

ANNUAL REVIEW /
FINANCIAL
STATEMENTS
2016



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INTRODUCTION

I am delighted to introduce this year's annual review.

The 2015/16 academic year has confirmed the University of Kent's status as one of the country's leading universities. We were ranked 17th for our research intensity in the 2014 Research Excellence Framework and 20th in the *Times Higher Education* 'Table of Tables' 2016.

This review demonstrates the many ways in which we owe our success to our students and staff. We have sound finances and effective governance and we are looking to the future.

We have completed the first phase in extending and renovating our iconic Templeman Library. The Wigoder Law Building represents an elegant addition to the centre of the Canterbury campus and work is advanced on a new building for the School of Mathematics, Statistics and Actuarial Science and the Kent Business School, in Canterbury; and a new student hub in Medway.

As the UK's European university, we were naturally disappointed in the result of the referendum on the UK's membership of the European Union. However, we have accepted the outcome and are looking to build on our network of partnerships across the globe. We are confident that our research; our teaching; our international outlook; and our engagement with the local community will lead to continuing success in the future.

Professor Dame Julia Goodfellow
Vice-Chancellor and President



KEY ACHIEVEMENTS 2015/16

University of the Year

Shortlisted for University of the Year by *Times Higher Education (THE)* 2015 and *The Times and Sunday Times Good University Guide 2016*.



4TH

Highest student satisfaction

Fourth highest score for overall satisfaction* in National Student Survey (NSS) 2016. Eleven Kent subjects listed in top ten for overall satisfaction.

16TH

Highest ever ranking

Ranked 16th in the *Guardian University Guide 2016* and 20th in *THE 'Table of Tables' 2016*.

5TH

Teaching excellence

Ranked fifth for excellent teaching in mock Teaching Excellence Framework (TEF) exercise modelled by *THE*.

Industry recognition

Centre for Child Protection received Guardian University Award for digital innovation in 2016.



Inspiring people

Vice-Chancellor and President, Professor Dame Julia Goodfellow elected President of Universities UK (UUK) for 2015-17.



Universities UK

*Out of all publicly funded, multi-faculty (ie not single-subject/specialist institutions) universities.

European credentials

Consolidated reputation as 'the UK's European university' throughout 2016 EU referendum.



77,000 hours

Community involvement

Students volunteered over 77,000 hours, both on campus and in the local community, in 2015/16.

Global ambition

Confirmed as a leading, 'outward-looking' institution in *THE's* table of the most international universities in the world 2016.



£83 million

Investment for students

Invested over £83 million in learning and teaching spaces at Canterbury and Medway campuses over the last five years (2011-16).

£780 million

Economic impact

Worth £780 million to the economy of the south east and directly or indirectly supporting over 8,300 jobs in the region.

50th anniversary legacy

Supported 12 Beacon Projects – from a multimedia archive of stand-up comedy to an astronomical observatory – underlining our strengths and inspiring future activities.



MEMBERSHIP OF THE COUNCIL

Chancellor

Dr Gavin Esler

Membership of the Council

Chair of the Council

Sir David Warren

Deputy Chair of the Council /

Chair of the Finance and Resources Committee

Vice-Chancellor and President

Senior Deputy Vice-Chancellor and Provost

Senior Deputy Vice-Chancellor and Chief Operating Officer

President of Kent Union

Bob Scruton (from 1 August 2015)

Professor Dame Julia Goodfellow

David Nightingale

Denise Everitt

Thamerei Naidoo (to 31 July 2016)

Rory Murray (from 1 August 2016)

External members

Colin Carmichael

Peter Clokey

Neil Davies

Elaine Colville (to 31 July 2016)

Richard Honey

Angela McNab

Ann Sutton

Dr Harshad Topiwala

Stevie Spring

Dame Ursula Brennan

Her Honour Judge Heather Norton

Andrew Newell

Martin Coleman

Sarah Gibson

Martin Cook (from 1 August 2016)

Staff and Student representatives

Lewis Cogger (to October 2015)

Loba Van der Bijl (to 31 July 2016)

Dr Mario Weick (to 31 July 2016)

Professor John Fitzpatrick (from 1 August 2016)

Dr Owen Lyne (from 1 August 2016)

Mark Ellis (from 1 August 2015)

Megan Wells (to 31 July 2016)

Sarah Hankins (from 1 August 2016)

Charlotte Guy (from 1 August 2016)

Total Membership

25

Secretary of the Council

Dr Keith Lampard

The Chairs of Council committee were as follows:

Audit Committee

Peter Clokey (from 1 August 2015)

Finance and Resources Committee

Bob Scruton (from 1 August 2015)

Lay Nominations Committee

Sir David Warren

Remuneration Committee

Sir David Warren

Safety Health and

Environment Executive Committee

Denise Everitt

PRINCIPAL OFFICERS

| | |
|--|-----------------------------------|
| Visitor | The Lord Archbishop of Canterbury |
| Chancellor | Dr Gavin Esler |
| Chair of the Council | Sir David Warren |
| Vice-Chancellor and President | Professor Dame Julia Goodfellow |
| Deputy Chair of the Council | Bob Scruton |
| Senior Deputy Vice-Chancellor and Provost | David Nightingale |
| Senior Deputy Vice-Chancellor and Chief Operating Officer | Denise Everitt |
| Deputy Vice-Chancellor Education | Professor April McMahon |
| Deputy Vice-Chancellor Research & Innovation | Professor Philippe De Wilde |
| Pro-Vice-Chancellor Learning & Teaching and Student Experience | Professor John Baldock |
| Director of Finance | Jane Higham |
| Dean of the Faculty of Humanities | Dr Simon Kirchin |
| Dean of the Faculty of Sciences | Professor Mark Burchell |
| Dean of the Faculty of Social Sciences | John Wightman |
| Dean of the Graduate School | Professor Diane Houston |
| Dean for Internationalisation | Dr Anthony Manning |
| Dean for Europe | Professor Roger Vickerman |
| Dean for Medway | Professor Nicholas Grief |
| Dean of KentHealth | Dr Peter Nicholls |
| Secretary of the Council (and the Court) | Dr Keith Lampard |
| Senior Master | Dr Wayne Campbell |
| Master of Darwin and Woolf Colleges | Dr Jonathan Friday |
| Master of Eliot College | Stephen Burke |
| Master of Keynes College | Chloé Gallien |
| Master of Rutherford College | Dr Peter Klappa |
| Master of Turing College | Dermot O'Brien |
| College Master for Medway | Jane Glew |







UNIVERSITY'S PUBLIC BENEFIT STATEMENT FOR 2015/2016

The University of Kent is an exempt charity within the meaning of the Charities Act 2011 and is regulated by the Higher Education Funding Council for England (HEFCE) on behalf of the Charity Commission for England and Wales.

The University's Royal Charter of 1965 established the University Council as the supreme governing body of the institution. The University Council serves as the University's board of trustees and has overall responsibility for the University's strategic aims and direction in the furtherance of the objects defined by the Charter.

Members of the University Council give due regard to the Charity Commission's public benefit guidance when exercising any powers or duties to which the guidance is relevant and also refer to the guidance issued by HEFCE in its role as principal regulator on behalf of the Charity Commission.

From the Royal Charter, the objectives of the University are:

"to advance education and disseminate knowledge by teaching, scholarship and research for the public benefit."

The University's Objective, set out in its Plan 2015-2020, approved by Council at its meeting on 15 October 2015, to achieve the objects of the University from the Royal Charter, is as follows:

The University of Kent, the UK's European university, will secure its position as a top 20 UK university and be a globally recognised research institution by 2020.

We will achieve this through:

- 1 The delivery of research of the highest quality, meeting international standards of excellence across the full range of our subjects.**
- 2 The provision of an excellent education to our students, delivered by world-class researchers.**
- 3 Strengthening our reputation for excellence, regionally, nationally and internationally, through effective engagement and communication with our communities and the wider world**

The text below shows how the University has worked towards this objective, in the three key areas, and how it has delivered its charitable purposes for the public benefit.

1 The delivery of research of the highest quality, meeting international standards of excellence across the full range of our subjects.

The University of Kent is active in research across its range of disciplines and contributes to the public good through scientific discovery and an enhanced understanding of economic, social, political, philosophical, ethical, artistic and cultural areas of the human experience.

The University's research is openly published and disseminated, and active steps are taken to apply research where economic and social benefits are identified. To illustrate the high quality of the University's research, across its three Faculties, we have chosen three research projects to focus on.

Faculty of Humanities – Questions of Space

On 20 and 21 June 2016 Canterbury Cathedral hosted a series of public interactive talks, walks, sights and sounds created by Faculty of Humanities staff at the University of Kent. This unique collaboration between Cathedral staff and University artists, architects and historians helped participants to discover and learn about previously unknown, unexplored or secret spaces and aspects of the Cathedral, be they architectural, private, sacred, public, acoustic, communal or dramatic. Each of the events invited audiences from diverse communities to respond to the building afresh, and in some cases for the first time, with over 1000 people viewing the exhibition in the Chapter House on 20 June.

As well as exhibitions, the eleven events included a concert of Chinese singing in the Crypt and a stunning light projection designed to reveal the lost Gothic colours of the Cathedral. Developed by Kent's Professor Paul Allain, Associate Dean of Research and Innovation in the Faculty of Humanities, Questions of Space drew on hundreds of years of history to ask what this space means for us today. The project supported the Cathedral's own Heritage Lottery-funded Canterbury



UNIVERSITY'S PUBLIC BENEFIT STATEMENT (CONT)

Journey, whose mission is to safeguard an iconic building which embodies England's story, increase the number and broaden the range of those who journey to it, and enrich their experience.

Faculty of Social Sciences – Research on firesetting

Every week in the UK criminal firesetting results in 65 casualties and costs over £40 million. Research at the University of Kent has provided professionals with an understanding of why people set fires and has developed the first standardised treatment for deliberate fire setters.

Professor Theresa Gannon from the School of Psychology became interested in firesetting when she realised that, despite one in five deliberate firesetters going on to set more fires after having finished their sentence, no standardised specialist treatment was available. Rigorous research was used to develop the first comprehensive theoretical framework to explain deliberate firesetting and the first standardised treatment programme for individuals in prisons and hospitals. This treatment programme now plays a central role in the care, sentence planning and discharge and parole decisions of over 170 UK fire setters who have completed the treatment, as it was shown that those who completed this programme were 3.5 times less likely to be interested in starting deliberate fires. Over 500 professionals have been trained to offer the treatment in the UK, in over 33 UK hospitals and prisons, and training is being launched for professionals in North America, Europe and Australasia.

Professor Gannon and her team won an award for Outstanding Impact in Society in the 2016 Economic and Social Research Council (ESRC) Celebrating Impact Prize, presented on 22 June 2016.

Faculty of Sciences – Clinical trials of robotic legs

Expert clinicians and engineers at the University of Kent have participated in the first worldwide clinical trials of robotic legs [exoskeleton] developed by a New Zealand manufacturer, REX Bionics. An important, and currently unique feature of this exoskeleton, is that it allows people to move about whilst their hands are free to do other things.

The Kent trial was carried out in partnership with the East Kent Hospitals University Foundation Trust (EKHUFT) and REX Bionics in the School of Engineering and Digital Arts (EDA) at the University. The object of the study was to examine the physical and emotional impact that the restoration of walking and having both hands free gave to the patients. In this trial the participant controlled the device to move from a sitting to a standing position and then to take part in a set of supported walking and stretching exercises, designed by specialist physiotherapists. The outcome was measured through timing of the exercises, participant questionnaires and thorough physical assessment before and after the use of the exoskeleton. Participant response was overwhelmingly positive to the physical and emotional benefits of using the device.

It is hoped that the use of this exoskeleton will help to improve the independence, health and wellbeing of patients with a variety of causes of paralysis, including those who have suffered a trauma from an accident or war injury, those who have had strokes and those with multiple sclerosis or motor neurone disease.

EDA and EKHUFT have worked collaboratively on many assistive technology projects, and this experience gave them the expertise required to collaborate with REX Bionics in the ongoing assessment and development of the robotic walking device. The study received wide media coverage and praise.

The next project investigating the benefit of exoskeleton use to patients with Multiple Sclerosis [MS] is to start in November 2016. The research is supported by the National Institute for Health Research (NIHR) Clinical Research Network (CRN): Kent Surrey and Sussex, and is being funded by REX Bionics and EKHUFT.

Working in partnership

There are many other examples that demonstrate the public benefit of the research undertaken at the University of Kent. The work of specialist research units at the University of Kent, such as the Personal Social Services Research Unit and the Centre for Health Services



Studies, contributes to public policy development at national level and the University's contribution to health has been enhanced by the establishment of "KentHealth", an agency within the University for overseeing, co-ordinating and communicating the University's health-related activities, to enable the University to engage more effectively with the external health community and to increase the University's collaborative research and training provision. Kent & Medway Health Partners is a recently established consortium which brings together stakeholders in health and social care research. Together with other higher education institutions in Kent, Surrey and Sussex, the University supports a health education training collaboration.

The University of Kent has joined the University of East Anglia and the University of Essex to form a significant force in research collaboration and doctoral training known as the Eastern Academic Research Consortium (Eastern ARC). Collaboratively sharing knowledge, skills and expertise has improved the scale, range and quality of research produced and has enabled the three universities to attract new regional funding that would have been unachievable as single institutions; nearly £3 million was secured in research grant funding in its first year. In November 2015 researchers working across the ARC's three research themes, Digital Humanities, Synthetic Biology and Quantitative Social Sciences, met for the consortium's inaugural Autumn Conference. At that point 56 Eastern ARC related journal articles or conference papers had already been published.

Other constructive partnerships with leading universities include the South-East ESRC Doctoral Training Centre (DTC), a partnership between the Universities of Kent, Reading, Royal Holloway and Surrey to establish a centre of excellence in social science postgraduate research training, and CHASE, Consortium for the Humanities and the Arts for South-East England, a consortium formed to bring together nine leading institutions engaged in collaborative research activities, including an AHRC doctoral training partnership, with the Courtauld Institute of Art; Goldsmiths College; the Open University; and the Universities of East Anglia, Essex and Sussex. Birkbeck College and SOAS joined as associate members in 2014.

2 The provision of an excellent education to our students, delivered by world-class researchers.

The provision of an excellent education is one of the University's primary functions. The University of Kent is a research-intensive university with a reputation for teaching excellence, committed to the dissemination of new knowledge across the subject range, the delivery of core competencies and the development of attributes that ensure our graduates can address the complex challenges of our global and changing environment. The engagement of teaching staff who are active in research provides benefits for students, the curriculum is informed by the latest developments and teachers are able to provide an emphasis on methodological issues, critical thinking and creativity.

Kent was one of four universities shortlisted in the DataPoints Merit Awards category of the Times Higher Education (THE) Awards 2016. This award is designed to recognise exceptional performance across UK university teaching and research and is based on data from the THE's mock-Teaching Excellence Framework (TEF), which modelled potential results of the exercise using three core aspects of teaching performance that the government has confirmed will be used, the latest Research Excellence Framework (REF) and the publication's own most recent World University Rankings. Kent was ranked fifth out of 120 UK universities in the mock TEF.

All of the University of Kent's programmes of study provide graduates with generic intellectual and transferable skills that enhance their employability and ability to contribute to society. The University also provides a range of programmes that prepare students for specific professions, for example, Architecture, Law, Pharmacy, Accountancy, Computing, Journalism, Marketing and Business.

The University of Kent is one of just 15 prestigious universities to have been selected as a Q-Step Centre and was awarded £19.5m to deliver training and work-placement opportunities to its students. Q-Step is a nationwide programme designed to promote quantitative skills in undergraduate social science teaching. The Kent Q-Step Centre applies the values of the University of Kent to the Q-Step initiative; combining an exciting range of new programmes with innovative teaching methods, creative uses of technology and an active presence in the wider community.

Opportunities for students

The University offers a wide range of opportunities for students to gain work experience during their period of study: 973 students undertook either a work placement year or year abroad as part of their academic programme while a further 1,296 had short term placements. The Kent Experience of Work Bursary scheme provided 147 students with financial support enabling them to undertake high quality work experience and the Work-Study Scheme supported over 600 students with training and provided 359 of them with work opportunities. In total 10,826 students had an experience of the world of work as a direct result of the University of Kent and Kent Union in 2015/16.

The University of Kent is committed to enhancing the employability of all its students and holds an annual Employability Festival in Autumn Term, which includes Employability and Careers Fairs on the Canterbury and Medway campuses. Kent Extra is a range of extra-curricular and co-curricular activities that enhance student employability, including Study Plus, a range of short-term, non-credit-bearing courses to build key transferable skills, such as languages, computing and other practical skills.

The University's Employability Points Scheme, to engage students in skills development to enhance their future employability, has been nationally recognised as a case study for best practice within business/university collaborations. 132 companies have been involved in this project and over 6,700 students participated in 2015/16 with 617 employability rewards offered.

Widening participation

The University believes in the transforming power of higher education to change the lives of individuals and our society for the better. The University has made significant progress towards the objective of widening participation and it continues to meet HEFCE Key Performance Indicators and strategic widening participation targets for OFFA.

The University has provided over £15.2 million for scholarships from its own resources and raised a further £5.5 million from other sources to provide significant financial help to students to ensure that the costs of being a student were not a barrier to participation in higher education at the University. The University of Kent has allocated significant funds to provide a package of financial support to include a wider range of students from areas of low participation in higher education. Other

UNIVERSITY'S PUBLIC BENEFIT STATEMENT (CONT)

University of Kent scholarships and bursaries are available, for academic excellence, studying abroad, sport, music and for international students. Scholarships were awarded to Kent undergraduate students and external applicants to attend the University's European Summer Schools at its centres in Paris and Brussels, held in July 2016. 691 awards were made under the Kent Financial Support Package for the 2015/16 academic year and over 1,500 further awards were provided from University and other sources. The University makes further extensive provision for students experiencing financial hardship during their studies.

Employment

4,371 UK and EU students completed their degrees in 2015. 66.2% of responders to the Destination of Leavers from Higher Education (DLHE) Survey reported that they were in paid employment in a wide range of careers within six months of graduation. A further 23.6% reported they had progressed to further study. Kent graduates have been highly successful in obtaining graduate-level employment and further study. The 2015 HESA DLHE survey showed rises in the proportion of Kent graduates obtaining graduate-level employment in the UK – up by 3.7% to 80.4%. The University's unemployment rate for UK & EU leavers fell to 3.2% from 4.1% in the previous year. This was a reduction in the unemployment rate for the fifth consecutive year. As a result of these very positive graduate destinations outcomes, the University of Kent's full-time first degree employment Performance Indicator rose to 95.9% in 2014/15, up from 94.3% in 2013/14.

Inclusive community

The University of Kent is dedicated to the creation and support of a balanced, inclusive and diverse community, a friendly, supportive environment, helping students get the most out of the challenges and opportunities university study brings. The University works closely with Kent Union and both the Union and the University provide a wealth of support services for students. There are many Equality, Diversity and Inclusivity initiatives including Worldfest and Mental Health Week and in September 2016 Kent was top among the 30 universities surveyed by The Tab newspaper regarding its support for students with concerns

about their mental wellbeing. The Tab considered how satisfied students were with the service, how much investment the service received from the University and the University's outreach, including how approachable students find it.

3 Strengthening our reputation for excellence, regionally, nationally and internationally, through effective engagement and communication with our communities and the wider world.

The University has a long tradition of welcoming international students from around the world and of the total student body, around 27% are from outside of the UK, from around 150 different countries, studying at campuses and centres in Canterbury, Medway, Brussels, Paris, Athens and Rome. The University's community of staff is also highly international, with nearly 40% of our academic staff coming from outside the UK.

Student mobility continues to thrive with strong numbers of students on overseas exchange programmes and placements globally. We have an extensive study abroad programme with over 170 universities in 33 countries. Our students also have the opportunity to learn a range of nine languages through a range of flexible modes of study. In a recent survey of our graduating students, 82% of a group of approximately 1000 student respondents agreed that that at Kent they had been exposed to a globally-minded environment.

International impact

The University has a strong international impact and commitment to internationalisation, based on its external networks, partnerships with leading universities in Europe and around the world, and its staff, students and alumni. The University has partnerships with over 160 different universities across Europe, involving exchanges of staff and students, the awarding of "double degrees" to students and collaborative projects with European institutions. The University receives support from the European Union's Erasmus+ programme (formerly the Lifelong Learning Programme), Framework programmes,



Horizon 2020, and the European Research Council. The University also co-ordinates two prestigious Erasmus Mundus Joint Doctorates, designed to train the leading international scholars of the future.

The University of Kent has developed extensive links with partners for research, education and other collaborative activities. To date we have 500 agreements with 388 universities across the world.

The University of Kent has a number of centres throughout Europe for both teaching and research, enhancing the University's function as a global community. The University's Brussels School of International Studies offers postgraduate programmes taught by world-leading academics and experienced practitioners and also provides valuable internship opportunities. The University's Paris School of Arts and Culture provides opportunities for postgraduate students to experience the teaching of humanities and arts-based programmes enhanced by cultural, linguistic and experiential immersion. An MA in Heritage Management, combining the study of archaeology and business, is offered at the archaeological site of Eleusina in one of the world's most ancient cities, Athens and Kent's postgraduate Centre in Rome combines specialist teaching and research with the facilities of the American University of Rome and the cultural and learning opportunities that the city offers.

The University launched its "Think Kent" lecture series in December 2015 as a way of sharing the University's academic excellence with the wider world. There are now 48 short lectures online and they have attracted viewers from around the world, with particular international interest from the US, Italy, Japan and Ghana.

Community links

In addition to its commitment to internationalisation, the University of Kent's admissions policy states that it; "has taken positive steps to recruit from as wide a range of candidates as possible and is actively following strategies to widen participation to higher education within the local community". The University works via a series of collaborative

arrangements with organisations such as the Kent and Medway Progression Federation (KMPF), through an Access Programme run at our sponsored school, Brompton Academy, and in partnership with local schools and our Partner Colleges.

The University has continued its work with partner secondary schools in Kent and Medway and schools within the KMPF to help raise the aspirations of those from non-higher education backgrounds. This work has attracted national praise from HEFCE and the Office for Fair Access (OFFA). The University is continuing to roll out the £3m HEFCE Catalyst funded Higher Education Access (HEAT) database, used for tracking participation in outreach and measuring impact, working with 61 HEI partners. In the last year contacts have been made with over 10,000 pre-higher education students and over 300 Student Ambassadors have been recruited, employed and trained to support this work. Within the 2015 publication on the regional economic impact of the University it was calculated that the social value of the student ambassador scheme is £220,000 per annum, based upon the contribution to a wide range of activities by the University's undergraduate and postgraduate students. In July 2016 58 Year ten students sampled life at Kent when they attended a five-day residential Summer School on the Canterbury campus, giving them an opportunity to experience university life, attending lectures and seminars on a variety of subjects.

The University is the lead sponsor of the Brompton Academy in Medway. Academy students benefit from the knowledge, experience and resources that the University has to offer and the University is committed to supporting the Academy in designing and delivering a range of courses for adults as well as family learning programmes for parents/carers and their children. The University's Medway campus has also provided new opportunities for young people in the region and had over 2,600 students in 2015/16. The University has worked with colleges in its region (MidKent College, Canterbury College, Ashford College and West Kent College (formerly K College)) to offer a range of vocationally related higher education qualifications.



UNIVERSITY'S PUBLIC BENEFIT STATEMENT (CONT)



Regional impact

The University's impact on its regional community is immense. The University commissioned Viewforth Consulting to carry out an economic impact study for the financial year 2012/2013 as part of the University's 50th anniversary celebrations. Overall the University of Kent and its students generated £0.7 billion for the south-east region during the financial year 2012/13 and the number of members of staff employed at the University has grown from 150 in 1965 to almost 3800 today.

One example of the University's regional impact is the Kent Law Clinic, which is a partnership between students, academics, solicitors and barristers in practice locally. It has two objects, to provide a public service for the local people who need legal advice and representation and cannot afford to pay for it, and to enhance the education of students in the Kent Law School through direct experience of legal practice. The Clinic goes from strength to strength and has continued to provide free legal advice and help whilst anticipating the move into its purpose built new home on the University's Canterbury campus, which was officially opened on 6 October 2016.

A great example of community outreach by the University's academic Schools is the work of the Physical Sciences outreach team, which runs events to engage the wider community with chemistry, forensic science and physics, to inspire future scientists. These events include public evening lectures, competitions in and between schools, a "Schools Physicist of the Year" award in association with the Ogden Trust, planned visits from the University's mobile planetarium, talks and lectures for Schools in a number of specialist topics and "hands on"

science sessions for school students, such as the interactive "Liquid Nitrogen" shows that were available throughout March 2016 to coincide with National Science and Engineering Week. There are also residential courses in chemistry and forensic science, which students attend from schools across the UK and since 1999 the University of Kent has run an annual Space School, providing an intensive two day experience aimed at introducing 11 to 18 year olds to the many different fields of space activity and giving them an awareness of the course and career profiles on which they could embark to become tomorrow's space professionals.

The University has a commitment to volunteering, by both students and staff, which has a positive influence on the wider community. Volunteering through Kent Union plays a crucial role in the university experience, from welcoming students over arrivals weekend, to running one of our student groups, being a student rep or running a campaign. There are over 2,800 students involved in volunteering at Kent, with over 77,000 volunteering hours being logged last year, both on campus and in the local community. Kent Union coordinates the KSCV Scheme (Kent Student Certificate for Volunteering) which recognises the volunteering that students complete and supports them in their development of employability skills; KSCV is recorded on the Higher Education Achievement Report.

The University has approved arrangements which allow members of staff registered as volunteers to apply for up to 25 hours' paid leave a year to support this initiative. There are certificates for staff who have registered and logged hours of volunteering each year which are presented at the annual Learning and Development Awards Ceremony.



The University's students make a difference by raising money for charity. Kent RaG (Raise and Give) is the official fundraising body of Kent Union at the University of Kent, and aims to support and fundraise for charities locally, nationally and internationally, as well as offering incredible challenge experiences such as climbing Kilimanjaro or Skydiving to raise money. In the academic year 2015/16, RaG raised £170,046.52.

Innovation and enterprise

The University of Kent provides innovative and creative solutions to the business community through Kent Innovation and Enterprise (KIE). KIE builds strong links between research and business, to better develop, support and create high-growth enterprise, and some of its initiatives are detailed below.

The Innovation, Creativity and Enterprise (ICE) initiative has continued to be a successful platform for engagement with the business community with enhanced links with businesses of all sizes and the public sector, to support innovation and development.

The Hub for Innovation & Enterprise provides entrepreneurial support to enable students, staff and alumni to set up and grow their business ideas. The concept of the support provided by the Hub is that of taking creative ideas forward into incubation support. Throughout 2015/16 146 business advice sessions were held and the Start-Up Scheme has run a Big Ideas competition, take part in the IBM Universities Business Challenge, set up Start-up workshops and run two conferences. In addition two students have won the Peoples' Choice Award in the Global Innovation Challenge that took part in Virginia, USA.

Stakeholder engagement

Local and regional engagement has continued to grow with the University playing a key role in many stakeholder networks. The University has been actively involved in working with new businesses locating at Discovery Park (Enterprise Zone) and has a dedicated space within the Park to ensure the University provides a first point of contact for partnership development on research and innovation. The University continues to support the South East Local Enterprise Partnership and the University's Director of Innovation and Enterprise is President of the Kent Invicta Chamber of Commerce.

Many of the University's facilities are open to the general public, attracting visitors from Kent and further afield, covering a breadth of activities including: events offered by the Gulbenkian Theatre and Cinema, musical performances at the Colyer-Fergusson Music Building by students, staff and the local community, art exhibitions, sports facilities and open days. The University's Sport department hosts many events, including Canterbury's parkrun on the University of Kent's Canterbury campus, and also supports local and national charities as part of its public engagement work.

The Gulbenkian Theatre has been accepted onto Arts Council England's national portfolio programme which means that in addition to the current support from the University, the Gulbenkian receives an Arts Council England grant of £220,000 for three financial years starting in April 2015, which it plans to use to make the Gulbenkian the pioneer and leader of work with, for and by children and young people. Boing, Kent's International Family Festival, is an initiative started by the Gulbenkian in 2014 and is a weekend festival of the very best theatre, dance, music and film to excite and inspire all ages.

FINANCIAL STATEMENTS / STRATEGIC REPORT

Financial highlights for the year to 31 July 2016

This is the first set of financial statements prepared in accordance with the new accounting standard, FRS102. 2014/15 comparator data has been restated to ensure a meaningful comparison.

Financial performance and investment:

- Total Comprehensive Income for the year of £6.1m (2014/15 restated: £2.2m) representing 2.4% of income (2014/15 restated: 1.0%);
- Adjusted EBITDA¹ of £33.1m (2014/15 restated: £31.7m) representing 13.0% of income (2014/15 restated: 13.6%);
- Income up £20.7m (8.9%) to £253.8m compared to 2014/15 restated results;
- Income from Tuition Fees up £12.3m (8.6%) to £155.5m (2014/15 restated: £143.2m);
- Increased Residences and Catering income at £34.2m (2014/15: £31.3m);
- Staff expenditure² representing 52.4% of income (2014/15 restated: 53.5%);
- Cash flow from Operating Activities of £31.8m (2014/15 restated: £21.7m);
- Capital expenditure of £51.3m (2014/15 restated: £42.4m).

Liquidity, debt and financial viability:

- Current asset ratio³ of 1.54 (2015 restated: 2.11);
- Available 'cash reserves'⁴ representing 102 days' expenditure (2015 restated: 144 days);
- Net debt (Outstanding loans less cash held) of £51.8m (2015: £36.7m);
- Net assets of £294.7m (2015 restated: £288.7m).

1 A measure of cash flow from operating activities, (Earnings before Interest, tax, depreciation and amortisation), also adjusted to remove the impact of capital grants recognised in year and movements in provisions for pension deficit recovery plans.

2 Total staff costs less the movements in provisions for pension deficit recovery plans.

3 A liquidity measure of ability to pay short term debts, calculated as the ratio between current assets and current liabilities.

4 Measured as cash in hand, short-term deposits and 90% of the market value of the current asset investments.

Summary

In 2015/16 Kent continued to demonstrate its reputation for quality, providing a highly-rated education to its diverse body of students, alongside an exemplary student experience so that our graduates enjoy the best foundation to their professional lives after university. Our research continues to be recognised as of international standard. Among our successes, we have been shortlisted for the Times Higher DataPoints Merit award which recognises exceptional performance across research and teaching missions, and we achieved the 4th highest score in the National Student Survey of satisfaction (NSS) (out of all publicly funded, multi-faculty universities).

Kent benefited from a sound financial performance in 2015/16 and a robust financial position at year-end. The surplus achieved of £6.1m was ahead of budget and reflects income growth and effective cost control, despite financial pressure. The University's Balance Sheet remains strong, and in 2015/16 alone the University spent £51.3m on capital works as part of a programme of estate renewal and

development. Further detail on Kent's financial performance, position and capital programme is given in the "Financial Summary".

The University's 2015-20 strategy aspires to achieve growth in student numbers particularly at our Medway campus and in postgraduate studies. As the UK's European university we are committed to providing an increasingly international curriculum and experience to our students and to forging worthwhile international partnerships. We seek to draw on our research strength by increasing the quantity of internationally respected research and further improving our high research ranking.

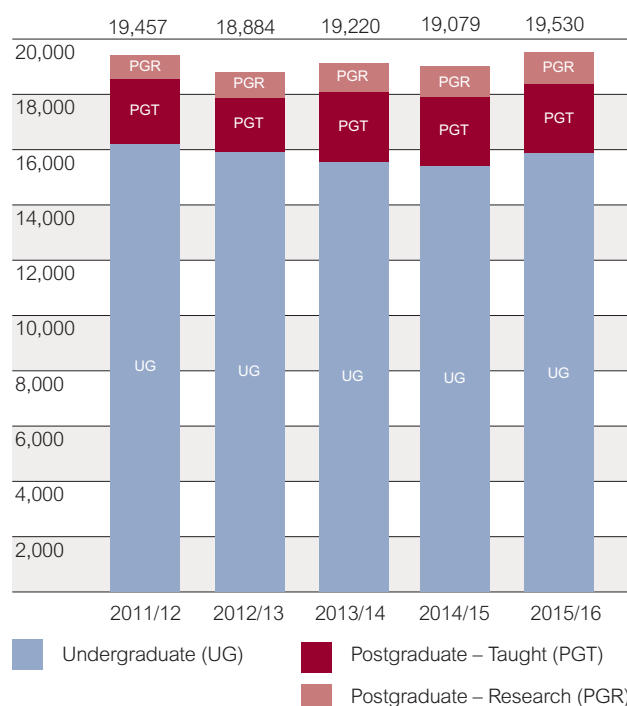
Kent is making sound progress toward its aims but remains mindful that in a changing and competitive higher education sector there are a considerable range of challenges to address.

This strategic review outlines the major areas of focus underpinning the University's activity and its aims to 2020, reviews progress and financial performance to date and assesses the outlook for the future, including an evaluation of the major risks that may affect the achievement of the University's strategy.

Delivering quality to growing numbers of students

Student recruitment has remained strong, despite increased competition, with numbers attending Kent's UK and overseas campuses rising to 19,530 in 2015/16. This 2.4% growth on the previous year was largely achieved through growing our undergraduate population. 83% of our students were based at Canterbury with a further 15% based at Medway, and the remainder studying at our European campuses or by distance learning.

Five year analysis of students studying for Kent qualification (headcount)



Undergraduate new entrant numbers grew by 5% but new entrant postgraduate taught student numbers fell by 7% mainly due to a reduction in Home and EU students. This may be the result of a first cohort of undergraduate students graduating with higher debt levels. Some mitigation was provided by the University offering match funding to a HEFCE scheme to increase access by way of £10,000 scholarships. It was anticipated that these numbers would recover in 2016/17 on the introduction of Government provided fee loans of up to £10,000 for postgraduate taught study. Registration data seems to indicate that this is the case.

Kent is committed to offering a transformative university experience to those who come from diverse backgrounds. 25% of our undergraduate students have non A-level qualifications on entry and 34% come from Black and Minority Ethnicity (BME) backgrounds.

Kent has a reputation for quality. We recruit students with good academic backgrounds and achieved 90% overall satisfaction in the National Student Survey (NSS). Our overall league table positions are strong – we are ranked 23rd in the current Times and Complete University Guides and 16th in the Guardian league table. A high proportion of our constituent schools have achieved top 10 or 20 rankings against their peers. We regularly review performance to improve the experience we offer to our students and will continue supporting individual schools to identify and implement discipline specific improvements. The introduction of the Teaching Excellence Framework (TEF) in 2017 will provide a further opportunity for the University to demonstrate its strengths.

Work is underway to deliver the targets for student numbers set out in our ambitious institutional plan. In 2016/17 we have started to increase Home/EU postgraduate taught student numbers at Canterbury addressing the balance between undergraduate and postgraduate provision. We also intend to increase student numbers at our Medway campus by another 1,000 by 2020, taking the total Medway population to 4,000 students. Growth is planned in the Medway schools of Sports and Exercise Sciences, Computing and the Business School. The Medway campus will also provide the hub of the University's new provision for higher and degree apprenticeships in order to extend our vocational offering.

Supporting students and aiding their progression

An engaging and supportive environment is vital to help students achieve their best while at Kent and to prepare them for life after university. In 2015/16 we have further strengthened our provision for supporting students with mental health difficulties and are partnering with an external company to offer additional support. This complements the welfare support provided by Student Support and Wellbeing, College Masters and Student Support Officers in academic Schools. Recommendations to further improve mental health provision, made by the university's student union, will be implemented during 2016/17.

We offer students a range of services to ensure they can find graduate employment, including an award-winning employability festival that attracted over 9,000 students in 2015/16. Our employability rating for graduate prospects rose to 80.4% in 2016 and we were ranked 25th for Graduate Employability in the 2016 Times Good University Guide.

Our Work Study Scheme offers students the opportunity to acquire workplace skills and training while in paid employment. This scheme benefited over 600 students in 2015/16 and 359 work experience roles were filled across the University. This scheme will expand further in 2016/17, alongside growth in a specific initiative aimed at enhancing the employability of students on the autistic spectrum.

Providing excellence in academic support services for learning and research

The University continues to provide excellent academic learning resources in an inspiring setting to enable students achieve their full potential. Highlights in 2015/16 include:

- The £18m extension to the Templeman Library completed its first year of operation and proved to be extremely popular with students, with usage increasing by 16%. Existing library space is now being refurbished to the same high standards with phase two due to complete in summer 2017;
- Following the success of 24/7 opening during term-time in 2015/16 and in response to postgraduate student demand the Library offered longer summer vacation opening hours;
- In response to feedback in the NSS we have simplified the process of finding a book on the Library shelves and we have continued investment in library resources, resulting in a range of excellent assets being made available to students and staff;
- Kent is improving customer service using technology. A self-service laptop loan system was launched in the library, our external network resilience was improved, our internet link capacity increased to 10 Gbps and a real-time study space availability system was piloted;
- To support research at Kent we have invested in staff and systems. Activities included providing a High Performance Computing cluster, supporting plans for the next Research Excellence Framework (REF), encouraging researchers to improve their research data management skills, supporting Open Access and designing a simplified web publishing model to support research projects.

Future plans include the introduction of a fully featured library management system and improvements to the look and feel of college-based study hubs.

Modernising the University estate

The University is committed to a major capital programme with £327 million of capital spending planned by 2025/26 in order to realise our Estate Strategy, which recognises that our campuses are a key part of the Kent identity and offer, and focuses on preparing for the impact of student growth and remedying an aging estate. A longer term masterplan for the University's estate at Canterbury has also been completed and will be presented to local planners in early 2017. This exciting vision will provide a focus and blueprint for future developments.

Notable enhancements to the estate in Canterbury and Medway in 2015/16 included:

- The ongoing development of new £35m state-of-the-art premises for the Schools of Business and Mathematics and Actuarial Sciences and Statistics, of which £18m was spent in year. This high quality learning environment, which will enable greater expansion and closer collaboration, will become operational in March 2017;

STRATEGIC REPORT (CONT)

- The completion of the new £5.5m Kent Law School, Law Clinic and mooted chamber which opened in October 2016. The Wigoder Building, as it is named, has been part funded by some significant donations received largely from Kent alumni and will enable the Law Clinic to continue to provide its nationally acclaimed legal advice and support service. The mooted chamber will provide Kent Law students with a realistic environment in which to practice their courtroom skills;
- Design work is underway on a £20m project to provide new facilities for the School of Economics. This will free up space elsewhere, enabling the expansion and consolidation of other units;
- The start of the development of an operational brief for a new Student Services and Activities building. This will house student facing services under one roof and provide flexible spaces to accommodate a range of student activities together with Student Union offices. This should improve student facilities and service and help ensure efficiency in our provision of support for students;
- A £5.3m student social facility, the Student Hub at the Medway campus, built jointly with the University of Greenwich, will be opening for students in January 2017;
- The £1m refurbishment of the Galvanising Shop on Chatham Historic Dockyard campus at Medway which was completed in November 2016. Redeveloped as the main university reception point in the dockyard, it houses a café, performance space and will also be used for research activities.

Providing higher education to a diverse range of students

Kent has long been committed to the provision of higher education to all those who could benefit and has delivered major innovation and success in widening participation. We work closely with secondary schools and colleges in the surrounding area to widen access and we are the lead sponsor of the Brompton Academy in Medway. The University has successfully bid for HEFCE National Collaborative Outreach Project (NCOP) funding as the lead of a 2-year, £4m project starting in 2017/18. We continue to act as lead for the £3m Higher Education Access Tracker (HEAT) database, used for tracking participation in outreach and measuring impact, working with partners at 61 universities.

Our successful student ambassador scheme has continued to grow with undergraduate and postgraduate students working to engage in outreach activities with over 10,000 pre-Higher Education students. The ambassador scheme is a key contributor to a positive 'student experience' at Kent and improves our students' employment chances.

The University is also building upon the first phase of the student success project in nine academic schools which will complete in 2016/17 and will begin phase two in 2017/18.

We offer financial support to assist students in their academic career. In 2015/16 bursaries and scholarship payments to undergraduate and postgraduate students totalled £20.7m, funded from a combination of internal funds and external parties. Kent continues to attract an increasing number of students achieving top grades at A-levels or equivalent qualifications, thus qualifying for the University's Academic Excellence Scholarship of £2,000 per annum. To improve student success outcomes for students who lose their eligibility for academic scholarship the University is piloting in 2016/17 a new student success bursary that incorporates study support.

Enriching the student experience

Kent is conscious that students demand and deserve an enriching and engaging experience alongside their studies. Maintaining and extending our excellent provision is a key area of focus.

Kent Union, the independent Students' Union, aims to empower students to have a voice at University, fulfil their potential, and get the most from their experience at Kent. It provides a wide range of advisory and welfare services and student activities. It campaigns nationally, locally and to the University representing the views of over 19,000 students. During 2015/16 over 10,700 students directly participated in Union life through one or more routes of being an elected officer representing their fellow students, joining one of 250 sports clubs or societies, volunteering within Kent Union or in the community, being a course rep, working within student media, buddying a fellow student, or by helping new students during Welcome Week. Kent Union also provides students with employment opportunities, paying almost £0.9m to students in 2015/16. A Kent Union toolkit helps students understand and track the transferable skills they are developing through working or volunteering for the Union. The high quality services the Union operate supports the University's aims of student recruitment, retention and enhancing graduate employability.

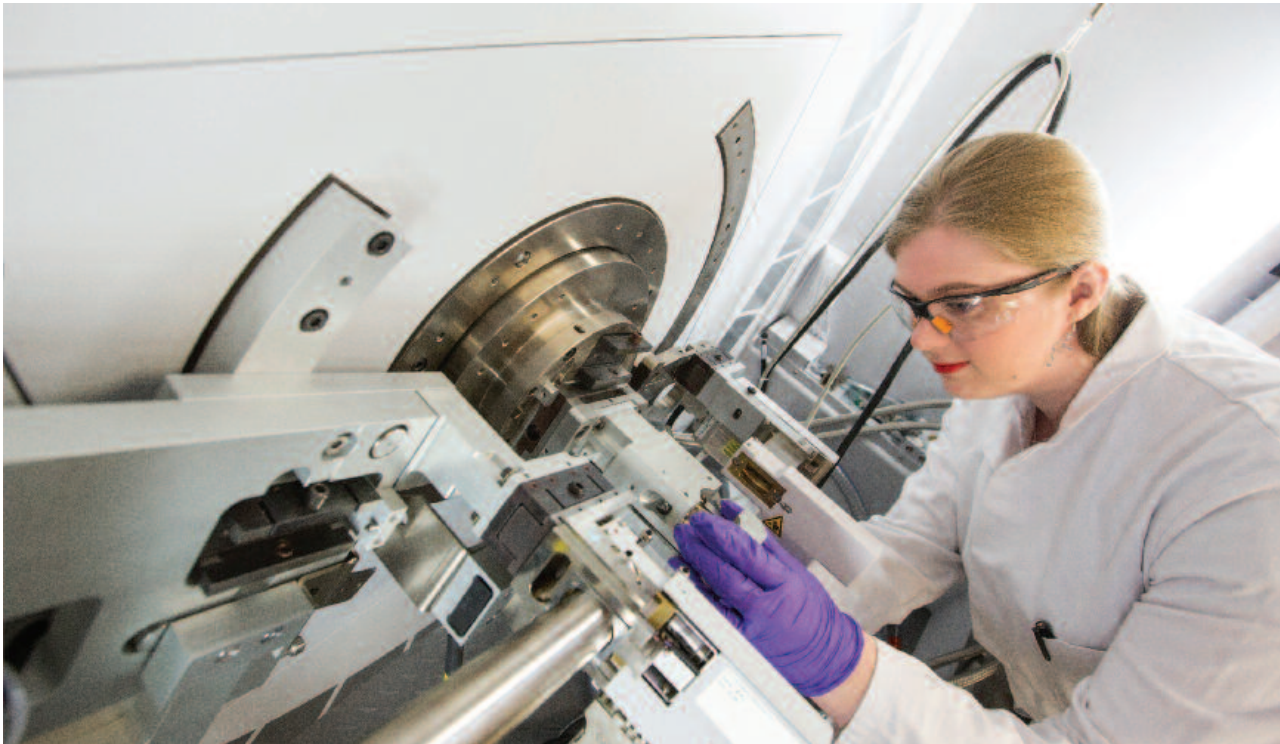
The University provides a wide range of facilities to meet increasing student demand for sport and recreation. During 2015/16 there were over 800,000 booked individual student sports activities, a growth of 60% since 2013/14. This reflects continued investment in facilities and support. We plan to further expand the quantity and variety of provision. The new 3G artificial pitch was completed in 2015/16 and the cycle hub will be completed by early 2016/17. Further facilities and services are under evaluation to best meet the University's Sports and Recreation strategy. These include expanding the indoor tennis centre, increasing sports activity off campus (including rowing, skiing and golf) and creating stronger sporting links with Canterbury city and overseas partners, in support of the University's internationalisation agenda.

Kent Sport continues to work closely with Kent Union to develop a shared strategy for Sport and Recreation and to provide support for Team Kent clubs.

Growing internationally respected research and our postgraduate community

Following a strong performance in the 2014 REF and a ranking of 17th for Research Intensity among multi-subject universities in the Times Higher, the University is approaching with confidence its ambition to double research income by 2020 and to attain the highest standards of research as judged by international measures. New awards in 2015/16 of £17.8m showed growth of over 20% compared to the previous 5-year average, and a new research strategy to achieve further growth is being embedded.

Internationally, Kent is now ranked by the Times Higher in the 301st-350th bracket, the research element score is 17% higher than pre-2014 and the citations measure 13% higher. This increased performance, coupled with the increased activity levels, will underpin our submission to the next-REF (expected to be 2021) where we aim to increase the proportion of world-leading (4*) research outputs to 25% as well as the



number of highly cited articles by 25%, and help to achieve our goal of being ranked in the top 250 universities world-wide.

Kent's Graduate Strategy aims to establish an active postgraduate community that provides an excellent and inclusive student experience. We plan to continue to increase the proportion of our student body undertaking postgraduate study. Kent now has the 34th largest body of full-time postgraduate students in the UK (Sunday Times "Vital statistics") and ranks 23rd for EU Postgraduate numbers. Kent continued to increase its postgraduate provision in 2015/16 but the recruitment environment is challenging and may become more so in the future, as a result of the result of the UK's referendum on EU membership, cuts to Research Council studentship funding and visa restrictions. In 2015/16 the University provided £7.2m of financial support to postgraduate students from its own funds and an additional £6.2m from other sources. This included £1.5m distributed via the one-off Postgraduate Support Scheme, run jointly with HEFCE. From 2016/17 this has been replaced by the national Graduate Loan Scheme.

Our postgraduate researchers make a significant contribution to the University's Research Strategy and Kent's success in the Research Excellence Framework. Our postgraduate training environment is enriched through collaboration with other research-intensive institutions and membership of three prestigious doctoral training consortia.

Fostering innovation and enterprise in our students and within our region

Kent aims to increase the level of innovation activity by 50% by 2020 and further embed an innovation culture. The University has directed its innovation and enterprise activities across themes including Security and Human Capability, Biotechnology and Molecular Medicine, Cyber Security and Logistics. Kent continues to deliver a high level of service and success, working with the business community and the public sector.

Kent Innovation and Enterprise has a strong regional engagement focus and participates fully with the South East Local Enterprise Partnership and the Kent and Medway Economic Partnership to provide a range of high profile, well regarded activities for the local business community. These activities include providing a dedicated incubation facility, the Hub, and a successful innovation voucher scheme for small and medium sized enterprises. The University also runs a unique employability scheme, which reached out to over 6,700 students in 2015/16, made 617 student awards and has been recognised as best in sector. While regional engagement is a high priority we are also active in forging European enterprise partnerships.

STRATEGIC REPORT (CONT)

Increasing international opportunities and engagement

The University seeks to increasingly engage with and promote Kent to international partners. Our Internationalisation Strategy focuses on raising our international profile, embracing diversity and collaboration, extending partnerships, championing our reputation as the UK's European University and increasing the international composition of our student body. A range of new activities are underway including workshops to share international opportunities, the Kent Global Passport to encourage students to reflect upon and record their international skills and experiences, a curriculum internationalisation project, international summer schools and a fund to stimulate and support international academic exchanges.

Kent already has a strong European and international flavour. 27% of our students originate from 150 different nations, 40% of our academic staff and researchers come from outside the UK and we have over 500 agreements with 388 universities across the world.

We offer our students a wide range of international opportunities including more than 140 global engagement modules, an extensive study abroad programme connecting with over 170 universities in 33 countries, and we offer studies in 9 different languages. The student experience is international: in a recent survey, 82% of respondents, from our graduating students, agreed that they have been exposed to a globally-minded environment.

The UK's recent decision to leave the European Union poses a risk to international and EU activities but has strengthened Kent's commitment to remain focused on its distinctive mission as the UK's European University. We have put in place measures to support our EU staff and retain the diversity and experience they offer. We are clearly communicating to our partners, EU and International students that the best interest of our students, our research and our quality of provision is served by remaining strongly connected to Europe.

Our study centres in Brussels, Paris, Athens and Rome embody our European focus. They recruit students attracted by high quality research-informed teaching delivered in a location relevant to the subject of study. 2015/16 saw increasing activity and strength in each location. In Brussels we moved into new purpose-designed premises and recruited a record number of students, bringing the student body to over 250. In Paris the first cohort of students to take their entire course in Paris was recruited.

In Athens we renewed our partnership with the Athens University of Economics and Business to provide a unique student experience in learning to manage the world's cultural assets and in Rome our provision continues to flourish.

Enhancing our people management

Kent's People Strategy identifies the key themes of enhancing organisational and leadership capacity in order to respond to our changing environment, reviewing and modernising our reward arrangements, enhancing our ability to recruit excellent staff and supporting excellence in teaching and research.

Kent's relationship with its employees remains very positive, despite a national dispute over the annual pay increase and the complications presented by the UK's vote on leaving the EU. This has been achieved by open communication around the challenges ahead and by responding positively to concerns around the use of Hourly Paid Lecturers. This latter development will see a significant number of staff move to substantive contracts of employment while others will move to guaranteed hours arrangements. In response to the result of the Referendum we provided employee support to minimise uncertainty. This will develop into a full programme of support during 2016/17 aimed at retaining staff and supporting wellbeing.

Kent launched its Leadership Behaviours framework in 2015/16, which provides a foundation for further work on employee reward, leadership development and recruitment. We continued to deliver our flagship leadership programmes and provide access to sector leadership programmes and expanded our provision to delivering training in practical leadership skills particularly in the area of difficult conversations. Significant progress has also been made in implementing "Staff Connect" a new people and payroll system that will provide a range of benefits and efficiencies for the organisation and its staff.

Our aim for all Schools to hold bronze or silver Athena SWAN awards by 2020 remains on track. This builds on significant progress in closing Kent's gender pay gap by 5 percentage points since 2008 and increasing the number of female professors by 18% in 2015/16 alone. Female professors now comprise 24% of the professoriate compared to 16% four years ago. Valuing Everyone, Kent's Diversity programme had reached 2,000 staff by the end of 2015/16. Phase 2 will launch in 2017 and focus on cross cultural communication and understanding.

In 2016/17 we will review employee reward issues to ensure that we remain attractive to current and prospective staff, to reduce the gender pay gap, to recognise strong performance and to facilitate the development of the behaviours essential to our ongoing success. A "Brexit" support package will roll out to over 900 employees and will we review our employment practices in the light of Teaching Excellence Framework. We will introduce a regular staff survey so that we enhance our understanding of our workforce and address their needs.

Environment

Our Carbon Management Plan to 2020 commits to an absolute CO2 reduction target of 23% measured against a 2005 baseline. So far, we have achieved an absolute reduction of over 11%, although some previous reductions have been partly offset by growth in the estate. We have reduced our carbon intensity by over 3% per metre squared in 2015/16. Our participation in the HEFCE/Salix Revolving Green Fund alone has resulted in an investment of over £800,000 in energy-efficient projects since inception.

In 2015/16 Kent's environmental management system was successfully audited enabling renewal of our ISO 14001 accreditation to 2018, and sound environmental practices have been embedded into the University's business. Our reduction in carbon emissions enabled us to renew our Carbon Trust Standard certification and our Fair trade accreditation has also been renewed to 2017.

Our programme of staff engagement, Green 15, challenged staff teams to embrace sound environmental practices in their workplace and record their achievements. As well as successfully embedding good practice it provided valuable work skills to students who are encouraged to participate and are trained as project assistants and auditors.

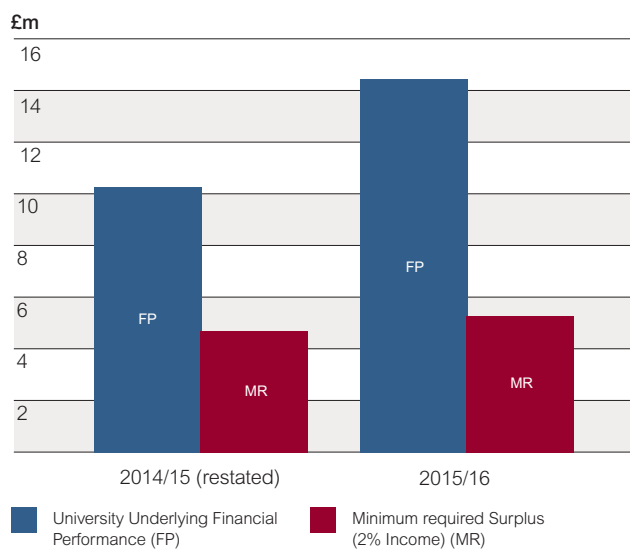
Financial summary

This is the first year that the University has prepared financial statements under the requirements of the FRS102 accounting standard. The results for 2014/15 have been restated for the changes to accounting policies in order to provide appropriate comparators. The full impact of the restatement adjustments is illustrated in note 28 of these financial statements. Under the transitional arrangements for the movement to FRS102, the University has revalued its land holdings, resulting in an increase of £119m to fixed assets. This will be taken forward as deemed cost. The other most significant change has been the introduction of a balance sheet provision for pension scheme funding deficit recovery plans. This has had a significant impact on the reported surplus for the year in both 2014/15 and 2015/16, but does not truly reflect the annual operating cost or cash outflow for the year to the University of payments towards the deficit recovery plans; however it does show the full commitment made by the University in funding the current deficit.

The University's consolidated results for the years ended 31 July 2016 and 31 July 2015 are summarised as follows:

| | 2015/16 | 2014/15 (restated) | Change |
|---|---------------|-----------------------|--------|
| | £000 | £000 | (%) |
| Income (Excluding RDEC recovery) | 252,834 | 233,075 | 8.5 |
| Income from RDEC recovery | 949 | - | |
| Expenditure, not including pension provision adjustments and service concession changes | (221,936) | (206,838) | 7.3 |
| Depreciation charge for the year | (17,009) | (16,098) | |
| Unrealised gain on investments | 153 | 52 | |
| Tax payable on RDEC | (203) | - | |
| Underlying financial performance | 14,788 | 10,191 | |
| Impact of movements in provision for pension deficit recovery plan | (3,129) | (12,846) | |
| Impact of service concession liability release | - | 4,910 | |
| Additional one-off depreciation charge | (5,597) | - | |
| Surplus for the Financial Year | 6,062 | 2,255 | |

Financial Performance 2014/15 – 2015/16



The table above shows the underlying financial performance in each year after adjusting for the impact of significant accounting policy changes brought about by FRS102 and also the one-off depreciation charge arising from a change to full component accounting, and shows the composition of the Surplus for the year reported in these financial statements.

The University performed well in 2015/16 with a reported surplus for the year of £6.1m (2.4% of income), compared to a budget for the year of £5.4m.

The underlying financial performance represents 5.8% of total income (2014/15: 4.4%) and exceeds the 2% minimum required level set in the University's Financial Framework which is designed to ensure that sufficient cash is generated for the maintenance of the estate and new capital investment to meet the estates strategy. This positive result has been achieved, despite increased competition for students, through the continued growth of non-tuition fee income streams and by maintaining good control over expenditure.

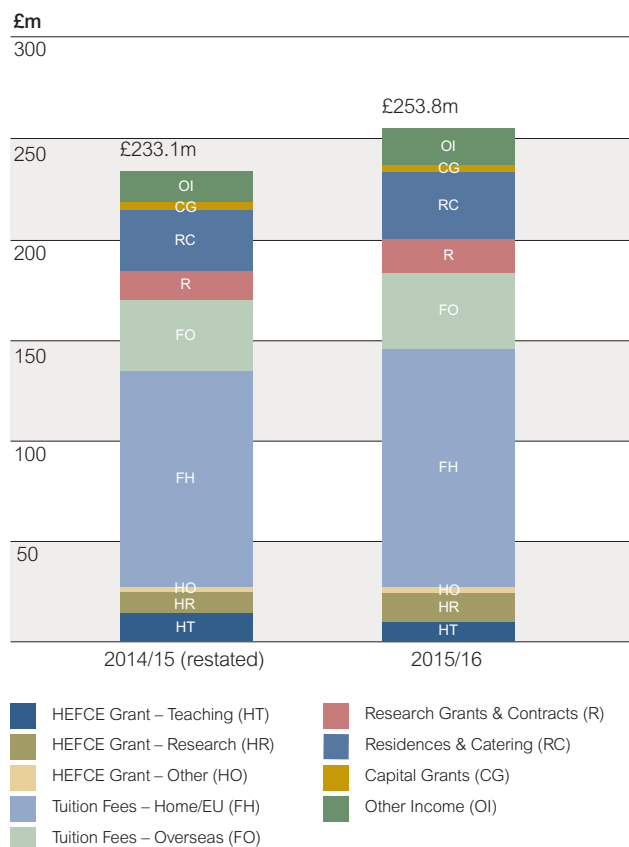
Income

Total income grew in the year by 8.9% to £253.8m, including an additional £12.3m tuition fee income. The majority of growth in tuition fee income relates to an increase in the number of Home/EU undergraduate students. Tuition fee income from overseas students was at a similar level to 2014/15. Kent is continuing with its internationalisation of the University's curriculum and student experience, although the overseas recruitment situation remains highly competitive. Funding Council grants have fallen by £0.4m in the year with the continuing reduction in the teaching grant (-£3.8m) being largely offset by an increase in the research grant following the successful outcome of the 2014 REF (+£2.9m).

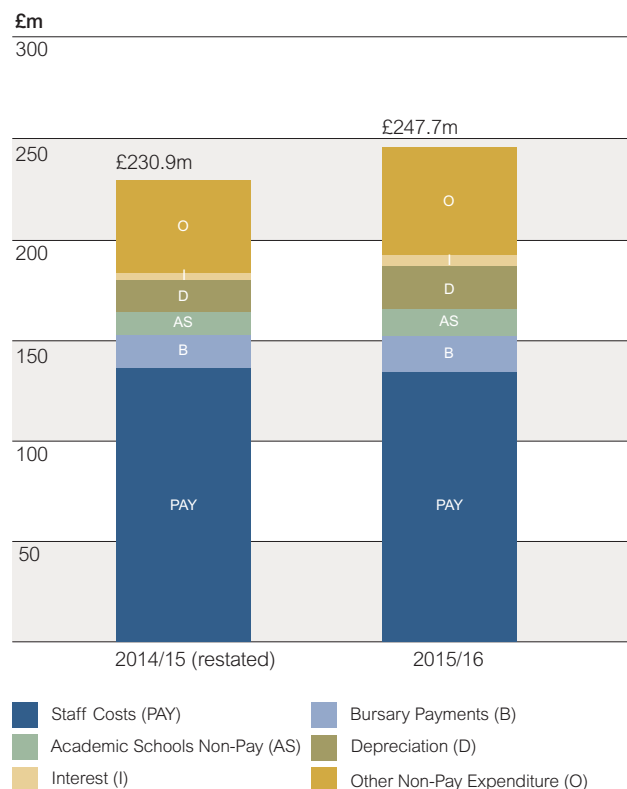
Income from Residences and Catering operations continued to grow, with an increase of £2.9m in the year. This reflects the first full year of operation of the new accommodation at the Canterbury campus, Turing

STRATEGIC REPORT (CONT)

Analysis of income 2014/15 – 2015/16



Analysis of expenditure 2014/15 – 2015/16



College, and the continued growth in catering and conference activities at all University campuses.

Income from Research Grants and Contracts increased by £3.3m in the year to £17.0m. This increased level of activity is welcome and continues the upward trend in this area at Kent despite intense competition for limited research funding across the sector. Of the reported increase, £0.9m relates to a one-off receipt from HMRC in relation to Research and Development Expenditure Credits (RDEC). Income from consultancy and innovation grants and contracts has also increased in the year by 62% to £3.7m. This reflects the continued work of the University to build stronger links between research and business.

Income from all other activities has remained strong during the year, increasing by £1.2m to a total of £14.4m.

Expenditure

Staff pay expenditure, excluding the movement in the provision for pension deficit recovery plans, increased by 6.7% in the year to £133.1m. This reflects investment made in growing staff numbers and a national pay award of 1% for all staff plus increments and promotions.

Additional strain also arose from the increased employer pension contributions to the University's two major pension schemes and the

impact of additional national insurance costs, following changes imposed by the Government in April 2016. The provision for pension deficit recovery plans increased by £2.4m during the year (2014/15 restated: £12.6m increase) largely as a result of the new recovery plan agreed during the year for the SAUL pension scheme.

The University monitors its staff expenditure (excluding movements in pension provisions) as a percentage of income with a financial framework upper limit of 60%. During the year, this measure fell from 53.5% to 52.4% with the higher staff numbers, which on average increased by 106 full-time equivalents (3.2%) in the year, being more than offset by the increase in total income.

Other Operating Expenses increased by £11.4m (15.3%). The restated 2014/15 cost includes the release of £4.9m in relation to a liability provision no longer required in respect of a short-term guarantee of occupancy made to a third party provider of student accommodation, which expired in that year. The underlying increase in Other Operating Expenses is therefore £6.5m (8.2%), reflecting further investment in student support and facilities. £1.3m of this increase relates to an increase in payments to students in the form of bursaries, which now total £17.5m, with a further £3.2m of fee waivers which have been set against reported income from tuition fees. This reflects the continued commitment of the University to widening access to higher education.

The increase in Residences and Catering facilities expenditure of £2.1m in the year, after adjusting for the £4.9m one-off release above, largely relates to the first full year of operation of Turing College, with increased rental payments being made to the third party provider.

Depreciation charged in the year was £6.5m higher than in 2014/15, although £5.6m of this relates to a one-off charge in relation to the application of full component accounting. This changed accounting treatment more accurately reflects the pattern of wear on our assets. The underlying increase of £0.9m is largely due to a number of major refurbishment projects, including the cladding of the Ingram building and the refurbishment of student accommodation.

Interest payments have increased by £0.7m during the year. Much of this increase relates to additional interest charges on the initial £50m tranche of the EIB loan drawn down in late 2014/15. Interest payments in the previous year against this loan were capitalised during the construction of major projects, and are now being charged to expenditure as funded facilities are coming into use.

Cash flow

Cash received from Operating Activities during the year was £31.8m, an increase of £10.1m from 2014/15. This is in line with the budget and reflects the higher underlying financial performance for the year as shown in the Financial Summary, plus movements in workings capital. This increase was partly used to fund the capital programme, with cash spent on investing activities increasing by £6.7m. The University monitors its available liquid reserves and requires a minimum of 40 days expenditure to be held at any time. At the year end, these liquid reserves represented around 102 days' expenditure, excluding depreciation (2015: 144 days). At its lowest point, in April, the value of liquid reserves held by the University represented around 85 days' expenditure.

The University had a strong cash position at the end of the year, despite a planned reduction in cash holding of £18.2m during the year as the loan funding received in 2014/15 has been spent on major capital projects. As at 31 July 2016 the University had net debt of £51.8m (2015: £36.7m) meaning that the cash and cash equivalents held were lower than the outstanding value of loans, but this is within the University's Financial Framework and within financial covenants agreed with lenders.

Balance sheet

The University's Consolidated Balance Sheet continues to be strong with Net Assets of £294.7m (2015: £288.7m), Net Current Assets of £29.0m (2015: £52.4m) and a current asset ratio of 1.54 (2015: 2.11). Net Current Assets are lower than last year, as loan funding received during 2014/15 was utilised to finance major capital projects.

Receivable balances have increased by £0.8m during the year, although student receivable balances within this total have fallen by £1.0m, reflecting sound credit control processes. The increase in other receivable balances largely relates to an increase in prepayments and accrued income; in particular the RDEC recovery from HMRC was accrued at the end of the year but not received until September 2016. Current liabilities have increased by £6.5m during the year, of which £3.8m relates to the receipt of the balance of a £5m HEFCE capital grant. The remaining increase of £2.7m largely relates to increases in suppliers balances at the end of the year, particularly for construction

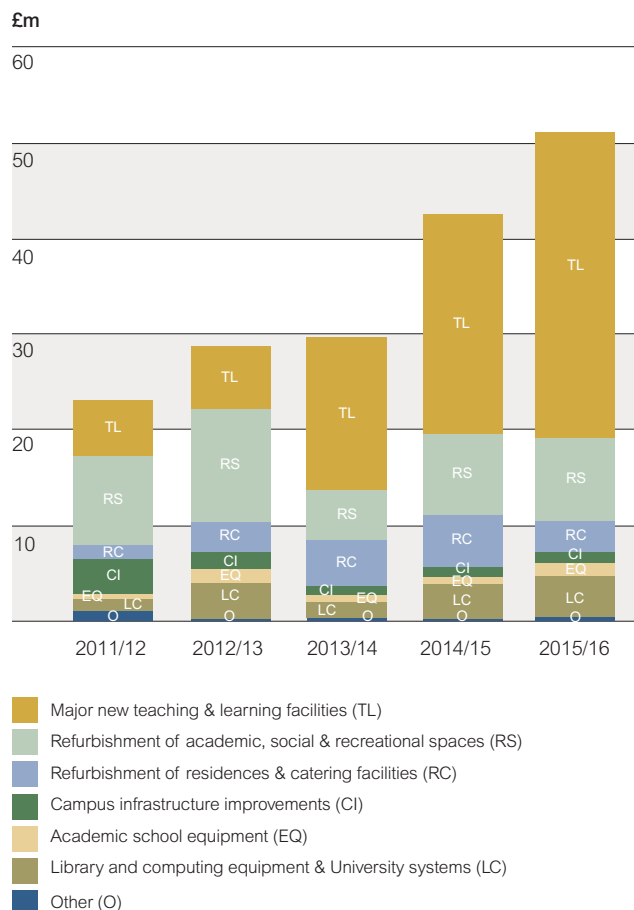
contractors working on major projects. This increase is due to the amount and timing of invoice payments across the year end.

The University's main pension schemes, Universities Superannuation Scheme (USS) and the Superannuation Arrangements of the University of London (SAUL), are multi-employer schemes and continue to be accounted for as defined contribution schemes in accordance with current Financial Reporting Standards as the University is unable to identify its share of the underlying assets and liabilities on a consistent and reasonable basis. The University's Balance Sheet now recognises provisions for both schemes, to reflect the present value of the increased employer contributions being made to recover the deficits on both schemes, as reported in their 2014 actuarial valuations. Full details of the pension schemes and their annual funding position can be found in Note 27 to the financial statements.

Capital expenditure and long-term borrowing

Capital expenditure amounted to £51.3m in the year, reflecting the continued investment into the University's estate and systems. The chart below provides a breakdown of expenditure against different elements of the capital programme over the past five years.

Capital expenditure 2011/12 – 2015/16



CONTINUED OVERLEAF

STRATEGIC REPORT (CONT)

The capital programme for the next five years was agreed by the University's Council in June 2016 and has been developed in conjunction with the University's Estates Strategy. The associated funding strategy utilises current borrowing capacity whilst ensuring that borrowing costs remain affordable, in addition to the implementation of plans to grow surpluses and operational cash flow. As existing loans are repaid in forthcoming years, they will create capacity for additional borrowing to address new opportunities.

Long-term bank loan debt has fallen by £3.1m during the year as existing loans are repaid with borrowing levels down to 36.5% as a percentage of income (2015: 41%). A planned additional drawdown of £25m from the EIB was not taken during the year, although this facility remains in place and is now expected to be drawn down during 2016/17.

Future outlook and risks

The budgeted surplus of £4.4m set for 2016/17, with a projected Adjusted EBITDA (as defined in the section "Financial Performance and Investment", above) of 8.7%, is lower than the target set in the University's financial strategy and lower than the 2015/16 result. This reflects the past and ongoing strategic investment in new resources and the financial pressures that are beginning to take hold. In the absence of inflationary increases on regulated fee income in 2016/17, the real value of tuition fee income will continue to fall against a backdrop of increasing staff costs. The strain on the University's financial position from increased staff numbers, past and future pay awards and newly implemented increases in pension and national insurance contributions will become more apparent in the coming years. This will require the University to achieve further income growth from expansion or deliver efficiencies in its operating activities, if it is to remain on track with capital expenditure plans and the realisation of the Institutional Plan. It is likely to be a challenging time but the University enters into this period from a strong financial and reputational base.

Major capital developments to enhance the student experience and invest for the future will reduce the level of cash reserves and necessitate the expected drawdown of the final £25m tranche of a loan facility in 2016/17. Although cash levels will fall, the position is forecast to remain healthy, with cash reserves predicted at 70 days by July 2017, considerably higher than the minimum of 40 days in the University's financial strategy. Debt levels will increase to up to 43% of total income by July 2017, within the limits set by the financial strategy, and are then projected to fall over subsequent years as existing loans are repaid.

2016/17 has started well with provisional registration data suggesting that Kent's reputation has ensured that it remains an attractive destination for Home and EU undergraduate and postgraduate study for high-performing students and those with potential. Although progress has been made toward achieving planned strategic growth in international student numbers, the international postgraduate market remains challenging. Early indications are that the budgeted result remains achievable.

Despite this confidence, the next few years will see significant financial challenges as the financial pressures noted above continue to bite. Resources, including the cash reserves, are being managed carefully so as to put the University into the best position for a challenging and uncertain future, whilst ensuring that the longer-term cost base of the University remains sustainable. A major change programme entitled Simplifying Kent is underway to focus services and processes to ensure they are delivered efficiently and effectively. Investment into academic schools, the library and IT services is being selectively made to ensure that all students receive the best teaching, facilities and support throughout their time at Kent. The Estates Strategy and accompanying capital programme will provide new teaching and learning facilities, improved student administration services and improved lifestyle facilities, while bringing efficiencies through the design and implementation of major systems.

The other most significant risks faced by Kent in the period to 2020 are detailed below alongside the steps taken to mitigate the impact. Much of this risk is not unique to Kent and is being experienced across the Higher Education Sector.

- The student recruitment environment is expected to remain intensely competitive for Home/EU students and those from overseas. This will be further exacerbated by a demographic reduction in the numbers of 18-24 year-olds in the UK, by tightening visa restrictions on overseas entrants and by the potential adverse messages sent by the UK Referendum on Europe. Although Kent has fared well overall in the 2016/17 recruitment round there is no scope for complacency and further growth in international and postgraduate numbers are necessary to achieve the University's aims. Considerable activity in the UK and overseas is underway to clearly communicate the Kent brand as well as activity within the University to ensure the needs of students are continually addressed and that the Kent experience is engaging, enriching and provides a good foundation for future life and career prospects;
- The result of the referendum on the UK's EU membership may impact on our ability to recruit EU students, as they will face higher fees and reduced access to student loans. The overall climate engendered by the debate may also deter International students from coming to the UK. This is particularly of concern at Kent, the UK's European University, where EU admissions comprise 12% of the student population. Up to 20% of our staff are also from the EU and much of our research is conducted in partnership with European institutions. Kent is seeking to build on its reputation as the UK's European University and action is underway to ensure international relationships can continue to flourish and that Kent can engage globally with the academic community;
- The implementation of the TEF from 2017 provides an opportunity for Kent to achieve recognition for its high quality teaching and student engagement. However, the high profile of the TEF and its linking to the ability of Higher Education Institutions to pass on inflation in tuition fees raises the stakes that an adverse rating may disproportionately impact on reputation and financial sustainability. Kent is carefully evaluating its approach, drafting its TEF submission and reviewing its activity to ensure it meets and exceeds student expectations;

- Continued volatility in financial markets is putting pressure on the pension schemes, leading to increased liabilities and growing deficits. This is despite improved returns from scheme asset investments and recovery and benefit reform plans put in place at the last actuarial valuations. On a technical provisions basis, USS has seen an increase in its reported deficit from £5.3 billion at 31 March 2014 to £10.0 billion at 31 March 2016. Similarly, SAUL's funding deficit has increased from £59m to £203m in the same period. Further financial instability experienced since the outcome of the EU Referendum is only likely to worsen these positions in the future. Full details on the schemes' funding positions can be found in note 27 to the accounts;
- Kent's goal to double the volume of research activity and achieve increased international recognition for its research by 2020 is ambitious. Early signs of success are encouraging, but further growth may prove challenging in an increasingly competitive national and international environment. Work is underway to foster international research partnerships, to focus on quality and bidding for appropriate funds, to develop early career researchers and to ensure we retain those with strong research credentials.

Management of performance and risks

The University measures its performance in four key areas and reports annually on relevant key performance indicator (KPI) data to the University's Council. Super-KPIs have been established focusing on Institutional sustainability, Academic profile and positioning, Education and Research performance. Monitoring is performed over baskets of individual KPIs. Specific areas of sustainability assessed include student recruitment, income diversity, financial sustainability, and efficiency, adequacy of the estate and staff recruitment and retention. Other areas monitored include sector positioning, student satisfaction, achieving employability, research income generation and research excellence. KPIs are measured against a benchmark peer group and in the case of financial KPIs, against the University's financial strategy and internally set targets, with each individual KPI reported using a traffic light system to determine whether performance is on target or whether intervention or remedial action is required to improve performance. This information is consistent with data reported in returns submitted to HEFCE in the Annual Accountability process. Throughout the year, Council members received reports across the range of the University's activity, summarising performance in these areas. These included updates on student applications and registration, national and international league table rankings, research awards and partnerships and equality, diversity and inclusivity. The University also reports progress made against objectives set out in the Institutional Plan and detailed analysis on the management of contingent and significant risks.

Going concern

After making appropriate enquiries, which include the review of medium term forecasts and the consideration of the availability of funding in this period, the Council considers that the University has adequate resources to continue in operational existence for the foreseeable future. For this reason the financial statements have been prepared on a going concern basis.

Conclusion

The University is rightly proud of a sound and growing reputation for high quality teaching and research, delivered with an international and European dimension. Work is underway to implement our ambitious strategic vision for 2020, as set out in the University's new five-year plan approved earlier in the year. This aims to build on the many strengths demonstrated by Kent in national and international league tables, the NSS and the REF, and to deliver continuous enhancements to the student experience and the quality of the facilities and estate and in improving research performance. None of this is, of course, possible without the dedication and hard work of Kent's staff, who believe in the vision and have made Kent what it is today. This is a great accomplishment and I am grateful and thankful for this support.

While there are potential difficulties and uncertainties ahead, most notably in terms of a competitive recruitment environment at all levels, uncertainty caused by the UK's decision to leave the EU and financial pressures, there are also significant opportunities for Kent to increase its impact and international esteem and to provide our students with the best education. The University is actively taking steps to maximise these opportunities and respond to the challenges in a positive and productive manner. The firm financial base from which the University moves forward puts the University in a strong position to continue with its investment plans, whilst responding to the unexpected challenges that tomorrow's world might bring. Kent therefore looks forward to the future and to continue building on its reputation as one of the UK's leading higher education institutions.

Professor Dame Julia Goodfellow
Vice-Chancellor and President
25 November 2016

STATEMENT OF CORPORATE GOVERNANCE & INTERNAL CONTROL

The Statement which follows is provided to enable readers of the Annual Review and Financial Statements of the University to obtain a better understanding of its governance and legal structure

Values

The University of Kent is committed to providing high quality teaching, scholarship and research for public benefit. It believes that this is best achieved by a collegial approach that engages and motivates its staff and students. It is committed to a wide participation in governance and management, as manifested by its approaches to budgetary devolution and planning as well as the organisation of its teaching and research. The University is outward looking and is committed to working in partnerships with others, notably European and international institutions, to enrich its teaching and research. The University is committed to promoting equality, diversity and inclusivity among its staff, students and governors.

The University conducts its business in accordance with the seven principles identified by the Committee on Standards in Public Life (selflessness, integrity, objectivity, accountability, openness, honesty and leadership) and with the guidance to universities given in The Higher Education Code of Governance published by the Committee of University Chairs (CUC) in December 2014. The University conducts its affairs in an open and transparent manner. Its constitutional documents,

its financial statements (including the corporate governance statements) and details of its governance structures (including membership of the Council and all related committees) are publicly available on the University's website www.kent.ac.uk/governance/charity.html. The agendas and minutes of Council meetings are published on the University's intranet and are available to all staff and students of the University. The University is committed to achieving best practice in all aspects of Corporate Governance.

Constitution

The University is an exempt charity whose legal status derives from a Royal Charter originally granted in 1965 and subsequently updated. The University's objects, powers and framework of governance are set out in the Charter and supporting Statutes and Ordinances. The Charter and Statutes require the University to have three separate bodies, each with clearly defined functions and responsibilities, to oversee and manage its activities, as follows:

The Council is the supreme governing body, responsible for the exercise of the University's powers, oversight of the management and administration of the revenue and property of the University and its affairs. Council is responsible for ensuring the sustainability of the University and the protection of its reputation. It has overall responsibility for the mission and strategic vision of the institution and for ensuring that the interests of key stakeholders are met. Council has 25 members with a majority appointed from outside the University (16 members comprising 64% of its membership), from whom its chair and its deputy chair must be appointed. Other members include representatives of the staff of the University and the student body.



Members do not receive any payment for their work in relation to the Council. Members may, however, claim reimbursement of associated travel costs and expenses.

A Statement of the Council's Primary Responsibilities may be found on the University's website at www.kent.ac.uk/governance/council/documents.html.

This encompasses matters relating to the University's mission, vision and strategic aims; the appointment of senior officers and external members/officers; amendments to the University's Royal Charter, Statutes and Ordinances; corporate level financial matters and decisions; institutional performance and other requirements arising from the University's constitutional framework, external institutions such as the Funding Council and legislation.

The Senate is the academic authority of the University and draws its membership (currently 49 members) mostly from the academic and research staff and students of the University. Senate is responsible for the teaching and research work of the University. The Vice-Chancellor is ex officio Chair of Senate although due to the commitments of the current incumbent as President of Universities UK, this role has been undertaken by the Senior Deputy Vice-Chancellor. The Senate has a range of boards to undertake much of the detailed work including the Learning and Teaching Board, the Graduate School Board, the Research and Innovation Board and the faculty boards.

The Court is a large formal body comprising about 450 members, chaired ex officio, by the Chancellor. Many members of the Court are external, representing the regional community and other bodies with an interest in the work of the University. Other members include professorial staff and representatives of academic and non-academic staff and the student body. It provides an opportunity for the region to have an association with the University and provides a forum where members can be briefed and comment on key University activities and developments. The Court meets once a year and receives an annual review of the University and the annual accounts.

The Vice-Chancellor, the University's principal academic and administrative officer, has a general responsibility to the Council for maintaining and promoting the efficiency and good order of the University. Under the terms of the Memorandum of Assurance and Accountability between the University and the Higher Education Funding Council for England (HEFCE), the Vice-Chancellor is the Accountable Officer of the University and in that capacity can be required to appear before the Public Accounts Committee of the House of Commons. The Vice-Chancellor is required to provide an annual report to Council each Autumn on matters delegated by the Council and those arising from the Statutes.

As chief executive of the University, the Vice-Chancellor advises the Council on the development of institutional plans, policies and strategy, the identification and planning of new developments and shaping of the institutional ethos. The Deputy and Pro-Vice-Chancellors, Director of Finance and other senior academic and administrative officers all contribute in various ways to aspects of this work but Council, as the University's governing body, has ultimate responsibility for University activities, for determining its future direction and for fostering an environment in which the University's mission is achieved.

The Secretary of the Council (and of the Court) is appointed by the Council under the provisions of the University Statutes. The Secretary has a key role in ensuring good governance. The Secretary maintains a Register of Interests of members of the Council and other staff which is available for consultation.

The work of the Council and its committees

Council has four business meetings and one strategy meeting each academic year. Key activities in 2015-16 included the approval of: an Institutional Plan for 2015-2020, an Estates Strategy, a People Strategy and a revised Code of Practice on Freedom of Speech. It has also revised its Investments Policy in relation to ethical investment and fossil fuels.

It has monitored institutional performance through Key Performance Indicators and in league tables. Council is committed to equality, diversity and inclusivity. It has approved an annual report and considered an update on widening participation for students and a project investigating the academic outcomes for different ethnic groups. It has maintained an oversight of donations and fundraising through the consideration of the annual report from the Fundraising Coordination Committee.

Council has maintained an oversight of academic governance. It has received regular reports of the meetings of Senate, including updates on progress in implementing the recommendations of a Senate Effectiveness Review. The Review has included a major revision of the Ordinances relating to Senate and an enhancement of Senate's oversight of the University's partnership arrangements with other institutions. Council also received reports on student recruitment, the National Student Survey and a report on student complaints and appeals including complaints to the Office of the Independent Adjudicator.

Council has spent a considerable time discussing the higher education environment in 2015-16, particularly Government policy development through the Green and White Paper to the Higher Education Bill, the impact of the outcome of the EU referendum and the impact of all these developments on the University's academic objectives and long term financial sustainability. The aim of the discussion has been to ensure that the University is able to make progress in realising its objectives and take appropriate steps to mitigate risks.

Much of Council's detailed work is initially handled by committees. These committees, listed below, have written terms of reference and specified membership, including external members (from whom Council generally appoints chairs), designated quorums and generally meet two or three times per year.

The Finance and Resources Committee oversees all financial matters of the University and reports regularly to Council. It uses an agreed Financial Framework to guide its deliberations. It is responsible for scrutinising the University's budgets and financial forecasts and makes recommendations to Council for approval. It reports on the financial performance of the University on a quarterly basis and scrutinises the end of year financial statements in the light of comments from the External Auditors and the Audit Committee before making a recommendation to Council. University expenditure is governed by

STATEMENT OF CORPORATE GOVERNANCE & INTERNAL CONTROL (CONT)

a scheme of delegation. The Finance and Resources Committee considers proposals for large items of expenditure and makes recommendations for items over £2 million to Council for approval.

The Audit Committee has responsibility for making recommendations to Council for the appointment of the External and Internal Auditors. The Committee regularly considers reports from Internal Audit and the views of the External Auditors. It considers the annual update of the Risk Register and reviews the Risk Register each term. It considers regular reports on Value for Money and oversees the University's Corporate Standards for Data Quality. The Committee submits regular reports to Council summarising key aspects of its work. On the basis of its work throughout the year, the Committee makes an Annual Report to Council where it provides an opinion on the adequacy and effectiveness of the University's arrangements for risk management, control and governance; for promoting economy, efficiency and effectiveness (value for money) and the arrangements for the management and quality assurance of data submitted to the Higher Education Statistics Agency (HESA), HEFCE and other bodies. The Audit Committee conducted a review of its effectiveness in 2014-15 and also considered a review of the effectiveness of Internal Audit.

The Lay Nominations Committee is responsible for making recommendations to Council for the appointment of lay members. In fulfilling this responsibility it takes account of the balance of skills across the membership and the need for Council to be effective as the governing body. It also takes account of the University's policy on equality diversity and inclusivity and has made a particular effort to improve the gender balance of Council membership. It has used a mixture of targeted recruitment and public advertisement to recruit new members. In 2015-16 there were equal numbers of men and women on Council.

The Remuneration Committee is responsible for considering the remuneration of the University's Vice-Chancellor, Deputy Vice-Chancellors, Pro-Vice-Chancellors and the Director of Finance. In fulfilling this responsibility it considers the outcomes of appraisal, performance against targets and benchmarking information against peer group institutions. The Committee reports to Council and provides a note of its methodology and the rationales for its decisions.

The Safety, Health and Environment Executive Committee is responsible for the University's safety health and environment policies, their effectiveness and how they might be enhanced, setting performance standards and determining action where standards are not met. It provides an Annual Report to Council and reports regularly on issues as they arise.

Effectiveness of Council and its committees

The Review for 2015-16 was led by an external consultant, David Allen OBE, former Registrar and Deputy Chief Executive of the University of Exeter. The overall conclusion of the Review was that: "The University starts from a high base. It is generally regarded as well governed, led and managed the Council is ambitious and there is an openness to consider new ways of doing things." The Review found the University to be substantially compliant with the Higher Education Code of Governance but identified three areas for further consideration.

- The Code suggests that universities 'might consider adopting a clear scheme of delegation'. The University will continue to develop its documentation concerning delegation into an overall scheme;
- The Code requires that staff and student members of the governing body must not be routinely excluded from discussions. The Council has agreed not to use reserved business on a routine basis but will retain the possibility in case of unforeseen circumstances;
- The Code invites governing bodies to consider reviewing annual reports on the work of appropriate institutional committees in relation to ethics. Council will give this further consideration in 2016-17.

Any enquiries about the constitution and governance of the University should be addressed to the Secretary of the Council.

Statement of internal control

The University Council is responsible for ensuring the maintenance of a sound system of internal control that supports the achievement of the University's mission and strategic aims and objectives while safeguarding the public and other funds and assets for which the University is responsible, in accordance with the responsibilities assigned to the Council in the University's Charter and Statutes and the requirements of the Memorandum of Assurance and Accountability with HEFCE. The Council is substantially compliant with the Higher Education Code of Governance and has been reviewing compliance and best practice as part of its recent Council Effectiveness Review.

The University's system of risk management and internal control is designed to manage rather than eliminate the risk of failure to achieve institutional mission, strategic aims and objectives. It seeks to identify the principal risks to the achievement of the University's mission, strategic aims and objectives, to evaluate the nature and extent of those risks and to manage them by appropriate controls and mitigation. Risks are monitored regularly so that any necessary remedial action can be taken. This process was in place for the year ended 31 July 2016 and up to the date of approval of the Financial Statements for 2015/16 and it accords with HEFCE guidance.

The Internal Audit Annual Report for 2015/2016 provided an overall opinion that was qualified in relation to one risk. It stated that the University maintained "adequately designed and effective arrangements for risk management, control and governance, and economy, efficiency and effectiveness, except for the strategic risk area of immigration controls for overseas visitors, where we provided limited assurance." Council considered the management response to this particular risk at its meeting in October 2016 and received an update on progress at its meeting in November 2016. Council was assured that procedures had been revised to mitigate the risk.

In summary key aspects of the University's overall system of internal control, for which the Council has overall responsibility, are as follows:

- Every three or five years Council approves a new University Plan; the version in effect for the period of these accounts was that for 2015-2020 (and may be seen on the University's website). This new Plan was approved by Council on 15 October 2015 and Council will closely monitor progress towards its objectives;

- Council meets regularly to consider strategic, policy and oversight matters. These include the annual approval of a Risk Register (based on the institutional Plan and compiled on an objective scoring basis); the annual report on risk management and annual reports from the Audit Committee and the Head of Internal Audit, each including an evaluation of the assurance provided by internal controls;
- The Vice-Chancellor and her Executive Group are responsible for the management of the University, including oversight of risk management and consideration of termly monitoring reports on risk and value for money (VfM);
- Internal Audit's work, based on risk assessment, plays a valuable role in providing assurance on the adequacy and effectiveness of risk management, control and governance arrangements and VfM. The Internal Audit Strategic and Operational Plan is regularly reviewed and flexed to address any issues that may arise;
- The Audit Committee meets four times a year and receives regular reports from the Head of Internal Audit which include an independent opinion on the University's system of control and recommendations for improvement, and the termly monitoring reports on risk management and VfM. It also reviews progress on implementing Internal Audit and External Audit recommendations;
- The University's system of risk management covers all risks, including those of governance, management, management and control of information, quality, reputation, compliance and finance, in its complete Risk Register, and focuses on reviewing the most important risks, the Significant or Contingency Risks, and the actions taken to mitigate them, in its termly monitoring reports. Risks are identified and scored by Risk Owners (University Directors and Managers) annually as part of a "bottom up" consultation process and meetings are also held with members of Executive Group to identify key themes and any new or emerging risks. All risks are mapped against the University's Mission Critical Areas and the Key Messages in the University's 2015-2020 Strategic Plan. Once drafted, the Risk Register is reviewed by Executive Group, Audit Committee and then approved by Council, usually at its Summer Term meeting (on 1 July 2016 in 2015/2016);
- The Significant or Contingency Risks for the year are then subject to Risk Owner action plans and termly performance monitoring, to Executive Group and to Audit Committee. This has been an annual process, with termly review, but in 2015/2016 emergent Significant and Contingency Risks were considered within the year for the first time. A new Significant Risk was added after Term 1, related to the PREVENT initiative to tackle extremism, and another Risk was added after Term 2, related to UK Visa and Immigration requirements for University staff;
- The heads of academic schools and professional service departments are responsible for the identification and management of risks and the achievement of value for money in their areas of operation on a day-to-day basis and in relation to future plans.

Council's overall assessment of the effectiveness of internal control is informed by reports from the Audit Committee, the External Auditors in their Management Letter, the Internal Auditor, from the Vice-Chancellor and other executive officers and from HEFCE. The last includes HEFCE's institutional assessment of the University which indicated that, based on the returns for 2014/15, the University was "not at higher risk" and the conclusion of the 2014 HEFCE Assurance Review that reliance could be placed on the University's accountability information. Council's assessment that the University's internal control was sound for 2015/16 and to the date of its approval of these Financial Statements is hereby confirmed for the record.

Signed on behalf of the University of Kent on 25 November 2016 by:

Sir David Warren
Chair of the Council

Professor Dame Julia Goodfellow
Vice-Chancellor and President

STATEMENT OF THE RESPONSIBILITIES OF THE UNIVERSITY'S COUNCIL

In accordance with the University's Charter of Incorporation, the Council is "the supreme governing body of the University and ...[is] responsible for the exercise of the University's powers" (extract from Section 6 of the Charter).

The Council 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 University's Charter and Statutes, United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law) including FRS 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland', the Statement of Recommended Practice: Accounting for Further and Higher Education published in March 2014 and any subsequent amendments and the HEFCE Accounts Direction.

In addition, within the terms and conditions of HEFCE's Memorandum of Assurance and Accountability (July 2016) agreed between the Higher Education Funding Council for England (HEFCE) and the Council of the University, the Council, through its accountable officer (the Vice-Chancellor), 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 group and of its surplus or deficit, gains or losses, changes in reserves and cash flows of the group for that year.

In causing the financial statements to be prepared, the Council has ensured that:

- Suitable accounting policies are selected and applied consistently;
- Judgments and estimates are made that are reasonable and prudent;
- Applicable United Kingdom accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- Financial statements are prepared on the going concern basis unless it is inappropriate to presume that the University will continue in operation. The Council is satisfied that the University has adequate resources to continue in operation for the foreseeable future; for this reason the going concern basis continues to be adopted in the preparation of the financial statements;
- There is no relevant audit information of which the auditors are unaware; and
- Each member has taken all the steps that he or she ought to have taken to be aware of any relevant audit information and to establish that the auditors are aware of that information.

The Council has taken reasonable steps to:

- Ensure that funds from HEFCE are used only for the purposes for which they have been given and in accordance with the HEFCE Memorandum of Assurance and Accountability (July 2016) and any other conditions which HEFCE may from time to time prescribe;
- Ensure that there are appropriate financial and management controls in place to safeguard public funds and funds from other sources;
- Ensure that the University has a robust and comprehensive system of risk management, control and corporate governance, which includes the prevention and detection of corruption, fraud, bribery and irregularities;
- Safeguard the assets of the University and prevent and detect fraud, bribery and other irregularities; and
- Secure the economical, efficient and effective management of the University's resources and expenditure.

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:

- Clear definitions of the responsibilities of, and the authority delegated to, heads of academic schools and professional service departments;
- A comprehensive medium and short-term planning process, supplemented by detailed annual income, expenditure, capital and cash flow budgets;
- Regular reviews of academic performance and financial results involving variance reporting and updates of forecast outturns;
- 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 Council;
- Comprehensive Financial Regulations, detailing financial controls and procedures, approved by the Finance and Resources Committee and the Council; and
- A professional Internal Audit Office whose annual programme takes into account matters included in the Risk Register and is approved by the Audit Committee in line with the Statement of Internal Control.

INDEPENDENT AUDITORS REPORT TO THE COUNCIL OF THE UNIVERSITY OF KENT



Grant Thornton UK LLP, Grant Thornton House
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We have audited the financial statements of the University of Kent (the 'University') for the year ended 31 July 2016 which comprise the Consolidated and University statement of Comprehensive Income and Expenditure, the Consolidated and University statement of Changes in Reserves, the Consolidated and University Balance Sheets, the Consolidated Statement of Cash flows 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) including FRS102 the Financial Reporting Standard applicable in the UK and Republic of Ireland.

This report is made solely to the University's Council, as a body, in accordance with the Charter and Statutes of the University. Our audit work has been undertaken so that we might state to the University's Council those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the University and the University's Council, as a body, for our audit work, for this report, or for the opinions we have formed.

Respective responsibilities of the Members of the University's Council and auditor

As explained more fully in the Statement of the Responsibilities of the University's Council set out on page 30, the University's Council are responsible for the preparation of the 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

A description of the scope of an audit of financial statements is provided on the Financial Reporting Council's website at www.frc.org.uk/auditscopeukprivate.

Opinion on financial statements

In our opinion the financial statements:

- give a true and fair view of the state of the group's and the University's affairs as at 31 July 2016, and of the group's and University's surplus and its income and expenditure, gains and losses, changes in reserves and the group's cash flows for the year then ended; and
- have been properly prepared in accordance with the Statement of Recommended Practice: Accounting for Further and Higher Education published in March 2014.

Opinion on other matters prescribed by HEFCE's Memorandum of assurance and accountability dated July 2016

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 and managed in accordance with the relevant legislation;
- funds provided by HEFCE have been applied in accordance with the Memorandum of assurance and accountability and any other terms and conditions attached to them; and
- the requirements of HEFCE's accounts direction have been met.

Grant Thornton UK LLP
Statutory Auditor, Chartered Accountants, London

25 November 2016

CONSOLIDATED & UNIVERSITY STATEMENT OF COMPREHENSIVE INCOME AND EXPENDITURE

FOR THE YEAR ENDED 31 JULY 2016

| | Note | Consolidated & University 2015/16 £000 | 2014/15 (restated) £000 |
|---|------|--|-------------------------------|
| Income | | | |
| Tuition Fees & Education Contracts | 1 | 155,468 | 143,172 |
| Funding Council Grants | 2 | 28,884 | 29,276 |
| Research Grants & Contracts | 3 | 17,019 | 13,694 |
| Other Income | 4 | 50,706 | 45,591 |
| Investment Income | 5 | 735 | 705 |
| Total Income before Donations & Endowments | | 252,812 | 232,438 |
| Donation & Endowment Receipts | 6 | 971 | 637 |
| Total Income | | 253,783 | 233,075 |
| Expenditure | | | |
| Staff Costs | 7 | 135,446 | 137,260 |
| Other Operating Expenses | 9 | 85,521 | 74,155 |
| Depreciation | 12 | 22,606 | 16,098 |
| Interest & Other Finance Costs | 8 | 4,098 | 3,359 |
| Total Expenditure | | 247,671 | 230,872 |
| Surplus before other gains / (losses) | | 6,112 | 2,203 |
| Gain on Investments | | 153 | 52 |
| Surplus before tax | | 6,265 | 2,255 |
| Taxation | 10 | (203) | - |
| Surplus for the Financial Year | | 6,062 | 2,255 |
| Actuarial (loss)/gain in respect of pension schemes | | - | (41) |
| Total comprehensive income for the year | | 6,062 | 2,214 |
| Represented by: | | | |
| Endowment comprehensive income for the year | | 386 | (70) |
| Restricted comprehensive income for the year | | 43 | (81) |
| Unrestricted comprehensive income for the year | | 5,633 | 2,365 |
| | | 6,062 | 2,214 |

All income and expenditure recognised above relates to continuing operations.

STATEMENT OF CHANGES IN RESERVES

FOR THE YEAR ENDED 31 JULY 2016

| | Statement of Comprehensive Income and Expenditure | | | |
|--|---|--------------------|----------------------|----------------|
| | Endowment £000 | Restricted £000 | Unrestricted £000 | Total £000 |
| Consolidated | | | | |
| Balance at 1 August 2014 | 4,880 | 440 | 281,132 | 286,452 |
| Surplus for the year | 231 | 131 | 1,893 | 2,255 |
| Other comprehensive income | - | - | (41) | (41) |
| Release of restricted funds spent in year | (301) | (212) | 513 | - |
| Total comprehensive income for the year | (70) | (81) | 2,365 | 2,214 |
| Balance at 1 August 2015 | 4,810 | 359 | 283,497 | 288,666 |
| Surplus for the year | 746 | 157 | 5,159 | 6,062 |
| Other comprehensive income | - | - | - | - |
| Release of restricted funds spent in year | (360) | (114) | 474 | - |
| Total comprehensive income for the year | 386 | 43 | 5,633 | 6,062 |
| Balance at 31 July 2016 | 5,196 | 402 | 289,130 | 294,728 |
| University | | | | |
| Balance at 1 August 2014 | 4,880 | 440 | 281,097 | 286,417 |
| Surplus for the year | 231 | 131 | 1,893 | 2,255 |
| Other comprehensive income | - | - | (41) | (41) |
| Release of restricted funds spent in year | (301) | (212) | 513 | - |
| Total comprehensive income for the year | (70) | (81) | 2,364 | 2,213 |
| Balance at 1 August 2015 | 4,810 | 359 | 283,462 | 288,631 |
| Surplus for the year | 746 | 157 | 5,159 | 6,062 |
| Other comprehensive income | - | - | - | - |
| Release of restricted funds spent in year | (360) | (114) | 474 | - |
| Total comprehensive income for the year | 386 | 43 | 5,633 | 6,062 |
| Balance at 31 July 2016 | 5,196 | 402 | 289,095 | 294,693 |

BALANCE SHEETS

AS AT 31 JULY 2016

| | Note | Consolidated | | University | |
|--|------|-----------------|--------------------|-----------------|--------------------|
| | | 2016 | 2015 (restated) | 2016 | 2015 (restated) |
| | | £000 | £000 | £000 | £000 |
| Non-current assets | | | | | |
| Tangible Fixed Assets | 12 | 390,633 | 361,919 | 390,633 | 361,919 |
| Fixed Asset Investments | 14 | 65 | 65 | 65 | 65 |
| | | 390,698 | 361,984 | 390,698 | 361,984 |
| Current assets | | | | | |
| Stocks | | 803 | 939 | 803 | 939 |
| Trade & Other Receivables | 15 | 17,469 | 16,624 | 17,469 | 16,624 |
| Current Asset Investments | 16 | 23,599 | 23,057 | 23,599 | 23,057 |
| Cash & Cash Equivalents | | 40,812 | 58,964 | 40,684 | 58,837 |
| | | 82,683 | 99,584 | 82,555 | 99,457 |
| Creditors: amounts falling due within one year | 17 | (53,717) | (47,182) | (53,624) | (47,184) |
| Net current assets | | 28,966 | 52,402 | 28,931 | 52,273 |
| Total assets less current liabilities | | 419,664 | 414,386 | 419,629 | 414,257 |
| Creditors: amounts falling due after more than one year | 18 | (96,435) | (99,966) | (96,435) | (99,872) |
| Provisions | | | | | |
| Pension Provisions | 19 | (28,366) | (25,619) | (28,366) | (25,619) |
| Other Provisions | 19 | (135) | (135) | (135) | (135) |
| | | (28,501) | (25,754) | (28,501) | (25,754) |
| Net assets | | 294,728 | 288,666 | 294,693 | 288,631 |
| Reserves | | | | | |
| Restricted reserves | | | | | |
| Endowment reserves | 20 | 5,196 | 4,810 | 5,196 | 4,810 |
| Restricted reserves | 21 | 402 | 359 | 402 | 359 |
| | | 5,598 | 5,169 | 5,598 | 5,169 |
| Unrestricted reserves | | | | | |
| General Reserve | | 289,130 | 283,497 | 289,095 | 283,462 |
| Total reserves | | 294,728 | 288,666 | 294,693 | 288,631 |

The financial statements on pages 32 to 56 were approved by the Council on 25 November 2016 and signed on its behalf by:

Professor Dame Julia Goodfellow,
Vice-Chancellor and President

Robert Scruton, Chair of the Finance and
Resources Committee

Lisa-Jane Crudgington-Higham,
Director of Finance

CONSOLIDATED STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED 31 JULY 2016

| | Note | 2015/16 £000 | 2014/15 £000 |
|---|-------|-----------------|-----------------|
| Cash Flow from Operating Activities | | | |
| Surplus for the year | | 6,062 | 2,255 |
| Adjustment for non-cash items | | | |
| Depreciation | 12 | 22,606 | 16,098 |
| (Gain) on investments | | (153) | (52) |
| Decrease/(increase) in stock | | 136 | (276) |
| (Increase) in debtors | 15 | (864) | (2,371) |
| Increase/(decrease) in creditors | 17/18 | 1,424 | (6,274) |
| Increase in pension provision | 19 | 2,747 | 12,815 |
| (Decrease) in other provisions | 19 | - | (228) |
| Adjustment for investing or financing activities | | | |
| Investment income | 5 | (735) | (688) |
| Interest payable | 8 | 3,326 | 3,035 |
| Endowment income | 20 | (527) | (68) |
| Capital grant income | | (2,246) | (2,575) |
| Net cash inflow from operating activities | | 31,776 | 21,671 |
| Cash flows from investing activities | | | |
| Capital grant receipts | | 6,100 | 3,628 |
| Investment income | 5 | 741 | 672 |
| Payments made to acquire fixed assets | 12 | (49,667) | (40,725) |
| New non-current asset investments | 14 | - | (65) |
| New deposits | | (389) | (50) |
| | | (43,215) | (36,540) |
| Cash flows from financing activities | | | |
| Interest paid | 8 | (4,154) | (3,035) |
| Endowment cash received | 20 | 527 | 68 |
| New unsecured loans | 18 | - | 50,000 |
| Repayments of amounts borrowed | | (3,086) | (2,882) |
| | | (6,713) | 44,151 |
| (Decrease)/increase in cash and cash equivalents in the year | | (18,152) | 29,282 |
| Cash and cash equivalents at beginning of the year | | 58,964 | 29,682 |
| Cash and cash equivalents at end of the year | | 40,812 | 58,964 |

STATEMENT OF PRINCIPAL ACCOUNTING POLICIES

A Basis of preparation

These financial statements have been prepared in accordance with the Statement of Recommended Practice (SORP 2015): Accounting for Further and Higher Education 2015 and in accordance with applicable Financial Reporting Standards (FRS 102).

The University is a public benefit entity and has applied the relevant public benefit requirements of FRS 102.

The financial statements have been prepared under the historical cost convention modified by the revaluation of certain fixed assets and investments.

B Basis of consolidation

The consolidated financial statements include the University and all of its subsidiary undertakings. Intra-group transactions are eliminated fully on consolidation. In accordance with FRS102, the activities of Kent Union have not been consolidated because the University does not exert control or dominant influence over those activities.

C Income recognition

Tuition fees

Income from tuition fees is stated gross and recognised over the related study period. Where the tuition fee has been reduced by a payment discount or University fee waiver, the income receivable is shown net of the discounted amount. University funded bursaries and scholarships paid to students are accounted for gross as expenditure.

Revenue grants

Grants from Government sources are recognised as income within the Consolidated Statement of Income and Expenditure in line with the related costs for which the grant is intended to compensate. Where part of a Government grant is deferred it is retained as deferred income within creditors and allocated between creditors due within one year and due after more than one year as appropriate.

Grants from non-government sources are recognised within the Consolidated Statement of Comprehensive Income and Expenditure when the University is entitled to receive the income and performance related conditions have been met. Any income received in advance of these conditions being met is retained as deferred income within creditors.

Donations and endowments

Non-exchange transactions without performance related conditions are accounted for as donations or endowments.

Donations and endowments with restrictions on the use of the funds (which do not amount to performance conditions) are recognised as income within the Consolidated Statement of Comprehensive Income and Expenditure when the University becomes entitled to them. This income is held within a restricted reserve until such time that expenditure is incurred in line with the restrictions. This income is then released to unrestricted reserves through a reserve transfer.

Income in respect of donations and endowments without donor imposed restrictions is recognised within the Consolidated Statement of Comprehensive Income and Expenditure when the funds are receivable and recorded within unrestricted reserves.

Investment income

Income from short-term deposits and current asset investments is credited to income in the period in which it is earned.

Capital grants

Grants received from any sources for the purpose of purchasing or constructing fixed assets are recognised as income as performance conditions are met. This will normally be at the point the asset is brought into use, or in line with phased completion of large construction projects, depending on the terms of the grant.

Other Income

All other income, including Residences and Catering, is recognised within the Consolidated Statement of Comprehensive Income and Expenditure in the period within which it is earned.

D Agency arrangements

Any funds that the University receives and disburses whilst acting as agent on behalf of a funding body and where the University is exposed to minimal risk or enjoys minimal economic benefit in relation to the transaction, such as externally funded bursaries and scholarships where the funder determines the recipient, are excluded from the Consolidated Statement of Comprehensive Income and Expenditure. Any commissions received in this respect are credited to the Consolidated Statement of Comprehensive Income and Expenditure as earned.

E Maintenance of premises

The University has a long-term rolling maintenance plan, which forms the basis of the ongoing maintenance of the estate. The cost of long-term and routine corrective maintenance is charged to the Consolidated Statement of Comprehensive Income and Expenditure as incurred.

F Foreign currency translation

Transactions denominated in foreign currencies are recorded at the rate of exchange ruling at the dates of the transactions. Assets and liabilities denominated in foreign currencies are translated into sterling either at year end rates or, where there are related forward foreign exchange contracts, at contract rates. All resulting exchange differences are taken to the Consolidated Statement of Comprehensive Income and Expenditure in the period in which they arise.

G Employee benefits

Short-term employee benefits

Short-term employment benefits such as salaries and compensated absences are recognised as an expense in the year employees render service to the University. A liability is recognised at each balance sheet date to the extent that employee holiday allowances have been accrued but not taken, the expense being recognised as Staff Costs in the Consolidated Statement of Comprehensive Income and Expenditure.

Post-employment benefits (pensions)

Retirement benefits for most employees of the University are provided by the Universities Superannuation Scheme (USS) and the Superannuation Arrangements of the University of London (SAUL). These are multi-employer defined benefit schemes. The assets of both schemes are held in separate trustee administered funds. Both schemes operate as "Last Man Standing" schemes so that in the event of the insolvency of any of the participating employers, the amount of any pension funding shortfall (which cannot otherwise be recovered) in respect of that employer will be spread across the remaining participating employers and reflected in the next actuarial valuation. The University is unable to identify its share of the underlying assets and liabilities of the schemes on a consistent and reasonable basis and therefore, as required by FRS102, accounts for the schemes as if they were defined contribution schemes.

As a result, the amount charged to the Consolidated Statement of Comprehensive Income and Expenditure represents the contributions payable to the schemes in respect of the accounting period. Informal reviews of the position of the schemes are carried out between formal valuations.

A provision is recorded on the Balance Sheet for any contractual commitment to fund past deficits within the multi-employer schemes as determined by the scheme management. The associated expense is recognised in the Consolidated Statement of Comprehensive Income and Expenditure in the year in which the deficit recovery plan is agreed.

The amount charged to the Consolidated Statement of Comprehensive Income and Expenditure represents the total contributions payable to the scheme in respect of the accounting period, less the unwinding of the provision for deficit recovery plans held on the Balance Sheet over the period of the recovery plan.

H Tangible fixed assets

Land and buildings

Land held was valued as at 31 July 2014 by an external valuer, Gerald Eve LLP, a regulated firm of Chartered Surveyors. A valuation was prepared in accordance with the requirements of the RICS Valuation – Professional Standards, April 2015, and FRS 102. The valuation was undertaken on a Fair Value basis and has been reported under the special assumptions to exclude any value of development opportunities for which planning permission would be required and has not been granted or where development has not yet commenced.

In keeping with the transitional rules set out in FRS102 this land valuation is retained to be used as its 'deemed cost' going forward. Land purchased since 1 August 2014 is shown at cost. Freehold land is not depreciated.

Buildings are included in the Balance Sheet at cost together with subsequent refurbishment expenditure less accumulated depreciation.

Finance costs which are directly attributable to the purchase or construction of land and buildings are capitalised as part of the cost of those assets.

Buildings under 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.

Once a building is brought into use any elements with significant value and a materially different life are depreciated separately from the main structure.

Depreciation on buildings is provided on a straight-line basis over their expected useful economic lives as follows:

| | |
|--|----------|
| Building structure | 80 years |
| Roofing & Windows | 30 years |
| Mechanical & Electrical systems | 25 years |
| Refurbishment of general facilities | 15 years |
| Refurbishment of residential facilities | 10 years |
| Refurbishment of dining & trading facilities | 5 years |

Where assets are recognised in respect of service concession arrangements or finance leases they are valued at the present value of future minimum lease payments. These assets are depreciated over the length of the lease term, or where lower, the useful economic life of the asset as above.

Where material, a depreciable asset's anticipated useful economic life is reviewed annually and the accumulated and future depreciation adjusted in accordance with FRS102. A review of the impairment of a fixed asset is also carried out if events or changes in circumstances indicate that the carrying value of the fixed asset may not be recoverable.

Site works

Site works on University campuses, when capitalised, are depreciated over useful economic lives as follows:

| | |
|------------------------------|----------|
| Infrastructure works | 30 years |
| Groundworks & Landscaping | 25 years |
| Roads, Footpaths & Car Parks | 15 years |

Equipment

Equipment costing less than £20,000 per individual item or group of related items is written off in the year of acquisition. All other equipment is capitalised at cost. Costs relating to major system developments in progress are not depreciated until the system is brought into use.

Capitalised equipment is depreciated over its useful economic life as follows:

| | |
|--|-------------------------------------|
| General equipment and furniture | 5 to 10 years |
| Computer equipment and systems | 3 to 5 years |
| Equipment acquired for specific research or other projects | Project life (generally 3 years) |

Where equipment is acquired with the aid of specific grants it is capitalised and depreciated in accordance with the above policy, with the related grant income recognised in line with Accounting Policy C.

STATEMENT OF PRINCIPAL ACCOUNTING POLICIES (CONT)

I Investments

Fixed asset investments that are not listed on a recognised stock exchange are carried at historical cost less any provision for impairment of their value.

Current asset investments are initially recognised at cost and subsequently measured at fair value at each reporting date. Where fair value cannot be reliably measured or investments are not publicly traded, they will be measured at cost less impairment.

Any subsequent increase or decrease in value is recognised within the Consolidated Statement of Comprehensive Income and Expenditure and transferred to restricted or unrestricted reserves as appropriate.

J Stocks

Stocks are stated at the lower of their cost and net realisable value. Where necessary, provision is made for obsolete, slow moving and defective stocks.

K Taxation

The University is an exempt charity within the meaning of Schedule 3 of the Charities Act 2011 and as such is a 'charitable company' within the meaning of Paragraph 1 of Schedule 6 of the Finance Act 2010. Accordingly, the University is potentially eligible for exemption from taxation in respect of income or capital gains received within categories covered by section 471 and sections 478-488 of the Corporation Tax Act (CTA) 2010, and section 256 of the Taxation of Chargeable Gains Act 1992, to the extent that such income or gains are applied only to charitable purposes of the University and the extent to which any such exemption is not disapplied by Section 492 of the CTA 2010 in respect of any 'non-exempt amount' arising from non-primary purpose trading.

In the event that non-primary purpose trading losses arise, the University treats the trades concerned as falling within Section 44 of the CTA 2010 as being carried out on a commercial basis with a view to realisation of gain within the larger undertaking of the University so that Section 37 of the CTA 2010 applies to allow the non-primary purpose loss to be offset against the surplus for which tax exemption is disapplied by virtue of the existence of the non-primary purpose trading loss.

Corporation tax is payable on the Research and Development Expenditure Credits (RDEC) under measures enacted through Schedule 15 of the Finance Act 2013.

The University receives no similar exemption in respect of VAT. Irrecoverable VAT incurred is included in the costs of the respective expenditure; this also applies for that incurred on the purchase of tangible fixed assets.

As commercial organisations, the University's subsidiary companies are subject to corporation tax and VAT.

L Liquid resources

Cash includes cash in hand, cash at bank, deposits repayable on demand and overdrafts. Deposits are repayable on demand if they are in practice available within 24 hours without penalty.

Cash equivalents are short term, highly liquid investments that are readily convertible to known amounts of cash with insignificant risk of change in value. These include term deposits and other instruments held as part of the University's treasury management activities.

Cash deposits with recognised banks and building societies with a duration of 3 months or less invested in accordance with the University's Cash Management Policy are treated as cash equivalents in the University and Consolidated Balance Sheets. Cash deposits with a duration of more than 3 months invested in accordance with the University's Cash Management Policy are treated as Current Asset Investments in the University and Consolidated Balance Sheets.

Cash and cash equivalents contains sums relating to endowment reserves which have restrictions on their use. Note 20 summarises the balances of restricted endowment funds.

M Provisions

General

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.

Pension

Provisions are recognised in respect of the University's pension schemes as detailed in Accounting Policy G.

N Leases & service concession arrangements

Operating leases

An operating lease is defined as one where the lessor retains most of the risks and rewards of ownership of the asset.

All operating lease payments are included in the Consolidated Statement of Comprehensive Income and Expenditure in the period to which the payment relates. Future liabilities under such operating leases are disclosed as a financial commitment in the notes to the accounts.

Rental payments received are credited to the Consolidated Statement of Comprehensive Income and Expenditure in the period to which the income relates. Lease premiums received at the start of a lease are credited to the Consolidated Statement of Comprehensive Income and Expenditure as rental income over the minimum lease term.

Finance leases

Leases in which the University assumes substantially all the risks and rewards of ownership of the leased asset are classified as finance leases.

Assets acquired by finance lease and the associated lease liability are stated at the lower of fair value and the present value of the minimum lease payments at inception of the lease, less accumulated depreciation and impairment losses.

Service concession arrangements

Service concession arrangements are lease arrangements whereby the lessor also provides services (eg maintenance and operation) alongside provision of the assets and any significant residual value of the asset passes to the University at the end of the lease. Any service concession arrangement liability is valued at the present value of future minimum lease payments with a corresponding asset being created within Property, Plant and Equipment assets and depreciated in line with Accounting Policy H.

O Accounting for jointly controlled assets and operations

The University accounts for its share of joint ventures using the equity method.

The University accounts for its share of the transactions from joint operations and jointly controlled assets in the Statement of Comprehensive Income and Expenditure.

P Reserves

Reserves are allocated between Restricted and Unrestricted reserves. Restricted endowment reserves include balances which, through endowment to the University, are held as a permanently restricted fund as the University must hold the fund to perpetuity.

Other restricted reserves include balances through which the donor has designated a specific purpose and therefore the University is restricted in the use of these funds.

Q Significant estimates and judgements

The University considers the following areas to be significant areas of estimates or judgements which could have a significant impact on the financial statements:

Service concession arrangements

Contracts have been reviewed and judgement applied in determining whether they meet the criteria for Service concession arrangement. The treatment of these arrangements is shown in accounting policy N, and information on these contracts and their impact in the financial statements is shown in Note 13.

Depreciation

The useful economic lives used in the calculation of depreciation charges are a significant area of estimate. The lives used in these financial statements for all groups of fixed assets are shown in accounting policy H and the impact can be seen in Note 12.

Revaluation of land

The valuation of the land now taken forward as deemed cost is a significant judgement. Further information on the basis of the valuation and the impact on the financial statements can be seen in Note 12 and Note 28.

Pension Scheme assumptions

FRS 102 makes the distinction between a Group Plan and a multi-employer scheme. A Group Plan consists of a collection of entities under common control typically with a sponsoring employer. A multi-employer scheme is a scheme for entities not under common control and represents (typically) an industry-wide scheme such as that provided by USS and SAUL. The accounting for a multi-employer scheme where the employer has entered into an agreement with the scheme that determines how the employer will fund a deficit results in the recognition of a liability for the contributions payable that arise from the agreement (to the extent that they relate to the deficit) and the resulting expense is recognised in profit or loss. The University is satisfied that the schemes provided by USS and SAUL meet the definition of a multi-employer scheme and has therefore recognised the discounted fair value of the contractual contributions under the funding plans in existence at the date of approving the financial statements.

Management's estimate of the defined benefit obligations for the USS and SAUL pension schemes is based on a number of critical underlying assumptions such as standard rates of inflation, mortality, discount rates and anticipation of future salary increases. Variations in these assumptions may significantly impact the defined benefit obligation amounts and the annual defined benefit expenses. See note 27 for further details.

R Transition to FRS102 and other changes

This is the first year that the University has presented its Financial Statements under FRS 102 and the SORP 2015 based upon it. The University has consequently applied the first time adoption requirements as per Section 27 of the SORP 2015.

An explanation of how the transition to the SORP 2015 has affected the reported financial position, financial performance and cash flows of the consolidated results of the University is provided in note 28.

Unless otherwise stated, assets and liabilities have been measured at historic cost under previous UK GAAP, as at 31 July 2014, upon transition.

Application of first time adoption grants certain exemptions from the full requirements of the SORP 2015 in the transition period.

The following exemptions have been applied upon transition to the new accounting standards, as allowed under FRS 102;

- Lease incentives on leases entered into before the transition date will continue to be accounted for on the pre-transition basis and not as per Section 20 of FRS 102.
- The deemed cost upon transition of Land within Tangible Fixed Assets is based upon a valuation performed as at 31 July 2014.

During the year the University also increased the capitalisation threshold from £5,000 to £20,000. The impact of this change is shown in the analysis on note 28, but separately identified as 'Other'.

NOTES TO THE ACCOUNTS

1 Tuition fees and education contracts

| | 2015/16 £000 | 2014/15 £000 |
|----------------------------------|-----------------|-----------------|
| Full-time Home & EU Students | 113,076 | 100,952 |
| Full-time International Students | 36,286 | 36,026 |
| Part-time Fees | 2,582 | 2,798 |
| Research Training Support Grants | 1,901 | 1,759 |
| Short Course Fees | 1,623 | 1,637 |
| | 155,468 | 143,172 |

2 Funding council grants

| | 2015/16 £000 | 2014/15 £000 |
|--|-----------------|-----------------|
| Recurrent Grant | | |
| Higher Education Funding Council | 24,995 | 25,774 |
| Capital Grants | 2,071 | 2,226 |
| Specific Grants | | |
| Joint Information Systems Committee (JISC) | - | 259 |
| All Other Grants | 1,818 | 1,017 |
| | 28,884 | 29,276 |

3 Research grants and contracts

| | 2015/16 £000 | 2014/15 £000 |
|----------------------------|-----------------|-----------------|
| Research Councils | 7,067 | 5,705 |
| UK Based Charities | 1,572 | 1,636 |
| UK Industry & Commerce | 399 | 195 |
| Government (UK & EU) | 7,137 | 5,438 |
| Other Grants and Contracts | 844 | 720 |
| | 17,019 | 13,694 |

In 2015/16 income from UK Government includes £949k in relation to the one-off recovery of Research & Development Expenditure Credits (RDEC) from HMRC. The associated corporation tax cost is shown in Note 10.

4 Other income

| | 2015/16 | 2014/15 |
|------------------------------------|---------------|---------------|
| | £000 | £000 |
| Residences, Catering & Conferences | 34,244 | 31,339 |
| Other Income Generating Activities | 7,519 | 5,884 |
| Other Revenue Grants | 3,928 | 4,050 |
| Capital Grants (non-HEFCE) | 175 | 349 |
| Other Income | 4,840 | 3,969 |
| | 50,706 | 45,591 |

'Other income' includes rental income on University owned properties, fees and charges received in relation to non-commercial activities and income received for the provision of non-standard services to students.

5 Investment income

| | 2015/16 | 2014/15 |
|---------------------------------|------------|------------|
| | £000 | £000 |
| Investment Income on Endowments | 124 | 118 |
| Other Investment Income | 218 | 276 |
| Other Interest Receivable | 393 | 294 |
| Net Return on Pension Scheme | - | 17 |
| | 735 | 705 |

6 Donation and endowment income

| | 2015/16 | 2014/15 |
|-----------------------------|------------|------------|
| | £000 | £000 |
| New Endowments | 527 | 68 |
| Donations with Restrictions | 157 | 107 |
| Unrestricted Donations | 287 | 462 |
| | 971 | 637 |

NOTES TO THE ACCOUNTS (CONT)

7 Staff costs

The average number of persons (including senior post holders) employed by the University during the year expressed as full time equivalents (FTE) was:

| | 2015/16 Avge FTE No. | 2014/15 Avge FTE No. |
|------------------------|----------------------------|----------------------------|
| Academic Staff | 805 | 790 |
| Research Staff | 157 | 140 |
| Academic Related Staff | 527 | 514 |
| Clerical Staff | 672 | 602 |
| Manual & Ancillary | 417 | 405 |
| Technical | 117 | 115 |
| | 2,695 | 2,566 |

The above figures exclude 697 FTE (2014/15: 720 FTE) in relation to employees classified Casual workers that are paid by timesheet. This figure includes post-graduate students who assist lecturers by providing part-time teaching to students.

| | 2015/16 £000 | 2014/15 £000 |
|---|-----------------|-----------------|
| Staff Costs for the above persons: | | |
| Wages & Salaries | 107,648 | 101,895 |
| Social Security Costs | 9,362 | 8,236 |
| Other Pension Costs (Note 27) | 15,871 | 14,399 |
| Movement in Pension Deficit Recovery Plan Provision | 2,356 | 12,550 |
| Restructuring Costs | 209 | 180 |
| | 135,446 | 137,260 |

The Restructuring Costs relate entirely to early retirements and redundancy payments arising from major restructuring of University activities arrangements.

The pension provision movement consists of increases to the total provision offset by the unwinding of existing provisions against additional contributions paid in the year. The associated finance cost is shown in note 8.

| | 2015/16 £000 | 2014/15 £000 |
|-----------------------------------|-----------------|-----------------|
| Staff Costs by Department: | | |
| Academic Departments | 76,026 | 73,213 |
| Academic Services | 10,470 | 9,928 |
| Research Grants & Contracts | 7,118 | 5,933 |
| Administration & Central Services | 22,838 | 21,410 |
| Residences & Catering | 9,264 | 8,492 |
| Premises | 5,152 | 4,568 |
| Pension provision movements | 2,356 | 12,550 |
| Other | 2,013 | 986 |
| Sub-total | 135,237 | 137,080 |
| Restructuring Costs | 209 | 180 |
| Total Staff Costs by Department | 135,446 | 137,260 |

7 Staff costs (cont)

Total Emoluments for the Vice-Chancellor:

| | 2015/16 £000 | 2014/15 £000 |
|--------------------------------------|-----------------|-----------------|
| Salary | 279 | 272 |
| Pension | - | - |
| Total Emoluments for the Year | 279 | 272 |

The emoluments of the Vice-Chancellor are determined by the Remuneration Committee which takes into account performance during the year and data from comparable institutions. Due to the impact of changes in the Finance Act in 2012/13 to restrict tax relief on pension contributions that exceed either an annual allowance or a maximum life-time allowance, some members of the Executive Group, including the Vice-Chancellor, have opted out of the USS pension scheme. To ensure equality with other members of staff and maintain benefits at an equivalent level, it has therefore been agreed that remuneration for 2013/14 onwards for those staff will be on a constant emoluments basis meaning that an amount equivalent to the employer's pension contribution that would have been paid is now added to gross salary.

Remuneration of other Higher Paid Staff, excluding employer's pension contributions and other equivalent payments:

| | 2015/16 No. | 2014/15 No. |
|---------------------|----------------|----------------|
| £100,000 - £109,999 | 11 | 10 |
| £110,000 - £119,999 | 5 | 8 |
| £120,000 - £129,999 | 3 | 2 |
| £130,000 - £139,999 | 1 | 1 |
| £140,000 - £149,999 | 1 | - |
| £150,000 - £159,999 | - | 1 |
| £160,000 - £169,999 | - | - |
| £170,000 - £179,999 | 2 | 1 |

No payments were made to former Higher Paid Staff during the year for compensation for loss of office (2014/15: £Nil) or to the USS for enhanced Pension benefits (2014/15: £Nil).

Key management personnel

Key management personnel, identified by the University as members of its Executive Group, are those persons having authority and responsibility for planning, directing and controlling the activities of the institution. Staff costs includes compensation paid to key management personnel consisting of salary and benefits including any employer's pension contribution and other equivalent payments.

| | 2015/16 £000 | 2014/15 £000 |
|---------------------------------------|-----------------|-----------------|
| Key management personnel compensation | 1,086 | 1,023 |

The Executive Group of the University of Kent consists of 6 people including the Vice-Chancellor.

NOTES TO THE ACCOUNTS (CONT)

8 Interest and other finance costs

| | 2015/16 £000 | 2014/15 £000 |
|--------------------------------------|-----------------|-----------------|
| Interest on Bank Overdrafts | - | 2 |
| Loan Interest | 4,124 | 3,472 |
| Pension Scheme Finance Costs | 772 | 324 |
| Less: Capitalised Interest (Note 12) | (798) | (439) |
| | 4,098 | 3,359 |

9 Other operating expenses

| | 2015/16 £000 | 2014/15 (restated) £000 |
|---|-----------------|-------------------------------|
| Academic Departments | 12,787 | 12,111 |
| Academic Services | 8,838 | 7,991 |
| Research Grants and Contracts | 4,618 | 3,610 |
| Bursary Payments to Students | 17,223 | 15,943 |
| Administration | 11,878 | 11,971 |
| Residences & Catering | 16,242 | 9,263 |
| Premises | 12,352 | 12,365 |
| Other Expenses | 1,583 | 901 |
| | 85,521 | 74,155 |
| Other Operating Expenses include: | | |
| Auditors' Remuneration | 84 | 56 |
| Auditors' Remuneration in Respect of Non-Audit Services | 20 | 23 |
| Operating Lease Rentals: | | |
| Land and Buildings | 900 | 847 |
| Other | 310 | 176 |
| | 1,314 | 1,102 |

10 Taxation

| | 2015/16 £000 | 2014/15 £000 |
|------------------------------------|-----------------|-----------------|
| UK Corporation Tax payable on RDEC | 203 | - |

The University has a Corporation tax liability in 2015/16 in relation to the one-off recovery of Research & Development Expenditure Credit (RDEC) from HMRC. There is no corporation tax payable in relation to operations.

11 Surplus on operations for the year

The Surplus on Operations for the Year is made up as follows:

| | 2015/16 £000 | 2014/15 £000 |
|---|-----------------|-----------------|
| University Surplus for the Year | 6,062 | 2,255 |
| Surplus generated by subsidiary companies | - | - |
| Consolidated Surplus for the Year | 6,062 | 2,255 |

Details of the University's subsidiary companies can be found in Note 14.

12 Tangible fixed assets

| | Land and Buildings £000 | Service Concession Arrangement Assets £000 | Assets Under Construction £000 | Equipment and Systems £000 | Consolidated & University Total £000 |
|-----------------------------|----------------------------------|--|---|-------------------------------------|--|
| Cost or Valuation | | | | | |
| At 1 August 2015 (restated) | 408,308 | 10,172 | 35,322 | 22,135 | 475,937 |
| Additions | 10,069 | - | - | 7,338 | 17,407 |
| Assets under construction | - | - | 33,913 | - | 33,913 |
| Transfers | 27,874 | - | (27,874) | - | - |
| Disposals | (692) | - | - | (3,124) | (3,816) |
| At 31 July 2016 | 445,559 | 10,172 | 41,361 | 26,349 | 523,441 |
| Depreciation | | | | | |
| At 1 August 2015 (restated) | 102,135 | 609 | - | 11,274 | 114,018 |
| Charge for the Year | 18,273 | 173 | - | 4,160 | 22,606 |
| Disposals | (692) | - | - | (3,124) | (3,816) |
| At 31 July 2016 | 119,716 | 782 | - | 12,310 | 132,808 |
| Net Book Value | | | | | |
| At 31 July 2016 | 325,843 | 9,390 | 41,361 | 14,039 | 390,633 |
| At 1 August 2015 (restated) | 306,173 | 9,563 | 35,322 | 10,861 | 361,919 |
| Financed by: | | | | | |
| Capital Grant | 42,715 | - | 5,486 | 576 | 48,777 |
| Other | 283,128 | 9,390 | 35,875 | 13,463 | 341,856 |
| | 325,843 | 9,390 | 41,361 | 14,039 | 390,633 |

Land was acquired both by gift and purchase (historic cost of £5.8m) and is stated at a valuation of £133.2m (2015: £133.2m) and not depreciated. A valuation was prepared by Gerald Eve LLP, a regulated firm of surveyors, in accordance with the requirements of RICS Valuation – Professional Standards April 2015, on a Fair Value basis as at 31 July 2014, and is reported under the special assumptions to exclude any value of development opportunities for which planning permission would be required and has not been granted or where development has not yet commenced. The land is included in the Balance Sheets at this valuation, which will be taken forward as deemed cost under the exemption on transition to FRS102 and the excess of the valuation over original cost has been taken to the General Reserve (Note 28).

Interest of £0.8m on loans used to finance the construction of buildings has been capitalised in the year (Note 8). This interest relates to the loan received during 2014/15 and is based on a fixed interest rate of 2.55%. Total interest capitalised to date, included in the cost of Land and Buildings, amounts to £2.1m at 31 July 2016 (2015: £1.3m).

Disposals in the year relate to the removal of fully depreciated assets, which are no longer in use, from both cost and accumulated depreciation.

During the year the University has applied full component lives to its buildings, which more accurately reflects the pattern of wear for these assets. In previous years all buildings were depreciated over an aggregate life of 50 years as the component information was not available at that time. This has resulted in an additional one-off depreciation charge of £5.6m in the year.

NOTES TO THE ACCOUNTS (CONT)

13 Service concession arrangements

The University has two service concession arrangements where delivery has commenced. These relate to the student accommodation at the Turing and Keynes developments, built and operated by UPP Limited. For the Keynes Extension the minimum guarantee had expired before 1 August 2014, therefore no liability is recorded in these financial statements. For Turing College the minimum guaranteed payment period expired during 2014/15, therefore the remaining liability of £4.9m held in the restated opening balances on the balance sheet was released against expenditure during the year.

The assets relating to these agreements are held within fixed assets and depreciated over the life of their respective agreements.

14 Fixed asset investments

| | Consolidated & University | |
|--|---------------------------|-----------|
| | 2016 | 2015 |
| | £000 | £000 |
| Cost of Investment in Subsidiary Companies | - | - |
| Cost of Investment in Other Companies (Incl. Spin-Out Companies) | 65 | 65 |
| | 65 | 65 |

| Name of Subsidiary Companies | Holding | |
|--|------------|---------|
| Canterbury Business School Limited | 100% owned | Dormant |
| Invicta Technology Investments Limited | 100% owned | Dormant |
| Kent Business School Limited | 100% owned | Dormant |
| Kent Enterprise Limited | 100% owned | |
| Kent Management School Limited | 100% owned | Dormant |
| Kent Property Services Limited | 100% owned | Dormant |
| Summer Academy Limited | 100% owned | Dormant |

15 Trade & other receivables

| | Consolidated | | University | |
|--------------------------------------|---------------|---------------|---------------|---------------|
| | 2016 | 2015 | 2016 | 2015 |
| | £000 | £000 | £000 | £000 |
| Amounts falling due within one year: | | | | |
| General Receivables | 9,550 | 9,786 | 9,550 | 9,786 |
| Research Grants and Contracts | 2,000 | 1,810 | 2,000 | 1,810 |
| Prepayments & Accrued Income | 5,919 | 5,028 | 5,919 | 5,028 |
| | 17,469 | 16,624 | 17,469 | 16,624 |

16 Current asset investments

| | Consolidated & University | |
|---------------------------------|---------------------------|---------------|
| | 2016 £000 | 2015 £000 |
| Short-term investment in shares | 7,099 | 6,840 |
| Short-term bonds | 196 | 182 |
| Short-term deposits | 16,304 | 16,035 |
| | 23,599 | 23,057 |

Deposits are held with banks and building societies operating in the London market and licensed by the Financial Services Authority with less than three months maturity at the balance sheet date. The interest rates for these deposits are fixed for the duration of the deposit at time of placement.

17 Creditors: amounts falling due within one year

| | Consolidated | | University | |
|--|---------------|---------------|---------------|---------------|
| | 2016 £000 | 2015 £000 | 2016 £000 | 2015 £000 |
| Bank Loans Due for Repayment (Note 18) | 3,303 | 3,086 | 3,303 | 3,086 |
| Research Grants Received on Account | 6,186 | 6,538 | 6,186 | 6,538 |
| Deferred Income | 19,707 | 15,871 | 19,707 | 15,871 |
| Creditors & Accrued Liabilities | 19,141 | 16,947 | 19,048 | 16,949 |
| Taxation and Social Security | 5,380 | 4,740 | 5,380 | 4,740 |
| | 53,717 | 47,182 | 53,624 | 47,184 |

Deferred Income

Included with deferred income are the following items of income which have been accounted for under the accruals method or deferred until specific performance related conditions have been met.

| | Consolidated | | University | |
|----------------|---------------|--------------|---------------|--------------|
| | 2016 £000 | 2015 £000 | 2016 £000 | 2015 £000 |
| Capital Grants | 6,708 | 2,854 | 6,708 | 2,854 |
| Revenue Grants | 5,747 | 6,713 | 5,747 | 6,713 |
| | 12,455 | 9,567 | 12,455 | 9,567 |

NOTES TO THE ACCOUNTS (CONT)

18 Creditors: amounts falling after more than one year

| | Consolidated | | University | |
|--|------------------------|------------------------------|-------------------------|--------------------------|
| | 2016 £000 | 2015 £000 | 2016 £000 | 2015 £000 |
| Bank Loans secured on University Buildings | 42,589 | 45,675 | 42,589 | 45,675 |
| Unsecured Bank Loans | 50,000 | 50,000 | 50,000 | 50,000 |
| Less: Loans repayable within one year | (3,303) | (3,086) | (3,303) | (3,086) |
| | 89,286 | 92,589 | 89,286 | 92,589 |
| Other Long-Term Liabilities | 7,149 | 7,377 | 7,149 | 7,283 |
| | 96,435 | 99,966 | 96,435 | 99,872 |
| Payable as Follows: | | | | |
| Due between one and two years | 4,499 | 3,531 | 4,499 | 3,437 |
| Due between two and five years | 17,779 | 16,027 | 17,779 | 16,027 |
| Due after five years | 74,157 | 80,408 | 74,157 | 80,408 |
| | 96,435 | 99,966 | 96,435 | 99,872 |
| Lender | Amount £000 | Interest rate (%) | Term (years) | Maturity Date |
| RBS Group | 10,484 | 8.8 | 25 | Jan 2022 |
| RBS Group | 8,208 | 6.0 | 25 | Nov 2028 |
| RBS Group | 13,058 | 5.3 | 25 | Oct 2030 |
| Lloyds | 10,839 | 5.5 | 24 | Jun 2029 |
| European Investment Bank | 50,000 | 2.6 | 25 | Mar 2040 |
| | 92,589 | | | |

The above loans all meet the criteria for Basic Financial Instruments according to section 11 of FRS102.

19 Provisions for liabilities

| | Obligation to fund deficit on USS/SAUL £000 | Defined Benefit Obligations £000 | Other Pension £000 | Total Pension £000 | Consolidated and University | |
|--------------------------|--|-------------------------------------|-----------------------|-----------------------|-----------------------------|---------------------|
| | | | | | Restructuring £000 | Total other £000 |
| Balance at 1 August 2015 | 25,187 | 382 | 50 | 25,619 | 135 | 135 |
| Utilised in the Year | (466) | (382) | - | (848) | - | - |
| Additions in Year | 3,595 | - | - | 3,595 | - | - |
| Balance at 31 July 2016 | 28,316 | - | 50 | 28,366 | 135 | 135 |

Defined benefit obligations

The University has previously participated in a defined benefit local government pension scheme (LGPS). The one active member in the scheme retired during the year and the University has exited the scheme as at 31 May 2016. A payment of £609k has been accrued in these financial statements which represents the total cost of curtailments as at 31 May 2016 and the provision held at 31 July 2015 has been released against this resulting in a net cost in 2015/16 of £227k.

Pension deficit

The obligation to fund past deficits on the University's Superannuation Scheme (USS) and The Superannuation Arrangements of the University of London (SAUL) arises from the contractual obligation with these pension schemes for total payments relating to benefits arising from past performance. Management have assessed future employees within the USS and SAUL schemes and salary payment over the period of the contracted obligation in assessing the value of this provision.

The obligation to fund the deficit recovery plan on each of these pension schemes can be split as follows:

| | 2016 £000 | 2015 £000 |
|------|---------------|--------------|
| USS | 26,796 | 25,187 |
| SAUL | 1,520 | - |
| | 28,316 | 25,187 |

The Restructuring Provision relates to the estimated costs of early retirement and voluntary severance arrangements agreed at the year-end in relation to organisational restructures. The amount provided is based on agreed terms under individual arrangements. The amount provided at 31 July 2016 is expected to be fully utilised by 31 July 2017.

The Other Pensions Provision relates to amounts payable to part-time members of staff following decisions by the European Court of Justice, pending the outcome of UK Industrial Tribunal cases. The amount provided is based on assessment of individual cases based on prior claim experience.

NOTES TO THE ACCOUNTS (CONT)

20 Endowment reserves

| | Unrestricted Permanent £000 | Restricted Permanent £000 | Total Permanent £000 | Restricted Expendable £000 | Consolidated and University | |
|---|-----------------------------------|---------------------------------|----------------------------|----------------------------------|-----------------------------|-----------------------|
| | | | | | 2016 Total £000 | 2015 Total £000 |
| Balance at 1 August | | | | | | |
| Capital | 520 | 550 | 1,070 | 3,167 | 4,237 | 4,251 |
| Accumulated Income | - | 237 | 237 | 336 | 573 | 628 |
| | 520 | 787 | 1,307 | 3,503 | 4,810 | 4,879 |
| New Endowments | | 1 | 1 | 526 | 527 | 68 |
| Investment Income | 16 | 22 | 38 | 86 | 124 | 118 |
| Expenditure | (16) | (21) | (37) | (323) | (360) | (301) |
| Increase in Market Value of Investments | 6 | 38 | 44 | 51 | 95 | 46 |
| Total endowment comprehensive income for the year | 6 | 40 | 46 | 340 | 386 | (69) |
| Balance at 31 July | 526 | 827 | 1,353 | 3,843 | 5,196 | 4,810 |
| Represented by: | | | | | | |
| Capital Value | 526 | 590 | 1,116 | 3,584 | 4,700 | 4,225 |
| Accumulated Income | - | 237 | 237 | 259 | 496 | 585 |
| | 526 | 827 | 1,353 | 3,843 | 5,196 | 4,810 |
| Analysis by Purpose | | | | | | |
| Chairs & lectureships | - | 599 | 599 | 945 | 1,544 | 1,064 |
| Student financial support | - | 58 | 58 | 1,302 | 1,360 | 1,393 |
| Prize funds | - | 6 | 6 | 199 | 205 | 197 |
| Other | 526 | 164 | 690 | 288 | 978 | 972 |
| Capital initiatives | - | - | - | 1,109 | 1,109 | 1,184 |
| | 526 | 827 | 1,353 | 3,843 | 5,196 | 4,810 |
| Analysis by Asset | | | | | | |
| Equities | | | | | 3,184 | 3,533 |
| Bonds | | | | | 173 | 182 |
| Cash & Short term deposits | | | | | 1,839 | 1,095 |
| | | | | | 5,196 | 4,810 |

21 Restricted reserves

| | Revenue Grants £000 | Donations £000 | Consolidated and University | |
|----------------------------|---------------------------|-------------------|-----------------------------|-----------------------|
| | | | 2016 Total £000 | 2015 Total £000 |
| Balance at 1 August | 36 | 323 | 359 | 440 |
| New Grants | - | - | - | 24 |
| New Donations | - | 157 | 157 | 107 |
| Expenditure | 3 | (117) | (114) | (212) |
| Balance at 31 July | 39 | 363 | 402 | 359 |
| | | | 2016 £000 | 2015 £000 |
| Analysis by Purpose | | | | |
| Scholarships and bursaries | | | 311 | 274 |
| Research support | | | 39 | 36 |
| Prize funds | | | 33 | 32 |
| Other | | | 19 | 17 |
| | | | 402 | 359 |

22 Capital commitments

| | Consolidated and University | |
|------------------------------------|-----------------------------|--------------|
| | 2016 £000 | 2015 £000 |
| Contractual Commitments at 31 July | 15,575 | 37,391 |

23 Financial commitments

At 31 July, there were commitments under non-cancellable operating leases as follows:

| | Land & Buildings £000 | Other £000 | Consolidated and University | |
|---|-----------------------------|---------------|-----------------------------|-----------------------|
| | | | Total 2016 £000 | Total 2015 £000 |
| Paid during year | 900 | 310 | 1,210 | 1,023 |
| Payable within one year | 684 | 273 | 957 | 907 |
| Payable within two and five years inclusive | 1,954 | 484 | 2,438 | 2,253 |
| Payable after five years | 763 | - | 763 | 1,155 |
| | 3,401 | 757 | 4,158 | 4,315 |

24 Contingent liabilities

A contingent liability exists in relation to the agreement with a third party contractor who continues to maintain student residences it constructed on behalf of the University. Under this agreement the University is contracted to pay the difference between actual rooms occupied and an agreed minimum level of occupation. For the 2015/16 financial year this payment amounted to £93k.

Cross-guarantees

On the 23 June 1993 the University entered into a cross guarantee for the indebtedness of Kent Enterprise Limited in favour of National Westminster Bank Plc. This guarantees that the University will underwrite the current account of Kent Enterprise Limited in the event of an overdraft. The University has reviewed this in the light of current activity within Kent Enterprise Limited and considers it to be unlikely that this guarantee will be called upon.

NOTES TO THE ACCOUNTS (CONT)

25 Related party transactions

GOETEC Limited (formerly Kent Man Limited)

The University is one of five partners in GOETEC Limited, a company formed on 1 April 2002 and limited by guarantee, maintaining microwave radio links between Higher Education Institutions in Kent. In the year to 31 July 2016 the University received £2,500 (2014/15: £5,000) from GOETEC Limited and paid GOETEC Limited £7,609 (2014/15: £7,753), with no balance outstanding at the year-end (2014/15: £Nil).

Council members: expenses and related party transactions

During the 2015/16 financial year expenses totalling £15,866 (2014/15: £4,795) were paid to or on behalf of members of Council while acting in their role as Trustees. This includes expenses of £3,779 paid to Council members, plus an additional cost of £12,087 incurred on behalf of Council members as a result of holding a council meeting at the University's new facilities at the Brussels campus. Council members do not receive remuneration in respect of their Trustee roles.

As the University's Council includes members drawn from public and private sector organisations, some transactions take place with organisations in which a member of Council may have an interest. However, all such transactions are conducted at arm's length and in accordance with the University's Financial Regulations and normal procurement procedures. There is no direct benefit to Members of Council.

The University maintains a Register of Interests and if a potential conflict of interest arises, the member concerned would identify this and not take part in any discussions and decision making on these matters.

The table below summarises the transactions made in the financial year with these related parties:

| | Payments due during 2015/16 £ | Payments receivable during 2015/16 £ | Net balance due (from)/to at 31 July 2016 £ |
|-------------------------------------|--|---|--|
| Brompton Academy | 8,115 | (500) | - |
| Canterbury Christ Church University | 79,834 | 200,040 | (34,855) |
| Canterbury City Council | 35,252 | - | - |
| Canterbury College | 355,237 | 1,178 | (417) |
| Canterbury Festival Board | 6,188 | - | - |
| Chartered Management Institute | 72,605 | - | - |
| Higher Education Policy Institute | 2,400 | - | - |
| Kent Union | 2,179,329 | 9,049,769 | (62,684) |
| Longfield Academy Trust | 240 | - | - |
| Medway Council | 62,543 | - | 398 |
| Mid Kent College | 5,951 | - | - |
| Open Network South East Region | 8,692 | 2,324 | (204) |
| The Place | 1,368 | - | - |
| Universities UK | 38,451 | 3,103 | 31,360 |
| Visit Kent | 7,948 | - | - |

26 Linked charities

The University has carried out a review and does not have any linked charities.

27 Pension schemes

The two principal pension schemes for the University's staff are the Universities Superannuation Scheme (USS) and the Superannuation Arrangements of the University of London (SAUL).

The total pension cost for the University and its subsidiaries are:

| | 2015/16 £000 | 2014/15 £000 |
|------------------------------------|-----------------|-----------------|
| Contributions to USS | 12,186 | 11,226 |
| Contributions to SAUL | 3,623 | 3,107 |
| Contributions to Other Schemes | 62 | 66 |
| Total Pension Cost (Note 7) | 15,871 | 14,399 |

The 2015/16 contributions to Other Schemes includes £35,333 (2014/15: £40,667) additional pension contributions payable to a local government pension scheme primarily in respect of past service performed. The one remaining active member of staff in this scheme retired during the year and the University has exited the scheme making a final payment of £609,000. No future contributions are expected to be payable to this scheme.

USS Pension Scheme

The University participates in the Universities Superannuation Scheme (USS). Throughout the current and preceding periods, the scheme was a defined benefit only pension scheme until 31 March 2016 which was contracted out of the State Second Pension (S2P). The assets of the scheme are held in a separate trustee-administered fund. Because of the mutual nature of the scheme, the scheme's assets are not hypothecated to individual institutions and a scheme-wide contribution rate is set. The University is therefore exposed to actuarial risks associated with other institution's employees and is unable to identify its share of the underlying assets and liabilities of the scheme on a consistent and reasonable basis and therefore, was required by section 28 of FRS102, accounts for the scheme as if it were a defined contribution scheme. As a result, the amount charged to the statement of comprehensive income and expenditure represents the contributions payable to the scheme in respect of the accounting period. Since the University has entered into an agreement (the Recovery Plan that determines how each employer within the scheme will fund the overall deficit), the University recognises a liability for the contributions payable that arise from the agreement to the extent that they relate to the deficit and the resulting expenditure in the statement of comprehensive income and expenditure, the impact of this is shown in note 19.

Pension costs

The University is required to contribute a specified percentage of payroll costs to the pension scheme to fund the benefits payable to the University's employees. From April 2016 the percentage was 18% (2015: 16%).

The total pension cost for the University in the year was £12,185,837 (2014/15: £11,226,104). This includes £1,082,030 (2015: £940,057) outstanding contributions at the balance sheet date.

The latest available full actuarial valuation of the scheme was at 31 March 2014 ("the valuation date"), which was carried out using the projected unit method.

Since the University cannot identify its share of the scheme assets and liabilities, the following disclosures reflect those relevant for the scheme as a whole.

NOTES TO THE ACCOUNTS (CONT)

27 Pension schemes (cont)

The 2014 valuation was the third valuation for USS under the scheme-specific funding regime introduced by the Pensions Act 2004, which requires scheme to adopt a statutory funding objective, which is to have sufficient and appropriate assets to cover their technical provisions. At the valuation date, the value of the assets of the scheme was £41.6 billion and the value of the scheme's technical provisions was £46.9 billion indicating a shortfall of £5.3 billion. The assets therefore were sufficient to cover 89% of the benefits which had accrued to members after allowing for expected future increases in earnings.

Defined benefit liability numbers for the scheme have been produced using the following assumptions:

| | 2016 | 2015 |
|---------------------------|------|---|
| Discount rate | 3.3% | 3.3% |
| Pensionable salary growth | n/a | 3.5% in the first year and 4.0% thereafter |
| Price inflation (CPI) | 2.2% | 2.2% |

The main demographic assumption used relates to the mortality assumptions. Mortality in retirement is assumed to be in line with the Continuous Mortality Investigation's (CMI) S1NA tables as follows:

| | |
|---------------------------|---|
| Male members' mortality | 98% of S1NA [^{light}] YoB tables – No age rating |
| Female members' mortality | 99% of S1NA [^{light}] YoB tables – rated down 1 year |

Use of these mortality tables reasonably reflects the actual USS experience. To allow for further improvements in mortality rates the CMI 2014 projections with a 1.5% pa long term rate were also adopted. The current life expectancies on retirement at age 65 are:

| | 2016 | 2015 |
|-----------------------------------|-------------|-------------|
| Males (Females) currently aged 65 | 24.3 (26.5) | 24.2 (26.4) |
| Males (Females) currently aged 45 | 26.4 (28.8) | 26.3 (28.7) |
| Existing Benefits | 2016 | 2015 |
| Scheme assets | £49.8bn | £49.1bn |
| Total scheme liabilities | £58.3bn | £60.2bn |
| FRS 102 total scheme deficit | £8.5bn | £11.1bn |
| FRS 102 total funding level | 85% | 82% |

Funding updates are provided in the USS 2016 Report and Accounts for the financial years ended 31 March 2015 and 31 March 2016. These are based on projecting forward the assumptions applied in the 2014 actuarial valuation, updated for investment returns and changes to market conditions, and show an £8.2 billion deficit (86% funding level) and a £10.0 billion deficit (83% funding level) for 2015 and 2016 respectively. This is primarily due to a continued decline in the real yield on government bonds, leading to an increase in the value of the scheme's liabilities and offsetting some strong performance in the scheme's investments against its benchmark. The next full actuarial valuation, which will include a detailed review of the underlying assumptions, will be completed as at 31 March 2017.

SAUL Pension Scheme

The University participates in the Superannuation Arrangements of the University of London ("SAUL"), which is a centralised defined benefit scheme within the United Kingdom and is contracted-out of the Second State Pension (prior to April 2016).

SAUL is an independently-managed pension scheme for the non-academic staff of over 50 colleges and institutions with links to higher education.

Pension benefits accrued within SAUL currently build up on either a Final Salary basis or a Career Average Revalued Earnings ("CARE") basis. Following a consultation with Members, the SAUL Final Salary Section was closed from March 2016 and all Members will build up benefits on a CARE basis from 1 April 2016

27 Pension schemes (cont)

The University is not expected to be liable to SAUL for any other current participating employer's obligations under the Rules of SAUL, but in the event of an insolvency event of any participating employer within SAUL, an amount of any pension shortfall (which cannot otherwise be recovered) in respect of that employer may be spread across the remaining participating employers and reflected in the next actuarial valuation.

SAUL's statutory funding objective is to have sufficient appropriate assets to meet the costs incurred by the Trustee in paying SAUL's benefits as they fall due (the "Technical Provisions"). The Trustee adopts assumptions which, taken as a whole, are intended to be sufficiently prudent for pensions and benefits already in payment to continue to be paid and for the commitments which arise from Members' accrued pension rights to be met.

The Technical Provisions assumptions include appropriate margins to allow for the possibility of events turning out worse than expected. However, the funding method and assumptions do not completely remove the risk that the Technical Provisions could be insufficient to provide benefits in the future.

A formal actuarial valuation of SAUL is carried out every three years by a professionally qualified and independent actuary. The last actuarial valuation was carried out with an effective date of 31 March 2014. Informal reviews of SAUL's position, reflecting changes in market conditions, cash flow information and new accrual of benefits, are carried out between formal valuations.

The funding principles were agreed in November 2015 and are due to be reviewed at SAUL's next formal valuation in 2017.

The Trustee and Employers have agreed that the Technical Provisions deficit at the 31 March 2014 valuation will be addressed by employer contributions of 3% of salaries between 1 April 2016 and 31 March 2018 (inclusive). The overall level of the Employers' contributions has therefore, increased from 13% of salaries to 16% with effect from 1 April 2016.

The University is a Participating Employer in SAUL. The actuarial valuation applies to SAUL as a whole and does not identify surpluses or deficits applicable to individual employers. As a whole the market value of SAUL's assets was £1,927m representing 97% of the liabilities for benefits accrued up to 31 March 2014.

It is not possible to identify an individual Employer's share of the underlying assets and liabilities of SAUL. The University accounts for its participation in SAUL as if it were a defined contribution scheme and pension costs are based on the amounts actually paid (i.e. Cash amounts) in accordance with paragraph 28.11 of FRS102.

The Trustees and Employers have agreed that the Technical Provisions deficit as at the 31 March 2014 valuation will be addressed by employer contributions of 3% of salaries between 1 April 2016 and 31 March 2018 (inclusive). The defined benefit liability to be recognised by the University in respect of the deficit contributions due to SAUL (i.e. the present value of the deficit contributions) is £1.5m as at 31 March. This liability is based on a projection of salaries over the period to 31 March 2018.

The SAUL pension cost for the University was £3,622,658 (2014/15: £3,107,341). This includes £404,473 (2015: £302,930) outstanding contributions at the balance sheet date.

A Funding Review carried out by SAUL's actuary as at 31 March 2016, showed that although the scheme's assets had increased to £2,489m, following better than expected overall investment returns, the value of the liabilities had increased further to £2,692m and the funding level had dropped to 92%. This is due to the falling returns on Government bonds, which had fallen to historic lows and have continued to decline. The next full triennial actuarial valuation will take place at 31 March 2017.

Local Government Pension Fund

The University has also previously participated in a defined benefit local government pension fund. The one active member in the scheme retired during the year and the University has exited the scheme as at 31 May 2016. There are therefore no assets or liabilities within the scheme as at the balance sheet date.

The provision for the net pension liability in relation to this scheme at the end of 2014/15 was £382k. This provision has been released against the final cessation payment of £609k which has been accrued in these financial statements. This has resulted in a net cost in 2015/16 of £227k.

NOTES TO THE ACCOUNTS (CONT)

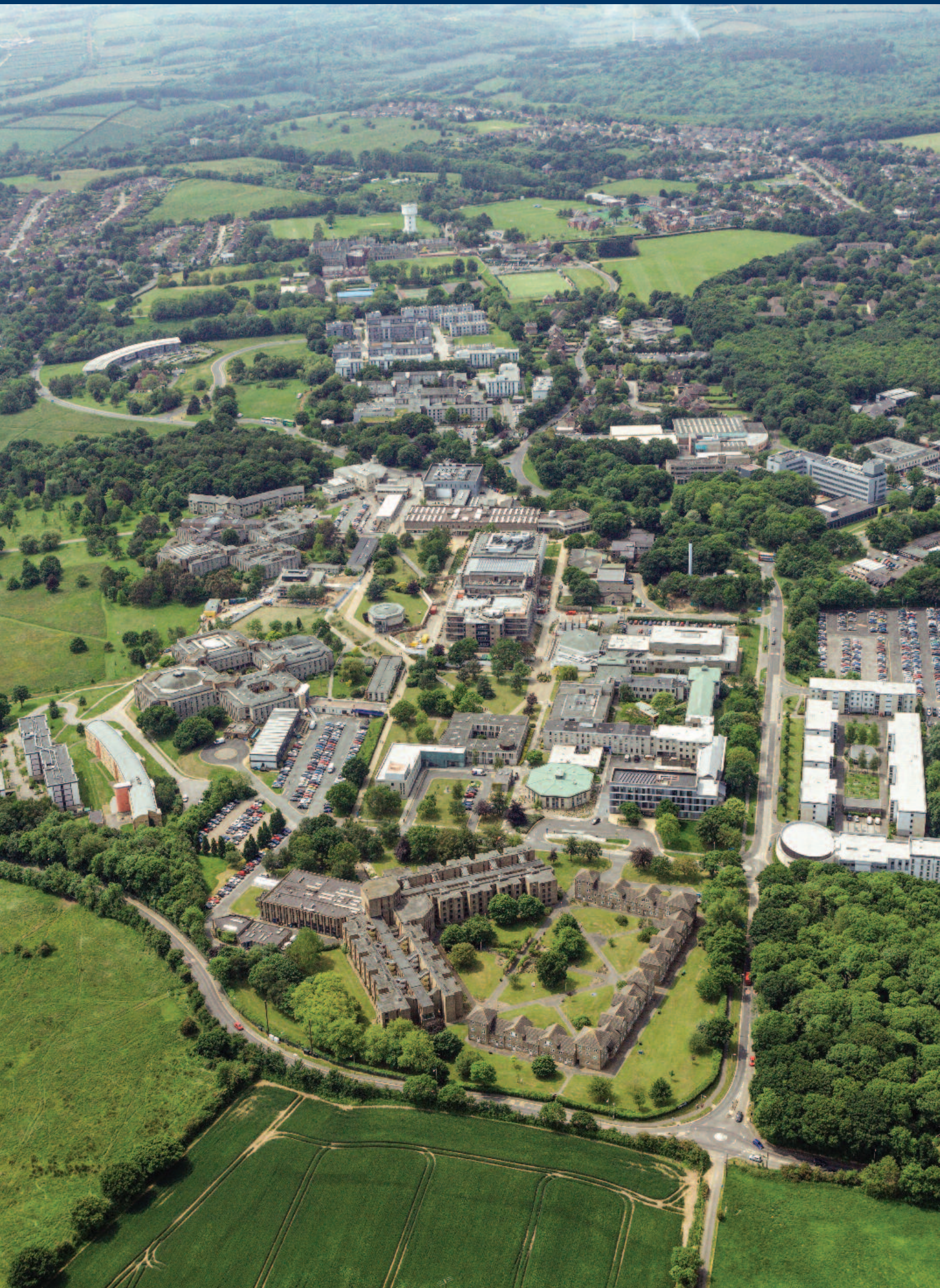
28 Transition to FRS 102 and the 2015 SORP

As explained in the accounting policies, these are the University's first financial statements prepared in accordance with FRS 102 and the SORP. The accounting policies set out on pages 36-39 have been applied in preparing the financial statements for the year ended 2016, the comparative information presented in these financial statements for the year ended 2015 and in the preparation of an opening FRS 102 Statement of Financial Position at 1 August 2014. In preparing its FRS 102, 2015 SORP based Statement of Financial Position, the University has adjusted amounts reported previously in financial statements prepared in accordance with its old basis of accounting (2007 SORP). An explanation of how the transition to FRS 102 and the SORP has affected the University's financial position, financial performance and cash flows is set out in the following tables.

| Financial Position | 1 August 2014 | | 31 July 2015 | |
|--|----------------------|--------------------|----------------------|--------------------|
| | Consolidated £000 | University £000 | Consolidated £000 | University £000 |
| Total Funds under 2007 SORP | 179,822 | 179,781 | 191,488 | 191,446 |
| Revaluation of Land | 119,030 | 119,030 | 119,030 | 119,030 |
| Provision for Pension Deficit Recovery Plans | (12,369) | (12,369) | (25,243) | (25,243) |
| Other staff benefits | (1,728) | (1,728) | (1,769) | (1,769) |
| Service Concession Arrangements | 4,827 | 4,827 | 9,564 | 9,564 |
| Finance Lease | 1,380 | 1,380 | 1,349 | 1,349 |
| Capital grants – performance method ¹ | (250) | (250) | (1,758) | (1,758) |
| Revenue grants – performance method | 94 | 101 | 48 | 55 |
| Endowments & restricted donations | 250 | 250 | 250 | 250 |
| Total effect of transition to FRS102 | 111,234 | 111,241 | 101,471 | 101,478 |
| Other | (4,605) | (4,605) | (4,293) | (4,293) |
| Restated Reserves under 2015 SORP | 286,451 | 286,417 | 288,666 | 288,631 |

| Financial Performance | Year Ended 31 July 2015 | |
|--|-----------------------------------|--|
| | Consolidated & University £000 | |
| Surplus for the year under 2007 SORP | 11,720 | |
| Provision for Pension Deficit Recovery Plans | (12,874) | |
| Other staff benefits | (41) | |
| Service Concession Arrangements | 4,737 | |
| Finance Lease | (31) | |
| Capital grants – Performance method | (1,420) | |
| Revenue grants – performance method | (47) | |
| Endowments & restricted donations | (153) | |
| Gain on Investments | 52 | |
| Actuarial loss in respect of pension schemes | (41) | |
| Impact of transition to FRS102 | (9,818) | |
| Other | 312 | |
| Total Comprehensive Income for the year under 2015 SORP | 2,214 | |

1 The balance shown here reflects the balance of capital grants now shown within creditors as performance conditions have not yet been met. The balance of the £47.8m deferred capital grants previously held as at 1 August 2014 has been transferred to the general reserve as part of the transitional adjustment to opening balances.



AWARDS, APPOINTMENTS, PROMOTIONS & DEATHS

Awards

- The Careers and Employability Service received the AGCAS (Association of Graduate Careers Advisory Services) Award for Student Engagement, in recognition of the career planning and employability support it offers students and recent graduates.
- A film entitled 'Public House' by Sarah Turner, Director of Research in the School of Music and Fine Art, was shortlisted for a Grierson Award – which celebrates documentaries from Britain and abroad – and screened at the BFI London Film Festival.
- Teaching excellence across the University was recognised at the 2015 Teaching Prize Awards. Faculty prize-winners were Ray Laurence, Professor of Roman History and Archaeology, who has developed a range of innovative teaching tools, including animation to explain life in ancient Rome; Dr Barry Blight (Physical Sciences) for his use of technology in snap student quizzes and Dr Tarlochan Singh Gill and Dr Maureen Mouty (Medway School of Pharmacy) for their cross-institutional group work; and Dr Mike Poltorak (Anthropology and Conservation) for 'charismatic and engaging' teaching.
- Carole Barron, Director of Innovation and Enterprise (KIE) at Kent, was elected President of Kent Invicta Chamber of Commerce – the first female President of the Chamber since its inception in 1900.
- Professor Dominic Abrams, of the School of Psychology, has been appointed Vice President (Social Sciences) at the British Academy.
- Wetlands, a community arts project led by five recent Fine Art graduates – Ben Crawford, Clarinda Tse, Nadia Perotta, Aggela Ioannidou and Georgina Wilcox – was shortlisted for the Medway Culture, Design and Tourism Awards.
- Professor Sarah Spurgeon, former Head of the School of Engineering and Digital Arts, was awarded the Yangtze Visiting Professorship at China University of Petroleum (CUP), considered one of the highest accolades for an overseas academic.
- Professor Jane Reeves, Co-Director of the Centre for Child Protection, has been commended by police for creating a tool to educate pupils on extremism and internet safety.
- The University was shortlisted for University of the Year 2015, as well as the Outstanding Support for Students Award in the annual *Times Higher Education* (THE) Awards.
- Dr Mark Batty, Lecturer in the School of Computing, has won two awards for his doctoral thesis on computer programming languages – the international John C Reynolds Doctoral Dissertation Award, and the 2015 Council of Professors and Heads of Computing/British Computing Society/Chartered Institute of IT (BCS) Distinguished Dissertation Competition.
- The University has received GCHQ's Academic Centre of Excellence in Cyber Security Research Certificate, in recognition of the quality of research at its Interdisciplinary Research Centre in Cyber Security and projects led by Professor Andy King and Dr Eerke Boiten (School of Computing).
- Three lecturers at the University's School of Politics and International Relations – Dr Iain MacKenzie, Dr Stefan Roszbach and Dr Adrian Pabst – have received an award from the national Political Studies Association (PSA) for their 'exemplary' teaching innovation.
- Abdulrazak Gurnah, Professor of English and Postcolonial Literatures, was appointed as one of the judges for the 2016 Man Booker Prize for Fiction.
- Physics student, Greg Smith, from Kent, won a competition, organised by SEPnet (South-East Physics network) and the University's School of Physical Sciences, to take part in cosmonaut training in Moscow, Russia.
- Dr Reshmi Dutta Flanders, Honorary Research Fellow, English Language & Linguistics, has received the 'Hind Rattan', one of the highest Indian National Awards granted annually in New Delhi to non-resident people of Indian origin.
- Dean for Medway and Kent Law School professor, Nick Grief, was a member of a legal team nominated for the Nobel Peace Prize for its work at the International Court of Justice. The international team of lawyers represented the Republic of the Marshall Islands in nuclear disarmament cases against India, Pakistan and the UK.
- Centre for Journalism student Sarah Boast received the 2016 Bob Friend Memorial Scholarship, awarded to a student of outstanding academic and professional merit.



- Around 100 staff from across the University were congratulated on their learning and development successes during 2015 by the Vice-Chancellor and President, Professor Dame Julia Goodfellow. A special award for 'sustained contribution to Learning & Development' was presented to Anne Rushworth, who had recently retired as Learning and Development Manager after 26 years at Kent.
- A team of student mediators from Kent Law School – Rachel Bale, Meshaal Choudhary, Rachel Easton, and Hannah Loosley – was voted the best international team at the 15th Annual International Law School Mediation Tournament held in Chicago.
- The University has received the Guardian University Awards Trophy for digital innovation, in recognition of the Centre for Child Protection's ground-breaking work on the 'Lottie' project, an interactive simulation tool to help young people become more aware of the dangers of sexual grooming.
- Exceptional achievements by Kent researchers were recognised at the University's annual Research Prizes ceremony. Overall awards included the University Prize for Research – Dr Heather Ferguson (School of Psychology), University Prize for Early Career Research – Dr Ben Goult (School of Biosciences), and University Prize for Postgraduate Research – Eske van Gils (School of Politics and International Relations).
- The annual Kent Student Awards celebrated outstanding extracurricular student achievement, with prizes across 12 categories from 'outstanding contribution to the local community' to 'outstanding entrepreneur of the year'. Overall 'Student of the Year' award, chosen from the category winners, went to Tom Barrass (LLB Law), for improving Turing College's environment and his dedication to enhancing college life for all students.
- The University won the Group Travel Organisers' 'Best University Accommodation for Groups' award for an unprecedented ninth consecutive year.
- The administration team in the School of Engineering and Digital Arts received the *Times Higher Education* Leadership and Management Award (THELMA) for Outstanding Departmental Administration Team, for its work to revolutionise the student experience within the School.
- Kent alumna, Susannah Townsend – who studied Sport & Exercise Science – was part of the Gold Medal-winning Team GB hockey team at the 2016 Olympics in Rio, Brazil.

University of Kent Honorary Degrees

At the November 2015 Degree Congregations, the following honorary degrees were conferred in Canterbury Cathedral:

- Robin Hu, Doctor of the University
- Richard Alston CBE, Doctor of Arts

At the July 2016 Degree Congregations, the following honorary degrees were conferred:

In Canterbury Cathedral:

- Professor Stephen Bann CBE, FBA, FSA, Doctor of Letters
- Ambassador Ivo Daalder, Doctor of Civil Law
- The Hon Dame Linda Dobbs DBE, BSc, LLM, PhD, Doctor of Laws
- Professor Thomas Docherty, Doctor of Letters
- Dr Wayne Garvie, Doctor of the University
- Professor Laura Marcus FBA, Doctor of Letters
- Jonathan Neame DL, Doctor of the University
- Steve Pateman, Doctor of the University
- Herman Van Rompuy, President Emeritus of the European Council, Doctor of Civil Law
- Professor Mary Beard OBE, FBA, FSA, Doctor of Letters
- Professor Doreen Cantrell CBE, FRS, FRSE, FMedSci, Doctor of Science
- Sandra Peake MBE, Doctor of Civil Law

In Rochester Cathedral:

- Fi Glover, Doctor of the University
- Sigrid Rausing, Doctor of Letters

Appointments

- Professor Paul Allain, Dean of the Graduate School
- Professor Ruth Blakeley, Interim Head of the School of Politics and International Relations
- Professor Jeremy Carrette, Interim Head of the School of European Culture & Languages
- Professor Rachel Forrester-Jones, Director of the Tizard Centre
- Dr Paul Fretwell, Acting Head of the School of Music and Fine Art
- Professor Maria Garcia, Academic Lead for Kent Business School at Medway
- Professor Jim Groombridge, Head of the School of Anthropology and Conservation
- Professor Martin Hammer, Head of the School of Arts
- Professor Phil Hubbard, Head of the School of Social Policy, Sociology and Social Research

- Professor Ian McLoughlin, Head of the School of Computing at Medway
- Professor April McMahon, Deputy Vice-Chancellor, Education
- Professor Mick Tuite, Acting Head of the School of Biosciences
- Dr Jiangzhou Wang, Head of the School of Engineering and Digital Arts
- Dr Sakis Pappous, Interim Head of the School of Sport and Exercise Sciences

Promotions

Promotions to Chair

Faculty of Humanities

- Dr Aylish Wood, School of Arts
- Dr Jennie Batchelor, School of English
- Dr Catherine Richardson, School of English
- Scarlett Thomas, School of English
- Dr Charlotte Sleigh, School of History

Faculty of Sciences

- Dr Stéphane Launois, School of Mathematics, Statistics and Actuarial Science
- Dr Jing Ping Wang, School of Mathematics, Statistics and Actuarial Science

Faculty of Social Sciences

- Dr James Groombridge, School of Anthropology and Conservation
- Dr Dimitrios Theodossopoulos, School of Anthropology and Conservation
- Dr Neophytos Loizides, School of Politics and International Relations
- Dr Julie Beadle-Brown, School of Social Policy, Sociology and Social Research
- Dr Rachel Forrester-Jones, School of Social Policy, Sociology and Social Research
- Dr Jane Reeves, School of Social Policy, Sociology and Social Research

Promotions to Reader

Faculty of Humanities

- Dr Vybarr Cregan-Reid, School of English
- Dr Simon Smith, School of English
- Dr David Stirrup, School of English
- Dr Sarah Wood, School of English
- Dr Ellen Swift, School of European Culture and Languages
- Dr Karen Jones, School of History
- Dr Giacomo Macola, School of History

Faculty of Sciences

- Dr Scott Wildman, Medway School of Pharmacy
- Dr Tobias von der Haar, School of Biosciences
- Dr Eerke Boiten, School of Computing
- Dr Scott Owens, School of Computing
- Dr Huiling Zhu, School of Engineering and Digital Arts
- Dr Stephen Lowry, School of Physical Sciences

AWARDS, APPOINTMENTS, PROMOTIONS & DEATHS (CONT)

Faculty of Social Sciences

- Dr Jesse O'Hanley, Kent Business School
- Dr Emilie Cloatre, Kent Law School
- Dr Gbenga Oduntan, Kent Law School
- Dr Joseph Tzanopoulos, School of Anthropology and Conservation
- Dr Tom Casier, School of Politics and International Relations
- Dr Adrian Pabst, School of Politics and International Relations
- Dr Vincent Miller, School of Social Policy, Sociology and Social Research

Promotions to Senior Lecturer

Faculty of Humanities

- Dr Henrik Schoenefeldt, Kent School of Architecture
- Dr Ben Hickman, School of English
- Dr Alex Preston, School of English
- Dr Derek Ryan, School of English
- Amy Sackville, School of English
- Dr Lucy O'Meara, School of European Culture and Languages
- Dr Lubomira Radoilska, School of European Culture and Languages
- Dr Benjamin Marsh, School of History

Faculty of Sciences

- Dr Sarah Corlett, Medway School of Pharmacy
- Dr Stephen Kelley, Medway School of Pharmacy
- Dr Vadim Sumbayev, Medway School of Pharmacy
- Dr Trudy Thomas, Medway School of Pharmacy
- Dr Jeremy Rossman, School of Biosciences
- Dr Mark Batty, School of Computing
- Dr Matteo Migliavacca, School of Computing
- Dr Richard Misek, School of Engineering and Digital Arts
- Robert Oven, School of Engineering and Digital Arts
- Dr Konstantinos Sirlantzis, School of Engineering and Digital Arts
- Dr Xinggang Yan, School of Engineering and Digital Arts
- Dr Constanze Roitzheim, School of Mathematics, Statistics and Actuarial Science
- Dr Stuart Gibson, School of Physical Sciences
- Dr Samantha Winter, School of Sport and Exercise Sciences

Faculty of Social Sciences

- Dr Adolf Acquaye, Kent Business School
 - Debbie Kemp, Kent Business School
 - Sue Tarrant, Kent Business School
 - Dr Madeleine Wyatt, Kent Business School
 - Mairead Enright, Kent Law School
 - Dr Luis Eslava, Kent Law School
 - Dr Michael Poltorak, School of Anthropology and Conservation
 - Dr Matthew Struebig, School of Anthropology and Conservation
 - Dr Ben Seyd, School of Politics and International Relations
 - Dr Kirsten Abbot-Smith, School of Psychology
 - Dr Emma Alleyne, School of Psychology
 - Dr Janet Briggs, School of Psychology
 - Dr David Garbin, School of Social Policy, Sociology and Social Research
 - Dr Nicholas Gore, School of Social Policy, Sociology and Social Research
 - Dr Olena Nizalova*, School of Social Policy, Sociology and Social Research
- * Promotion to Senior Research Fellow

Deaths

- John Bevan, former Senior Lecturer in Operational Research, died on 1 June 2016. John Bevan was appointed to the University as a Lecturer in Economic & Social Statistics in June 1967 and was promoted to Senior Lecturer in 1969. In 1991 his title was amended to Senior Lecturer in Operational Research and he retired in October 2004, after 37 years of service. He returned as a Sessional Teacher after his retirement and worked as a Sessional Teacher and Associate Lecturer until June 2010.
- Antony Copley, Honorary Professor of Modern European and Indian History, died on 18 July 2016. A loyal member of the School of History, Antony Copley joined the University of Kent in 1967. He specialised in 19th century French and Indian history and retired as a Reader in 2002.
- Professor Robert (Bob) Gibson, founding Professor of French and founding member of the University, died in April 2016. Professor Gibson was appointed in October 1965 and was also a founding member of Rutherford College, where he was Master between 1985 and 1990. He retired in 1992 and was made Emeritus Professor of French.

- Janet Hodgson, Associate Lecturer in Event and Experience Design in the School of Music and Fine Art, who made a huge contribution to the Event and Experience Design programme, died in March 2016.
- David Millyard, former Academic Secretary, died on 15 September 2016. One of the early members of staff who came to Canterbury in August 1963 to set up the University, he was appointed as an assistant to the Deputy Registrar (Buildings). In October 1967 he moved into the Academic Division of the Registry as Assistant Registrar and was appointed Academic Secretary in 1968, an office he held until his retirement in 1990.
- Horace (Roy) Plowright, one of the University's founding members of staff, died on 20 November 2015. He was appointed as Superintendent of Chemical Laboratories on 14 January 1965 and worked at the University full-time until October 1989, when he worked part-time until his retirement in September 1992.
- Dr Brian Porter, Honorary Lecturer in the School of Politics and International Relations since 1984, specialising in International Relations, died on 26 October 2015.
- Professor Michael (Micky) Sheringham, Professor of French Literature, died on 21 January 2016. Michael (known to many as Micky) studied for undergraduate and postgraduate degrees at Kent between 1966 and 1973. He was Lecturer, Senior Lecturer and latterly Professor of French Literature at the University of Kent from 1974 to 1995.
- Professor Alf Smyth, Emeritus Professor of Medieval History, died on 16 October 2016. Professor Smyth was appointed at the University as a Lecturer in History from 1 October 1973 and promoted to Senior Lecturer in 1979. He became Reader in 1984 and Professor of Medieval History with effect from 1 June 1991, also taking on the role of Master of Keynes College from 1993 and 1997. In 1997 Professor Smyth was appointed Warden of St George's House, Windsor Castle, where he worked until he returned to Canterbury in 1999 as Director of Research and latterly Dean of Humanities at Canterbury Christ Church University.



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