

UNIVERSITY OF BRIGHTON

Report and Financial Statements

Year ended 31 July 2013

**University of Brighton
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REPORT AND FINANCIAL STATEMENTS 2012-2013

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OPERATING AND FINANCIAL REVIEW

Introduction

This review provides a summary of the University's finances and operations. It covers:

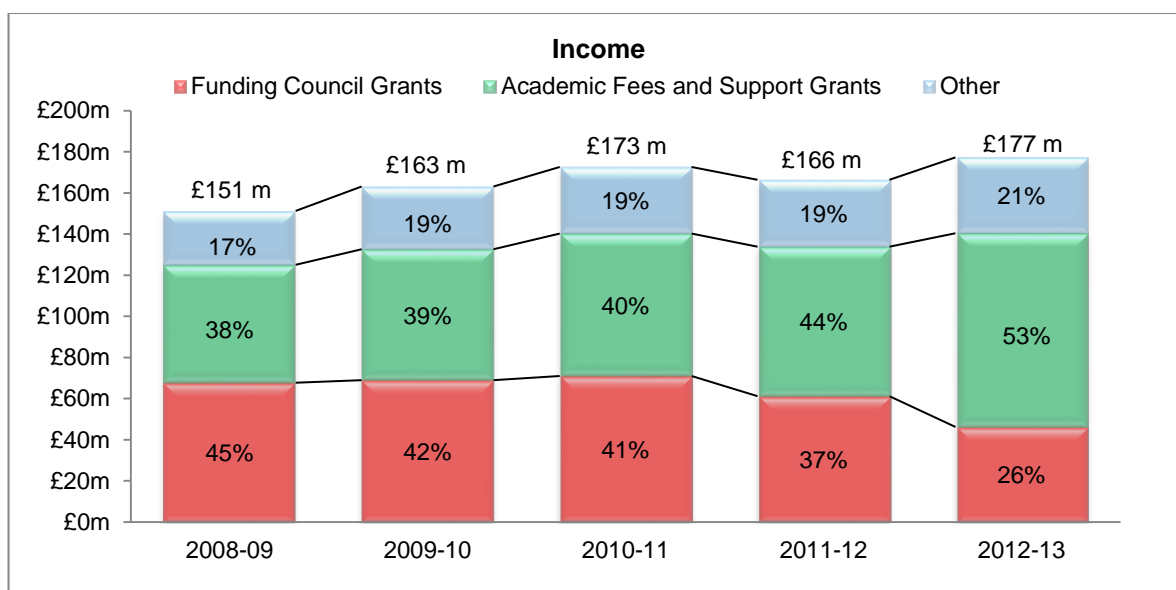
- The development, performance and operation of the University during the financial year ended 31 July 2013 and the main underlying trends and factors;
- The position of the University as at 31 July 2013;
- The main trends and factors which are likely to affect the University's future development, performance and position.

Financial review of the year

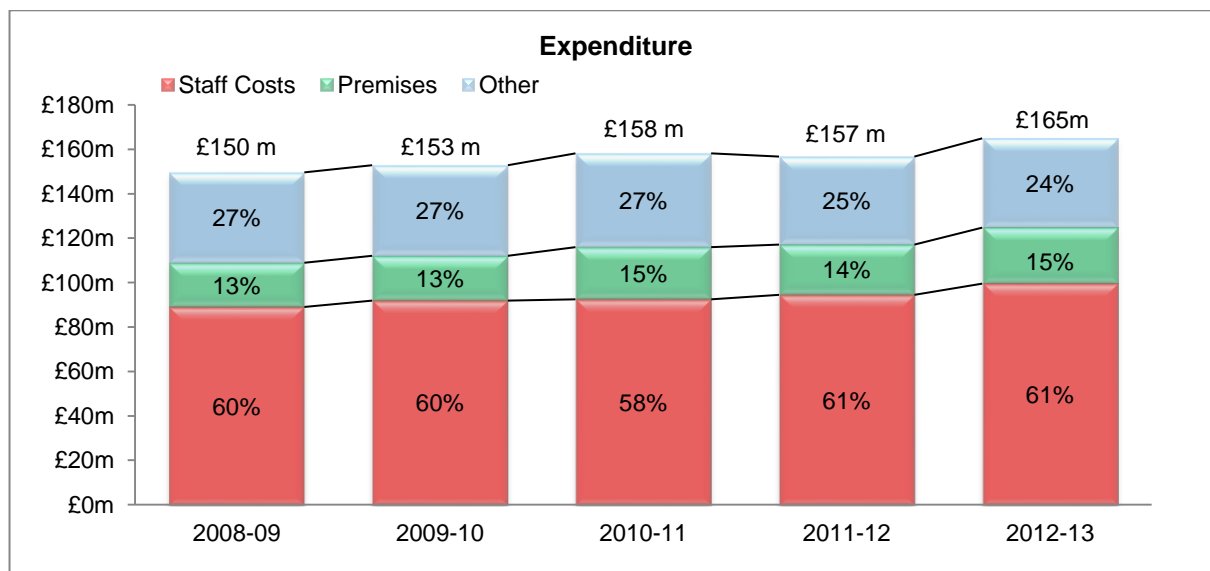
The summary income and expenditure account for the year ended 31 July 2013 was as follows:

	2013 £m	2012 £m	Change %
Income	177.2	166.3	+6.6%
Staffing Costs	99.7	94.6	+5.4%
Other Expenditure	65.6	62.2	+5.5%
Total Expenditure	165.3	156.8	+5.4%
Current Cost Operating Surplus	11.9	9.5	+25.3%
Historical Depreciation Adjustment	3.0	1.7	+76.5%
Historical Cost Surplus	14.9	11.2	+33.0%

Overall income has increased by 6.6% reflecting the transition to the new funding regime, an increase to international academic fees and overall improvement in student retention levels. In total funding council grants fell by 24.4%, with academic fees increasing by 29.3%. Other sources of income increased by 13.8% to £36.9 million, principally due to the full year operation of the new student residences development at Varley Park and income received in exchange for the University's interest in the Freeman Centre on the University of Sussex campus.



Staffing costs rose by 5.4% with the majority of this increase attributable to the increase in the number of staff employed by the University (which increased by 4.0%). Other expenditure increased by £3.4 million, primarily as a result of an increase to the depreciation charge relating to old buildings that are due to be replaced under the University capital investment programme.



The historical cost surplus of £14.9 million exceeded the budgeted target for the year of £5.5 million. A significant component of this variance related to the performance of the income budgets above target and the slower speed of spend in relation to some strategic initiatives. The latter is now expected to be incurred in the early part of 2013-14.

Balance sheet position as at 31 July 2013

The consolidated balance sheet shows the following position:

	2013	2012	Change
	£m	£m	%
Fixed Assets	213.5	199.5	7.0%
Current Assets	93.4	98.2	(4.9%)
Creditors	(87.7)	(97.4)	(10.0%)
Net Pension Liability	(32.3)	(33.5)	(3.6%)
Net Assets	186.9	166.8	12.1%

There has been an increase to overall net assets, predominantly arising from an increase to the University's estate, with the acquisition of buildings on the City campus and the completion of developments at Varley Park and in Hastings.

The reduction to current assets primarily relates to residential capital developments that were initially funded from cash resources, ahead of the draw-down of loan facilities and the early repayment of a finance lease. The latter is also reflected in the reduction to creditors.

Cash flow statement for the year ended 31 July 2013

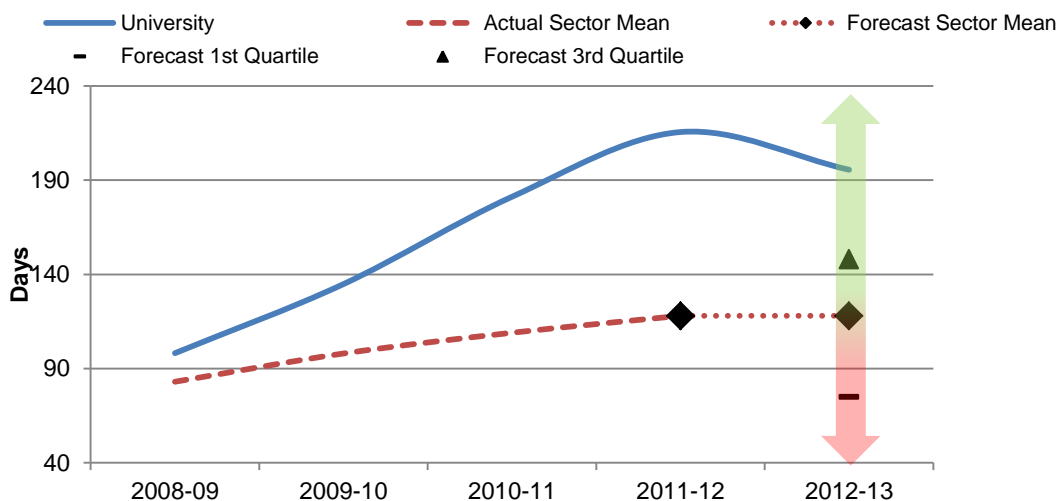
	2013	2012
	£m	£m
Net cash inflow/(outflow)	2.3	(6.4)
Movement in short-term investments	6.9	(13.8)
Movement in Financing	(7.0)	20.9
Increase in Cash	2.2	0.7

The cash flow statement shows an increase to the University's cash position of £2.2 million. This figure excludes the amount of cash invested in short-term deposits, which reduced by £6.9 million during the year, to provide a total liquidity value of £85.0 million (an overall decrease of £4.7 million). The reduction to liquidity reflects the use of cash resources for capital developments in advance of loan facilities. Cash balances with immediate access stood at £35 million as at 31 July 2013, equating to approximately 2.5 month's expenditure. In addition, the total amount of cash held on term deposits at 31 July 2013 totalled £50 million for periods of between 1 and 9 months.

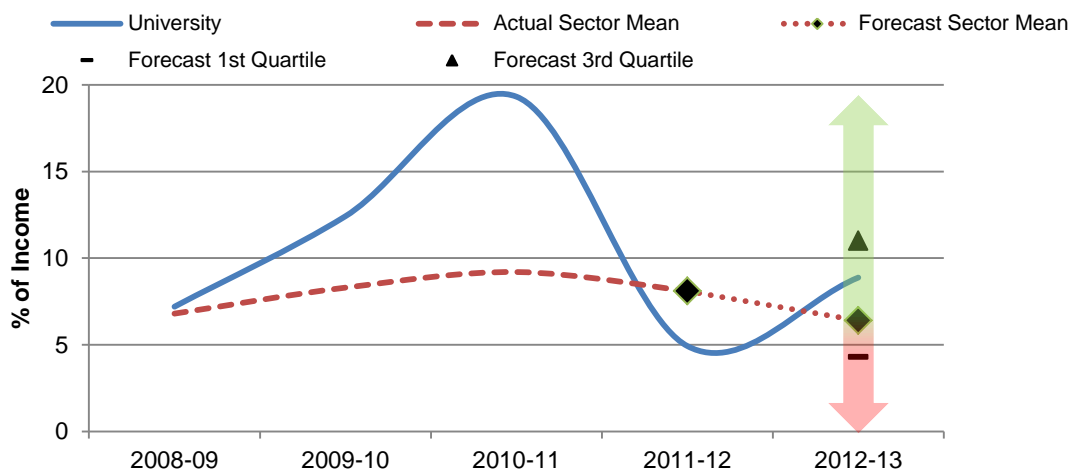
Assessment of financial performance

The following measures provide further analysis of the University's financial performance compared with sector historical and forecast averages as compiled by the Higher Education Funding Council for England (HEFCE) from individual institutional financial returns. The indicator bar shows whether the University's performance is considered more favourable (green) or less favourable (red) than the sector's forecast averages.

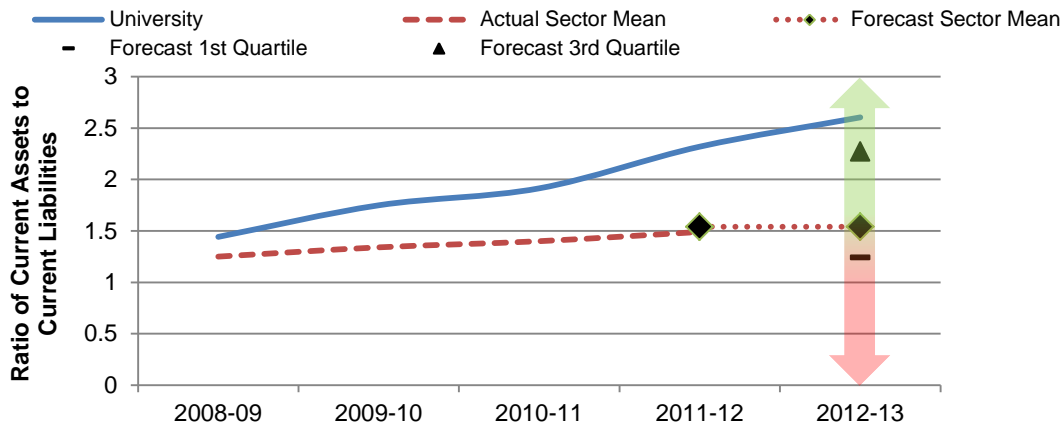
Net liquidity: provides an indication of expenditure coverage (in days) and the ability to respond quickly to short-term financial pressures (the higher the days the greater the coverage). The decrease in 2012-13 relates to the use of cash resource to initially fund student residential developments ahead of the draw-down of loan facilities. As the University implements its capital programme, it will move this measure closer to the sector mean of between 90 and 120 days over the longer term.



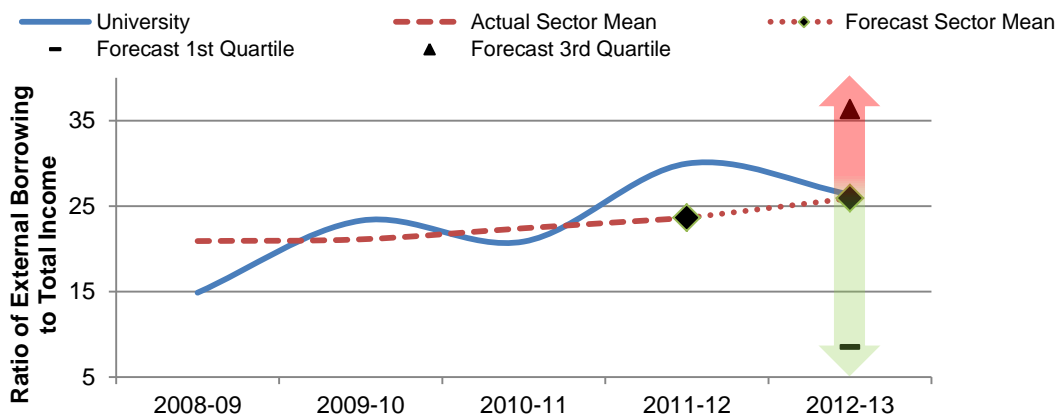
Net cash flow: shows the cash generated from operations as a percentage of total income. It provides an indication of the financial sustainability of the institution's core business. The overall forecast sector mean for 2012-13 was 6.2% whilst the University's rose to 8.9%, above the average sector position. This movement is in line with last year's forecast, reflecting the planned increase to the historical cost surplus and the use of short-term deposits to fund capital developments.



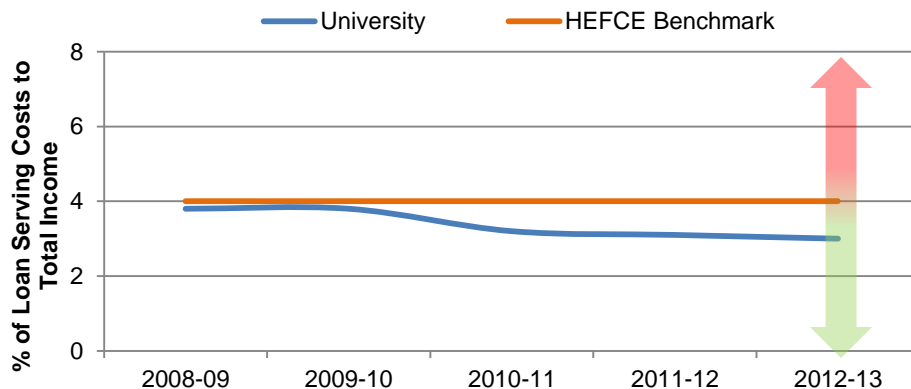
Current assets to current liabilities: shows the extent to which current assets can cover current liabilities. 2012-13 shows a continued improvement in this measure, primarily due to the reduction in creditors relating to previously deferred grants being utilised during the year. The overall forecast sector mean for 2012-13 was 1.54, with the University's actual position up from 2.32 to 2.60. This ratio is expected to decrease to around the forecast sector mean over time as cash is utilised to fund capital developments.



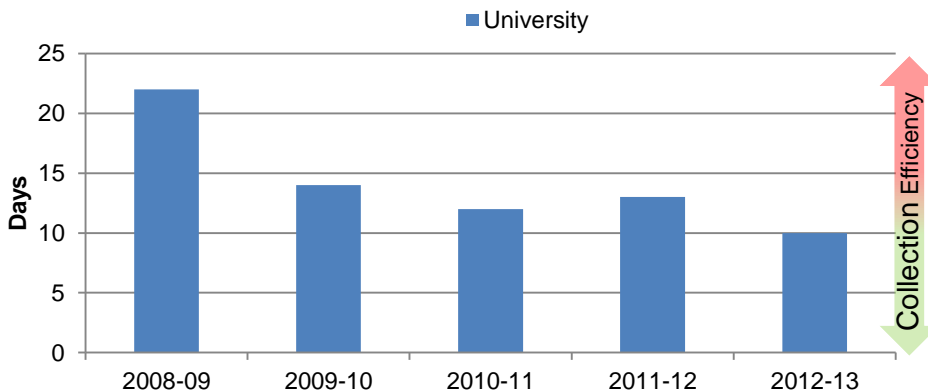
Ratio of external borrowing to total income: indicates the amount of borrowing as a percentage of total income. Historically the University has had very low levels of borrowing, but this has increased in recent years to fund academic and student accommodation developments. Since the high point reported in 2011-12, borrowing has now moved towards the forecast sector mean as cash resources have been used to initially fund capital developments in 2012-13. The increase to income levels has also produced a marked improvement in this ratio. The forecast sector mean for 2012-13 for this measure was 25.9%, with the University's actual being at 26.3%.



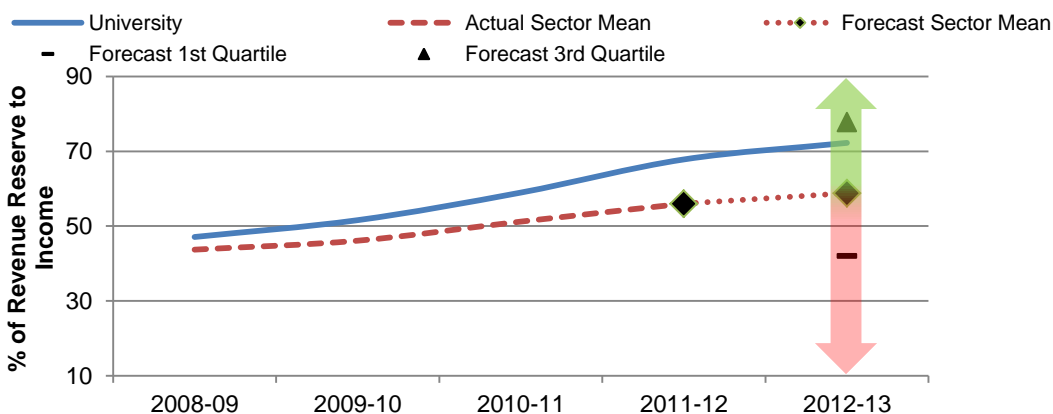
Ratio of loan servicing costs to total income: shows the percentage of income compared to the annualised debt servicing costs. For 2012-13 this reduced to 3% due to the early settlement of a finance lease and the increase to total income. This is compared with the sector benchmark of 4%, over which institutions must obtain approval from HEFCE for additional borrowing. The University is due to increase its borrowing in 2013-14, which is expected to move the University's position closer to the benchmark.



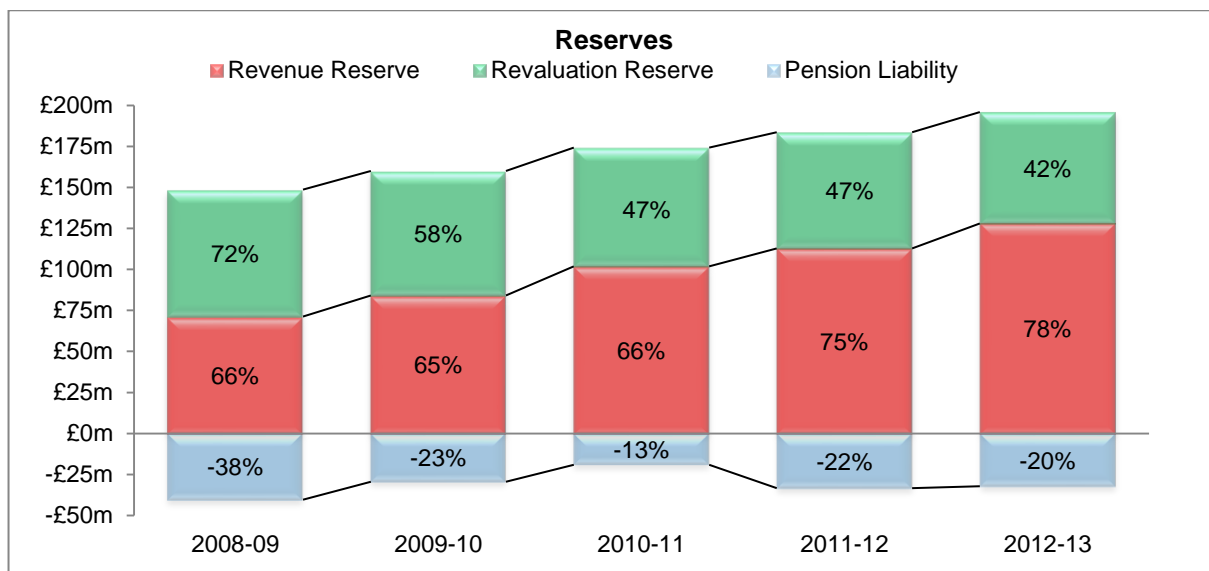
Trade debtor collection days: is the ratio between trade debtors and income (excluding funding grants) expressed in days and indicates the efficiency of debt collection. There has been an improvement in the rate of collection to 10 days compared to 13 days reported last year. This reflects the level of investment in the new billing and income collection processes that have been implemented in response to the new funding regime from 2012. There is no sector comparison for this measure, but it is used internally to assess performance.



The financial performance for 2012-13 was in line with the University's financial strategy and Strategic Plan which anticipated growing revenue reserves for future investment and sustainability. The increase to the University's future investment reserve for 2012-13 was £8.7 million, which exceeded the target by £3.2 million. Overall revenue (discretionary) reserves increased by £15.2 million during the year and further improved the ratio between the revenue reserve (excluding pension asset / liabilities) and total income. The forecast mean for the sector for 2012-13 was 58.8%, with the University's actual being at 72.3%.



The revenue (discretionary) reserve of £128.0 million accounts for 78% of the reserve total.



Land and buildings are stated at cost, or in the case of buildings in use at 31 July 1999, at valuation.

Actual performance compared to financial targets

The following table sets out the financial performance metrics for 2012-13 compared to targets as set out in the University’s strategic plan and the forecast submitted to HEFCE in June 2013:

Metrics	Strategic Plan	Forecast	Actual
Historical cost surplus as a % of total income	8.5%	5.5%	8.5%
Net liquidity	90 to 120 days	171 days	196 days
External borrowing as a % of total income	n/a	28.8%	26.6%
Discretionary reserves as a % of total income	n/a	71.2%	72.3%
Net cash flow	n/a	11 days	9 days
Staff costs as a % of total income	n/a	57.8%	56.2%

Student population

Student population

Student data submitted to the Higher Education Statistics Agency (HESA) for the academic year 2012-13 shows a slight decrease in the overall student population for the University compared with the out-turn position reported for 2011-12. The reduction to UK/EU full time undergraduate students reflects the changes introduced under the new funding regime in relation to franchised partner college courses and the application of student number controls. The majority of the reduction in this classification of students related to foundation degrees, traditionally provided by partner colleges under a franchise agreement. For 2012-13 the partner colleges successfully bid for these student numbers in their own right. The financial impact on the University was therefore negligible.

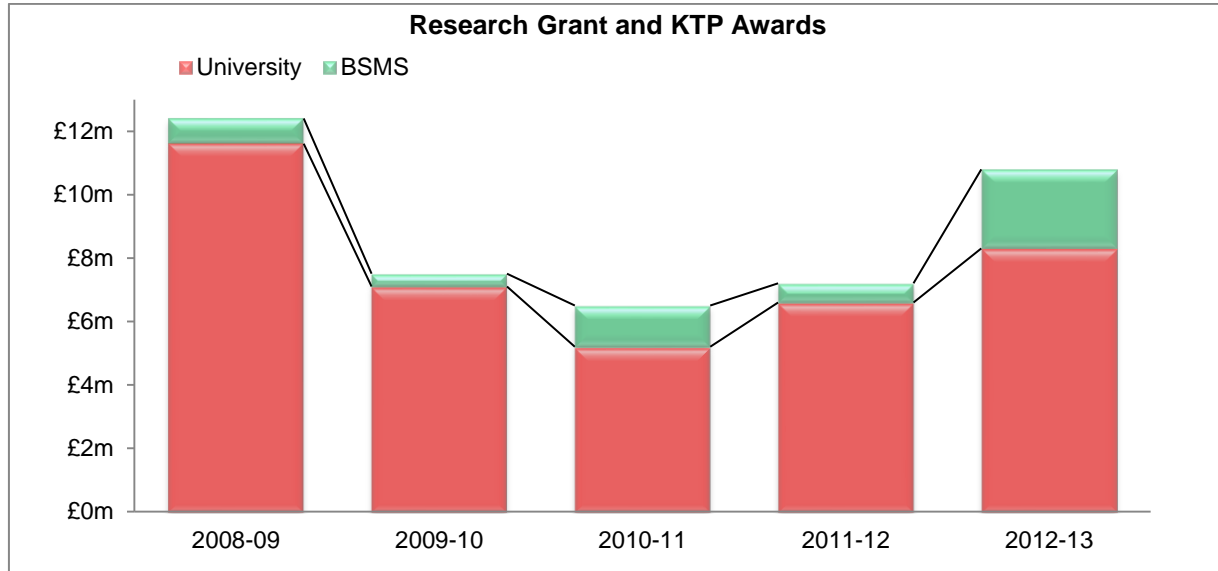
The reduction in part-time student numbers was apparent across a range of continuing profession development (CPD) programmes, suggesting some reluctance for students, sponsors and employees to commit investment in higher education courses at this time and increasing competition from other institutions in relation to this type of provision.

These reductions were partially off-set by the growth in full-time and part-time international (non-EU) undergraduate student numbers. An element of this growth is attributable to students progressing from the University of Brighton International College to undergraduate degree programmes. The University’s international student population is still expected to show below the UK sector averages for 2012-13, when this data is published later in 2013-14.

		2013 Headcount	2012 Headcount	Change Headcount	Change %
UK, Island and EU Domiciled Students					
Full Time	Undergraduate	13,364	13,846	-482	-3.5%
	Postgraduate	1,340	1,309	+31	-2.4%
Part Time	Undergraduate	2,810	3,026	-216	-7.1%
	Postgraduate	2,193	2,429	-236	-9.7%
Non UK, Island and EU Domiciled Students					
Full Time	Undergraduate	825	686	+139	+20.3%
	Postgraduate	554	572	-18	-3.1%
Part Time	Undergraduate	154	105	+49	+46.7%
	Postgraduate	72	103	-31	-30.1%
Total		21,312	22,076	-764	-3.5%

Research activity

The value of research grants and Knowledge Transfer Partnerships (KTPs) awards rose by 50% compared to 2011-12 to £10.8 million, the highest since 2008-09. £1.7 million of the increase related to grants awarded directly to the University, with £2.5 million of the total related to the University's share of the medical school joint venture (BSMS).



The number of grants awarded during the year also increased to 103, with the average amount of award per contract increasing by 25%. The rate of proposals awarded to those submitted also marginally increased from 46.8% in 2011-12 to 47.2% in 2012-13.

Year of Award	No. of Awards	Total Value of Awards £'000	Average Award Value £'000
2012-13	103	10,842.3	105.3
2011-12	85	7,160.5	84.2
2010-11	96	6,508.9	67.8
2009-10	108	7,501.7	69.5
2008-09	149	12,370.0	83.0

Assessment of Key Performance Indicators

The University has made good progress towards achieving the objectives set out in its 3 year strategic plan to 2015. An assessment of the progress towards meeting the strategic objectives is measured through 20 Key Performance Indicators (KPIs), as set out below. Green is indicative that the University is on target to meet its strategic objectives. The amber indicates that there is a risk the University will not achieve its target.

Strategic Objective	KPI	KPI Status	Comment
A transformational learning experience	Improve National Student Survey (NSS) satisfaction scores	Green	The satisfaction score increased to 86.4%
	Reduce UK/EU non-continuation rates	Green	The non-continuation rate reduced to 9.5%
Research Ambition	Research Excellence Framework (REF) position	Not yet measurable	
	Increase volume of academic staff submitted to REF 2019	Not yet measurable	
A learning university investing in staff	Improvement in staff satisfaction	Not yet measurable	
	All academic staff working towards a university teaching qualification	Green	Professional Development Scheme submitted to Higher Education Academy for validation
Engagement & impact	Undergraduate courses offer opportunity for work / community placements	Green	Analysis of current placement opportunities for all courses completed
	Grow research & economic engagement (REASE) income	Amber	REASE income reported for the year fell by 5.4%
University of choice	Establish an average UCAS tariff of 320	Green	Average UCAS tariff increased to 305 for 2013-14 entry
	Meet recruitment targets	Green	Recruitment targets for 2012-13 broadly achieved
Student success	Achieve 92% employment rates for undergraduates	Amber	Improved to 89.1%, but below benchmark of 90.7%
	Meet Access Agreement targets for recruitment & retention	Amber	2011-12 data below targets. 2012-13 data available in March 2014
Digital transformation	Sector award for using digital technology for learning & teaching	Not yet measurable	
	Achieve 90% satisfaction in NSS for Access to IT resources	Green	NSS score increased to 86.4%
Internationalisation	Increase non UK/EU student population	Green	Non UK/EU student population increased by 9.5%
	Reduce non UK/EU student non-continuation rate	Green	The non-continuation rate reduced to 12.6%
Sustainable campus	Achieve Carbon Management Plan targets	Amber	Overall reduction in emissions, but behind target
	Maintain a top 10 position in the Green League	Green	University ranked 5th in the league for 2012-13
Financial sustainability	Rolling 3 year average historical cost surplus of 4% to 6%	Green	Surplus for 2012-13 at 8.6% - rolling average at 8.5%
	Maintain liquidity between 90 to 120 days of expenditure	Green	Liquidity at 196 days

Future plans

The University will continue with the plans in place to realise its strategic objectives.

A transformational learning experience

For 2013-14 the University plans to provide a minimum of £2.3 million of new investment to enhance the learning experience. The majority of investment will be directed towards creating more academic posts across all schools. Additional funding may be applied once a detailed review of strategic proposals and outcomes against key performance indicators has been completed.

The University plans to review its provision of postgraduate study in the context on the changes within the sector and the requirements of businesses in the current and forecast economic climate. The aim of the review is to facilitate the increase to the postgraduate student population by ensuring that this provision meets the requirements of potential students and extends the learning opportunities to its own undergraduates.

Research ambition

The University's arrangements to manage a successful submission for the Research Excellence Framework in 2014 are in place and proceeding to plan, with the final round of staff selection planned for October 2013.

From September 2013 five research clusters will establish operations. These relate to:

- MetCycle: Geosphere to Biosphere cycling of critical materials;
- Musculoskeletal disease pathology and diagnosis;
- Nanostructure smart materials;
- Regenerative medicine;
- Understanding conflict: forms and legacies of violence.

The establishment of the clusters follows a competitive internal process through which £2.2 million was allocated to successful proposals. The purpose of the clusters is to develop research critical mass that will attract external investment and be sustainable. A sixth cluster for Digital Humanities is in the process of being confirmed.

Through its Doctoral College, the University plans to double its full research scholarships (worth £58,000 each) to 40 in 2013-14.

A learning university investing in staff

The University will launch a staff survey during the autumn term as part of its plans to enhance employee engagement at a time of critical change in the sector. The survey will help to inform the implementation of the new HR strategy.

The University's Teaching & Learning in Higher Education Professional Development Scheme is expected to achieve accreditation from the Higher Education Academy in the autumn term. A roll-out programme will then be implemented to allow all academic staff who require a teaching qualification to participate in the Scheme.

Engagement & impact

In July 2013 the University was informed by HEFCE that it had been awarded £3 million to support its Green Growth Platform (GGP) project. The funding was made available from HEFCE's Catalyst fund which is specifically focussed to enable economic growth. The GGP will provide the intellectual infrastructure required to foster sustainable economic growth in Sussex and will work with partners to deliver healthy innovative ecosystems and achieve high growth rates in Low Carbon Environmental and Services (LCEGS) sector.

The University has recently established the Training and Development Unit (TDU) which aims to work with employers to identify their professional training and staff development needs and to design flexible packages to meet those needs. The University's current review of postgraduate education will also reflect these requirements to ensure that this provision is accessible and affordable to employers and their employees.

Actual and planned investment as set out in the research strategy is expected to enhance the University's prospects of increasing income from grants and contracts in future years. 2012-13 saw a 50% increase in the value of research awards to the University and the Medical School. It is expected that the University will continue to grow this income over the next few years and enhance its research position in preparation for the Research Excellent Framework (REF) in 2019.

Student success

The University's review of the placement opportunities within all full-time undergraduate provision identified that the majority of courses provided access to this type of experience. Work is planned to ensure that those courses without these opportunities will have these incorporated within their structure over the next validation cycle.

The University has revised its Access Agreement (and underpinning bursary schemes) for 2014-15 to ensure that more students are eligible to receive support. The total funding expected to support the delivery of the Access Agreement for 2014-15 is now expected to reach £9.4 million (an increase of £1.1 million). £1.5 million of this allocation will be specifically targeted at student success strategies, including the employability of students once they have graduated.

The University intends to expand its educational provision at the University of Brighton in Hastings (UBH) by the addition of a third building in 2013-14. UBH has been in the vanguard of the widening participation of higher education and is making a significant contribution to the social and economic regeneration of the Hastings area.

University of choice

The University plans to increase the admission grades for new undergraduate students to an average UCAS tariff of 320 by 2015 and over the medium term to increase its student population to around 25,000.

This aim will be supported by the initiatives it is implementing through the strategic plan, especially in relation to providing a transformational learning experience, realising its research ambition and delivering on student success. Achievement of these objectives will be communicated to prospective students through investment in effective marketing channels and activities.

Digital Transformation

The University is already committed to spending £7.7 million on its digital information services for 2013-14. £6.5 million of this relates to maintaining operational activities, with a further £1.6 million being invested to ensure greater access to computing facilities (including universal access to wireless connectivity on campus) and strengthening the networks' speed and resilience.

The Information Systems strategy is close to finalisation and has identified key priorities for further investment and development, including:

- Classroom modernisation and mobile learning;
- Curriculum management;
- Video conferencing and telephony;
- Enhancement of staff and student intranets.

The strategy indicates an investment of £6 million over the next three years. The investment in digital technologies for academic areas will focus on the transmission of knowledge and this will provide capacity for academic staff to prioritise face-to-face engagement in order to provide a transformational learning experience for our students.

Internationalisation

The University's plan is to increase the international student population by 12% by 2015. To facilitate this level of growth the University has invested in developing its relationship with Kaplan via the University of Brighton International College and engaging with an international recruitment management service.

The student intake to the University of Brighton International College is expected to increase its intake by 100 students to 350 during 2013-14. Much of this expansion relates to a new range of higher education preparation courses in Art & Design that will be provided from buildings newly acquired on the City campus in 2012-13.

Sustainable campus

The University continues to work towards its goal of reducing its carbon emissions by 50% by 2015 and has been recognised for its environmental good practice and sustainability for the second year in a row by the People and Plant Green League – being placed 5th out of 143 UK universities.

Significant projects identified for implementation from 2013-14 include:

- Replacement of lighting systems with LED technology;
- Commissioning of an aquifer thermal energy storage (ATES);
- Roll-out of power management systems for PCs and networked printers;
- Building of new, low carbon accommodation;

The University will be progressing with its Estate strategy and capital programme which includes the phase 3 development of Varley Park student accommodation, the further development of the City Campus, the refurbishment of the Cockcroft building, the acquisition of new buildings on the Hasting campus, and the further development of the Falmer and Moulsecroomb campuses. The capital programme will invest over £200 million in new buildings and building refurbishments between 2013 and 2022.

Financial sustainability

The University is in the process of developing a financial strategy that is intended to cover the period of the current strategic plan and beyond. The financial strategy is concerned with ensuring that sufficient resources are made available to deliver the University's academic provision to the standards set out in the strategic plan and to ensure that sufficient surpluses are generated for longer term investment and institutional sustainability.

The University intends to monitor the effectiveness of the financial strategy by measuring its financial performance against some of the metrics recommended for the Annual Sustainability Assurance Report (ASSUR).

Key risks and risk management

The University's Risk Management Steering Group oversees the process of Risk Assessment and Risk Management and provides advice to the Senior Management Team upon which reports to the Audit Committee, the Finance & Employment Committee and the Board of Governors are based, in accordance with the responsibilities of Corporate Governance. The Group is chaired by the Deputy Vice Chancellor and includes a Dean of Faculty and various heads of schools and professional service departments.

As part of the well-established embedded process of risk management throughout the University, individual risk lists for all schools/departments are reviewed and updated where considered necessary. The changes identified within individual risk lists are summarised for consideration by the Risk Management Steering Group. The Risk Management Steering Group meets at regular intervals to monitor the rolling list of current and emerging risks which face the institution and are perceived of high importance. The current and emerging risks are drawn from the school/departmental risk lists as well as from the wide breadth of knowledge of the Group's membership and the Senior Management Team. The overall process continues to seek maximum benefit through combining a "top down" and "bottom up" approach to risk assessment. The key risks facing the institution are considered to be:

Student recruitment and retention - The implementation of the new funding regime from 2012-13 introduced a number of new and significant risks to the University and other institutions in the sector. Maintaining student numbers is critical for long-term sustainability in an environment that is becoming increasingly competitive as well as subject to changing government policy and priorities, such as the management of student numbers and immigration restrictions. The ability of the University to attract potential students is subject to a number of factors including fee levels, reputation, academic performance, league table position and government recruitment restrictions.

A University wide programme to improve retention rates has shown a marked improvement to retention rates. The University has also committed a substantial amount of funding associated with its Access Agreement (£4 million over three years) to directly support retention measures.

Staff recruitment and retention - The University's staff underpin the quality of its courses, research and administrative processes. The increasing competitiveness of the sector represents a key risk in the recruitment and retention of suitably qualified staff to provide the quality of service expected. The staff survey, due to be undertaken in the autumn term 2013, will provide useful information to help understand how best the University can be investing in its staff. This will be supported by the implementation of the new HR strategy.

Capacity and facilities - To meet the projected targets for the student population and research activity the University's existing infrastructure will be under pressure and will require both enhancement and expansion. The competitiveness of the sector also requires the University to invest in its education provision and learning and teaching facilities. The University's strategic plan recognises these requirements, resources for which are reflected in both the revenue budget and capital programme. The delivery of the capital and other investment programmes will require quality project management to ensure that these are delivered.

Reputational impact - As the higher education sector becomes more competitive, the maintenance and enhancement of reputation becomes more paramount. The impact of league tables and similar measures, such as the National Student Survey (NSS), appear to be growing in influence and becoming a short-hand for quality and an interpretation of reputation. The University's latest NSS (2013) position in terms of average scores across the 22 core questions was an improvement on the previous year, but falling just behind the sector average. The University performed well in the previous Research Assessment Exercise in 2008 and is striving to maintain its position for the Research Excellence Framework (REF) 2014, but acknowledges that if its research ambitions are to be realised, further investment is required and therefore aims to allocate £10 million to fund its research strategy over the next four years.

PUBLIC BENEFIT STATEMENT

The Governors confirm that in setting our objectives and planning our activities we have given careful consideration to the Charity Commission's general guidance on public benefit and the specific guidance from HEFCE on the content of this public benefit report and, in each case, have had due regard to that guidance.

Strategic Plan

The University is a higher education institution, established for the purposes of teaching and research. Its primary purpose is the enhancement of education and the creation and transmission of knowledge.

The University is committed to:

- delivering socially purposeful higher education that serves and strengthens society and underpins the economy; contributes critically to the public good; enriches those who participate; and equips our graduates to contribute effectively as citizens to their chosen professions and communities, locally, nationally and internationally;
- developing a creative and energetic institution with a knowledge base of national and international quality, fully committed to mutual engagement with its local communities and economy alongside an international reputation for the quality and impact of its work;
- finding creative and effective ways in which to strengthen the relationship between learning and teaching, disciplinary and professional practice, research and economic and social engagement.

Student admissions and widening participation

The University offers a wide range of professional and academic provision from foundation degrees to doctoral study. Our student body of just over 22,000 is diverse in terms of age, background and experience and we are committed to increasing accessibility and diversity across all activity. In 2011-12, 93.2% of young full time undergraduate entrants were from state schools. 28.9% of this population were from families of non-professional or managerial backgrounds, and 9.4% were from low higher education participation neighbourhoods. Data relating to 2012-13 will be published in January 2014 on the HESA website 'Performance Indicators in Higher Education in the UK' and it will then be included in the University's Access Agreement Targets and Milestones.

The University's Strategic Plan places widening participation within the scope of "learning to make a difference" both for individual student access to education and community access to institutional resources for mutual benefit. Major levers for increasing participation and adding value to local communities and employers include:

- The University of Brighton in Hastings has a particular remit to work with young people in schools and colleges to encourage more to consider the benefits of higher education in an area where progression has historically been low. The University is also lead sponsor for two secondary academy schools in the area in partnership with BT and East Sussex County Council. Under Ofsted's new and tougher inspection regime, the two schools are among the first academies in the country to be rated "good" within two years of opening. The University is selectively working with other schools to assist them gain academy status, where this is seen to act as a catalyst for social mobility and educational progression;
- Community engagement which is primarily taken forward by the Community University Partnership Programme (CUPP). This programme, which has been running since 2003, is funded by the University and aims to tackle disadvantage and promote sustainable development through partnership working. It is focussed on the potential for communities and universities to work together, using their combined resources make a tangible difference to the effectiveness of the community sectors, the quality of university education and research and the lives of local people;

The University offers a generous bursary package to students from lower income families, with additional support to students who have been in care and scholarships for disabled students. 2012-13 saw the University pay out £5.7 million in grants to students. A further £561,000 was spent on scholarships and fee waivers.

In the 2012-13 outreach activity included over 12,600 interventions with learners from underrepresented groups amongst a broad range – from primary school to Access to HE students. The University runs a number of intensive, targeted activities for learners from underrepresented groups, including a number of subject specific summer schools, a Saturday Fashion school, various mentoring schemes and a Spring school for local looked-after children. The University shares a collaborative outreach project with the University of Sussex, based in the Brighton and Sussex Medical School (BSMS). BrightMed recruits 50 Year 8 pupils each year from local state schools who have no family background in higher education and wish to pursue a career in science or medicine. The University has a commitment to encouraging young people in care to consider and apply to higher education, and have been awarded the Buttle UK kitemark in recognition of our work in this area.

2012-13 saw the second year of the presentation of its Aspiration Awards to recognise the commitment of Hastings based students who overcome significant obstacles in order to study. The awards were founded by one of the University's Alumna. The awards were funded by donations to the University of Brighton and will provide financial assistance to this year's 14 recipients to help them continue with their studies.

Teaching and the student experience

The University is committed to providing a high quality learning experience for all our students, with teaching staff being supported by institutional development programmes. In 2012-13 the Student Union received over 1,100 nominations for University staff to receive Excellence Awards.

The majority of students undertake work placements as part of their course, and they are also encouraged to contribute to the local community and to develop experience through volunteering. The award winning student volunteering scheme, *Active Student*, has enabled hundreds of students to undertake volunteering work with community, voluntary and public sector organisations around Sussex and provide them with valuable experience to enhance their CVs.

Over 26% of the University's courses are professionally accredited, accounting for 43% of all students, these include Accounting, Architecture, Chemistry,; Engineering, Health Care Professions, Human Resources, Journalism, Medicine, Nursing and Teaching. The University not only educates future professionals for a wide range of public services but works in partnership to help shape professional formation and practice with 64 Professional, Statutory and Regulatory Bodies (PSRBs).

Research

The University is evolving a research culture of international standing across a broad range of disciplines that enhances the University's intellectual capital in support of economic, cultural and social well-being. The University's research partners are drawn from across the UK and across the globe, and include a significant range of local partners reflecting the importance of our role in the local and regional community. Research activity includes public sector collaborations with the NHS, local and national government departments and agencies and a number of charity partners. Our research, around themes such as aging, sustainability, wound care and inclusivity, engages with partners to ensure direct application to improve the quality of lives.

Economic and social engagement

The University aims to become recognised as a leading UK University for the quality and range of its work in economic and social engagement and productive partnerships.

The University has a number of initiatives which help companies to develop their products, services, technologies, and systems, stimulate growth and develop their workforce. These include Knowledge Transfer Partnerships – for example the partnership project worth more than £128,000 to develop innovative imaging technology to measure the oil content of water resulting from offshore drilling. Another partnership project worth more than £136,000 is working with a world leading alternative energy company to further develop a unique fuel cell technology. Our academic partnerships are exemplified by the MSc in Highways Engineering programme, a collaboration with seven highways authorities, which seeks to create high quality graduates with advanced engineering skills and knowledge in contract management and commissioning as well as on the technical aspects of highways engineering.

Social engagement activities include not only support for widening participation initiatives but engagement with local employers to support work based routes to learning. "On our Doorsteps" is a programme that aims to develop opportunities for all types of staff and students across the University to engage with local communities. The programme has a seed fund which provides up to £5,000 to new partnership projects for the University and community organisations to begin to work together.

The University recognises that it has a leading part to play in demonstrating social responsibility. During 2012-13 the University continued to implement its ambitious Carbon Management Plan, which seeks to reduce carbon emissions by 50% by 2015. The University commitment to carbon management and environmentally sustainable practices was recognised by the People & Planet's annual Green League for higher education by maintaining a top 5 position out of 143 universities.

Ethical investment

The University's ethical investment policy is reviewed on an annual basis to ensure that its deposits of cash resources are limited to those institutions whose social, environmental and ethical policies have been considered acceptable by the University. The University has taken the explicit decision not to invest in equities (either directly or indirectly through investment funds) to ensure that it does not fund activities specifically prohibited by its ethical investment policy.

Philanthropy

The University actively fundraises from our alumni, companies, trusts and foundations and other friends and supporters. The philanthropic support we receive is directed towards supporting students through scholarships, bursaries and prizes; our research activities; community activities and other special projects. Some of the projects that have benefitted from donations that the University has received include:

Student Employability Fund - This fund was launched in 2012 and provides modest non-repayable grants to students to help enhance their employability. Recipients have used their grants to fund travel costs for work placements, to purchase appropriate clothing for interviews and to pay for access to sector-specific equipment or training.

Alumni telephone campaigns - Each year, the University organises telephone campaigns in order to engage with alumni and seek their financial support. During 2012-13, the telephone campaigns engaged with 2,000 alumni and raised a total of £45,000. The aim of these campaigns is to increase participation levels amongst alumni and the focus is less on how much alumni give and more on how many alumni give. The telephone campaigns also provide an opportunity to survey alumni about their on-going relationship with the University and to identify new opportunities to support them in their lives after graduation. Funds raised from the campaigns are used to enhance a range of student support projects, including hardship funds and the Springboard Grants Programme.

Springboard Grants - Nearly £200,000 of unrestricted donations have been used to create a series of awards open to all students and staff at the University. This funding programme offers grants (of up to £1,000) to current students and staff at the University to support unique activities that will enrich and enhance the student and staff experience. These activities may be academic, professional or extra-curricular. They can be undertaken by individuals or groups, such as Students' Union clubs and societies.

The Waste House - This project, led by the Faculty of Arts, aims to show how low-carbon homes can be built cheaply and quickly using waste including surplus material from building sites – the construction industry discards 20 per cent of everything it uses, the equivalent of scrapping one in five houses built. Household items such as old toothbrushes, discarded video tapes and unwanted denim jeans are being tested for suitability and will be used alongside some new materials, such as solar panels and high performance windows and doors. Support has been given by a number of organisations in terms of donated materials and financial contributions. Students, apprentices, local builders and school children have been involved with the construction of the house which, once complete, will be used as an exhibition and workshop space, focused upon sustainable design and showcasing new technologies.

The University has established a committee to oversee the appropriate acceptance and disbursement of philanthropic income – the Disbursement Advisory Group. This group comprises both internal members and representatives of the University's donor community and is tasked with ensuring donor wishes are respected and fundraising activities are conducted professionally and with integrity, in line with agreed policies.

MEMBERSHIP OF THE BOARD OF GOVERNORS

Membership of the Board of Governors for the year ended 31 July 2013.

Independent members	Lord Mogg (Chairman) Ms K Allen Dr Y Burne Judge M Fawcett Mr M Geerts Mr J Harley Ms R Lowe Mr S Maycock Mrs C Miller Dr T Simpson
Teachers at the University, nominated by the Academic Board	Ms K Norquay Ms M Wallis
Co-opted members	Professor P Ashworth Ms B Brewer Professor B Gourley Mr D Pleavin
The Vice-Chancellor of the University	Professor J Crampton
A student of the University, nominated by the students	Mr J Kahane

Attendance at meetings of the Board of Governors during 2012-13

During 2012-2013 five meetings of the Board were held, in September and November 2012, February, May and June 2013. The attendance record of members was as follows:-

Name	No. of meetings attended	Name	No. of meetings attended
Ms K Allen	2	Mr J Kahane	4
Professor P Ashworth	4	Ms R Lowe	3
Ms B Brewer	4	Mr S Maycock	5
Dr Y Burne	4	Mrs C Miller	3
Professor J Crampton	5	Lord Mogg	5
Judge M Fawcett	3	Ms K Norquay	4
Mr M Geerts	4	Mr D Pleavin	1
Professor B Gourley	3	Dr T Simpson	4
Mr J Harley	5	Ms M Wallis	5

CORPORATE GOVERNANCE

The University is a higher education corporation with exempt charity status incorporated under the Education Reform Act 1988.

The following statement is given to assist readers of the financial statements to obtain an understanding of the Governance procedures applied by the University's Board of Governors.

The Board of Governors is of the view that there is an ongoing process for identifying, evaluating and managing the University's significant risks, that has been in place for the year ended 31 July 2012 and up to the date of approval of the annual accounts and that the procedures for identifying compliance with the key principles for corporate governance can be demonstrated. The University accords with the internal control guidance on the combined code as deemed appropriate for higher education. The Board of Governors considers that the University has adequate resources to continue in operational existence for the foreseeable future. For this reason they continue to adopt the going concern basis in preparing the financial statements.

The University is committed to exhibiting best practice in all aspects of corporate governance. This summary describes the manner in which the University has applied the principles set out in Section 1 of the Combined Code on Corporate Governance issued by the London Stock Exchange in June 2006 and guidance provided by the Committee of University Chairmen (CUC) in March 2009. Its purpose is to help the reader of the financial statements understand how the principles have been applied. The University considers itself to be fully compliant with the CUC code.

The Board of Governors is the University's Governing Body and is responsible for the University's system of internal control and for reviewing its effectiveness. Such a system is designed to manage rather than eliminate the risk of failure to achieve business objectives and can only provide reasonable and not absolute assurance against material misstatement or loss.

The Board of Governors meets five times a year; and has several committees. These include a Finance and Employment Committee and an Audit Committee which play key roles in ensuring the financial probity of the institution and the identification and the management of risk.

The Board of Governors is sensitive to risk management and its consideration permeates all of its deliberations. It receives regular and comprehensive financial and control reports from the senior management team and the Audit Committee. The emphasis is on obtaining the relevant degree of assurance and not merely reporting by exception.

The Finance and Employment Committee inter alia recommends to the Board of Governors the University's annual revenue and capital budgets and monitors performance in relation to the approved budgets. It has responsibility to make recommendations to the Board of Governors on the development and redevelopment of the University's estate and on the financial implications of such development. It does not have any decision-making powers. It meets four times a year.

The Audit Committee meets three times a year with the University's external and internal auditors in attendance. The committee considers detailed reports from both auditors, together with recommendations for the improvement of the University's systems of internal control and management's responses and implementation plans. It also receives and considers reports from the Funding Council as they affect the University's business, monitors adherence to the regulatory requirements and monitors the management of risk by the University's senior management team. The Committee has the authority to call for any information from University officers, from internal and external auditors and from others whom it considers necessary to consult in order to discharge its responsibilities.

The Nominations Committee ensures that the membership of the Board of Governors is refreshed at appropriate times by individuals of appropriate standing.

The Remuneration Committee determines the salaries of senior post-holders.

The Student Affairs Committee advises the Board of Governors on all matters concerning the experience of students as members of the University community. It meets three times a year.

The Disbursement Advisory Group monitors the administration of philanthropic income received by the University, ensures regard is given to the principles of public benefit promulgated by the Charity Commission in the administration of philanthropic income and makes recommendations for the disbursement of unrestricted funds in line with institutional priorities as determined by the Board. It meets three times a year.

Each of these committees is formally constituted with terms of reference and chaired by an independent member of the board, and reports regularly to the main Board.

The Senior Management Team receives reports setting out key performance and risk indicators and considers possible control issues brought to its attention by early warning mechanisms which are embedded within the operational units and reinforced by risk awareness training.

The University maintains a Register of Interests of members of the Board of Governors and of senior officers which may be consulted by arrangement with the Clerk to the Board of Governors.

Lord Mogg.....Chair of the Board of Governors

Dated: 22 November 2013

RESPONSIBILITIES OF THE BOARD OF GOVERNORS

In accordance with the Education Reform Act 1988 and the University's Instrument and Articles of Government, the Board of Governors of the University is responsible for the administration and management of the affairs of the University and is required to present audited financial statements for each year.

The Board of Governors is responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the University and to enable it to ensure that the financial statements are prepared in accordance with the Education Reform Act 1988, the Instrument and Articles of Government, the Statement of Recommended Practice: Accounting for Further and Higher Education Institutions and other relevant accounting standards. In addition, within the terms and conditions of a Financial Memorandum agreed between the Higher Education Funding Council for England and the Board of Governors of the University, the Board of Governors through its designated office holder is required to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the University and the surplus or deficit and cash flows for that financial year.

In causing the financial statements to be prepared, the Board of Governors has to ensure that:

- suitable accounting policies are selected and applied consistently;
- judgements and estimates are made that are reasonable and prudent;
- applicable accounting standards have been followed;
- financial statements are prepared on the going concern basis as the University has adequate resources to continue in operation for the foreseeable future.

The Board of Governors has taken reasonable steps to ensure that funds from the Higher Education Funding Council for England and the Training Development Agency for Schools grants are used only for the purpose for which they have been given and in accordance with the Financial Memorandum with the Funding Council and any other conditions which the Funding Council may from time to time prescribe.

The key elements of the University's system of internal financial control, which is designed to discharge the responsibilities set out above, include the following requirements to:

- ensure that there are appropriate financial and management controls in place to safeguard public funds and funds from other sources;
- safeguard the assets of the University and to prevent and detect fraud;
- secure the economical, efficient and effective management of the University's resources and expenditure;
- define clearly the responsibilities of, and the authority delegated to, budget managers and senior budget managers;
- ensure a comprehensive planning process, supplemented by detailed annual income, expenditure, capital and cash flow budgets;
- make regular reviews of academic performance and financial results involving variance reporting and updates of forecast out-turns;
- ensure clearly defined and formalised requirements for approval and control of expenditure, with investment decisions involving capital or revenue expenditure being subject to formal detailed appraisal and review according to approval levels set by the Board of Governors;
- maintain comprehensive financial regulations, detailed financial controls and procedures, approved by the Audit Committee and Board of Governors;
- maintain a professional internal audit team whose annual programme is approved by the Audit Committee.

Any system of internal financial control can, however, only provide reasonable, but not absolute, assurance against material misstatement or loss.

In regard to the publication of these accounts on the Internet, The Board of Governors recognise their responsibility for:

- (a) The maintenance and integrity of the University of Brighton website; the work carried out by the auditors does not involve consideration of these matters and, accordingly, the auditors accept no responsibility for any changes that may have occurred to the financial statements since they were initially presented on the website.
- (b) Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF THE BOARD OF GOVERNORS OF THE UNIVERSITY OF BRIGHTON

We have audited the group and University financial statements (the "financial statements") of the University of Brighton for the year ended 31 July 2013 which comprise the Consolidated Income and Expenditure Account, the Consolidated and University Balance Sheets, the Consolidated Cash Flow Statement, the Statement of Consolidated Total Recognised Gains and Losses, the Accounting Policies and the related notes. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

This report is made solely to the Board of Governors, in accordance with paragraph 13(2) of the University's Articles of Government and section 124B of the Education Reform Act 1988. Our audit work has been undertaken so that we might state to the Board of Governors those matters we are required to state to it in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Board of Governors for our audit work, for this report, or for the opinions we have formed.

Respective responsibilities of the Board of Governors and auditor

As explained more fully in the Statement of Responsibilities of Board of Governors set out on page 18, the Board of Governors is responsible for the preparation of financial statements which give a true and fair view. Our responsibility is to audit, and express an opinion, on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors.

Scope of the audit of the financial statements

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

Opinion on financial statements

In our opinion the financial statements:

- give a true and fair view of the state of the affairs of the Group and University as at 31st July 2013 and of the Group's income and expenditure, recognised gains and losses and cash flows for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the Statement of Recommended Practice – Accounting for Further and Higher Education.

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

In our opinion, in all material respects:

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

Matters on which we are required to report by exception

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

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

Neil Thomas
For and on behalf of KPMG LLP, Statutory Auditor
Chartered Accountants

1 Forest Gate
Brighton Road
Crawley
West Sussex
RH11 9PT

22 November 2013

CONSOLIDATED INCOME AND EXPENDITURE ACCOUNT
Year ended 31 July 2013

	Note	2013 £'000	2012 £'000
INCOME			
Funding Council grants	2	46,180	61,066
Academic fees and support grants	3	94,121	72,815
Research grants and contracts	4	8,326	8,250
Other operating income	5	27,762	22,764
Endowment and investment income	6	782	1,382
		<hr/>	<hr/>
TOTAL INCOME		177,171	166,277
Less share of joint venture income	31	(10,261)	(9,690)
		<hr/>	<hr/>
GROUP INCOME		166,910	156,587
		<hr/>	<hr/>
EXPENDITURE			
Staff costs	7	99,658	94,589
Depreciation	11	6,530	4,794
Other operating expenses	8	56,160	55,227
Interest payable	9	2,929	2,150
		<hr/>	<hr/>
TOTAL EXPENDITURE		165,277	156,760
Less share of joint venture expenditure	31	(9,461)	(9,200)
		<hr/>	<hr/>
GROUP EXPENDITURE		155,816	147,560
		<hr/>	<hr/>
Surplus after depreciation of assets at valuation and before tax		11,094	9,027
Share of surplus in joint venture	31	800	490
		<hr/>	<hr/>
Surplus on continuing operations after depreciation of assets at valuation, disposal of assets and tax		11,894	9,517
Transferred to accumulated income in endowment funds	18	(44)	-
		<hr/>	<hr/>
Surplus for the year retained within general reserves	10, 17	11,850	9,517
		<hr/>	<hr/>
Surplus on continuing operations before tax		11,894	9,517
Difference between an historical cost depreciation charge and the actual depreciation charge for the year calculated on the revalued amount	16	2,958	1,633
		<hr/>	<hr/>
HISTORICAL COST SURPLUS		14,852	11,150
		<hr/> <hr/>	<hr/> <hr/>

The consolidated income and expenditure of the University and its subsidiaries relate wholly to continuing operations.

The notes on pages 24–50 form part of these financial statements.

BALANCE SHEET
As at 31 July 2013

		Consolidated		University	
	Note	2013 £'000	2012 £'000	2013 £'000	2012 £'000
FIXED ASSETS					
Tangible assets	11	208,036	194,745	210,216	196,975
Investments	20	84	84	184	184
Joint venture assets	31	7,983	7,502	-	-
Joint venture liabilities	31	(2,562)	(2,881)	-	-
		<u>213,541</u>	<u>199,450</u>	<u>210,400</u>	<u>197,159</u>
CURRENT ASSETS					
Short term investments	30	68,580	75,509	68,580	75,500
Stock	1(e)	110	113	85	90
Debtors	12	8,218	8,295	13,117	12,314
Cash at bank and in hand	28	16,467	14,243	16,314	13,891
		<u>93,375</u>	<u>98,160</u>	<u>98,096</u>	<u>101,795</u>
CREDITORS: amounts falling due within one year	13	<u>(35,859)</u>	<u>(42,329)</u>	<u>(35,241)</u>	<u>(41,500)</u>
NET CURRENT ASSETS		<u>57,516</u>	<u>55,831</u>	<u>62,855</u>	<u>60,295</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		<u>271,057</u>	<u>255,281</u>	<u>273,255</u>	<u>257,454</u>
CREDITORS: amounts falling due after more than one year	14	(51,849)	(55,032)	(51,849)	(55,032)
NET ASSETS EXCLUDING PENSION LIABILITY		<u>219,208</u>	<u>200,249</u>	<u>221,406</u>	<u>202,422</u>
Net Pension Liability	19(d)	(32,315)	(33,491)	(32,315)	(33,491)
NET ASSETS INCLUDING PENSION LIABILITY		<u><u>186,893</u></u>	<u><u>166,758</u></u>	<u><u>189,091</u></u>	<u><u>168,931</u></u>
Deferred Capital Grants	15	23,262	16,627	23,262	16,628
Endowments	18	58	14	58	14
RESERVES					
Revenue reserve excluding pension liability		128,031	112,793	130,229	114,965
Pension Liability	19(d)	(32,315)	(33,491)	(32,315)	(33,491)
Revenue reserve including pension liability	17	95,716	79,302	97,914	81,474
Revaluation reserve	16	67,857	70,815	67,857	70,815
Total Reserves		<u>163,573</u>	<u>150,117</u>	<u>165,771</u>	<u>152,289</u>
Total Funds		<u><u>186,893</u></u>	<u><u>166,758</u></u>	<u><u>189,091</u></u>	<u><u>168,931</u></u>

These financial statements were approved by the Board of Governors on 22 November 2013
Signed on behalf of the Board of Governors

Lord MoggGovernor and Chair of Governing Body

Professor Julian CramptonGovernor and Vice-Chancellor

The notes on pages 24 to 50 form part of these financial statements.

CONSOLIDATED CASH FLOW STATEMENT
Year ended 31 July 2013

	Note	2013 £'000	2012 £'000
Net cash inflow from operating activities	23	15,726	8,192
Returns on investments and servicing of finance	24	(1,983)	(502)
Capital expenditure and financial investment	25	(11,482)	(14,040)
Net cash inflow/(outflow) before use of liquid resources and financing		2,261	(6,350)
Management of liquid resources			
Deposit – Decrease/(Increase) to short term investments		6,929	(13,750)
Financing	26	(6,966)	20,880
Increase in cash	28	2,224	780

RECONCILIATION OF NET CASH FLOW TO MOVEMENT IN NET FUNDS
Year ended 31 July 2013

		2013 £'000	2012 £'000
Increase in cash in the year		2,224	780
Repayment of debt	27	6,966	2,225
Receipt of new loan	27	-	(23,105)
Changes in net funds from cash flows	28	9,190	(20,100)
Net funds at beginning of year	28	(42,604)	(22,504)
Net funds at end of year	28	(33,414)	(42,604)

Net funds excludes cash held as short term investments which totalled £68.6m as at 31 July 2013 (£75.5m at 31 July 2012).

STATEMENT OF CONSOLIDATED TOTAL RECOGNISED GAINS AND LOSSES
Year ended 31 July 2013

	2013 £'000	2012 £'000
Surplus after depreciation of assets at valuation and tax	11,894	9,517
Actuarial gain/(loss) recognised in respect of pensions, Note 19(d)	1,606	(14,432)
Total recognised gains/(losses) relating to the year	13,500	(4,915)

RECONCILIATION

	2013 £'000	2012 £'000
Opening reserves and endowments	150,131	155,046
Total recognised gains/(losses) for the year	13,500	(4,915)
Total reserves and endowments at 31 July	163,631	150,131

The notes on pages 24-50 form part of these financial statements.

NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 July 2013

1. ACCOUNTING POLICIES

a) Accounting convention

The financial statements are prepared under the historical cost convention, as modified by the revaluation of certain tangible fixed assets, and in accordance with the Statement of Recommended Practice: Accounting for Further and Higher Education (2007) and applicable accounting standards.

Repair and maintenance of buildings costs are treated in line with the requirements of FRS 15 'Tangible Fixed Assets' in that they are treated as revenue expenditure unless there is a clear indication that such repairs will enhance the economic benefits of the tangible asset, in excess of the previously assessed standard of performance.

FRS 18 'Accounting Policies' has been adopted and the Board is satisfied that the current accounting policies are the most appropriate for the University.

b) Basis of consolidation

The consolidated financial statements incorporate the financial statements of the University and its subsidiary undertakings as well as the University's share of the joint venture, the Brighton and Sussex Medical School (Note 31).

Although the University exercises a measure of control over the Students' Union, this is not considered to be control as defined by Financial Reporting Standard 2. Therefore, the consolidated financial statements do not include the results of the Students' Union.

c) Recognition of income

Tuition fee income is stated gross and credited to the income and expenditure account over the period in which students are studying. Where the amount of the tuition fee is reduced, by a discount for prompt payment, income receivable is shown net of the discount. Bursaries and scholarships are accounted for gross as expenditure and not deducted from income.

All income from short-term deposits and endowments is credited to the income and expenditure account in the period in which it is earned. Income from specific endowments not expended is transferred from the income and expenditure account to specific endowments.

Income grants received during the year in support of general or specific revenue activities of the University are credited directly to the Income and Expenditure Account.

Capital grants are released to the Income and Expenditure Account over the estimated useful lives of the related assets purchased with the grants.

Capital grants received in advance of expenditure are carried forward as receipts in advance. The amount of capital grants relating to the non-depreciated element of fixed assets is carried forward as a creditor.

d) Tangible fixed assets

i) Land and buildings

Land and buildings are stated at cost, or in the case of buildings in use at 31 July 1999, at valuation.

Land and buildings were valued on 31 July 1999 at depreciated replacement cost by Stiles Harold Williams, a firm of independent chartered surveyors.

The transitional rules set out in FRS 15 'Tangible Fixed Assets' have been applied on implementing FRS 15. Accordingly, the book values at implementation have been retained.

Buildings in the course of construction are accounted for at cost, based on the value of architects certificates and other direct costs incurred to 31 July. They are not depreciated until they are brought into use.

NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 July 2013

ii) Rentals in respect of operating leases are charged to the income and expenditure account as incurred.

iii) Depreciation is charged so as to write off fixed assets in equal annual instalments over their estimated useful lives. The minimum rates of depreciation are as follows:

Vehicles	20% per annum
Computer equipment	33% per annum
Other equipment	20% per annum
Buildings	2% per annum
Land is not depreciated.	

A review for impairment of fixed assets is carried out if events or changes in circumstances indicate that the carrying amount of any fixed asset may not be recoverable.

iv) Equipment and vehicles are shown as disposed of within the books of accounts once fully depreciated.

Assets purchased for less than £20,000 are not capitalised and are written off to the income and expenditure account in the year of purchase.

e) **Stocks**

Stocks, which consist of goods for resale, are stated at the lower of cost and net realisable value.

f) **Taxation**

The University is an exempt charity within the meaning of Schedule 2 of the Charities Act 1993 and as such is a charity within the meaning of Para 1 of Schedule 6 to the Finance Act 2010. Accordingly, the University is potentially exempt from taxation in respect of income or capital gains received within categories covered by sections 478-488 of the Corporation Tax Act 2010 (CTA 2010) (formerly enacted in Section 505 of the Income and Corporation Taxes Act 1988 (ICTA)) or Section 256 of the Taxation of Chargeable Gains Act 1992 to the extent that such income or gains are applied to exclusively charitable purposes. The University receives no similar exemption in regard to Value Added Tax (VAT) and so is only able partially to recover the VAT input tax suffered.

g) **Research grants and contracts**

Income from ongoing research grants and contracts is included in the income and expenditure account to match the amount of expenditure incurred during the year.

h) **Accounting for pensions**

The University staff are able to join either the Teachers Pension Scheme operated by the Department for Education or the Local Government Pension Scheme operated by the East Sussex County Council, as detailed in note 19(d). Additionally, the University has agreed with the Universities Superannuation Scheme that new staff who are in membership as at the date of joining the University of Brighton may remain members of that scheme. These are defined benefit schemes and contributions, including the capitalised cost of enhanced early retirement, are charged to the income and expenditure account as they become payable in accordance with the rules of the scheme.

i) **Leased assets**

Assets held under finance leases and hire purchase contracts are capitalised at their fair value at the inception of the leases and are depreciated over their estimated useful lives. The finance charges are allocated over the period of the lease in proportion to the capital amount outstanding. Income and costs in respect of operating leases are credited/charged on a straight line basis over the lease term.

j) **Investments**

Fixed asset investments that are not listed on a recognised stock exchange are carried at historical cost less any provision for permanent impairment in their value. Current asset investments, which may include listed investments, are stated at the lower of cost and net realisable value.

NOTES TO THE FINANCIAL STATEMENTS
Year ended 31 July 2013

k) Provisions

Provisions are recognised when the University has a present legal or constructive obligation as a result of a past event. It is probable that a transfer of economic benefit will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation.

2. FUNDING COUNCIL GRANTS

	2013	2012
	£'000	£'000
Recurrent Grants		
Higher Education Funding Council for England (HEFCE)	40,285	51,779
National College for Teaching & Leadership (NCTL)	3,786	7,448
TOTAL RECURRENT GRANTS	44,071	59,227
Specific Grants (HEFCE)		
National Scholarship Programme	561	-
Teaching & Research Capital Investment Fund	482	386
Centre for Work and Learning	165	530
Research Capital Investment Fund	78	-
Higher Education Innovation Funds	50	6
Other	81	108
Learning & Teaching Development	-	103
Aim Higher	-	31
CUPP (SECCP)	-	6
Sub Total HEFCE Specific Grants	1,417	1,170
Specific Grants (NCTL)		
Masters in Teaching and Learning	20	14
Extended Placements	8	12
Capital Support	-	6
Other	-	10
Sub Total NCTL Specific Grants	28	42
TOTAL SPECIFIC GRANTS	1,445	1,212
Deferred Capital Grants (HEFCE)		
Buildings	443	368
Equipment	221	259
TOTAL DEFERRED CAPITAL GRANTS	664	627
	46,180	61,066

NOTES TO THE FINANCIAL STATEMENTS
Year ended 31 July 2013

3. ANALYSIS OF ACADEMIC FEES AND SUPPORT GRANTS

	2013	2012
	£'000	£'000
Home and EU domiciled students		
Full Time		
Undergraduate	70,531	49,634
Postgraduate	3,002	3,645
Part Time		
Undergraduate	2,072	2,930
Postgraduate	3,363	2,950
Sub total	<u>78,968</u>	<u>59,159</u>
Non EU domiciled students	<u>13,572</u>	<u>11,561</u>
Total HE Course Fees	92,541	70,720
Non Credit Bearing Course Fees	1,183	1,618
Research Training Support Grants	397	477
	<u>94,121</u>	<u>72,815</u>

4. RESEARCH GRANTS AND CONTRACTS

	2013	2012
	£'000	£'000
European Commission	2,071	2,084
UK Government	1,643	2,426
Research Council	2,101	1,739
UK based charities	980	827
UK industry & public corporations	1,158	778
Other	373	396
	<u>8,326</u>	<u>8,250</u>

5. OTHER OPERATING INCOME

	2013	2012
	£'000	£'000
Residences, catering and conferences	15,670	13,653
Other services rendered	5,453	4,432
Other income	6,639	4,679
	<u>27,762</u>	<u>22,764</u>

NOTES TO THE FINANCIAL STATEMENTS
Year ended 31 July 2013

6. ENDOWMENT AND INVESTMENT INCOME

	2013 £'000	2012 £'000
Interest receivable from short term investments and bank deposits	782	1,111
Net return on pension schemes	-	271
	<u>782</u>	<u>1,382</u>

7. STAFF

	2013 £'000	2012 £'000
Consolidated		
Wages and salaries	81,333	77,233
Social security costs	6,816	6,477
Other pension costs	11,509	10,879
	<u>99,658</u>	<u>94,589</u>

University's share of Joint Venture

Wages and salaries	3,812	3,408
Social security costs	375	424
Other pension costs	482	537
	<u>4,669</u>	<u>4,369</u>

University and Subsidiaries excluding Joint Venture

Wages and salaries	77,521	73,825
Social security costs	6,441	6,053
Other pension costs	11,027	10,342
	<u>94,989</u>	<u>90,220</u>

Emoluments of the Vice-Chancellor

	£	£
Professor Julian Crampton		
Salary	212,000	200,000
Pension contributions	-	21,333
Benefits in kind	2,519	2,271
	<u>214,519</u>	<u>223,604</u>

NOTES TO THE FINANCIAL STATEMENTS
Year ended 31 July 2013

The remuneration of other higher paid staff, excluding employer's pension costs, was as follows:

	2013	2012
	No.	No.
£100,000 - £110,000	6	7
£110,000 - £120,000	2	1
£120,000 - £130,000	6	5
£130,000 - £140,000	2	2
£140,000 - £150,000	2	1
£150,000 - £160,000	2	-
£160,000 - £170,000	1	1
£170,000 - £180,000	2	1
£190,000 - £200,000	1	-
£210,000 - £220,000	-	1
£220,000 - £230,000	1	-

21 (2012 – 14) of the above staff are employed by the joint venture (see Note 31)

	2013	2012
	No.	No.
Average staffing numbers (full time equivalent)		
Senior managers	11	12
Teaching and Research	898	871
Administrative	905	859
Technical	123	119
Manual and craft	177	172
	<u>2,114</u>	<u>2,033</u>

The average staffing numbers exclude BSMS staff employed on the Joint Venture and exclude all casual staff.

NOTES TO THE FINANCIAL STATEMENTS
Year ended 31 July 2013

8 ANALYSIS OF OTHER OPERATING EXPENSES

	2013	2012
	£'000	£'000
Agency and contract staff	3,558	3,213
Auditors' remuneration*	60	61
Bad debt expense	(32)	(193)
Books and periodicals	1,624	1,649
Catering and bar provisions	1,509	1,333
Cleaning and waste disposal	886	821
Consultancy	1,300	1,169
Energy	3,038	2,536
Enhanced pension capital and interest	17	17
Equipment and materials	9,858	9,333
Exam and registration fees	18	50
External examiners	322	283
Facilities management fee	935	927
Field course expenses	675	497
Grants to students	5,746	6,479
Insurances	484	457
Maintenance of buildings and grounds	4,795	5,320
Mentorship payments	731	905
Other employee expenses	783	601
Partner colleges	1,706	3,245
Printing	918	872
Publicity and advertising	1,958	1,164
Rent, rates and water	6,828	6,805
Student accommodation	46	210
Students Union grant	1,026	753
Subscriptions	597	557
Telephones and postage	971	985
Transport	2,613	2,493
Miscellaneous	3,190	2,685
	56,160	55,227

* In addition, KPMG LLP, the external auditors have been paid £27,236 (VAT inclusive) for other services in the year (2012: £27,522).

NOTES TO THE FINANCIAL STATEMENTS
Year ended 31 July 2013

9. INTEREST PAYABLE

	2013	2012
	£'000	£'000
Bank and other loans not wholly repayable within 5 years	2,706	1,988
Bank and other loans wholly repayable within 5 years	26	54
Interest on pension scheme liabilities (note 19d)	149	-
Finance leases	48	108
	<u>2,929</u>	<u>2,150</u>

10. SURPLUS ON CONTINUING OPERATIONS FOR THE YEAR

	2013	2012
	£'000	£'000
University surplus for the year	11,876	9,464
Depreciation on intra group asset sale	50	50
(Deficit)/surplus generated by the subsidiary undertakings	(76)	3
	<u>11,850</u>	<u>9,517</u>

NOTES TO THE FINANCIAL STATEMENTS
Year ended 31 July 2013

11. TANGIBLE FIXED ASSETS

	Land and Buildings £'000	Vehicles £'000	Equipment £'000	Total £'000
Consolidated				
Valuation/Cost				
At 1 August 2012 - valuation	117,368	-	-	117,368
- cost	113,341	216	2,902	116,459
Additions	19,351	-	470	19,821
Disposals	(2,056)	(152)	(708)	(2,916)
As at 31 July 2013	<u>248,004</u>	<u>64</u>	<u>2,664</u>	<u>250,732</u>
Accumulated Depreciation				
At 1 August 2012	37,489	170	1,423	39,082
Depreciation on disposals	(2,056)	(152)	(708)	(2,916)
Charge for the year	5,795	38	697	6,530
As at 31 July 2013	<u>41,228</u>	<u>56</u>	<u>1,412</u>	<u>42,696</u>
Net Book Value				
At 31 July 2013	<u>206,776</u>	<u>8</u>	<u>1,252</u>	<u>208,036</u>
At 31 July 2012	<u>193,220</u>	<u>46</u>	<u>1,479</u>	<u>194,745</u>
Analysis of Funding				
Inherited	67,857	-	-	67,857
Financed by capital grant	22,783	-	479	23,262
Other	116,136	8	773	116,917
Net Book Value at 31 July 2013	<u>206,776</u>	<u>8</u>	<u>1,252</u>	<u>208,036</u>

The transitional rules set out in FRS 15 'Tangible Fixed Assets' have been applied on implementing FRS 15. Accordingly, the book values at implementation have been retained.

Land and buildings were valued on 31 July 1999 at depreciated replacement cost by a firm of independent chartered surveyors.

Included within land and buildings is property with a net book value of:

	2013	2012
Freehold properties	£197.3m	£169.0m
Held under finance lease	-	£3.2m
Assets in the course of construction	£9.5m	£21.0m

If the land and buildings inherited from East Sussex County Council on corporation had not been valued they would have been included at the following amounts:

	£
Cost	Nil
Aggregate depreciation based on cost	Nil
Net book value based on cost	<u>Nil</u>

NOTES TO THE FINANCIAL STATEMENTS
Year ended 31 July 2013

11. TANGIBLE FIXED ASSETS (CONTINUED)

	Land and Buildings £'000	Vehicles £'000	Equipment £'000	Total £'000
University of Brighton				
Valuation/Cost				
At 1 August 2012	112,060	-	-	112,060
- valuation				
- cost	120,341	216	2,902	123,459
Additions	19,351	-	470	19,821
Disposals	(2,056)	(152)	(708)	(2,916)
As at 31 July 2013	<u>249,696</u>	<u>64</u>	<u>2,664</u>	<u>252,424</u>
Accumulated Depreciation				
At 1 August 2012	36,951	170	1,423	38,544
Depreciation on disposals	(2,056)	(152)	(708)	(2,916)
Charge for the Year	5,845	38	697	6,580
As at 31 July 2013	<u>40,740</u>	<u>56</u>	<u>1,412</u>	<u>42,208</u>
Net book value				
At 31 July 2013	<u>208,956</u>	<u>8</u>	<u>1,252</u>	<u>210,216</u>
At 31 July 2012	<u>195,450</u>	<u>46</u>	<u>1,479</u>	<u>196,975</u>
Analysis of Funding				
Inherited	67,857	-	-	67,857
Financed by capital grant	22,783	-	479	23,262
Other	118,316	8	773	119,097
Net book value at 31 July 2013	<u>208,956</u>	<u>8</u>	<u>1,252</u>	<u>210,216</u>

The transitional rules set out in FRS 15 'Tangible Fixed Assets' have been applied on implementing FRS 15. Accordingly, the book values at implementation have been retained.

Land and buildings were valued on 31 July 1999 at depreciated replacement cost by a firm of independent chartered surveyors.

Included within land and buildings is property with a net book value of:

	2013	2012
Freehold properties	£199.5m	£171.2m
Held under finance lease	-	£3.2m
Assets in the course of construction	£9.5m	£21.0m

If the land and buildings inherited from East Sussex County Council on corporation had not been valued they would have been included at the following amounts:

Cost	£
Aggregate depreciation based on cost	Nil
Net book value based on cost	<u>Nil</u>

NOTES TO THE FINANCIAL STATEMENTS
Year ended 31 July 2013

12. DEBTORS

	Consolidated		University	
	2013 £'000	2012 £'000	2013 £'000	2012 £'000
Due within one year:				
Trade debtors	3,711	3,848	3,383	3,311
Amounts owed by subsidiary undertakings	-	-	-	110
Prepayments and accrued income	4,507	4,447	9,734	8,893
TOTAL DEBTORS	8,218	8,295	13,117	12,314

13. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	Consolidated		University	
	2013 £'000	2012 £'000	2013 £'000	2012 £'000
Finance Lease	-	3,711	-	3,711
Building project loans	3,134	3,260	3,134	3,260
Salix Loan	65	56	65	56
Trade creditors	197	437	197	437
Amount owed to subsidiary undertakings	-	-	381	-
PAYE creditors	1,877	1,826	1,877	1,826
HM Revenue and Customs – VAT	252	235	169	194
Superannuation funds	1,439	596	1,439	596
Other creditors	4,067	1,991	3,654	1,664
Accruals and deferred income	24,828	30,217	24,325	29,756
	35,859	42,329	35,241	41,500

14. CREDITORS: AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR

	Consolidated		University	
	2013 £'000	2012 £'000	2013 £'000	2012 £'000
Loan re building project - student residences (i)	3,992	4,244	3,992	4,244
Grand Parade 4 th Wing building (ii)	-	158	-	158
Loan re Academic Accommodation (iii)	21,976	23,503	21,976	23,503
Clydesdale Loans (iv)	20,608	21,804	20,607	21,804
Salix Loan (v)	106	111	106	111
H M Revenue and Customs – VAT	-	2	-	2
Accruals and Deferred Income (vi)	5,167	5,210	5,168	5,210
	51,849	55,032	51,849	55,032

- (i) This comprises a bank loan bearing interest fixed at 9.16% per annum, repayable by instalments by April 2022. This loan is secured by fixed charges over various University properties.
- (ii) Bank loan with interest fixed at 8.79% per annum, repayable by 2013. Loan secured by fixed charge over the freehold of various University properties.
- (iii) Bank loan in three tranches with interest rates fixed at between 5.350% and 5.5057%. Loan secured by fixed charge over the freehold of various University properties.

NOTES TO THE FINANCIAL STATEMENTS
Year ended 31 July 2013

- (iv) Bank loan in two tranches with interest rates fixed at 4.49% and 3.96%. Loans secured by fixed charge over the freehold of various University properties.
- (v) Interest free loans under the Carbon Reduction Programme to fund improvements to energy efficiency.
- (vi) Advance payment regarding operating lease.

	Consolidated		University	
	2013	2012	2013	2012
	£'000	£'000	£'000	£'000
Analysis of Loan Repayments				
Total Loans				
In one year or less or on demand	3,200	3,316	3,200	3,316
In more than one year but not more than two years	3,072	3,191	3,072	3,191
In more than two years but not more than five years	9,377	9,233	9,377	9,233
In more than five years	34,232	37,396	34,232	37,396
	<u>49,881</u>	<u>53,136</u>	<u>49,881</u>	<u>53,136</u>

NOTES TO THE FINANCIAL STATEMENTS
Year ended 31 July 2013

15. DEFERRED CAPITAL GRANTS (HEFCE)

	Consolidated and University Funding Councils £'000
As at 1 August 2012	
Equipment	701
Buildings	15,926
	<hr/> 16,627 <hr/>
Cash Received	
Equipment	-
Buildings	7,299
	<hr/> 7,299 <hr/>
Released to Income and Expenditure	
Equipment	(221)
Buildings	(443)
	<hr/> (664) <hr/>
As at 31 July 2013	
Equipment	480
Buildings	22,782
	<hr/> 23,262 <hr/> <hr/>

In accordance with the University's accounting policy for recognition of income 1(c), capital grants are released to the Income and Expenditure account over the estimated useful lives of the related assets purchased with the grants. This matches the University's fixed asset policy which depreciates computer equipment over three years, other equipment over five years and buildings over 50 years. The majority of capital grants are applied to the acquisition of buildings.

16. REVALUATION RESERVE

	Consolidated £'000	University £'000
Revaluations as at 1 August 2012	70,815	70,815
Transfers from revenue reserve to revenue reserve for depreciation	(2,958)	(2,958)
	<hr/> 67,857 <hr/> <hr/>	<hr/> 67,857 <hr/> <hr/>

NOTES TO THE FINANCIAL STATEMENTS
Year ended 31 July 2013

17. REVENUE RESERVE

	Consolidated £'000	University £'000
Surplus for the year retained in general reserves	11,850	11,876
FRS 17 actuarial Gain	1,606	1,606
Transfers from revaluation reserve in respect of depreciation on revalued assets	2,958	2,958
	<hr/>	<hr/>
Movement in the year	16,414	16,440
Balance as at 1 August 2012	79,302	81,474
	<hr/>	<hr/>
Balance at 31 July 2013	95,716	97,914
	<hr/> <hr/>	<hr/> <hr/>

18. ENDOWMENTS

	Restricted Expendable £'000	Restricted Permanent £'000	Restricted Total £'000
Capital Value	-	12	14
Accumulated Income	-	2	-
	<hr/>	<hr/>	<hr/>
As at 1 August 2012	-	14	14
	<hr/>	<hr/>	<hr/>
Income for the year	44	-	44
Expenditure for the year	-	-	-
	<hr/>	<hr/>	<hr/>
As at 31 July 2013	44	-	44
	<hr/>	<hr/>	<hr/>
Capital Value	35	12	47
Accumulated Income	9	2	11
	<hr/>	<hr/>	<hr/>
	44	14	58
	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>

**Consolidated and University
£'000**

	Year ended 2013 £'000	Year ended 2012 £'000
Balance as at start of year	14	26
Increase/(Decrease) in cash balances	44	(12)
	<hr/>	<hr/>
Balance as at end of year	58	14
	<hr/>	<hr/>
Represented by Bank Balances	58	14
	<hr/> <hr/>	<hr/> <hr/>

NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 July 2013

19. PENSIONS

(a) Pension Contributions

The two principal pension schemes for the University's staff are the Teachers Pension Scheme (TPS) and the Local Government Pension Scheme (LGPS). Additionally, the University has agreed with the Universities Superannuation Scheme (USS) that new staff who are in membership as at the date of joining the University of Brighton may remain members of that scheme. The assets of the Schemes are held in separate administered funds. The schemes are defined benefit schemes, which are valued every three years for LGPS and every five years for TPS and by actuaries using the projected unit method, the rates of contribution payable being determined by the trustees on the advice of the actuaries. TPS provides benefits based on final pensionable salary for academic staff, LGPS provides similar benefits for support staff, including research and manual staff, subject to the rules of eligibility. USS provides similar benefits. Pension costs are assessed using the projected unit method.

(b) TPS

The TPS is an unfunded pension scheme which is externally funded and contracted out of the State Second Pension (S2P). The Secretary of State for Education makes statutory regulations under the Superannuation Act 1972, which govern it.

Under the definitions set out in the Financial Reporting Standard FRS 17 'Retirement Benefits', the TPS is a multi-employer pension scheme. The University is unable to identify its share of the underlying (notional) assets and liabilities of the scheme. Accordingly, the University has used the exemption in FRS 17 and contributions to the scheme have been accounted for as if it were a defined contribution scheme.

(c) USS

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

The appointment of directors to the board of the trustee is determined by the trustee company's Articles of Association. Four of the directors are appointed by Universities UK; three are appointed by the University and College Union, of whom at least one must be a USS pensioner member; and a minimum of three and a maximum of five are independent directors appointed by the board. Under the scheme trust deed and rules, the employer contribution rate is determined by the trustee, acting on actuarial advice.

The latest triennial actuarial valuation of the scheme was at 31 March 2011. This was the second valuation for USS under the scheme-specific funding regime introduced by the Pensions Act 2004, which requires schemes to adopt a statutory funding objective, which is to have sufficient and appropriate assets to cover their technical provisions. The actuary also carries out regular reviews of the funding levels. In particular, he carries out a review of the funding level each year between triennial valuations and details of his estimate of the funding level at 31 March 2013 are also included in this note.

The triennial valuation was carried out using the projected unit method. The assumptions which have the most significant effect on the result of the valuation are those relating to the rate of return on investments (ie the valuation rate of interest), the rates of increase in salary and pensions and the assumed rates of mortality. The financial assumptions were derived from market yields prevailing at the valuation date. An "inflation risk premium" adjustment was also included by deducting 0.3% from the market-implied inflation on account of the historically high level of inflation implied by government bonds (particularly when compared to the Bank of England's target of 2% for CPI which corresponds broadly to 2.75% for RPI per annum).

To calculate the technical provisions, it was assumed that the valuation rate of interest would be 6.1% per annum, salary increases would be 4.4% per annum (with short-term general pay growth at 3.65% per annum and an additional allowance for increases in salaries due to age and promotion reflecting historic scheme experience, with a further cautionary reserve on top for past service liabilities) and pensions would increase by 3.4% per annum for 3 years following the valuation then 2.6% per annum thereafter.

NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 July 2013

Standard mortality tables were used as follows:

Male members' mortality	S1NA ("light") YoB tables - no age rating
Female members' mortality	S1NA ("light") YoB tables - rated down 1 year

Use of these mortality tables reasonably reflects the actual USS experience but also provides an element of conservatism to allow for further improvements in mortality rates. The CMI 2009 projections with a 1.25% pa long term rate were also adopted. The assumed life expectations on retirement at age 65 are:

Males (females) currently aged 65	23.7 (25.6) years
Males (females) currently aged 45	25.5 (27.6) years

At the valuation date, the value of the assets of the scheme was £32,433.5 million and the value of the scheme's technical provisions was £35,343.7 million indicating a shortfall of £2,910.2 million. The assets therefore were sufficient to cover 92% of the benefits which had accrued to members after allowing for expected future increases in earnings.

The actuary also valued the scheme on a number of other bases as at the valuation date. On the scheme's historic gilts basis, using a valuation rate of interest in respect of past service liabilities of 4.4% per annum (the expected return on gilts) the funding level was approximately 68%. Under the Pension Protection Fund regulations introduced by the Pensions Act 2004 the Scheme was 93% funded; on a buy-out basis (ie assuming the Scheme had discontinued on the valuation date) the assets would have been approximately 57% of the amount necessary to secure all the USS benefits with an insurance company; and using the FRS17 formula as if USS was a single employer scheme, using an AA bond discount rate of 5.5% per annum based on spot yields, the actuary estimated that the funding level at 31 March 2011 was 82%.

As part of this valuation, the trustees have determined, after consultation with the employers, a recovery plan to pay off the shortfall by 31 March 2021. The next formal triennial actuarial valuation is as at 31 March 2014. If experience up to that date is in line with the assumptions made for this current actuarial valuation and contributions are paid at the determined rates or amounts, the shortfall at 31 March 2014 is estimated to be £2.2 billion, equivalent to a funding level of 95%. The contribution rate will be reviewed as part of each valuation and may be reviewed more frequently.

The technical provisions relate essentially to the past service liabilities and funding levels, but it is also necessary to assess the ongoing cost of newly accruing benefits. The cost of future accrual was calculated using the same assumptions as those used to calculate the technical provisions but the allowance for promotional salary increases was not as high. Analysis has shown very variable levels of growth over and above general pay increases in recent years, and the salary growth assumption built into the cost of future accrual is based on more stable, historic, salary experience. However when calculating the past service liabilities of the scheme, a cautionary reserve has been included, in addition, on account of the variability mentioned above.

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

Following UK government legislation, from 2011 statutory pension increases or revaluations are based on the Consumer Prices Index measure of price inflation. Historically these increases had been based on the Retail Prices Index measure of price inflation.

Since the valuation effective date there have been a number of changes to the benefits provided by the scheme although these changes became effective from October 2011. These include

New Entrants

Other than in specific, limited circumstances, new entrants are now provided benefits on a Career Revalued Benefits (CRB) basis rather than a Final Salary (FS) basis.

Normal pension age

The normal pension age was increased for future service and new entrants, to age 65.

NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 July 2013

Flexible retirement

Flexible retirement options were introduced.

Member contributions increased

Contributions were uplifted to 7.5% pa and 6.5% pa for FS section members and CRB section members respectively.

Cost sharing

If the total contribution level exceeds 23.5% of salaries per annum, the employers will pay 65% of the excess over 23.5% and members will pay the remaining 35% to the fund as additional contributions.

Pension increase cap

For service derived after 30 September 2011, USS will match increases in official pensions for the first 5%. If official pensions increase by more than 5% then USS will pay half of the difference up to a maximum increase of 10%.

The actuary has estimated that the funding level as at 31 March 2013 under the scheme specific funding regime had fallen from 92% to 77%. This estimate is based on the results from the valuation at 31 March 2011 allowing primarily for investment returns and changes to market conditions. These are sighted as the two most significant factors affecting the funding positions which have been taken into account for the 31 March 2013 estimation.

On the FRS17 basis, using an AA bond discount rate of 4.2% per annum based on spot yields, the actuary calculated that the funding level at 31 March 2013 was 68%. An estimate of the funding level measured on a historic gilts basis at that date was approximately 55%.

Surpluses or deficits which arise at future valuations may impact on the institution's future contribution commitment. A deficit may require additional funding in the form of higher contribution requirements, where a surplus could, perhaps, be used to similarly reduce contribution requirements. The sensitivities regarding the principal assumptions used to measure the scheme liabilities on a technical provisions basis as at the date of the last triennial actuarial valuation are set out below:

Assumption	Change in assumption	Impact on shortfall
Investment return	Decrease by 0.25%	Increase by £1.6 billion
The gap between RPI and CPI	Decrease by 0.25%	Increase by £1 billion
Rate of salary growth	Increase by 0.25%	Increase by £0.6 billion
Members live longer than assumed	1 year longer	Increase by £0.8 billion
Equity markets in isolation	Fall by 25%	Increase by £4.6 billion

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

The trustees believe that over the long-term equity investment and investment in selected alternative asset classes will provide superior returns to other investment classes. The management structure and targets set by the trustee are designed to give the fund a significant exposure to equities through portfolios that are diversified both geographically and by sector. The trustee recognises that, putting the issue of the USS fund's size and scale to one side for a moment, it might be theoretically possible to select investments producing income flows broadly similar to the estimated liability cash flows. However, in order to meet the long-term funding objective within a level of contributions that it considers the sponsoring employers would be willing and able to make, it is necessary and appropriate for the trustee to take on a degree of investment risk relative to the liabilities. This taking of investment risk seeks to target a greater return than the matching assets would provide whilst maintaining a prudent approach to meeting the fund's liabilities. Before deciding what degree of investment risk to take relative to the liabilities, the trustee receives advice from its internal investment team, its investment consultant and the scheme actuary, and importantly considers the ability of the sponsoring employers to support the scheme if the investment strategy does not deliver the expected returns.

NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 July 2013

The positive cashflow of the scheme means that it is not necessary to realise investments to meet liabilities, and the scheme actuary has confirmed that this is likely to remain the position for the next ten years or more. The trustee believes that this, together with the ongoing flow of new entrants into the scheme and most critically the ability of the employers to provide additional support to the scheme should additional contributions be required, enables it to take a longer-term view of its investments. Some short-term volatility in returns can be tolerated and need not feed through immediately to the contribution rate. However, the trustee is mindful of the difficult economic climate which exists for defined benefit pension schemes currently, and the need to be clear about the responses that are available should the deficits persist and a revised recovery plan becomes necessary following the next actuarial valuation of the scheme as at March 2014. The trustee is making preparations ahead of the next valuation to compile a formal financial management plan, which will bring together – in an integrated form – the various funding strands of covenant strength, investment strategy and funding assumptions, in line with the latest guidance from the Pensions Regulator.

(d) LGPS

The University is a member of the East Sussex County Council (ESCC) Local Government Pension Scheme, a funded defined benefit scheme in the UK. It is contracted out of the State Second Pension (S2P). A full actuarial valuation was carried out at 31 March 2010 and was updated to 31 July 2013 by a qualified independent actuary for the purposes of FRS 17 disclosures. The results of the 2013 triennial valuation will be published in early 2014.

The major assumptions set by the Governing Body having taken independent actuarial advice and then used by the actuary were:

	2013	2012	2011
Rate of increase in salaries	4.3%	3.4%	4.5%
Rate of increase in pensions in payment	2.8%	1.9%	2.7%
Discount rate	4.6%	4.1%	5.3%
Inflation assumption	2.8%	1.9%	2.7%

The University's share of the assets in the LGPS and the expected rate of return were:

	Year ended 31 July 2013		Year ended 31 July 2012		Year ended 31 July 2011	
	Long term return %	Fund value £ million	Long term return %	Fund value £ million	Long term return %	Fund value £ million
Equities	6.4	117.581	5.5	96.212	7.0	88.624
Bonds	4.1	13.228	3.7	12.179	4.6	11.661
Property	4.6	11.758	3.7	10.961	5.1	9.329
Cash	3.4	4.409	2.8	2.436	4.0	6.997
		<u>146.976</u>		<u>121.788</u>		<u>116.611</u>

The following amounts relating to the University of Brighton were measured in accordance with the requirements of FRS 17:

Analysis of amount shown in the balance sheet	2013 £ million	2012 £ million
University's estimated asset share	146.976	121.788
Present value of University's scheme liabilities	(179.291)	(155.279)
Deficit in the scheme – Net Pension Liability	<u>(32.315)</u>	<u>(33.491)</u>

NOTES TO THE FINANCIAL STATEMENTS
Year ended 31 July 2013

Analysis of amount charged to Income and Expenditure account	2013 £ million	2012 £ million
Current service cost	5.432	5.060
Past service cost	0.010	0.080
Estimated return on Pension Scheme assets	(6.278)	(7.520)
Interest cost in scheme liabilities	6.427	7.249
Losses on Curtailments	0.115	-
	<hr/>	<hr/>
Total charge to Income and Expenditure Account	5.706	4.869
	<hr/>	<hr/>
Total Operating Charge	5.706	5.140
Net Return	-	(0.271)
	<hr/>	<hr/>
Total charge to Income and Expenditure Account	5.706	4.869
	<hr/>	<hr/>
Analysis of amount recognised in statement of total recognised gains and losses (STRGL)	2013 £ million	2012 £ million
Actual return less expected return on pension scheme assets	16.216	(4.174)
Changes in assumptions underlying the present value of scheme liabilities	(14.610)	(10.258)
	<hr/>	<hr/>
Actuarial gain/(loss) recognised in STRGL	1.606	(14.432)
	<hr/>	<hr/>
Analysis of movement in the market value of the scheme assets	2013 £ million	2012 £ million
At beginning of year	121.788	116.611
Contributions by members	1.990	1.940
Contributions by the employer	5.276	4.998
Benefits paid	(4.572)	(5.107)
Expected return on assets	6.278	7.520
Actuarial gain/(loss)	16.216	(4.174)
	<hr/>	<hr/>
As at end of year	146.976	121.788
	<hr/>	<hr/>
Analysis of movements in the present value of the scheme's liabilities	2013 £ million	2012 £ million
At beginning of year	155.279	135.799
Current service cost	5.432	5.060
Contributions by members	1.990	1.940
Past service cost	0.010	0.080
Benefits paid	(4.572)	(5.107)
Interest costs	6.427	7.249
Impact of settlements and curtailments	0.115	-
Actuarial loss	14.610	10.258
	<hr/>	<hr/>
As at end of year	179.291	155.279
	<hr/>	<hr/>

NOTES TO THE FINANCIAL STATEMENTS
Year ended 31 July 2013

Amounts for the current and previous accounting periods	Year Ended 2013 £million	Year Ended 2012 £ million	Year Ended 2011 £ million	Year ended 2010 £ million	Year ended 2009 £ million
Fair value of employer assets	146.976	121.788	116.611	105.854	88.652
Present value of defined benefit obligation	(179.291)	(155.279)	(135.799)	(135.464)	(129.115)
Deficit	32.315	33.491	19.188	29.610	40.463
Experience gains/(losses) on assets	16.216	(4.174)	1.494	7.400	(11.149)
Experience (losses)/gains on liabilities	(0.217)	(1.416)	9.985	(0.027)	0.078

Mortality Assumptions

The current mortality assumptions include sufficient allowance for future improvements in mortality rates. Life expectancy for the 2013 valuation is based on the Funds Vita Curves with improvements in life expectancy in line with medium cohort and a 1% underpin from 2007. The assumed life expectations on retirement at age 65 are as follows:

Retiring today	
Males	21.3 years
Females	23.4 years
Retiring in 20 years	
Males	23.3 years
Females	25.7 years

(e) Successor Authority

Were the University of Brighton to close and there were no successor establishment, the Secretary of State would become the compensating authority.

(f) Employer contribution rates as notified by scheme administrators

TPS	1 January 2007 to date	14.1%
LGPS	1 April 2011 to 31 March 2012	17.0%
	1 April 2012 to 31 March 2013	17.4%
	1 April 2013 to date	17.7%
USS	1 October 2009 to date	16.0%

NOTES TO THE FINANCIAL STATEMENTS
Year ended 31 July 2013

20. INVESTMENTS HELD AS FIXED ASSETS

	Consolidated		University	
	2013 £'000	2012 £'000	2013 £'000	2012 £'000
Associated companies	84	84	184	184
	<u>84</u>	<u>84</u>	<u>184</u>	<u>184</u>

As at 31 July 2013, the University's interests in subsidiary and associated undertakings were as follows:

Consolidated Subsidiaries	Interest	Cost	Class of Shares	Activity
University of Brighton Trading Company Ltd	100%	£100,000	Ord.	Provider of commercial services to public and private sector.
Associate Companies	Interest	Cost	Class of Shares	Activity
CVCP Properties Ltd	0.8%	£34,158	Ord.	Purchase of lease and refurbishment of Woburn House, the London office of Universities UK.
LeNSE Ltd	11.1%	£50,000	Ord.	Provider of University IT network infrastructure in South-East.

All of the above entities were registered in England and Wales.

21. LEASE OBLIGATIONS

At 31 July 2013 the University was committed to making the following payments during the next year in respect of operating leases for land and buildings:

	Consolidated and University 2013 £'000
Leases which expire:	
Between one and two years	234
Between two and five years	487
After five years	3,553
	<u>4,274</u>

NOTES TO THE FINANCIAL STATEMENTS
Year ended 31 July 2013

22. CAPITAL COMMITMENT

	Consolidated		University	
	2013 £'000	2012 £'000	2013 £'000	2012 £'000
Commitments contracted 31 July	10,950	16,322	10,950	16,322
Authorised, not committed	59,171	29,474	59,171	29,474
	<u>70,121</u>	<u>45,796</u>	<u>70,121</u>	<u>45,796</u>

23. RECONCILIATION OF CONSOLIDATED OPERATING SURPLUS TO NET CASH INFLOW FROM OPERATING ACTIVITIES

	2013 £'000	2012 £'000
Surplus before tax	11,894	9,517
Depreciation and impairment charge	6,530	4,794
Deferred capital grants and lease premium released to income	(664)	(627)
Investment income, excluding credit on pension scheme	(782)	(1,382)
Interest payable, excluding charge on pension scheme	2,929	2,150
Decrease/(Increase) in stocks	3	(19)
(Increase)Decrease in debtors	(113)	268
Decrease in creditors	(3,701)	(5,890)
Actuarial Gain/(loss) on Local Government Pension Scheme	1,606	(14,432)
Investment in Joint Venture	(800)	(490)
(Decrease)/Increase in pension liability	(1,176)	14,303
	<u>15,726</u>	<u>8,192</u>

24. RETURN ON INVESTMENTS AND SERVICING OF FINANCE

	2013 £'000	2012 £'000
Interest received	972	1,579
Interest paid on loans and finance lease	(2,955)	(2,081)
	<u>(1,983)</u>	<u>(502)</u>

25. CAPITAL EXPENDITURE AND FINANCIAL INVESTMENT

	2013 £'000	2012 £'000
Payments to acquire fixed assets	(18,781)	(14,932)
Deferred capital grants received	7,299	892
	<u>(11,482)</u>	<u>(14,040)</u>

NOTES TO THE FINANCIAL STATEMENTS
Year ended 31 July 2013

26. FINANCING

	2013 £'000	2012 £'000
Receipt of new loans	-	23,105
Repayment of building loans and finance lease	(6,966)	(2,225)
	<u>(6,966)</u>	<u>20,880</u>

27. ANALYSIS OF CHANGES IN FINANCING

	2013 Finance leases £'000	2013 Mortgages & loans £'000	2012 Finance leases £'000	2012 Mortgages & loans £'000
Balance as at 1 August	3,711	53,136	3,857	32,110
New loans subscribed	-	-	-	23,105
Capital repayments	(3,711)	(3,255)	(146)	(2,079)
Balance as at 31 July	<u>-</u>	<u>49,881</u>	<u>3,711</u>	<u>53,136</u>

28. ANALYSIS OF CHANGES IN NET DEBT

	At 1 August 2012 £'000	Cash Flows £'000	At 31 July 2013 £'000
Cash at bank	14,243	2,224	16,467
Debt due within one year	(7,027)	3,828	(3,199)
Debt due after one year	(49,820)	3,138	(46,682)
	<u>(42,604)</u>	<u>9,190</u>	<u>(33,414)</u>

29. ACCESS TO LEARNING FUNDS

	2013 £'000	2012 £'000
Brought forward from previous year	9	16
Funding Council Grants	378	406
Interest allocated	2	2
	<u>389</u>	<u>424</u>
Disbursement to students	(351)	(401)
Audit fees	(13)	(14)
	<u>(364)</u>	<u>(415)</u>
Balance unspent at 31 July	<u>25</u>	<u>9</u>

NOTES TO THE FINANCIAL STATEMENTS
Year ended 31 July 2013

Access to Learning Fund grants are solely available for full-time undergraduate EU/UK students. The University acts as a paying agent only. The grants and related disbursements are therefore excluded from the income and expenditure account. The balance unspent is included in accruals and deferred income per note 13.

30. SHORT TERM INVESTMENTS

Consolidated

	2013		2012	
	Consolidated Book Cost £'000	Consolidated Market Value £'000	Consolidated Book Cost £'000	Consolidated Market Value £'000
Unit Trusts	-	-	9	9
Short term Bank Deposits	58,580	58,580	58,000	58,000
Treasury Bills	10,000	10,000	17,500	17,500
	<u>68,580</u>	<u>68,580</u>	<u>75,509</u>	<u>75,509</u>

University

	2013		2012	
	University Book Cost £'000	University Market Value £'000	University Book Cost £'000	University Market Value £'000
Short term Bank Deposits	58,580	58,580	58,000	58,000
Treasury Bills	10,000	10,000	17,500	17,500
	<u>68,580</u>	<u>68,580</u>	<u>75,500</u>	<u>75,500</u>

NOTES TO THE FINANCIAL STATEMENTS
Year ended 31 July 2013

31. BRIGHTON & SUSSEX MEDICAL SCHOOL

**Income and Expenditure Account for the
year ended 31 July 2013**

	Brighton £'000	Sussex £'000	Total £'000	2012 £'000
Income				
HEFCE grant	3,662	3,737	7,399	7,675
NHS funds	2,148	2,148	4,296	4,034
Academic fees	2,076	2,076	4,152	3,454
Research grants & contracts	1,116	1,382	2,498	2,720
Other	1,259	1,318	2,577	1,984
	<hr/>	<hr/>	<hr/>	<hr/>
Total Income	10,261	10,661	20,922	19,867
	<hr/>	<hr/>	<hr/>	<hr/>
Expenditure				
Staff costs	4,669	4,928	9,597	9,117
Other operating expenses	4,792	4,918	9,711	9,793
	<hr/>	<hr/>	<hr/>	<hr/>
Total Expenditure	9,461	9,846	19,308	18,910
	<hr/>	<hr/>	<hr/>	<hr/>
Surplus on continuing operations	800	815	1,614	957

**Balance Sheet of the Community Chest
As at 31 July 2013**

	Brighton £'000	Sussex £'000	Total £'000	2012 £'000
Fixed Assets	435	435	870	742
Current Assets				
Debtors	435	439	874	1,168
Cash at bank and in hand	7,113	7,762	14,875	13,598
	<hr/>	<hr/>	<hr/>	<hr/>
Total Current Assets	7,548	8,201	15,749	14,766
	<hr/>	<hr/>	<hr/>	<hr/>
Current Liabilities				
Creditors	(2,267)	(2,497)	(4,764)	(5,144)
	<hr/>	<hr/>	<hr/>	<hr/>
Total Current Liabilities	(2,267)	(2,497)	(4,764)	(5,144)
	<hr/>	<hr/>	<hr/>	<hr/>
Net Assets	5,716	6,139	11,855	10,364
Deferred Capital Grants	(295)	(295)	(590)	(714)
	<hr/>	<hr/>	<hr/>	<hr/>
Revenue Reserves	5,421	5,844	11,265	9,650
	<hr/>	<hr/>	<hr/>	<hr/>

NOTES TO THE FINANCIAL STATEMENTS
Year ended 31 July 2013

Explanatory Notes:

(i) Background

The Brighton & Sussex Medical School (BSMS) was formed as an equal partnership between the Universities of Brighton and Sussex. BSMS, in turn, has partnership arrangements with the Brighton & Sussex Universities Hospital Trust (BSUHT) and other NHS Trusts in Kent, Surrey and Sussex area. However, it is currently agreed that the University of Sussex will be allocated 75% of the income and expenditure relating to oncology research.

Under the administrative arrangements for the School it was agreed that while the financial statements of each university will formally incorporate only a part of BSMS activities, each will carry an identical note which sets out the total financial position of BSMS. All revenue income received in respect of BSMS by each University is to be transferred to a "community chest", managed by the University of Sussex. Expenditure incurred by each university on behalf of BSMS is reimbursed from the community chest.

In September 2003 the School received its first cohort of students. Facilities have been provided at each of the universities, at BSUHT and at other Trusts in the area. These developments are being funded by HEFCE at the universities and at the NHS Trusts by specific capital grants from the NHS.

(ii) Accounting arrangements

The income and expenditure of the BSMS for the year ended 31 July 2013 is reflected in the audited Financial Statements of both universities. Each University has included its share of the gross assets and liabilities of the joint venture and its share of turnover and surplus.

(iii) Cash at bank and in hand

The balance of £14.875m was held on behalf of the School at 31 July 2013 by the University of Sussex to meet expenditure commitments in future years, to be settled by claims for reimbursement of expenditure from each University.

(iv) Capital Commitments

As at 31 July 2013 the School had a capital commitment, authorised but not committed of £nil (2012: £nil).

32. TRUSTEES

Expenses reimbursed to members of the Board of Governors and of its committees were as follows:

	2013	2012
	£	£
Travel and subsistence in respect of attending meetings and training courses	5,247	4,305

Remuneration

No trustee received any remuneration for their services as a trustee to the University.

33. RELATED PARTY TRANSACTIONS

Due to the nature of the University's operations and the compositions of the Board of Governors, being drawn from local public and private sector organisations, it is inevitable that transactions will take place with organisations in which a Member of the Board may have an interest. All transactions involving organisations in which a member of the Board of Governors or a member of the Senior Management Team may have an interest, including those identified below, are conducted at arms length and in accordance with the University's Financial Regulations and usual procurement procedures.

NOTES TO THE FINANCIAL STATEMENTS
Year ended 31 July 2013

Minor transactions involving members of the Senior Management Team below £2,500 are not considered to be material and not disclosed.

- (a) Professor Julian Crampton, Vice-Chancellor, was a Director of the South East England Development Agency (SEEDA) (to 31 March 2012) and is a Director and Chair of the Board of Hastings & Bexhill Renaissance Limited (HBRL). The trading name of HBRL is Sea Space and it is a company which was connected to SEEDA until 29 September 2011.

During the 2011-12 financial year, the University leased short-term accommodation in Lacuna Place, Hastings from Coastal Land (Sussex) LLP, which was placed into Receivership on 16 December 2011, but was a Joint Venture development vehicle previously connected to Sea Space. The rent during 2011-12 was £85,340. This rental ceased on 31 July 2012. During the 2012-13 financial year the University made an offer to the Receivers of Coastal Land (Sussex) LLP for the purchase of Lacuna Place.

- (b) Professor Julian Crampton, Vice-Chancellor and Mr M Geerts, members of the University’s Board of Governors, are Directors of Brighton Dome and Festival Ltd (BDF). BDF has a wholly owned trading subsidiary Brighton Dome and Festival (Trading) Ltd (BDFT). During the year the University paid BDF £80 (2012: £311) for theatre tickets and catering services and paid BDFT £140,288 (2012: £96,631) for the Hire of the Dome for the graduation ceremonies.
- (c) Professor Julian Crampton, Vice-Chancellor, is a Director and member of the Board of Universities UK and was Treasurer until 31 July 2012. During the year the University paid Universities UK £27,571 (2012: £26,736) as the University’s subscription to be members of Universities UK.
- (d) Professor Julian Crampton, Vice-Chancellor, is a Council member of the Council for Industry and Higher Education (CIHE). During the year, the University paid CIHE £4,000 (2012: £4,000) as membership subscription.
- (e) The President of the University of Brighton Students’ Union (UBSU) is a member of the Board of Governors. During the year this post was held by Mr J Kahane. In addition, the Board of Governors co-opted the Chair of the Student Union Council to its membership. During the year this post was held by Mr D Pleavin. During the year the University paid £949,791 (2012: £742,000) in grant to the UBSU. It also bought services from UBSU of £35,078 (2012: £75,822) and invoiced the UBSU for £23,129 (2012: £47,974) of services.
- (f) Ms B Brewer, a member of the Board of Governors was Chair of the Crew Club to 18 September 2012 (a registered Charity). During the 2011-12 year the University paid the Crew Club £2,500 for publicity.
- (g) The University is the lead sponsor to the Hastings Academies Trust, a Charitable Company Limited by Guarantee, which was formed in March 2010. The Trust oversees the operation of two Academy Schools within the Hastings area of East Sussex. Professor Julian Crampton, Vice-Chancellor, is a Director and Chair of the Board of Directors of the Trust. In addition, Mr P Griffiths, Dean of the Faculty of Education and Sport is currently a Director and Chief Executive of the Trust and two members of the University’s Board of Governors are also Directors of the Hastings Academy Trust; Dr Y Burne OBE, and Ms C Miller CBE.

During the 2012-13 financial year the University recharged the Trust £94,413 in regard to Salaries and expenses incurred on their behalf (2012: £nil). At the year end the Trust owed the University £11,410 (2012: £nil).

34. LINKED CHARITIES

The University has two linked charities (Frederick Thomas Chaffer and Walker May), the purpose of which are to provide prize funds to students. The balances in year were as follows:

	£000
Balance as at 1 August 2012	22
Balance as at 31 July 2013	24

NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 July 2013

OFFICERS & PROFESSIONAL ADVISERS

SENIOR MANAGEMENT TEAM

Professor Julian Crampton	-	Vice-Chancellor
Professor Stuart Laing	-	Deputy Vice-Chancellor
Professor Bruce Brown	-	Pro-Vice-Chancellor – Research
Colin Monk	-	Pro-Vice-Chancellor – Business & Marketing (retired January 2013)
Sue McHugh	-	Director of Finance
Carol Burns	-	Registrar and Secretary

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