UNIVERSITY OF LEICESTER PENSION AND ASSURANCE SCHEME

REPORT AND ACCOUNTS

YEAR ENDED 31 JULY 2013
## UNIVERSITY OF LEICESTER PENSION AND ASSURANCE SCHEME

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UNIVERSITY OF LEICESTER PENSION AND ASSURANCE SCHEME

TRUSTEES AND THEIR ADVISERS
YEAR ENDED 31 JULY 2013

Trustees
Professor J H Holloway (Chairman)
Dr M A Chambertain
Mr H J Hunt
Mr M Patel (Member Nominated Trustee)
Mrs C Goddard (Member Nominated Trustee) (resigned 11 December 2012)
Mr J Foster (appointed 1 April 2013)
Mr B Haveliwala (appointed 1 April 2013, resigned 1 June 2013)

Scheme Actuary
Mr L Patel (resigned 1 May 2013)
Capita Hartshead Limited
Ludgate House
2nd Floor
245 Blackfriars Road
London
SE1 9UF

Mr J Harvey (appointed 6 June 2013)
Aon Hewitt Limited
Netherton House
25 Marsh Street
Bristol
BS1 4AQ

Scheme Administrators
Capita Hartshead Limited (removed 30 June 2013)
Ludgate House
2nd Floor
245 Blackfriars Road
London
SE1 9UF

Aon Hewitt Limited (appointed 1 July 2013)
Netherton House
25 Marsh Street
Bristol
BS1 4AQ

Auditor
Deloitte LLP
1 Woodborough Road
Nottingham
NG1 3FG

Bankers
National Westminster Bank Plc
1 Granby Street
Leciester
LE6 1ET

Bank of Scotland
54/62 Sauchiehall Street
Glasgow
G2 3AH
Trustees and their advisers (continued)

AVC provider
Prudential plc
Laurence Pountney Hill
London
EC4R 0HH

Investment Managers
Legal and General Investment Management
Bucklersbury House
3 Queen Victoria Street
London
EC4N 8NH

Black Rock Investment Management (UK) Limited
Investment Managers Limited
33 King William Street
London
EC4R 9AS

BNY Mellon Asset Management International Limited
BNY Mellon House
Ingrave Road
Brentwood
CM15 8TG

Secretary to the Trustees
Mr GR Hague

Legal Adviser
Squire Sanders (UK) LLP
Rutland House
148 Edmund Street
Birmingham
B3 2JR

Investment Adviser
Barnett Waddingham LLP
Cheapside House
138 Cheapside
London
EC2V 6BW

Principal Employer
University of Leicester
University Road
Leicester
LE1 7RH
Introduction

The Trustees present their annual report and audited accounts for the year ended 31 July 2013.

The University of Leicester Pension and Assurance Scheme (the "Scheme" or "PAS") is a defined benefit scheme and was administered by Capita Hartshead Limited (until 30 June 2013) and Aon Hewitt Limited (from 1 July 2013). The sponsoring employer of the Scheme is the University of Leicester ("the University").

Members are currently contracted out of the State Second Pension Scheme.

The Scheme was closed to new members on 31 July 2003. At the time the Scheme was closed to new members, the Scheme’s added years AVC facility was also closed to new members and was replaced with a money purchase AVC facility offered through Prudential.

Further information about the Scheme is given in the explanatory booklets which are issued to all the relevant members.

Trustees and Advisers

A list of Trustees is included in the legal and administrative information on pages 1 and 2.

The Member Nominated Trustees may be removed before the end of their year term only by agreement of all the remaining Trustees and if the Pensions Act allows. In accordance with the Trust Deed, the Principal Employer, University of Leicester, has the power to appoint and remove the other Trustees of the Scheme.

During the year, the Trustees received guidance on current issues from the Actuary and from the Investment Adviser and the Trustees have attended events organised by the Investment Managers.

Lalji Patel resigned as Scheme Actuary on 1 May 2013 and Jay Harvey was appointed on 6 June 2013. In a statement to the Trustees, Lalji Patel confirmed that he knew of no circumstances connected with his resignation which affected the interests of members, prospective members or beneficiaries of the Scheme.

Further information about the Scheme is given in the explanatory booklets which are issued to all the relevant members.

The Principal Employer

The Principal Employer of the Scheme is: University of Leicester, University Road, Leicester, LE1 7RH.
UNIVERSITY OF LEICESTER PENSION AND ASSURANCE SCHEME

TRUSTEES' REPORT
YEAR ENDED 31 JULY 2013

Management of the Scheme

Trustee meetings

The Trustees met formally 4 times during the year.

Contributions

Employer

In respect of future accrual of benefits:

- in respect of Salary Sacrifice Members 30.93% of Pensionable Earnings

- in respect of other members 23.43% of Pensionable Earnings

In respect of the shortfall in funding as per the Recovery Plan of 18 October 2011 and schedule of contributions dated 11 December 2012:

- the 2012/13 payment of £1.5 million was made in August 2012 which is part of the agreed annual payment programme of £1.5 million per annum payable each year until 2026

- some 5.27% of pensionable earnings in addition to the on-going service employer contribution of 23.43%, giving a total employer contribution of 28.70%

Member

In respect of Salary Sacrifice Members

Nil plus any Additional Voluntary Contributions

In respect of other members:

7.50% of Pensionable Earnings plus any Additional Voluntary Contributions
Membership

Details of the membership of the Scheme as at 31 July 2013 are given below:

<table>
<thead>
<tr>
<th>Members at the start of the year</th>
<th>Active members 2013</th>
<th>Pensioners 2013</th>
<th>Members with preserved and deferred benefits 2013</th>
<th>Total 2013</th>
</tr>
</thead>
<tbody>
<tr>
<td>Adjustments to members</td>
<td>(8)</td>
<td>4</td>
<td>4</td>
<td>-</td>
</tr>
<tr>
<td>Retirements</td>
<td>(21)</td>
<td>34</td>
<td>(13)</td>
<td>-</td>
</tr>
<tr>
<td>Deaths</td>
<td>-</td>
<td>(17)</td>
<td>(2)</td>
<td>(19)</td>
</tr>
<tr>
<td>Members leaving with preserved benefits</td>
<td>(17)</td>
<td>-</td>
<td>17</td>
<td>-</td>
</tr>
<tr>
<td>New entrants in the year</td>
<td>-</td>
<td>1</td>
<td>-</td>
<td>1</td>
</tr>
<tr>
<td>Transfers out</td>
<td>-</td>
<td>-</td>
<td>(3)</td>
<td>(3)</td>
</tr>
<tr>
<td>Trivial commutations</td>
<td>-</td>
<td>-</td>
<td>(2)</td>
<td>(2)</td>
</tr>
<tr>
<td>Total membership at the end of the year</td>
<td>329</td>
<td>707</td>
<td>1,032</td>
<td>2,068</td>
</tr>
</tbody>
</table>

Pensioners include individuals receiving a pension upon the death of their spouse.

These membership figures do not include movements notified to the Administrator after the completion of the annual renewal.

A review of membership was undertaken during the transfer of information to Aon Hewitt Limited from Capita Hartshead Limited. The adjustment to members incorporates necessary adjustments found.

Pension increases

Deferred pensions are increased in line with statutory requirements.

Pensions increase each year, once in payment, in line with the rate of indexation that the government uses for increases in "official pensions". For pensions built up after 1 August 2012 increases are currently based on Consumer Prices Index (CPI), and pensions built up prior to 1 August 2012 are currently based on Retail Prices Index (RPI) subject to a maximum increase of 5% per annum.

Pensions in payment in excess of Guaranteed Minimum Pension (GMP) were increased by 2.2% CPI based and 2.6% RPI based from 1 April 2013 in accordance with the Pension Increase (Review) Order 2012. In addition the GMP earned after 6 April 1988 increased by 2.2%. There were no discretionary increases.
Transfer values

Transfer values paid during the year were calculated and verified in the manner required by the Pension Schemes Act 1993. None of the transfer values paid were less than the amount provided by the Act.

Members leaving pensionable service prior to retirement can normally elect to transfer the value of their benefits under the Scheme to another scheme that they join or to an insurance contract or personal pension. The transfer value of a Scheme member’s benefits includes no allowance for any discretionary benefits which might be awarded in the future.

Legislation on transfer values came into effect on 1 October 2008 making the Trustees responsible for setting the transfer value basis, after taking actuarial advice. The basis adopted by the Trustees does not include a reduction for Scheme underfunding (if any).

No discretionary benefits are accounted for in the calculation of transfer values.

Data Quality Standards

In line with the Pensions Regulator’s guidance, the Trustees concluded their data quality standards review which is being project managed by a top four consultancy firm. Significant progress has been made and ensuring appropriate data quality is now business as usual for the Trustees. A number of specific issues have been identified as a result of the review, one of which was the identification that a number of pensions had been incorrectly calculated when they were established during the period between 1998 and 2003. In order to rectify this, the Trustees had to make arrears of pension payments of some £221,000 which were paid in June 2013 to some 117 pensioners. In addition the annual pensioner payroll has increased by some £27,000 with the uplift to pension payments being implemented in July 2013.

Review of the financial developments during the year as shown by the audited accounts

The accounts on pages 15 to 23 show that the value of the Scheme’s assets increased by £14,148,216 to £124,502,879 as at 31 July 2013. The increase was comprised of net withdrawals from dealings with members of £90,685 together with a net increase in returns on investments of £14,238,901.

The accounts have been prepared and audited in accordance with the regulations made under Sections 41 (1) and (6) of the Pensions Act 1995.

Further details of the financial developments of the Scheme may be found in the audited accounts on pages 15 to 23.
TRUSTEES’ REPORT
YEAR ENDED 31 JULY 2013

Review of the Scheme’s financial prospects having regard to the actuarial valuation and statement

The Scheme is formally valued every 3 years and the Trustees are required to use prudent assumptions in undertaking this task. The last formal valuation was undertaken as at 1 August 2010.

The main elements of the outcome of the latest actuarial valuation were:

- The value of the Scheme liabilities was £123.4 million and the Scheme’s assets were valued at £94.6 million;
- There was therefore a shortfall of £28.8 million. This compared to the £10.2 million shortfall reported in the 2007 actuarial valuation;
- This represents a funding level (assets divided by liabilities) of 77%. This compares to the funding level of 90% reported in the 2007 valuation.

In response to the shortfall, the Trustees and the University agreed a recovery plan which aimed to remove this shortfall by 1st August 2027. This plan required that the following payments be made by the University commencing on 1st August 2010 as follows:

For the year 1 August 2010 to 31 August 2011:
- £707,000 in August 2010;
- £1,000,000 in July 2011;
- 4.12% of Pensionable Earnings.

Followed by, for the period from 1 August 2011 to 31 July 2027:
- £1,500,000 payable per annum, at the start of each Scheme year, from August 2011 to August 2026 inclusive;
- 4.12% of Pensionable Earnings;
- 1.15% of Pensionable Earnings with effect from 1 April 2012, consequent upon the increase in the employee contribution from 6.35% to 7.50%.

It is a legal requirement for the Trustees to monitor the progress of the recovery on an annual basis to ensure that it is still on target. The latest annual update to the actuarial valuation was prepared by the Scheme’s Actuary, as at 31 July 2012. This showed a significant deterioration in the financial position of the Scheme.

The deterioration in the financial position of the Scheme was a result of the increase in liabilities which are in part determined by the value of gilt yields. Gilt yields have fallen due to the combination of quantitative easing and the UK’s safe haven status in the current difficult environment. This has resulted in an increase in the value of liabilities, and this effect is common to most defined benefit pension schemes. In addition, the value of assets have also been volatile and it is therefore difficult at this time to make an assessment of the true underlying position of the Scheme. The Scheme has been able to tolerate this level of volatility because of the financial substance of the University of Leicester, which underwrites the Scheme’s liabilities, and the University’s commitment to the Scheme. The University considered the latest position of the Scheme when it received the Actuary’s update as at 1 August 2012 and decided that, given the circumstances, it would take no action at this time but would review the position of the Scheme following the results of the next formal actuarial valuation of 1 August 2013, the results of which will be available in early 2014.
Investment Managers

The current investment managers are shown on page 2 and a report on the Scheme Investments is provided on pages 10 to 12.

The investment managers are given full discretion in making investment decisions, subject to broad guidelines laid down by the Trustees.

As required by the Pensions Act 1995, the Trustees have prepared a Statement of Investment Principles setting out their policy on investment. A copy of the Statement is available on request.

The Trustees have no separate custodians for the Plan as the investment managers make their own custodial arrangements for the assets underlying the funds they manage. Further details are given in the Investment Report.
Further information

Further information about the Scheme is available, on request, to members, their spouses and other beneficiaries together with all recognised trade unions. In particular, the documents constituting the Scheme, the Rules and a copy of the latest actuarial report and the Trustees' Statement of Investment Principles can be inspected.

Individual benefit statements are provided to active members annually. In addition to the information shown on these statements members can request details of the amount of their current transfer value and, if applicable, the current amount of any refund of contributions to which they would be entitled on leaving service. Such requests are available free of charge once a year.

If members have any queries concerning the Scheme or their own pension position, or wish to obtain further information, they should contact the Trustees who will also be able to provide them with a further copy of the Scheme booklet should they require one and answer any queries that they may have about entitlement to benefits.

The Trustees of University of Leicester Pension and Assurance Scheme (the 'Scheme') care of:

Finance Office
University of Leicester
University Road
Leicester
LE1 7RH

Data protection

The Data Protection Act seeks to protect and respect the individuals' rights to privacy. The Data Protection Act 1998 came into force on 1 March 2000 and regulates the use of personal data relating to living individuals that are processed automatically or manually and held in a relevant filing system. Explicit consent of the member is required where personal sensitive data is held or processed. Sensitive information can include information relating to on, for example, the health of a member.

The Trustees, in their capacity as 'Data Controllers' and the Scheme's advisers in their capacity as 'Data Processors' under the Act, each have legal obligation and a legitimate interest to process data relating to members for the purpose of administering and operating the Scheme, which includes passing on data to third parties. For example, the provision of Death in Service benefits requires information to be passed to other professional providers and Life office advisers who underwrite such benefits.

The Trustees and the University are regarded as "Data Controllers" for the purposes of the Data Protection Act 1998, in relation to the process referred to above. The advisers appointed by the Trustees are "Data Processors".
Investment managers

The Trustees set the investment strategy for the Scheme after taking advice from the Scheme’s investment adviser. The Trustees have appointed the following investment managers for the day to day responsibility of managing the Scheme’s assets:

- BlackRock Investment Management (UK) Limited;
- Legal & General Investment Management;
- Newton Investment Management.

The Scheme’s assets are invested in pooled funds and are invested in line with the guidelines that apply to the funds.

The investment managers are paid fees for their services. The fees are calculated as a percentage of the market value of the assets that they manage. The investment management fees are borne by the Scheme.

Investment principles and objectives

The Trustees have produced a Statement of Investment Principles as required by section 35 of the Pensions Act 1995 and a copy of the Statement is available on request. The Statement of Investment Principles incorporates the Trustees’ investment strategy.

The Trustees’ main investment objectives are:

- to ensure that they can meet the members’ entitlements under the Trust Deed and Rules as they fall due;
- to achieve a long term positive real return;
- to manage the expected volatility of the returns achieved in order to control the level of volatility in the Scheme’s required contribution levels;
- to invest in assets of appropriate liquidity which will generate income and capital growth to meet, together with new contributions from members and the participating employers, the cost of current and future benefits which the Scheme provides;
- to reduce the risk of the assets failing to meet the liabilities over the long term;
- to minimise the long-term costs of the Scheme by maximising the return on the assets whilst having regard to the above objectives.

Investment structure

In order to achieve their objectives, the Trustees have invested the Scheme’s assets as set out in the table below. The Trustees have set a target allocation, but the actual allocation will only be adjusted to be in line with the target asset allocation when the Trustees consider market conditions to be favourable for making the switch.

<table>
<thead>
<tr>
<th>Asset Class</th>
<th>Asset Allocation 31.07.2013</th>
<th>Target Asset Allocation</th>
</tr>
</thead>
<tbody>
<tr>
<td>L&amp;G Equity Portfolio</td>
<td>37.8%</td>
<td>42%</td>
</tr>
<tr>
<td>BlackRock Dynamic Diversified Growth Fund</td>
<td>21.6%</td>
<td>20%</td>
</tr>
<tr>
<td>Newton Real Return Fund</td>
<td>19.5%</td>
<td>8%</td>
</tr>
<tr>
<td>L&amp;G Active Corporate Bond - Over 10 Year - Fund</td>
<td>21.1%</td>
<td>20%</td>
</tr>
<tr>
<td>L&amp;G Over 5 Year Index-Linked Bills</td>
<td>-</td>
<td>10%</td>
</tr>
<tr>
<td>Total</td>
<td>100%</td>
<td>100%</td>
</tr>
</tbody>
</table>
UNIVERSITY OF LEICESTER PENSION AND ASSURANCE SCHEME

INVESTMENT REPORT

It is the Trustees' intention to allocate some 10% of the total funds to index-linked gilts and reduce their growth assets by a corresponding amount. However, in the current economic climate it is not advantageous to do so and it is not clear when it will become so. As an alternative, the Trustees have reviewed other options such as structured loans funds and long leased property funds which would provide diversification and protection against inflation. The Trustees are to make a decision about the best way forward towards the end of 2013.

There was one significant change made to the asset allocation during the year. In March 2013, £8m was disinvested from the L&G equity portfolio and £4m was invested with each of BlackRock and Newton. The table below sets out the market values of the assets at the start and end of the year as well as the net cashflows in to and out of each of the accounts over the year.

<table>
<thead>
<tr>
<th>Asset Class</th>
<th>Asset Values 31.07.2012</th>
<th>Cashflows over the year</th>
<th>Change in market value</th>
<th>Assets Values 31.07.2013</th>
</tr>
</thead>
<tbody>
<tr>
<td>L&amp;G Equity Portfolio</td>
<td>44,305,885</td>
<td>(8,000,000)</td>
<td>10,846,630</td>
<td>47,152,515</td>
</tr>
<tr>
<td>BlackRock Dynamic Diversified</td>
<td>21,198,830</td>
<td>4,000,000</td>
<td>1,688,024</td>
<td>26,883,854</td>
</tr>
<tr>
<td>Growth Fund</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Newton Real Return Fund</td>
<td>19,220,828</td>
<td>4,000,000</td>
<td>1,071,982</td>
<td>24,292,810</td>
</tr>
<tr>
<td>L&amp;G Active Corporate Bond - Over 10</td>
<td>25,463,878</td>
<td>-</td>
<td>811,365</td>
<td>26,275,243</td>
</tr>
<tr>
<td>Year - Fund</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Total</td>
<td>110,189,421</td>
<td>-</td>
<td>14,415,001</td>
<td>124,604,422</td>
</tr>
</tbody>
</table>

Investment performance

A representative from each of the investment managers is invited to attend the meetings of the Trustees regularly, usually annually, to review performance and future prospects. The Trustees monitor individual manager performance and market conditions each quarter and receive reports from their Investment Adviser, Barnett Waddingham. The Trustees regularly assess the performance of their investment strategy with a view to ensuring that the assets of the Scheme meet the liabilities.

The table below sets out the investment return of the Scheme's assets over one year and three years to 31 July 2013:

<table>
<thead>
<tr>
<th></th>
<th>1 Year Return (Fund)</th>
<th>1 Year Return (Benchmark)</th>
<th>3 Year Return (Fund)</th>
<th>3 Year Return (Benchmark)</th>
</tr>
</thead>
<tbody>
<tr>
<td>L&amp;G Equity Portfolio</td>
<td>25.3%</td>
<td>25.3%</td>
<td>n/a</td>
<td>n/a</td>
</tr>
<tr>
<td>BlackRock Dynamic Diversified</td>
<td>8.0%</td>
<td>3.5%</td>
<td>5.1%</td>
<td>3.8%</td>
</tr>
<tr>
<td>Growth Fund</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Newton Real Return Fund</td>
<td>5.5%</td>
<td>3.7%</td>
<td>n/a</td>
<td>n/a</td>
</tr>
<tr>
<td>L&amp;G Active Corporate Bond - Over 10</td>
<td>3.1%</td>
<td>2.6%</td>
<td>9.8%</td>
<td>8.7%</td>
</tr>
<tr>
<td>Year - Fund</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

BlackRock and Newton returns shown net of fees and benchmark returns are the target returns for these funds. Legal & General returns shown gross of fees.

Since the Scheme has not been invested in all of the funds for 3 years, performance over 3 years is not shown for all holdings.

Departures from investment principles

There were no departures from the stated principles during the year under review.

Employer-related investments

There were no direct employer-related investments at the year end.
Concentration of investments

There were no single investments, other than pooled investment vehicles, which accounted for more than 5% of the total net assets of the Scheme.

The pooled investment vehicles and their values at 31 July 2013 are shown in note 10.
UNIVERSITY OF LEICESTER PENSION AND ASSURANCE SCHEME

STATEMENT OF TRUSTEES' RESPONSIBILITIES

The accounts, which are prepared in accordance with UK Generally Accepted Accounting Practice, are the responsibility of the Trustees. Pension Scheme regulations require the Trustees to make available to Scheme members, beneficiaries and certain other parties, audited accounts for each Scheme year which:

- show a true and fair view of the financial transactions of the Scheme during the Scheme year and of the amount and disposition at the end of the Scheme year of the assets and liabilities, other than liabilities to pay pensions and benefits after the end of the Scheme year; and

- contain the information specified in the Schedule to the Occupational Pension Schemes (Requirement to obtain Audited Accounts and a Statement from the Auditor) Regulations 1996, including a statement whether the accounts have been prepared in accordance with the Statement of Recommended Practice, "Financial Reports of Pension Schemes".

The Trustees have supervised the preparation of the accounts and have agreed suitable accounting policies, to be applied consistently, making any estimates and judgments on a prudent and reasonable basis.

The Trustees are also responsible for making available certain other information about the scheme in the form of an Annual Report.

The Trustees are responsible under pensions legislation for ensuring that there is prepared, maintained and from time to time revised a Schedule of Contributions showing the rates of contributions payable towards the Scheme by or on behalf of the employer and the active members of the Scheme and the dates on or before which such contributions are to be paid. The Trustees are also responsible for keeping records in respect of contributions received in respect of any active member of the Scheme and for monitoring whether contributions are made to the Scheme by the employer in accordance with the Schedule of Contributions. Where breaches of the schedule occur, the Trustees are required by the Pensions Acts 1995 and 2004 to consider making reports to the Pensions Regulator and the members.

The Trustees also have a general responsibility for ensuring that adequate accounting records are kept and for taking such steps as are reasonably open to them to safeguard the assets of the Scheme and to prevent and detect fraud and other irregularities, including the maintenance of an appropriate system of internal control.

Signed for and on behalf of the Trustees:

Trustee: [Signature]

Trustee: [Signature]

Date: 10/12/2013
INDEPENDENT AUDITORS' REPORT TO THE TRUSTEES

We have audited the accounts of University of Leicester Pension and Assurance Scheme for the year ended 31 July 2013 which comprise the fund account, the net assets statement and the related notes 1 to 14. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

This report is made solely to the Trustees, as a body, in accordance with regulation 3 of the Occupational Pension Schemes (Requirement to obtain Audited Accounts and a Statement from the Auditor) Regulations 1996 made under the Pensions Act 1995. Our audit work has been undertaken so that we might state to the Trustees those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Trustees as a body, for our audit work, for this report, or for the opinions we have formed.

Respective responsibilities of Trustees and Auditor

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

Scope of the audit of these accounts

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

Opinion on accounts

In our opinion the accounts:

- show a true and fair view of the financial transactions of the Scheme during the year ended 31 July 2013, and of the amount and disposition at that rate of its assets and liabilities, other than the liabilities to pay pensions and benefits after the end of the year;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice;
- contain the information specified in Regulation 3 of, and the Schedule to, the Occupational Pension Schemes (Requirement to obtain Audited Accounts and a Statement from the Auditor) regulations 1996, made under the Pensions Act 1995.

Deloitte LLP
Chartered Accountants and Statutory Auditor
Nottingham, United Kingdom

Date: 11 December 2013
## UNIVERSITY OF LEICESTER PENSION AND ASSURANCE SCHEME

### FUND ACCOUNT
FOR THE YEAR ENDED 31 JULY 2013

<table>
<thead>
<tr>
<th>Table Title</th>
<th>Note</th>
<th>For the year ended 31 July 2013</th>
<th>For the year ended 31 July 2012</th>
</tr>
</thead>
<tbody>
<tr>
<td>Contributions and benefits</td>
<td></td>
<td>£</td>
<td>£</td>
</tr>
<tr>
<td>Contributions</td>
<td>3</td>
<td>4,260,058</td>
<td>4,201,751</td>
</tr>
<tr>
<td>Transfers in</td>
<td>4</td>
<td>111,275</td>
<td>-</td>
</tr>
<tr>
<td>Other income</td>
<td>5</td>
<td>149</td>
<td>-</td>
</tr>
<tr>
<td></td>
<td></td>
<td><strong>4,371,482</strong></td>
<td><strong>4,201,751</strong></td>
</tr>
<tr>
<td>Benefits</td>
<td></td>
<td><strong>3,857,152</strong></td>
<td><strong>2,967,831</strong></td>
</tr>
<tr>
<td>Leavers</td>
<td>6</td>
<td>(181,093)</td>
<td>(90,180)</td>
</tr>
<tr>
<td>Administrative expenses</td>
<td>7</td>
<td>(443,922)</td>
<td>(376,468)</td>
</tr>
<tr>
<td></td>
<td></td>
<td><strong>4,462,167</strong></td>
<td><strong>3,434,499</strong></td>
</tr>
<tr>
<td>Net (withdrawals)/additions from dealings with members</td>
<td></td>
<td>(90,685)</td>
<td>767,252</td>
</tr>
<tr>
<td>Returns on investments</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Investment income</td>
<td>9</td>
<td>2,123</td>
<td>47,751</td>
</tr>
<tr>
<td>Change in market value of investments</td>
<td>10</td>
<td>14,415,091</td>
<td>3,958,665</td>
</tr>
<tr>
<td>Investment management expenses</td>
<td>11</td>
<td>(178,223)</td>
<td>(157,179)</td>
</tr>
<tr>
<td>Net returns on investments</td>
<td></td>
<td>14,238,801</td>
<td>3,849,237</td>
</tr>
<tr>
<td>Net increase in the fund during the year</td>
<td></td>
<td>14,148,216</td>
<td>4,616,489</td>
</tr>
<tr>
<td>Net assets of the Scheme</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>At 1 August 2012</td>
<td></td>
<td>110,354,663</td>
<td>105,738,174</td>
</tr>
<tr>
<td>Net assets of the Scheme</td>
<td></td>
<td>124,502,879</td>
<td>110,354,663</td>
</tr>
</tbody>
</table>
NET ASSETS STATEMENT
AS AT 31 JULY 2013

<table>
<thead>
<tr>
<th>Note</th>
<th>31 July 2013 £</th>
<th>31 July 2012 £</th>
</tr>
</thead>
<tbody>
<tr>
<td>10</td>
<td>124,715,697</td>
<td>110,189,421</td>
</tr>
<tr>
<td>12</td>
<td>828,197</td>
<td>334,740</td>
</tr>
<tr>
<td>13</td>
<td>(1,039,015)</td>
<td>(169,498)</td>
</tr>
</tbody>
</table>

_net Assets at 31 July 2013_

<table>
<thead>
<tr>
<th></th>
<th>31 July 2013 £</th>
<th>31 July 2012 £</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>124,502,879</td>
<td>110,354,663</td>
</tr>
</tbody>
</table>

The accounts summarise the transactions of the Scheme and deal with the net assets at the disposal of the Trustees. They do not take account of obligations to pay pensions and benefits which fall due after the end of the Scheme year. The actuarial position of the Scheme, which does take account of such obligations, is dealt with in the actuarial statement included in the annual report and these accounts should be read in conjunction with it them.

The notes on pages 17 to 23 form an integral part of these accounts.

These accounts were approved by the Trustees and were signed on their behalf by:

Trustee: 

Mr. Paltz

Date: 10/12/2013
1. BASIS OF PREPARATION

The accounts have been prepared in accordance with the Occupational Pension Schemes (Requirement to obtain Audited Accounts and a Statement from the Auditor) Regulations 1996, and with the guidelines set out in the Statement of Recommended Practice, “Financial Reports of Pension Schemes” (SORP) (revised May 2007).

2. ACCOUNTING POLICIES

The following principal accounting policies have been adopted in the preparation of the accounts.

2.1 Accruals concept

The accounts have been prepared on an accruals basis with the exception of individual transfers which are recognised when received or paid.

2.2 Contributions and benefits

Contributions and benefits are accounted for in the period in which they fall due.

Augmentations relate to the cost of augmenting benefits of certain retiring members, as advised by the Actuary. They are accounted for in accordance with the agreement under which they are paid. In the absence of any formal agreement they are accounted for on a receipts basis.

AVCs are accounted for on an accruals basis, and the resulting investments are included within the net assets statement on the basis of the values provided by the AVC provider.

2.3 Transfers to and from other schemes

Transfer values have been included in the accounts when received and paid. They do not take account of members who have notified the Scheme of their intention to transfer.

Individual transfer values to and from other pension arrangements represents the amounts received and paid during the year for members who either joined or left the Scheme and are accounted for when a member exercises their option to transfer their benefit.

2.4 Investment income

Pooled investment vehicles are held under a managed fund policy and income generated by these are not distributable, but retained within the managed fund and reflected in the market value of units.

Income arising from individual annuity policies held by the Trustees and received by the Scheme is included within investment income.

Interest on bank deposits is accounted for on an accruals basis.

2.5 Valuation of investments

The market value of pooled investment vehicles is based on the unit price operating at the accounting date, as advised by the investment managers.
2. ACCOUNTING POLICIES (continued)

2.6 Administrative expenses and investment management expenses

Administrative expenses and investment management expenses are accounted for on an accruals basis.

3. CONTRIBUTIONS

<table>
<thead>
<tr>
<th></th>
<th>For the year ended</th>
<th>For the year ended</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>31 July 2013</td>
<td>31 July 2012</td>
</tr>
<tr>
<td>Employer's Contributions</td>
<td></td>
<td></td>
</tr>
<tr>
<td>normal</td>
<td>1,565,272</td>
<td>1,796,025</td>
</tr>
<tr>
<td>augmentations</td>
<td>181,500</td>
<td>-</td>
</tr>
<tr>
<td>Pension Protection Fund - University contributions</td>
<td>92,725</td>
<td>49,814</td>
</tr>
<tr>
<td>deficit funding</td>
<td>1,848,817</td>
<td>1,833,602</td>
</tr>
<tr>
<td>Members' contributions</td>
<td></td>
<td></td>
</tr>
<tr>
<td>normal</td>
<td>510,851</td>
<td>499,074</td>
</tr>
<tr>
<td>additional voluntary contributions</td>
<td>21,093</td>
<td>23,236</td>
</tr>
<tr>
<td></td>
<td>4,260,058</td>
<td>4,201,751</td>
</tr>
</tbody>
</table>

Contributions received from members and participating employers were in accordance with the Schedule of Contributions.

As required by the schedule of contributions that was effective for the year, the University paid £1,858,817 for deficit funding (2012: £1,833,602). Under the schedule of contributions dated 23 March 2012 the University agreed to pay £1,500,000 each August until August 2026.

4. TRANSFERS IN

<table>
<thead>
<tr>
<th></th>
<th>For the year ended</th>
<th>For the year ended</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>31 July 2013</td>
<td>31 July 2012</td>
</tr>
<tr>
<td>Transfer in of AVC policy</td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>111,275</td>
<td>-</td>
</tr>
</tbody>
</table>

Transfers in are AVC investments held by the Scheme in Prudential not previously disclosed as an asset and have now been incorporated.
5. OTHER INCOME

<table>
<thead>
<tr>
<th>For the year ended</th>
<th>For the year ended</th>
</tr>
</thead>
<tbody>
<tr>
<td>31 July 2013</td>
<td>31 July 2012</td>
</tr>
<tr>
<td>£</td>
<td>£</td>
</tr>
</tbody>
</table>

Other income

<p>| | |</p>
<table>
<thead>
<tr>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>148</td>
</tr>
</tbody>
</table>

6. BENEFITS

<table>
<thead>
<tr>
<th>For the year ended</th>
<th>For the year ended</th>
</tr>
</thead>
<tbody>
<tr>
<td>31 July 2013</td>
<td>31 July 2012</td>
</tr>
<tr>
<td>£</td>
<td>£</td>
</tr>
</tbody>
</table>

Pensions

<p>| | |</p>
<table>
<thead>
<tr>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>3,009,229</td>
<td>2,569,239</td>
</tr>
</tbody>
</table>

Commutations

<p>| | |</p>
<table>
<thead>
<tr>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>804,926</td>
<td>396,592</td>
</tr>
</tbody>
</table>

Lump sums on death in retirement

<p>| | |</p>
<table>
<thead>
<tr>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>42,998</td>
<td>-</td>
</tr>
</tbody>
</table>

<p>| | |</p>
<table>
<thead>
<tr>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>3,857,152</td>
<td>2,967,831</td>
</tr>
</tbody>
</table>

7. PAYMENTS TO AND ON ACCOUNT OF LEAVERS

<table>
<thead>
<tr>
<th>For the year ended</th>
<th>For the year ended</th>
</tr>
</thead>
<tbody>
<tr>
<td>31 July 2013</td>
<td>31 July 2012</td>
</tr>
<tr>
<td>£</td>
<td>£</td>
</tr>
</tbody>
</table>

Payments for members joining state scheme

<p>| | |</p>
<table>
<thead>
<tr>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>(897)</td>
<td>-</td>
</tr>
</tbody>
</table>

Individual transfers to other schemes

<p>| | |</p>
<table>
<thead>
<tr>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>161,980</td>
<td>90,180</td>
</tr>
<tr>
<td></td>
<td></td>
</tr>
<tr>
<td>161,093</td>
<td>90,180</td>
</tr>
</tbody>
</table>

A refund of state scheme premium of £897 was received due to a member leaving choosing to transfer their benefit rather than receive a refund of contributions.
8. **ADMINISTRATIVE EXPENSES**

<table>
<thead>
<tr>
<th></th>
<th>For the year ended</th>
<th>For the year ended</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>31 July 2013</td>
<td>31 July 2012</td>
</tr>
<tr>
<td>Administration and processing</td>
<td>£209,840</td>
<td>£206,072</td>
</tr>
<tr>
<td>Audit fee</td>
<td>£11,540</td>
<td>£12,960</td>
</tr>
<tr>
<td>Legal fees</td>
<td>£69,464</td>
<td>£48,319</td>
</tr>
<tr>
<td>PPF levy</td>
<td>£92,725</td>
<td>£49,814</td>
</tr>
<tr>
<td>Administration expenses recharged from sponsoring employer</td>
<td>£57,743</td>
<td>£57,171</td>
</tr>
<tr>
<td>Insurance</td>
<td>£1,640</td>
<td>£2,646</td>
</tr>
<tr>
<td>Sundry expenses and other professional fees</td>
<td>£970</td>
<td>(£494)</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>£443,822</strong></td>
<td><strong>£376,488</strong></td>
</tr>
</tbody>
</table>

Administrative expenses are met by the Scheme.

9. **INVESTMENT INCOME**

<table>
<thead>
<tr>
<th></th>
<th>For the year ended</th>
<th>For the year ended</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>31 July 2013</td>
<td>31 July 2012</td>
</tr>
<tr>
<td>Interest on cash deposits</td>
<td>£2,123</td>
<td>£6,367</td>
</tr>
<tr>
<td>Tax recovery</td>
<td>-</td>
<td>£41,384</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>£2,123</strong></td>
<td><strong>£47,751</strong></td>
</tr>
</tbody>
</table>
UNIVERSITY OF LEICESTER PENSION AND ASSURANCE SCHEME

NOTES TO THE ACCOUNTS
FOR THE YEAR ENDED 31 JULY 2013

10. INVESTMENTS

MOVEMENTS IN INVESTMENTS

<table>
<thead>
<tr>
<th></th>
<th>Value at 01/08/2012</th>
<th>Purchases at cost and derivative payments</th>
<th>Sales proceeds and derivative receipts</th>
<th>Change in market value</th>
<th>Value at 31/07/2013</th>
</tr>
</thead>
<tbody>
<tr>
<td>Pooled investment vehicles</td>
<td>110,189,421</td>
<td>8,000,000</td>
<td>(8,000,000)</td>
<td>14,415,001</td>
<td>124,604,422</td>
</tr>
<tr>
<td>AVC investments</td>
<td>-</td>
<td>111,275</td>
<td>-</td>
<td>-</td>
<td>111,275</td>
</tr>
<tr>
<td></td>
<td>110,189,421</td>
<td>8,111,275</td>
<td>(8,000,000)</td>
<td>14,415,001</td>
<td>124,715,697</td>
</tr>
</tbody>
</table>

The change in market value of investments during the year comprises all increases and decreases in the market value of investments held at any time during the year, including profits and losses realised on sales of investments during the year.

Transaction costs are included in the cost of purchases and sale proceeds. Transaction costs include costs charged directly to the scheme such as fees, commissions, stamp duty and other fees. Transaction costs incurred during the year amounted to £116,267 (2012: £112,385). In addition to the transaction costs disclosed above, indirect costs are incurred through bid-offer spread on investments within pooled investment vehicles. The amount of indirect costs is not separately provided to the Scheme.

The companies managing the managed fund investments are registered in the United Kingdom.

POOLED INVESTMENT VEHICLES

<table>
<thead>
<tr>
<th></th>
<th>31 July</th>
<th>31 July</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>2013</td>
<td>2012</td>
</tr>
<tr>
<td></td>
<td>£</td>
<td>£</td>
</tr>
<tr>
<td>Pulled investment vehicles</td>
<td>124,604,422</td>
<td>110,189,421</td>
</tr>
</tbody>
</table>

AVC INVESTMENTS

The Trustees hold assets which are separately invested from the main fund. These secure additional benefits, on a money purchase basis, for those members who have elected to pay additional voluntary contributions.

Members participating in this arrangement receive an annual statement made up to 31 July 2013 each year, confirming the amounts held to their account and movements during the year.

The total amount of AVC investments at the year end is shown below.

<table>
<thead>
<tr>
<th></th>
<th>31 July</th>
<th>31 July</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>2013</td>
<td>2012</td>
</tr>
<tr>
<td></td>
<td>£</td>
<td>£</td>
</tr>
<tr>
<td>Prudential</td>
<td>111,275</td>
<td>-</td>
</tr>
</tbody>
</table>
NOTES TO THE ACCOUNTS
FOR THE YEAR ENDED 31 JULY 2013

CONCENTRATION OF INVESTMENTS

The following investments, excluding UK Government securities, account for more than 5% of the Scheme's net assets as at 31 July 2013.

<table>
<thead>
<tr>
<th>Investment</th>
<th>31 July 2013</th>
<th>31 July 2012</th>
</tr>
</thead>
<tbody>
<tr>
<td>Market value</td>
<td>%</td>
<td>%</td>
</tr>
<tr>
<td>£</td>
<td>£</td>
<td>£</td>
</tr>
<tr>
<td>L&amp;G Active Corporate Bond - Over 10 years</td>
<td>26,275,243</td>
<td>25,465,878</td>
</tr>
<tr>
<td>L&amp;G UK Equity Index</td>
<td>11,810,273</td>
<td>11,440,768</td>
</tr>
<tr>
<td>L&amp;G North America Equity Index</td>
<td>-</td>
<td>5,621,327</td>
</tr>
<tr>
<td>L&amp;G North America UK Equity Index Hedged</td>
<td>-</td>
<td>5,571,646</td>
</tr>
<tr>
<td>L&amp;G Europe (ex UK) Index GBP Hedged</td>
<td>-</td>
<td>5,701,403</td>
</tr>
<tr>
<td>Newton Real Return Fund</td>
<td>24,292,810</td>
<td>19,220,828</td>
</tr>
<tr>
<td>Blackrock Dynamic Diversified Growth Fund</td>
<td>26,883,951</td>
<td>21,198,830</td>
</tr>
</tbody>
</table>

11. INVESTMENT MANAGEMENT EXPENSES

<table>
<thead>
<tr>
<th>Expense</th>
<th>For the year ended 31 July</th>
<th>For the year ended 31 July</th>
</tr>
</thead>
<tbody>
<tr>
<td>Administration, management &amp; custody</td>
<td>£178,223</td>
<td>£157,179</td>
</tr>
</tbody>
</table>

Investment management expenses are met by the Scheme.

12. CURRENT ASSETS

<table>
<thead>
<tr>
<th>Asset</th>
<th>31 July 2013</th>
<th>31 July 2012</th>
</tr>
</thead>
<tbody>
<tr>
<td>£</td>
<td>£</td>
<td>£</td>
</tr>
<tr>
<td>Prepayments</td>
<td>243,430</td>
<td>220,719</td>
</tr>
<tr>
<td>Cash balances</td>
<td>542,773</td>
<td>104,923</td>
</tr>
<tr>
<td>Pension scheme debtors</td>
<td>39,994</td>
<td>9,098</td>
</tr>
<tr>
<td></td>
<td>826,197</td>
<td>334,740</td>
</tr>
</tbody>
</table>

13. CURRENT LIABILITIES

<table>
<thead>
<tr>
<th>Liability</th>
<th>31 July 2013</th>
<th>31 July 2012</th>
</tr>
</thead>
<tbody>
<tr>
<td>£</td>
<td>£</td>
<td>£</td>
</tr>
<tr>
<td>Unpaid benefits</td>
<td>13,074</td>
<td>13,200</td>
</tr>
<tr>
<td>Accrued expenses</td>
<td>206,462</td>
<td>141,781</td>
</tr>
<tr>
<td>Amounts payable to the University of Leicester</td>
<td>754,961</td>
<td>-</td>
</tr>
<tr>
<td>HM Revenue &amp; Customs</td>
<td>34,518</td>
<td>14,517</td>
</tr>
<tr>
<td></td>
<td>1,039,015</td>
<td>169,498</td>
</tr>
</tbody>
</table>
14. SECTION 75 GUARANTEE

As part of the agreement made between the University, the University of Leicester Students' Union and the Trustees, dated 8 September 2011, the Students' Union withdrew from the Scheme. They did so on the basis of a payment of £172,000, and also by the University guaranteeing a further sum of £160,000, payable if the Scheme were to be wound up.
Independent Auditors' Statement about Contributions to the Trustees of the University of Leicester Pension and Assurance Scheme.

We have examined the summary of contributions to the University of Leicester Pension and Assurance Scheme of the year ended 31 July 2013, which is set out on page 25.

This statement is solely to the Trustees, as a body, in accordance with regulation 4 of the Occupational Pension Schemes (Requirement to obtain Audited Accounts and a Statement from the Auditor) Regulations 1996 made under the Pensions Act 1995. Our work has been undertaken so we might state to the Trustees those matters we are required to state to them in an auditor's statement about contributions and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the trustees as a body for our work, for this statement, or for the opinion we have formed.

Respectful responsibilities of Trustees and the Auditor

As explained more fully in the Trustees' Responsibilities Statement, the Scheme's Trustees are responsible for ensuring that there is prepared, maintained and from time to time revised schedule of contributions showing the rates and due dates of certain contributions payable towards the Scheme by you or on behalf of the employer and the active members of the Scheme. The Trustees are also responsible for keeping records in respect of contributions received in respect of active members and for monitoring whether the contributions are made to the Scheme by the employer and the active members of the Scheme and for monitoring whether contributions are made to the Scheme by the employer in accordance with the Schedule of Contributions.

It is our responsibility to provide a Statement about Contributions paid under the Schedules of Contributions and to report our opinion to you.

Scope of work on Statements about Contributions

Our examination involves obtaining evidence to give reasonable assurance that contributions reported in the attached summary of contributions have in all material respects been paid at least in accordance with the schedule of contributions. This includes an examination, on a test basis, of evidence relevant to the amounts of contributions payable to the Scheme and the timing of those payments under the Schedule of Contributions.

Statement about Contributions payable under the schedules of contributions

In our opinion contributions for the Scheme year ended 31 July 2013 as reported in the Summary of Contributions and payable under the Schedules of Contributions have in all material respects been paid for the period from 1 August 2012 to 31 December 2012 at least in accordance with the Schedule of Contributions certified by the Scheme actuary on 23 March 2012 and subsequently in accordance with the Schedule of Contributions certified by the Scheme actuary on 11 December 2012.

Deloitte LLP
Chartered Accountants and Statutory Auditor
Nottingham, United Kingdom

Date: 11 December 2013
UNIVERSITY OF LEICESTER PENSION AND ASSURANCE SCHEME

SUMMARY OF CONTRIBUTIONS
FOR THE YEAR ENDED 31 JULY 2013

Statement of Trustees' Responsibilities in respect of Contributions

The Scheme's Trustees are responsible under pensions legislation for ensuring that there is prepared, maintained and from time to time revised a schedule of contributions showing the rates of contributions payable towards the Scheme by or on behalf of the employer and the active members of the Scheme and the dates on or before which such contributions are to be paid. The Scheme's Trustees are also responsible for keeping records of contributions received in respect of any active member of the Scheme and for procuring that contributions are made to the Scheme in accordance with the schedule.

Trustees' Summary of Contributions payable under the schedule in respect of the Scheme year ended 31 July 2013

This Summary of Contributions has been prepared by, or on behalf of, and is the responsibility of the Trustees.

It sets out the employer and member contributions payable to the Scheme under the Schedules of Contributions for the period from 1 August 2012 to 10 December 2012 certified by the Actuary on 23 March 2012 and for the period from 11 December 2012 to 31 July 2013 certified by the actuary on 11 December 2012 in respect of the Scheme year ended 31 July 2013. The Scheme Auditor reports on contributions payable under the schedule in the Auditors' Statement about Contributions.

Contributions payable under the schedule in respect of the Scheme year

<table>
<thead>
<tr>
<th>Description</th>
<th>£</th>
</tr>
</thead>
<tbody>
<tr>
<td>Employers Contributions</td>
<td></td>
</tr>
<tr>
<td>normal</td>
<td>1,579,096</td>
</tr>
<tr>
<td>deficit</td>
<td>1,858,817</td>
</tr>
<tr>
<td>Employees Contributions</td>
<td></td>
</tr>
<tr>
<td>normal</td>
<td>508,089</td>
</tr>
<tr>
<td>Employer contribution towards Payment Protection Fund</td>
<td>92,725</td>
</tr>
<tr>
<td></td>
<td>4,038,727</td>
</tr>
</tbody>
</table>

Reconciliation of contributions

Reconciliation of contributions payable under the Schedule of Contributions reported in the accounts in respect of the Scheme year

Contributions payable under the Schedule (as above) | 4,038,727 |

Contributions payable in addition to those due under the Schedule:

<table>
<thead>
<tr>
<th>Description</th>
<th>£</th>
</tr>
</thead>
<tbody>
<tr>
<td>Employers augmentations</td>
<td>181,500</td>
</tr>
<tr>
<td>Employee additional voluntary contributions</td>
<td>20,952</td>
</tr>
<tr>
<td>Contributions received relating to year ended 31 July 2012</td>
<td>18,879</td>
</tr>
<tr>
<td></td>
<td>4,260,058</td>
</tr>
</tbody>
</table>

Signed on behalf of the Trustees:

Trustee: [Signature]

Trustee: [Signature]

Date: 10/12/2013
Certification of Schedule of Contributions

Name of Scheme: University of Leicester Pension and Assurance Scheme

Adequacy of rates of contributions

1. I certify that, in my opinion, the rates of contributions shown in this Schedule of Contributions are such that the Statutory Funding Objective could have been expected on 1 August 2010 to be met by the end of the period specified in the Recovery Plan dated 18 October 2011.

Adherence to statement of funding principles

2. I hereby certify that, in my opinion, this Schedule of Contributions is consistent with the Statement of Funding Principles dated 18 October 2011.

The certification of the adequacy of the rates of contributions for the purpose of securing that the Statutory Funding Objective can be expected to be met is not a certification of their adequacy for the purpose of securing the Scheme's liabilities by the purchase of annuities, if the Scheme were to be wound up.

Signature: Lalji Patel
Name: Lalji Patel
Address: Ludgate House
2nd Floor
245 Blackfriars Road
London
SE1 9UF

Date: December 2012
Qualification: Fellow of the Institute of Actuaries
Name of Employer: Capita Hartshead
Actuarial & Consultancy Services
Certification of Calculation of Technical Provisions

Actuarial certificate given for the purposes of regulation 7(4)(a) of the Occupational Pension Schemes (Scheme Funding) Regulations 2005.

Name of Scheme: University of Leicester Pension and Assurance Scheme

I hereby certify that, in my opinion, the calculation of the Scheme’s Technical Provisions as at 1 August 2010 is made in accordance with regulations under section 222 of the Pensions Act 2004. The calculation uses a method and assumptions determined by the Trustees of the Scheme and set out in the Statement of Funding Principles dated 18 October 2011.

Signature: Lalji Patel
Name: Lalji Patel
Address: Ludgate House
2nd Floor
245 Blackfriars Road
London
SE1 9UF

Date: 18 October 2011
Qualification: Fellow of the Institute of Actuaries
Name of Employer: Capita Hartshead
Actuarial & Consultancy Services
UNIVERSITY OF LEICESTER PENSION AND ASSURANCE SCHEME

ACTUARIAL STATEMENTS

Schedule of Contributions

University of Leicester Pension & Assurance Scheme ("the Scheme")

Status of this document

This document has been prepared by the Trustees of the University of Leicester Pension & Assurance Scheme ("the Trustees") to satisfy the requirements of section 227 of the Pensions Act 2004, after obtaining the advise of Laiji Patel, the actuary to the Scheme appointed by the Trustees ("the Scheme Actuary").

After discussions between the Trustees and University of Leicester ("the University"), this Schedule of Contributions has been agreed by the University.

This document is dated 11 December 2012 and replaces the previous documented dated 23 March 2012.

Contributions to be paid towards the Scheme from 1 August 2010 to 31 July 2027

By members:

(1) In respect of Salary Sacrifice Members
    Nil plus any Additional Voluntary Contributions

(2) In respect of other members
    6.35% of Pensionable Earnings prior to 31 March 2012 and 7.50% thereafter plus any Additional Voluntary Contributions

The University will pay the members’ contributions to the Trustees by the date which is 19 days after the end of the calendar month in which the contributions were deducted from the members’ salaries.

By the University:

(a) In respect of future accrual of benefits:
    - in respect of Salary Sacrifice Members 30.93% of Pensionable Earnings
    - in respect of other members 24.58% of Pensionable Earnings prior to 31 March 2012 and 23.43% thereafter

(b) In respect of the shortfall in funding as per the Recovery Plan of 18 October 2011:
    4.12% of Pensionable Earnings of all members;
    £707,000 in August 2010
    £1,000,000 in July 2011
    £1,500,000 p.a. at the start of each Scheme year, from August 2011 to August 2026 inclusive. i.e. on each August from August 2011 to August 2026.

(c) An additional special contribution towards the shortfall in excess of that required under the Recovery Plan above of 1.15% of Pensionable Earnings for all members with effect from 1 April 2012.

(d) The cost of the Pension Protection Levy as and when it falls due.
Schedule of Contributions (cont'd)

(e) In respect of augmentations granted:

In the event that, with the consent of or at the request of the Principal Employer of the Scheme (which for the time being is the University), the Trustees exercise their power to augment a member's benefits or provide benefits for a person not otherwise eligible for benefits under the Scheme, additional contributions may be payable to cover the cost in accordance with the recommendations of the Scheme Actuary. The Principal Employer will pay the recommended additional contributions within one month of the later of the date that the Trustees exercise this power and the date on which the Scheme Actuary recommends the amount of additional contributions to be paid.

(f) The University may also pay any other additional contributions that may be agreed from time to time between the University and the Trustees, as permitted by the Trust Deed and Rules subject to any requirements of HM Revenue & Customs, within a timetable to be agreed with the Trustees.

Pensionable Earnings

Pensionable Earnings are defined in the Rules of the Scheme as the annual basic rate of pay from time to time (ignoring any reduction in respect of a Salary Sacrifice Member) plus any allowances (other than overtime payments) which the University deems to be Pensionable.

Arrangements for other parties to make payments to the scheme

Payments towards the Scheme may be paid by University of Leicester or any other organisation in lieu of contributions otherwise due from University of Leicester.
Dates of review of this document

This Schedule of Contributions will be reviewed by the Trustees and the University no later than 15 months after the effective date of each actuarial valuation, due every three years.

This Schedule of Contributions, dated 11 December 2012, has been agreed by the Employer, University of Leicester.

Signed on behalf of the University of Leicester:

Name: 
Position: 
Date: 

This Schedule of Contributions, dated 11 December 2012, has been agreed by the Trustees of the Scheme.

Signed on behalf of the Trustees of the Scheme:

Name: 
Position: Trustee 
Date: 

This Schedule of Contributions, dated 11 December 2012, has been agreed by the Trustees of the Scheme after obtaining advice from me.

Signed

Name: Lalji Patel
Position: Scheme Actuary
Date: 
HM Revenue & Customs approval

The Scheme is a registered pension scheme in accordance with the Finance Act 2004. This means that the contributions paid by both the Company and the members qualify for full tax relief, and enables income earned from investments by the Trustees to receive preferential tax treatment.

Other information

(i) Pension Tracing

The Scheme is registered with the Pension Tracing Service which maintains a list of up to date addresses of schemes to assist ex-members trace their rights if they have lost contact with the previous employers’ scheme. The address for the Pension Tracing Service is:

The Pension Tracing Service
Tyneview Park
Whitley Road
Newcastle Upon Tyne
NE98 1BA

0845 600 2537

(ii) Resolving difficulties/Internal Dispute Resolution

It is expected that most queries relating to benefits can be resolved with the Scheme’s administration office. In the event that a complaint cannot be resolved members can make a formal complaint using the Scheme’s Internal Dispute Resolution (IDR) procedure details of which can be obtained from the Trustees office.

The Pensions Advisory Service (TPAS) can assist members in taking their complaint through the IDR procedure. TPAS is an independent organisation which can help members of the public deal with pension problems. The name and address of the local TPAS adviser can be obtained from any local Citizens Advice Bureau or from:

The Pensions Advisory Service Limited
11 Belgrave Road
London
SW1V 1RB

If the complaint is not resolved satisfactorily, the Government appointed Pensions Ombudsman can investigate complaints of injustice by bad administration either by the Trustees or the Scheme Administrators, or disputes of fact of law. The Pensions Ombudsman can be contacted at:

The Pensions Ombudsman
11 Belgrave Road
London
SW1V 1RB
(iii) The Pensions Regulator

The Pensions Regulator (TPR) is the UK regulator of work-based pension schemes.

TPR's role is to act to protect the interest of pension scheme members and to enforce the law as it applied to occupational pensions.

The regulations set out clearly the areas that TPR covers and the powers that are vested in it. For example, TPR can prohibit or disqualify Trustees for acting unlawfully, and can impose fines on wrongdoers.

TPR can be contacted at:

The Pensions Regulator
Napier House
Trafalgar Place
Brighton
BN1 4DW

0870 600 0707
customersupport@tpr.gov.uk

(iv) The Pension Protection Fund

The Pension Protection Fund was established to provide compensation to members of eligible defined benefit pension schemes, when there is a qualifying insolvency event in relation to the employer and where there are insufficient assets in the pension scheme to cover Pension Protection Fund levels of compensation.

The Pension Protection Fund is a statutory fund run by the Board of the Pension Protection Fund, a statutory corporation established under the provisions of the Pensions Act 2004. The Pension Protection Fund became operational on 6 April 2005.

(v) Scheme Information

The Trust Deed and Rules, the Scheme details and a copy of the payment schedule and Statement of Investment Principles are available for inspection, free of charge, by contacting the Trustees at the address shown for enquiries in this report.

Any information relating to the members' own pension position, including estimates of transfer value, should be requested from the administrators of the Scheme at the address detailed in this report.

Any information relating to the members' own pension position, including estimates of transfer values, should also be requested from the administrators of the Scheme.