Hughes, Chartered Surveyors on 14th April 2011. The valuation was carried out in accordance with RICS Valuation Manual, as amended April 2010, known as the revised

“Red Book”, at Market Value. The RCUK’s interest in the land was valued at £51,163,866 and reflected in the financial statements accordingly, (2013/14 – £49,500,000).

Diamond Light Source Limited (DLSL)

On 27 March 2002, BIS transferred its 86% interest in the joint venture DLSL to RCUK. The remaining 14% is held by Wellcome Trust Limited (registered in England). The joint venture was established for the construction and operation of the DLSL facility, a third generation, medium energy, synchrotron radiation source.

The RCUK’s shareholding in DLSL at 31 March 2015 is 423,400,421 (2013-14: 403,046,421) ordinary shares of £1 each and 57,050,729 (2013-14: 51,700,649) redeemable preference shares of £1 each. The purpose of the redeemable shares was to provide for the funding of irrecoverable VAT incurred during the construction and operation of the synchrotron facility. Shares may be redeemed at par only to the extent that any VAT previously deemed to be irrecoverable is refunded to the company or upon the winding up of the company.

RCUK’s CSCNE includes £45.811m joint venture funding for DLS (2013-14: £40.433m). The operating results, assets and liabilities of DLSL are reflected in RCUK’s Financial Statements in accordance with IFRS 11 *Joint Arrangements* and IFRS 12 *Disclosure of interests in other entities*. DLSL accounting year end is 31 March. The aggregate amount of capital and reserves at 31 March 2015 was £350.202m (2013-14: £350.869m) and the loss for the year was £32.328m (2013-14: £29.623m).

The investment in DLSL has been reduced by £31.363m (2013-14: £52.733m increase) to take account of a difference in accounting policy between RCUK and DLSL. See Note 1.6. In 2014-15 an Impairment Review of DLSL was undertaken in accordance with IAS 36 Impairment of Assets; the review concluded that no impairment was required in RCUK’s own accounts.

IFRS 7 Financial Instruments: Disclosure requires the disclosure of information which will allow users of financial statements to evaluate the significance of financial instruments on RCUK’s financial performance and position and the nature and extent of RCUK’s exposure to risks arising from these instruments. Unless stated below, there is not a significant risk for Credit risk, Market risk or Liquidity risk.

Market risk

Market risk is the risk that fair values and future cash flows will fluctuate due to changes in market prices. Market risk generally comprises of:

Foreign Currency risk

Forward contracts

RCUK is subject to foreign currency risks and has entered into forward contracts to help mitigate these risks. These derivative contracts have been designated as cash flow hedges and at the reporting date the hedges met the IAS 39 effectiveness criteria.

12. Trade receivables, financial and other assets

	31 March 2015	31 March 2014	1 April 2013
	£000	£000	£000
	Group	Group	Group
Amounts falling due within one year:			
Trade receivables	53,231		
Other receivables:			
VAT and other taxation	(700)		
Staff receivables	1,086		
Other	142		
Prepayments and accrued income	159,342		
	213,101	-	-
Amounts falling due after more than one year:			
Trade receivables	263		
Other receivables:	1,581		
Prepayments and accrued income	3,636		
	5,480		
Total Receivables	218,581	-	-

12.1 Intra-government receivables

	Amounts falling due within one year			Amounts falling due after more than one year		
	31 March 2015	31 March 2014	1 April 2013	31 March 2015	31 March 2014	1 April 2013
	£000	£000	£000	£000	£000	£000
	Group	Group	Group	Group	Group	Group
Balances with:						
Other central government bodies	9,205			4,590		
Local authorities	218					
Public Corporations and trading funds	78					
	9,501					
Bodies external to Government	203,600			890		
Total Receivables	213,101	-	-	5,480		

13. Cash and cash equivalents

	31 March 2015	31 March 2014
	£000	£000
	Group	Group
Balance as at 1 April	-	
Net change in cash and cash equivalent balances		
Balance as at period end date	33,632	-
The following balances at 31 March were held at:		
The Government Banking Service (GBS)	25,905	
Commercial banks and cash in hand	7,727	
Balance at period end date	33,632	-
Less overdraft	-	
Total	33,632	-

14. Trade payables and other current liabilities

	31 March 2015	31 March 2014	31 March 2013
	£000	£000	£000
	Group	Group	Group
Amounts falling due within one year:			
Corporation tax	6,318		
VAT, social security and other taxation	2,005		
Trade payables	131,119		
Other payables	4,323		
Accruals and deferred income	353,996		
	497,761	-	-
Amounts falling due after more than one year:			
Other payables, accruals and deferred income	12,957		
Finance leases	4,632		
	17,589	-	-
Total payables	515,350	-	-

14.1 Intra-government payables

	Amounts falling due within one year			Amounts falling due after more than one year		
	31 March 2015	31 March 2014	1 April 2013	31 March 2015	31 March 2014	1 April 2013
	£000	£000	£000	£000	£000	£000
	Group	Group	Group	Group	Group	Group
Balances with:						
Other central government bodies	12,010			2,044		
Local authorities	96					
Public Corporations and trading funds	7					
	12,113			2,044		
Bodies external to Government	485,648			15,545		
Total Receivables	497,761	-	-	17,589		

15. Provisions for liabilities and charges

	31 March 2015	31 March 2014
	£000	£000
Balance at 31 March	62,547	-
Transfer out	-	-
Balance at 1 April	62,547	-
Provided in the year	2,799	-
Provisions not required written back	(3,893)	-
Provisions utilised in the year	(8,723)	-
Changes in price level	123	-
Borrowing costs (unwinding of discount)	351	-
Balance at reporting date	53,204	-

The most significant balance included above is in relation to a decommissioning provision for Institut Laue-Langevin of £21.5m (2013-14: £23.2m) is included. In 2010-11 a letter of commitment undertaking to fund share of the decommissioning costs of the ILL facility was signed.

RCUK's share of these costs is 33%. The technical operations element of the provision was revaluated in 2007 and updated by ILL management in 2013.

16. Grant commitments

	2014-15 £000	2013-14 £000
Not later than one year	1,850,014	
Later than one year and not later than five years	2,364,927	
Later than five years	393,232	
	4,608,173	-

17. Retirement benefit obligations

	31 March 2015 £000	31 March 2014 £000
	Funded pension schemes	Funded pension schemes
Balance at 1 April	(73,737)	
Current service cost	20,821	
Interest cost	43,316	
Actuarial (gains) and losses	74,254	
Return on assets	(46,479)	
Income from contributions	(41,069)	
Balance at reporting date	(22,894)	-

18. Losses Statement

Number of cases

	2014-15 Group	2013-14 Group
Claims abandoned	11	
Administrative write-offs	31	
Constructive losses	30	
Fruitless payments	4	
Total	76	-

Loss values

	2014-15 £'000s	2013-14 £'000s
	Group	Group
Claims abandoned	28	
Administrative write-offs	29	
Constructive losses	333	
Fruitless payments	499	
Total	889	

RCUK pre-paid SWETS (UK) a library subscription management company, £490k to manage RCUK's 2015 (calendar year) library subscriptions for about 150 journals managed by 30 publishers. On 22nd September the parent holding company (SWETS Information Services B.V) went into administration, and on the 9th October, the UK subsidiary followed. This resulted in a fruitless payment above which has been approved by BIS.

19. Contingent liabilities

Contingent liabilities disclosed under IAS 37. RCUK has the following contingent liabilities:

Basis of Recognition	Description
Unquantifiable	
International collaborations – technical facilities	RCUK collaborates with a number of international partners in the funding, management and operation of technical facilities which it does not own. For each of these facilities RCUK may be obliged to contribute to decommissioning costs arising from a decision to discontinue operations. The most significant of these potential liabilities is in respect of CERN and the European Southern Observatory (ESO). The contingent liability is unquantifiable.
Quantifiable	
Reprocessing and staff commitments	RCUK is responsible for Institut Laue-Langevin (ILL) staff related commitments and costs associated with reprocessing fuel elements. The contingent liability is estimated to be £10 million (31 March 2014: £11 million).
Restructuring Costs	Where Institutes/Sites that were previously part of BBSRC were transferred to other organisations, BBSRC agreed to meet certain costs for a limited period. The maximum payable under these agreements was £3 million and all of the agreements will end by 2016-17 (31 March 2014: £3 million).
Decommissioning and Dilapidations	£1.9m (2013-14: £2.1m) in respect of ESRF decommissioning costs associated with the dismantling of the facility and infrastructures. Decommissioning occurs on winding up of ESRF. If exit by the UK (or any other Member) results in ESRF being wound up, the Members are required to arrange for decommissioning of ESRF's plant and buildings and to meet the costs of doing so in proportion to their share of capital at the time of dissolution. As there has been no past obligating event these costs are treated as a contingent liability in accordance with IAS37.

20. Related-party transactions

* Further analysis to be considered for related-party transactions for disclosure within the accounts ensuring they are all relevant under IAS24. This will also assist in the reduction of the disclosures to be made when compared with the individual Research Council signed 2014-15 accounts.

21. Events after the Reporting Period

IAS 10 Events after the reporting period requires the disclosure on the date on which the financial statements were authorised for issue and who gave that authorisation. The accounts were authorised for issue by the Accounting officer on the xxx . The financial statements do not reflect events after this date.