

ANNUAL REVIEW /
FINANCIAL
STATEMENTS
2018



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INTRODUCTION

It is a pleasure to introduce this year's annual review.

The University of Kent offers the strengths and opportunities of a long-established full-spectrum university and combines these with dynamism, social focus, innovation and community spirit. We have substantial achievements in Education and Research and impressive assets in our staff, our students, our campuses in Canterbury and Medway, our European Study Centres and our proximity to London.

Our students come to us from a wide variety of backgrounds and we are supporting their learning in many and varied ways while they are with us. Our Student Success project, designed to enable those from diverse backgrounds to achieve their full potential, won a Times Higher Award last November. In March, we marked another milestone when a joint bid by the University and Canterbury Christ Church University for medical places was successful. The Kent and Medway Medical School will take its first students in 2020.

Over the past year, the University has been refreshing its ambitions so that we will be able to celebrate our 60th anniversary in 2025 by: demonstrating an even more transformative student experience; delivering research and innovation of high quality and impact; and building on our civic mission. The activities and achievements set out in this review underline the strength of the base we are building on.

Professor Karen Cox
Vice-Chancellor and President



HIGHLIGHTS OF THE YEAR

Medical first

Successful bid by University of Kent and Canterbury Christ Church University to open first Kent and Medway Medical School in 2020.



Student space

New Student Hub at Park Wood includes study space, shop, dance studios and two-floor bar and restaurant.



£27 million

Official opening of Templeman Library on Canterbury campus, following extensive refurbishment and upgrade.



Outstanding support

Outstanding Support for Students award at the 2017 Times Higher Education Awards for acclaimed Student Success Project.



Research excellence

Government accreditation for our Academic Centre of Excellence in Cyber Security Research.



Top 50

Among the top 50 in the Times Higher Education's new European Teaching Rankings.



1100+ donors

Over £900k in philanthropic receipts from 1,169 donors, to support students and research in 2017/18.



Nobel Prize

Nobel Prize for Literature 2017 awarded to acclaimed novelist Kazuo Ishiguro, who studied for BA in English and Philosophy at Kent.



Start-ups

More than 130 new businesses launched at our enterprise hub since 2013.



Economic impact

Contributed £907m a year to the south-east region, supporting 9,448 jobs.



117,000 people

More than 117,000 visitors welcomed to more than 1,000 arts and culture events on campus.



£6 million

Almost £6m secured for local people through the work of Kent Law Clinic, providing free legal advice to those in need.





MEMBERSHIP OF THE COUNCIL

Membership of the Council

Chair of the Council	Sir David Warren
Deputy Chair of the Council / Chair of the Finance and Resources Committee	Bob Scruton
Vice-Chancellor and President	Professor Karen Cox
Senior Deputy Vice-Chancellor and Provost	David Nightingale
Senior Deputy Vice-Chancellor and Chief Operating Officer	Denise Everitt
President of Kent Union	Ruth Wilkinson (to 31 July 2018) Aaron Thompson (from 1 August 2018)
External members	Dame Ursula Brennan Colin Carmichael Peter Clokey (to 31 July 2018) Martin Coleman (to 31 July 2018) Martin Cook Neil Davies Sarah Gibson Richard Honey (to 31 July 2018) Kim Lowe (from 1 August 2018) Gabriel MacGregor (from 1 August 2018) Angela McNab Mark Malcolmson (from 1 August 2018) Andrew Newell Heather Norton (to 31 July 2018) Mark Preston (from 1 August 2018) Dr Harshad Topiwala (to 31 July 2018)
Staff and Student representatives	Mark Ellis Professor John Fitzpatrick (to 31 July 2018) Charlotte Guy (to 31 July 2018) Dr Owen Lyne Simeon Onaji (to 31 July 2018) Professor Charlotte Sleigh (from 1 August 2018) Zoe Wood (from 1 August 2018) Alexis Zouechtiagh (from 1 August 2018)
Total Membership	25
Secretary of the Council	Dr Keith Lampard
The Chairs of Council committees were as follows:	
Audit Committee	Peter Clokey (to 31 July 2018) Andrew Newell (from 1 August 2018)
Ethics Committee	Heather Norton (to 31 July 2018) Sarah Gibson (from 1 August 2018)
Finance and Resources Committee:	Bob Scruton
Honorary Degrees Committee (Joint Committee with Senate)	Professor Karen Cox
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	Gavin Esler
Chair of the Council	Sir David Warren
Vice-Chancellor and President	Professor Karen Cox
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
Director of Finance	Lisa-Jane Crudgington-Higham
Dean of the Faculty of Humanities	Professor 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 Paul Allain
Dean for Europe	Professor Jeremy Carrette
Dean for Medway	Professor Nicholas Grief
Dean for Internationalisation	Anthony Manning
Dean of KentHealth	Peter Nicholls
Dean of the Kent and Medway Medical School	Professor Christopher Holland
Secretary of the Council (and the Court)	Keith Lampard
Senior Master	Wayne Campbell
Master of Darwin and Woolf Colleges	Jonathan Friday
Master of Eliot College	Stephen Burke
Master of Keynes College	Chloé Gallien
Master of Rutherford College	Peter Klappa
Master of Turing College	Dermot O'Brien
College Master for Medway	Jane Glew





Paulinus

Gundulf



UNIVERSITY'S PUBLIC BENEFIT STATEMENT FOR 2017/2018

The University of Kent is an exempt charity regulated by the Office for Students (OfS). The University's Royal Charter of 1965 established the University Council as the supreme governing body of the institution. 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 have regard to the Charity Commission's public benefit guidance when exercising any powers or duties to which the guidance is relevant. They also refer to the guidance issued by the Office for Students in its role as principal regulator.

From the Royal Charter, the objects 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.**

Since the 2017/18 academic year, work has been underway to update the current University Plan 2015-2020, taking account of changes in the environment and to provide a statement of institutional ambition that is challenging, realistic and that will provide a basis for measuring institutional performance. Council considered this in its early stages in February 2018 and Senate and Council considered it in September and October 2018. The Public Benefit Statement for the 2018/19 academic year will be based around the objectives set out in the new strategic plan.

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 aims to maximise the positive impact its research can have on society and, in particular, its local communities and its goal is to be embedded and invested in its region, and to help Kent thrive. From science festivals and arts exhibitions to health workshops and business seminars the University is committed to public engagement with research. By engaging in this way, the University can contribute positively to its local communities.

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 tackle global challenges from age discrimination to viral epidemics and to apply for international research grants and to globally-focussed funding streams.

The following three research projects illustrate the high quality of the University's research across its three Faculties.

Faculty of Humanities

Ulf Schmidt is Professor of Modern History, Director of the Centre for the History of Medicine, Ethics and Medical Humanities and was principle investigator of the Porton Down Project on the history of chemical warfare research during the Cold War. In 2015, Professor Schmidt published *Secret Science: A Century of Poison Warfare and Human Experiments* (Oxford, New York Oxford University Press). The book traced, for the first time, the history of chemical and biological weapons research by the former Allied powers, particularly in Britain, the United States and Canada. The book informed an episode of BBC World Service's *Witness* on Chemical Weapons Tests at Porton Down.





In 2017, Professor Schmidt published *Preparing for Poison Warfare: The Ethics and Politics of Britain's Chemical Weapons Program, 1915-1945*, which acknowledged how close Allied forces came to launching a full-scale chemical onslaught in various theatres of war, in contrast to the perceived notion that credited Allied political and military leaders with considerable foresight, and strategic and moral leadership, for avoiding chemical warfare during the Second World War.

As an acknowledged expert on the use of poisons in warfare, in June 2018 Professor Schmidt spoke at a meeting of the Organization for the Prohibition of Chemical Weapons and urged the international community to establish a new Global Partnership Programme to meet the growing threat of toxic chemical weapon development. Professor Schmidt said that the world was changing fast and that the international community should embrace complexity and context rather than look for simple answers. He argued that it was important to make use of academic expertise in the development of new strategies to counter the "disinformation" that plays an increasing role in efforts to influence public opinion and policy making.

Faculty of Social Sciences

Research by Dr Matthew Skinner and Professor Tracy Kivell on new fossil finds that helped increase knowledge of human evolution was included in Discover magazine's top 100 scientific discoveries of 2017.

Dr Skinner and Professor Kivell, who both work in the School of Anthropology and Conservation, were involved in a number of major pieces of work published in 2017 and 2018.

Dr Skinner contributed to a major project analysing and dating new fossils from Morocco that altered the understanding of the origin of our species, *Homo sapiens*. This pushed back the fossil evidence for the origins of humans in Africa by more than 100,000 years.

Work by Professor Kivell and Dr Skinner on the new fossil finds in South Africa's Rising Star Cave system contributed to research that indicated a second species of human, *Homo naledi*, was alive at the same time as early humans. Dr Skinner focussed on the dental remains that were recovered whilst Professor Kivell worked on analysis of the hand bones, which provided inferences about locomotor and manipulative behaviours that *Homo naledi* practiced.

In 2018, a team led by Professor Kivell concluded that the strength required to access the high calorie content of bone marrow may have played a key role in the evolution of the human hand and explain why the hands of primates are not like human hands. It is widely accepted that the unique dexterity of the human hand evolved, at least in part, in response to stone tool use, but Professor Kivell stated that the high stress on the hands caused by accessing bone marrow with stone tools and the benefit of the high calorific value of the marrow when eaten, might have played a key role in the evolution of human dexterity.

Dr Skinner and Professor Kivell believe strongly in the public understanding of science and of human evolutionary history in particular. They are currently collaborating with staff of the National Museum of Tanzania to deliver education outreach programmes to school children that highlight the important role that Tanzanian fossils continue to play in the understanding of the past, funded by the

UNIVERSITY'S PUBLIC BENEFIT STATEMENT (CONT)

University. Additionally, Professor Kivell co-organised the first Soapbox Science event in Canterbury to promote women in science. This event was held on 23 June 2018 in Westgate Gardens, involved 12 women scientists from around Kent speaking about their research to over 300 members of the public and was funded by the University's Public Engagement with Research Fund.

Faculty of Sciences

Professor Colin Robinson, Head of the School of Biosciences, is among academics from other UK universities who are joining forces with researchers in developing countries across the world to tackle some of the world's most serious challenges, funded by the Global Challenges Research Fund.

Professor Robinson, working with colleague Professor Mark Smales, is leading a £4.8m research grant into the establishment of biopharmaceutical and animal vaccine production in Thailand and neighbouring South East Asian countries. It aims to apply world-leading UK expertise to enable these countries to produce their own animal vaccines and biopharmaceutical (protein) drugs. The goal of the project is for UK and Thai experts to work together towards protein production in Thailand to make low-cost, widely available medicines. Although the initial transfer of technology will be between the UK and Thailand, there are structures built in to spread the expertise to other countries such as Vietnam and Myanmar and all parties should be able to benefit from insights learned from trying to make production costs as low as possible.

Prior to this, Professor Robinson was awarded funding with a collective value of approximately £6m, for his world-leading work on therapeutic proteins such as antibodies and hormones and the translation of his research into industrial application.

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.

Proposed in 2014, the Eastern Academic Research Consortium (EARC) was created to strengthen current collaboration and develop new cross-disciplinary research between its three member universities, East Anglia, Essex and Kent. Each partner in the Consortium acts as lead in one of three areas: Digital Humanities, led by the University of Kent; Quantitative Social Science, led by the University of Essex and Synthetic Biology, led by the University of East Anglia (UEA). In November 2016 Kent hosted a special conference at its Canterbury campus to mark the end of the first full year of the Consortium.

Other constructive partnerships with leading universities include the South East Network for Social Sciences (SeNSS), a consortium formed of 10 leading UK universities, including Kent, all of which are engaged in cutting edge social science research and training; the EnvEast Doctoral Training Partnership, which aims to address some of the challenges facing contemporary society by providing excellent multidisciplinary training to a new generation of science and business leaders working in the broad field of environmental science; 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 and SEPnet, South East Physics Network, a consortium of nine world-class universities working on high quality research, teaching and outreach activities.

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

The University of Kent aims to work in genuine partnership with its students to build an exceptional student experience, to enhance opportunities and to change lives for the better. The University is committed to develop, recognise and value excellent education, to support students to achieve their potential regardless of where they start and to help graduates emerge as independent learners with the ability to shape the changing world in a sustainable and creative way.

Research is crucial to the University, but so is student satisfaction, and the University is committed to an environment where excellence in education and research are valued equally and where productive interactions between teaching and research or professional practice create world-class experiences for both students and staff.

In September 2017, the University was awarded a gold rating, the highest, in the UK Government's Teaching Excellence Framework (TEF), with the TEF Panel judging that Kent delivered consistently outstanding teaching, learning and outcomes for its students. The TEF Panel reported that Kent "students from all backgrounds achieve consistently outstanding outcomes... The metrics indicate very high levels of student satisfaction with teaching, academic support and assessment and feedback."

Looking towards the future, the University is embracing the opportunity to try new approaches to teaching, learning, assessment and feedback, respecting the need for quality and to protect high academic standards whilst embracing a culture of enhancement and improvement. The University is also seeking more opportunities for its students to engage, to make the university experience more fulfilling and enjoyable and to celebrate the changing and broadening demography of its student body, ensuring accessibility for all whilst celebrating equality, diversity and inclusivity.

The University has an outstanding record and reputation for employability and positive student outcomes. Many of the University's programmes prepare students for specific professions, for example, Architecture, Law and Pharmacy, but whatever the programme, the University is dedicated to making the student experience such that it propels its graduates into future success with attributes and skills which will make them desirable employees and confident contributors to society.

The University of Kent was 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, including a monthly series of informal lectures and discussions in Canterbury, called pubTALK, featuring a short talk from an expert on a particular topic followed by an open question and answer session, and a popular podcast series aimed at sixth form students, the first series being focussed on the difficulties of forecasting election and referendum results in recent years.

Opportunities for students

The University of Kent offers its students a wide range of opportunities to gain essential employability skills and enhance their graduate employment prospects by participating in experiences of work, including students undertaking work placement years as part of their programmes of study. There has been a 17% increase in the number of students undertaking a year abroad as part of their academic programme, a very positive development in the context of the UK's impending exit from the EU and wider concerns regarding student mobility.

The Kent Experience of Work bursary has provided over 100 students with financial support, enabling them to undertake high quality work experience. The Work-Study Scheme, which supports the University's widening participation agenda by providing students with employment opportunities, has increased year on year since its inception in 2014. Participation has increased from last year by 94% and the team was awarded the Barbara Morris Prize for learning support for a sustained and impactful effort to improve employment possibilities for students.

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. 147 companies have been involved in this project and over 8,300 students participated in 2017/18 with 800 employability rewards offered. The Employability Points Scheme was also nationally recognised in 2015 through being shortlisted for the second time for a Times Higher Education Award in the category, 'Outstanding Support for Students'.

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 the Office for Students' Key Performance Indicators and strategic widening participation targets.

Kent is committed to offering a fulfilling university experience to students from a range of diverse backgrounds. 31% of our UK first degree new entrants have non A-level qualifications on entry and 38% come from Black and Minority Ethnic (BME) backgrounds. The Teaching Excellence Framework (TEF) statement of findings highlighted that 'very high proportions of students from all backgrounds continue with their studies and then progress to employment, notably exceeding the provider benchmarks.'

The University has provided £15m for scholarships from its own resources and raised a further £4.5m from other external sources to provide significant financial help to students to ensure that the costs of being a student are 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 of Kent scholarships and bursaries are available, for academic excellence, studying abroad, sport, music and for international students. 772 awards were made under the Kent Financial Support Package for the 2017/18 academic year and over 1,000 further awards were provided from University and other sources. The University makes further extensive provision for students experiencing financial hardship during their studies.

Employment

The University is committed to enhancing the employability of all of its students. The 2017 HESA Destination of Leavers from Higher Education (DLHE) Survey showed a slight fall in the proportion of Kent graduates obtaining employment in the UK to 78.3%, and the University's unemployment rate for leavers to 3.5% with some positive signs, such as an increase in pay for leavers providing an annual salary.

The Careers and Employability Service (CES) organises the University's annual Employability Festival, which attracted over 200 graduate recruiters, and CES worked in partnership with academic Schools, Kent Union and Professional Services to put on 231 hours of activity, including the largest event, the Careers Fair. 98% of students who attended described themselves as more confident about the graduate opportunities available to them as a result of attending the University Career Fair. Other events during the Employability Festival involved activities to encourage students to develop their employability skills.

Inclusive community

The University of Kent is dedicated to the creation and support of a balanced, inclusive and diverse community, helping students get the most out of the challenges and opportunities university study brings. The University works closely with Kent Union to provide a wealth of support services for students. There are many Equality, Diversity and Inclusivity (EDI) initiatives including the annual Worldfest, Wellbeing Festivals and various History Months.

In 2017/18 the University approved the Respect at Kent policy (previously known as the Dignity at Study policy) and the new Trans Student Support policy which both come into effect from the beginning of the 2018/19 academic year. Before September 2018 the student and staff EDI teams organised trans awareness training for student-facing staff, and the Estates team installed gender neutral toilet signage across the Canterbury and Medway campuses.

UNIVERSITY'S PUBLIC BENEFIT STATEMENT (CONT)



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

International impact

In 2017/18 Kent's staff, students and stakeholders continued to collaborate proactively in order to realise the key ambitions of our internationalisation strategy and to review it at the mid-way point in its life-cycle. Drawing on important aspects of the Institutional Plan refresh, this has also included further focus on the role of internationalisation in building knowledge diplomacy, through learning from and listening to our local, national and international stakeholders.

In terms of Kent's academic community, the volume of international students and staff has remained high, ensuring that the educational provision and research is delivered and undertaken in a diverse context by internationally experienced individuals and schools. This supports the University in its ambitions to provide an internationalised curriculum and undertake world-class research.

In the last academic year student engagement with international exchange opportunities continued to thrive and this involved more than 355 outgoing and 335 incoming students (FTE). Other ventures included the 'Global Hangout' internationalisation networking series for students, with an attendance of 900 students over the year. Worldfest was a great success again in 2018 and the Global Officers Leadership

Development Programme (GOLD), provided a co-curricular mechanism for home and international students to collaborate on internationally focused projects, helping students to build employability skills.

In addition to degree-level provision in the school of European Culture and Languages, more than 535 students, staff and members of the local community registered for our institution wide language programme, "Language Express", which now offers 10 languages. 321 registrations showed that students are keen to add a language to their degree through credit-bearing modules, also offered by the Centre for English and World Languages (CEWL).

Kent has continued to widen access to its internationally relevant learning opportunities through providing evening classes and online learning opportunities. Our engagement with Future Learn through MOOCs, has now reached more than 60,000 participants. 'Think Kent', our series of online research-led video lectures has also now attracted more than 433,000 views.

During 2017/18 the University featured in the top 500 of Shanghai Ranking's Academic Ranking of World Universities (ARWU) for the first time since its launch in 2003. It is also one of only 39 UK HEIs to feature in the top 500. This is significant for the University's international profile and the ongoing attraction of international talent to the Kent region. Also, earlier this year Kent was ranked 47th in the Times Higher Education's (THE) new European Teaching Rankings.

With regard to engagement, Kent has maintained its links with more than 400 partner institutions around the world, in order to support and inform its activities and impact across the full scope of provision. International Alumni engagement has continued to develop and there are now more than 170,000 alumni across 185 different countries. The University continues to ensure that connections with alumni support the University's mission and the reputation of the institution in the region and across the world.

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), and in partnership with local schools and our Partner Colleges.

The University has continued its outreach 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. In the last year contacts have been made with over 18,000 pre-higher education students and over 290 Student Ambassadors have been recruited, employed and trained to support this work. In summer 2018 three residential summer schools were offered to 183 school students from years 10, 12 and FE students who sampled life at Kent when they attended the Canterbury campus, giving them an opportunity to experience university life and to attend lectures and seminars on a variety of subjects. The University also offers routes into higher education for adult learners through its Access to HE Diplomas that are run at Brompton Academy and at Hartsdown Academy.

Within the 2015 publication on the regional economic impact of the University it was calculated that the social value of the student ambassador scheme was £220,000 per annum, based upon the contribution to a wide range of activities by the University's undergraduate and postgraduate students. The University has successfully rolled out the £3m HEFCE Catalyst funded Higher Education Access (HEAT) database, used for tracking participation in outreach and measuring impact, and the service is now embedded within 78 HEI partners. The University is also lead of a local HE and schools' consortium for a two year £4.3m HEFCE initiative, the National Collaborative Outreach Programme (NCOP). Kent's outreach work, schools' sponsorship and national monitoring and evaluation through HEAT has attracted national praise from the Office for Students (OfS) and the Department for Education (DfE).

The University is the lead sponsor of the University of Kent Academies Trust (UKAT) comprising Brompton Academy and Chatham Grammar School for Girls in Medway. Students at both academies benefit from the knowledge, experience and resources that the University has to offer and the University is committed to supporting the Trust 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 3,000 students in 2016/17. The University has worked with colleges in its region (MidKent College, East Kent College and West Kent and Ashford College) to offer a range of vocationally related higher education qualifications.

The University has also developed a strong partnership with the Canterbury & District University of the Third Age (U3A). Around 80 members of the U3A have contributed to research at various stages, having received any necessary training in knowledge and skills. Such collaborations ensure that the University's research remains relevant to society, enriching it and helping to bridge the gap between the University and the community.

Regional impact

In March 2018, the joint (Kent/Canterbury Christ Church University) bid to develop the Kent and Medway Medical School (KMMS) received approval from the Higher Education Funding Council for England (HEFCE) and from Health Education England (HEE). Funding was awarded for 100 undergraduate medical school places per annum, with the programme of study commencing in September 2020. The bid emphasised the need for the programme to increase diversity within the medical student body by drawing a greater number of applicants from widening participation backgrounds and to develop a thorough understanding of health inequalities to generate the greatest health gains in Kent and Medway.

The KMMS programme will deliver graduates able to practice person-centred care and to work inter-professionally to develop solutions to care delivery for the future. The successful bid involved significant contributions from partners: Brighton and Sussex Medical School (BSMS), stakeholders across health, care and public health organisations in Kent and Medway, colleagues in HEE and local politicians. In years one and two of the novel curriculum, medical students will have one day of placement experience every week in approved educational settings within Primary and Community Care, across the entirety of Kent and Medway. In years three to five, the programme content will be delivered in approved educational settings within every acute care provider in Kent and Medway, by established or newly formed undergraduate medical education tutors. The expectation is that the launch of KMMS will have a very significant regional impact in enhancing capability for attracting, training and retaining talented staff working in the health and care professions, and in due course lead to improved health outcomes for the people of Kent, Medway and beyond.

The University has a huge impact on the region's economic, social, and cultural life through the delivery of excellent education and research. The University's staff and students also make a significant contribution within local communities through volunteering, public service and engagement with community groups and regional businesses. The University's activities, combined with the £300m that our students spend off-campus, support 9,448 full-time equivalent (FTE) jobs in the South East. In addition, more than 132 companies have been created at the University's Hub for Innovation and Enterprise since 2010, creating 190 new jobs and contributing £8.8m to the local economy.

The University is committed to leading initiatives that ensure benefits to the region as a whole, such as the creation of the Kent and Medway Medical School and partners with regional economic and development organisations to support economic growth, continuing to engage with them to ensure the University's activities best meet the needs of employers and the local economy.

The University works closely with residents' associations to find innovative ways to support community cohesion. In May 2017 the University introduced a community newsletter, which is distributed on a

UNIVERSITY'S PUBLIC BENEFIT STATEMENT (CONT)



quarterly basis to 12,500 residents and businesses in the north Canterbury area. The newsletter keeps the community informed about the latest news and developments from the University, highlights opportunities for local people to get involved in our work and promotes its joint initiatives to resolve community issues. Among those initiatives is the Student Community Champion scheme, which was introduced in 2016 and operates in conjunction with local residents' associations to support conversations between residents and students, acting as a focal point for student feedback and helping to resolve everyday issues. The University is also a partner in the Street Marshal Scheme, which operates in residential areas of the city and aims to safeguard students and local residents as they move through designated areas of Canterbury at night. The scheme promotes positive community relationships by encouraging students and local residents to behave responsibly while walking through these areas and is an important part of the city's efforts to support the evening and night time economy.

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, building playgrounds in Uganda or Skydiving to raise money. In the academic year 2017/18, students raised over £140,000 for 56 different local and national charities.

The Kent Law Clinic 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 now installed in its purpose built home on the University's Canterbury campus, which officially opened on 6 October 2016.

A great example of community outreach by one of 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 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. In 2017 the School of Physical Sciences, the School of Mathematics, Statistics and Actuarial Science and the School of Engineering and Digital Arts collaborated on a cross-departmental "Women in STEM" day on the Canterbury campus, for 180 thirteen year old girls, who took part in activities related to forensic science, robotics and fraud detection. 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 three day experience aimed at introducing 15 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. In recent years Space School attendees have included students from across the world, including from the USA and Italy.

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 a student group, being a student rep or running a campaign. There are over 2,000 students involved in volunteering at Kent, with just over 91,000 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 with KSCV being recorded on the Higher Education Achievement Report. As part of their volunteer roles students attend a comprehensive range of training courses on leadership, running an event, campaigning, first aid and safeguarding training and all of the training programmes focus on upskilling volunteers so they can carry out their roles to the best of their ability. Last year over 1,200 individual students attended training for their roles, equating to over 3,500 hours of training.

Innovation and enterprise

The business community's business and innovation gateway is delivered through the University's dedicated department, Kent Innovation and Enterprise (KIE). KIE takes an innovative and creative approach to building strong links between research and business, to better develop, support business and economic growth, 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.

The University launched Inspire, Challenge, Excel (ICE-P) a support Programme for women; students, staff and business women, to bridge the gap between the University and business communities and to create opportunities to support women at all stages of their lives and careers.

As part of the government's vision for a modern British industrial strategy, the University is taking a proactive approach to developing partnerships with industry in order to take advantage of collaborative funding opportunities to enhance productivity and innovation in the region.

Throughout 2017/18, 241 business advice sessions were held and the Start-Up Scheme ran the annual Big Ideas competition leading to two students representing the UK and the University in the Global Entrepreneur Challenge that took part in Virginia, USA.

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 provides support to the tenants at 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, the Federated Kent & Medway Economic Partnership and the University's Director of Innovation and Enterprise is President of the Kent Invicta Chamber of Commerce.

The increased regional stakeholder engagement, and business support, is firmly positioning the University as an Anchor Institution in the region.

Stakeholder engagement

The University's Sport department, Kent Sport, hosts many events, including Canterbury's parkrun on the University of Kent's Canterbury campus, and also supports local and national charities, including hosting events for the Pilgrims Hospice as part of its public engagement work. Kent Sport also sponsors the Canterbury Ladies Hockey 1st Team, holds weekly physical activity sessions with adults with learning disabilities and has an active retirement group which uses six hours of facility time each week.

KMTV, a unique collaboration between the University of Kent and the KM Media Group, has successfully completed its first year of operation and is providing a lively diet of news and current affairs.

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 a diverse range of cultural activity engaging students, staff, professional artists and the local community; with open lectures and visiting speaker events, sports facilities and open days.

In Canterbury the University offers an innovative, engaging and high quality arts programme for students, staff and the community with its award winning Colyer-Fergusson Concert Hall and Gulbenkian theatre and cinema. Gulbenkian is an Arts Council of England National Portfolio Organisation in recognition of its ground breaking work and commitment to the creative empowerment of children and young people. In 2017 over 11,000 people attended our bOing! International Family Festival; a further 106,000 attended cultural events on campus and 13,188 young people participated in arts projects. On our Medway campus we are working in partnership with Medway Council to develop an arts programme in the Galvanising workshop and Royal Dockyard Church.

The University recognises that to make a significant social and economic impact collaboration and partnership is vital and in 2018 signed a memorandum of understanding with Arts Council England to work together on research on arts, health and wellbeing and to promote the engagement of all children young people in Kent in arts and culture addressing inequalities of opportunity.

FINANCIAL STATEMENTS / STRATEGIC REPORT

Financial highlights for the Year to 31 July 2018

Financial performance and investment:

- Total Comprehensive Income for the year of £3.4m (2016/17: £16.4m) representing 1.3% of total income (2016/17: 6.2%), underlying financial performance of £4.5m is lower than in 2016/17 (£6.8m) – see Financial Summary, below;
- Adjusted Net Operating Cashflow (ANOC)¹ of £20.8m (2016/17: £26.6m) representing 7.8% of total income (2016/17: 10.0%);
- Income up £0.7m (0.3%) to £267.8m compared to 2016/17 results;
- Income from Tuition Fees up £5.3m (3.3%) to £166.6m (2016/17: £161.3m); although offset by a decrease in Funding Council Grants of £5.1m;
- Increased Residences and Catering income at £36.4m (2016/17: £35.6m);
- Staff expenditure for the year² up by 8.4% to £150.4m and representing 56.4% of income (2016/17: 53.2%);
- Capital expenditure of £33.1m (2016/17: £34.5m).

Liquidity, debt and financial viability:

- Current asset ratio³ of 1.61 (2017: 1.52);
- 'Available cash reserves'⁴ representing 93 days' expenditure (2017: 80 days);
- Net debt (Outstanding loans less cash held) of £68.6m (2017: £59.8m);
- Net assets of £314.6m (2017: £311.2m).

1 A measure of cash received in the year that could be used to meet future commitments, (Net cash inflow from operating activities plus cash received from investment & endowments, less interest paid on borrowing).

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 current asset investments.

Summary

Universities change lives. Kent's reputation for teaching and research is well established, and in our newly refreshed strategy to 2025 we look forward to delivering one of the best education and student experiences in the UK that enables and inspires our students. Our discoveries and research will emphasise existing and new signature areas, where we match the best in the world. Our education and research, and the talents of our staff and students, will support social, economic, cultural, intellectual and public life in ways that will make us one of the leading civic universities.

We will further develop on past successes, generating a graduate body that is thoughtful, articulate and globally aware and creating research outputs that influence international thought. We will work alongside our regional community to improve prospects and enrich minds. Over this period, to our 60th anniversary, we will open our new joint medical school to enhance careers and prospects for medical professionals in the region, we will further grow our new but successful Centre for Higher and Degree Apprenticeships to provide increased educational prospects and we will develop our leading research in key areas of Bioscience and Molecular Medicine and Cyber Security, amongst others.

Higher Education Institutions face increasing scrutiny from government, the public and the press and we will work to increasingly demonstrate the public good that we deliver, for students, for thought leadership, for our region and internationally.

As we look to implement our strategy there are significant challenges, including funding for universities, increased competition for students in a constrained environment, cost pressures and the prospect of Brexit. We will look to renew our academic offer to remain relevant and attractive to prospective students, and we will critically challenge current structures and ways of working to ensure we are sufficiently agile and lean to cope with these concerns.

Kent's 2017/18 financial surplus of £3.4m exceeded budget but was still lower than the surplus we would ordinarily target under the University's Financial Framework. Underlying financial performance has weakened since 2015/16 as a result of on-going financial pressures. However, the University continues to invest to ensure we meet the needs of our students for academic and social development, leading to valued employment and benefits to society. In 2017/18 alone we spent £33.1m on capital works as part of a programme of estate renewal and development. Our balance sheet remains strong, and we enter 2018/19 from a robust financial position from which to face the considerable array of sector-wide risks. Further detail on Kent's financial performance, position and capital programme is given below in the "Financial Summary".

This strategic review outlines the major areas of focus underpinning the University's aims to 2025, demonstrates the valuable benefits Kent bring to its students, 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 excellent academic experiences for our students

Overall our recruitment of students remained strong in 2017/18, despite external operating constraints and increased competition, with numbers attending Kent's UK and overseas campuses remaining steady at 20,137. 83% of our students are based at Canterbury and a further 15% based at Medway, with the remainder studying at our European campuses and sites or by distance learning.

Undergraduate new entrant numbers grew by 3% but postgraduate taught student numbers declined by 12%, reversing the increases seen in 2016/17. This decrease in postgraduate taught student numbers may indicate that undergraduate fees are starting to impact student demand for further study.

Overall, EU student new entrant numbers at our UK campuses have decreased by 15%, with the largest proportional decline at postgraduate level (18%). This downturn may well be the result of on-going adverse political messages resulting from the Brexit negotiations. As the UK's European university we are undertaking a range of activity to ensure EU students are welcome to and attracted by Kent's academic offer.

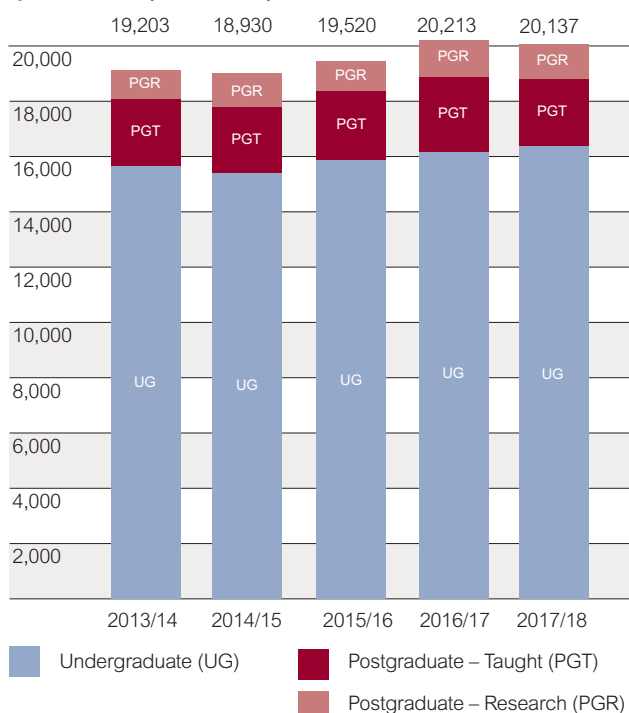
Provision at our recently established Centre for the provision of Higher and Degree Apprenticeships at Medway has expanded, with numbers growing by 151% during the year, increasing our vocational offering, and strengthening our engagement with employers. We have ambitious plans to further expand our delivery in this area over the next five years, to further open up access to higher education.

Kent is committed to offering a fulfilling university experience to students from a range of diverse backgrounds. 31% of our UK first degree new entrants have non A-level qualifications on entry and 38% come from Black and Minority Ethnicity (BME) backgrounds. Our recruitment from the South East of England is stable and we are attracting more students from London.

The latest subject Teaching Excellence Framework (TEF) data highlights our strong performance in employment metrics across our subject range, however we are aware of the challenges we face in delivering student satisfaction and supporting student attainment across an increasingly diverse student population and the need to meet high student expectations. We have experienced a decrease in average National Student Survey (NSS) satisfaction levels, which has impacted on our national league table positions which for 2019 stand at 35th out of 121, 44th out of 131 and 55th out of 98 in the Guardian, Complete University and Times Good University Guides respectively. We have reviewed NSS subject benchmark data and identified key areas for improvement which are being taken forward across our entire curriculum. These include better understanding changing student needs, 'in-flight' monitoring of course performance and increasing engagement between teaching staff and students.

2017/18 has seen a rise in our international standing with world rankings of 301-350 out of more than 1,250 institutions in the Times Higher Education (THE), and 355th out of 1,000 in the QS. We were also 47th out of 240 in the THE European Teaching League Table (July 2018) which is particularly encouraging as the UK's European University.

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



The University was successful in a bid to create a new joint Medical School with Canterbury Christ Church University. The Kent and Medway Medical School will deliver a joint vision between the universities and NHS trust partners to address the significant challenges in developing and maintaining the clinical workforce in Kent and Medway and drive changes to deliver high quality healthcare and outcomes. The school will take its first cohort of 100 students in September 2020.

Looking ahead, the University is facing a difficult student recruitment environment, with a declining UK young demographic for the next four years and increased competition for students between universities. Student admissions for 2018/19 are lower than those for 2017/18 and lower than planned. Work has started to understand and address this changed environment, to make the portfolio adjustments required and to ensure the University can cope with reduced income levels.

Over the period to 2025 we will also be implementing our new Education and Student Experience Strategy which recognises Kent as a community of intergenerational learners and will ensure staff and students work in genuine partnership, building exceptional student experiences, enhancing opportunities, and changing lives for the better. The strategy will take action to encourage and recognise excellence, embed good practice and consistency of academic experience, ensure student engagement, deliver a modern curriculum and to support our students in a fulfilling lifestyle progressing to a successful future.

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 common with other universities an increasingly higher proportion of Kent's students are identifying mental health concerns and in 2017/18 we continued to strengthen our provision to support them by agreeing plans to re-locate our 24/7 Nursing Service adjacent to Campus Security, in the heart of the Canterbury campus, and putting in place arrangements for out-of-hours support using a mental health practitioner at peak periods during term-time. The University has also co-partnered with Kent Union to establish a Mental Health Planning Group to raise awareness, and with Canterbury Christ Church University and our respective Students' Unions to introduce Nightline, a student-led listening support and information service to students experiencing emotional difficulties. This Group will also be responsible for producing a new Health and Wellbeing Strategy during 2018/19. This supplements our existing support and wellbeing arrangements delivered through our College Masters and student support officers in our academic schools.

The University's commitment to supporting our students has been recognised nationally by winning the Outstanding Support for Students award at the 2017 Times Higher Education (THE) Awards for the Student Success (EDI) Project. This is an institutional research project investigating student attainment and retention.

Kent's OPERA (Opportunity, Productivity, Engagement, Reducing barriers, Achievement) project is a collaborative university-wide initiative to embed inclusive practices in key processes for learning and teaching and curriculum design, and to create a more accessible information environment for all Kent students. The aim of the project is to progressively mainstream reasonable adjustments for students with disabilities, wherever possible, whilst offering a universal benefit to all Kent students and staff. Following our success in the 2017 THE awards,

STRATEGIC REPORT (CONT)

the OPERA project has been shortlisted in the Outstanding Support for Students category for the 2018 THE awards.

Our new Student Employability Strategy, 2018-21, defines our expectations that our students will become confident, creative, critically reflective, culturally aware and will have integrity, resilience and intellectual curiosity. The strategy supports the development of those attributes to enhance the employability and produce graduates who will make an effective contribution to the world of work and be successful in an increasingly competitive and global economy. The University will partner Kent Union to oversee the implementation process. We offer a range of services including an award-winning Careers and Employability Service and an annual Employability Festival that attracts over 9,000 students. Our employability rating for graduate prospects dropped slightly to 78.3% in 2018, which has impacted on our national league table positions for employability, which for 2019 stand at 14th out of 121, 16th out of 131 and 55th out of 98 in the Guardian, Complete University and Times Good University Guides respectively.

Our Work Study Scheme offers students from diverse backgrounds the opportunity to acquire workplace skills and training while in paid employment. The scheme has engaged over 1,300 students with 771 University positions being filled during 2017/18. The scheme is now expanding further to include opportunities for students to work in organisations off-campus.

The University's Centre for Higher and Degree Apprenticeships (CHDA) offers a fully-managed apprenticeship service to employers encompassing workforce recruitment, workplace competency monitoring and advice on apprenticeship funding and policy. In January 2018 a Kent apprentice from GlaxoSmithKline received the top national accolade "Higher or Degree National Apprentice of the Year" at The National Apprenticeship Awards and CHDA was shortlisted for a THE Leadership and Management Award in the Outstanding Employer Engagement Strategy category in June 2018.

Providing excellent academic support services for learning and research

The University continues to provide excellent academic learning resources in an exciting setting to enable students to achieve their full potential. Student satisfaction with learning resources remains consistently high, at 86% in the 2018 National Student Survey (NSS). Highlights in 2017/18 include:

- The first full-year of operation of the improved Library building at the Canterbury campus has proved enormously successful with over 1.1m visits during the year and very positive feedback from students, staff and visitors. The University has continued to invest in refreshing facilities with additional study spaces being added over the summer of 2018.
- Two 'digital classrooms' were created, in an Information Services led project, using Library seminar rooms in support of innovation in teaching and the University's approach to digital literacy. Academics and students from sixteen taught modules made use of these teaching spaces which are now functioning as a template for technology-rich classrooms at Kent.
- Students looking for study space in the Library can now check screens in the building or via their mobile device to identify free desks. This has been possible for PC's for many years but all study desks are now included.

- We achieved the Archive Service Accreditation standard in late 2017 which will support the service in developing its internal and external profile and celebrating Kent's distinctiveness through its radical and creative collections.

During 2017/18 our Office of Scholarly Communications has administered over 750 academic outputs through the REF Assisted Deposit scheme and offers support to researchers in a range of areas. This will assist in developing research potential at Kent, and ensure our research has the maximum reach and impact possible.

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. We have established the University of Kent Academies Trust (UKAT) comprising two secondary schools, Brompton Academy and Chatham Grammar School for Girls in Medway. As a sector trailblazer, we are leading KaMCOP, a local collaborative outreach project which also involves three other local universities, three FE colleges and fifty local schools. We have successfully embedded the £3m Higher Education Access Tracker (HEAT) database, used for tracking participation in outreach and measuring impact, which is now established in 78 English universities. Further developments within Scotland and Wales and internationally with Australia are being pursued.

Our successful student ambassador scheme has continued to grow with undergraduate and postgraduate students working to engage in outreach activities with over 18,000 pre-Higher Education students. The ambassador scheme is a key contributor to a positive 'student experience' at Kent and improves our students' employment prospects.

We offer financial support to assist students in their academic career. In 2017/18 bursaries and scholarship payments to undergraduate and postgraduate students totalled £19.5m. Kent continues to attract students achieving top grades at A-level 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 academic scholarship the University piloted a new student success bursary that incorporates study support in 2017/18 and this will continue in 2018/19.

Enriching the student experience

Kent Union's mission, as the independent Students' Union at the University, is to support students by giving them a voice, helping them to take advantage of opportunities while at Kent and helping prepare them for life after Kent. Kent Union provides a wide range of advisory and welfare services, including an Advice Centre that helps around 5,000 students each year; an off-campus housing accreditation scheme that drives quality within off-campus student accommodation, Home Stamp; a Buddy Scheme that pairs up current students with new students to help them settle into university; and JobShop, an employment temping agency and job advertising service that helps students find employment while studying.

Last year, Kent Union relaunched the Zero Tolerance campaign, tackling sexual harassment in the night time economy through creating and reaffirming a culture where sexual harassment is not tolerated, working with over 20 premises across Canterbury and Medway and ensuring that anti-drink spiking kits are available for students, free of charge.

The Union also runs a wide range of student activities, including over 300 student-run clubs and societies boasting over 7,500 student members. The University and Kent Union now provide students with free membership to academic societies, which has seen their membership grow by 33% in 2017/18.

Additionally, Kent Union runs an award winning student-run radio station and a student newspaper that has been produced since December 1965; as well as a wide range of volunteering opportunities and groups. Last year, over 520 students achieved Kent Student Certificate in Volunteering (KSCV) awards and over 91,000 hours of voluntary hours were donated from all Kent Union volunteers. The University course rep system is run by Kent Union; it provides every student with an elected student representative on their academic programme of study. Around 300 students are elected each year and the majority attend Kent Union run training and receive ongoing support from Union officers and staff over the course of the year.

Kent Union provides around 700 students with employment opportunities each year, paying over £800k to students in 2017/18. The Union's Employability Toolkit helps students understand, reflect on and track the transferable skills they develop through working or volunteering for the Union.

Kent Union also runs GK Unions, the students' union provision on the joint Medway campus, on behalf of and funded by the Universities of Kent and Greenwich, providing purpose-built accommodation for the Union's advice centre, student activities team, non-alcoholic social and study space, a bar and catering outlet and space for student groups to undertake their activities. In Canterbury, work has been recently completed on a new students' union facility in Park Wood, the 'student village' on campus. This £3m new building houses Woody's, the Unions Park Wood bar and catering facility, an IT and study facility, two dance studios for student groups and a social facility.

Kent Sport provides a diverse programme of sport and physical activity for staff and students of all ages and abilities. Our new Sports strategy aims to combat mental health and obesity with an intention for all students to engage in sports and physical activity by 2025, the University's 60th year celebrations. Mental health and obesity rates are increasing and in conjunction with Kent Union we aim to tackle some of these issues through engagement in sport and physical activity.

A partnership agreement will begin with Kings School Canterbury during the 2018/19 academic year, which will see the University rowing club access some of the best lakes in the area and a part funded rowing coach will help to develop the club further. The tennis centre extension is an ongoing project which when completed will provide us with four national competition size courts, and will provide additional exam space and during vacation periods a major indoor events arena capable of holding 2,000 delegates.

At Medway, a working group across all three Universities (University of Kent, University of Greenwich and Canterbury Christ Church University) has been formed to address and tackle the barriers to participation in

sport, by looking at partnership opportunities with already established local facility providers, as well as the long-term opportunity to develop on campus facilities.

Kent Sport continues to work and collaborate with Kent Union and other institutional partners to tackle inactivity and provide the best possible opportunities for all students and staff at the University of Kent.

Arts and Culture play a significant role in the life of the University of Kent. We are committed to embedding creativity in the lives of our students, staff and local communities, as well as playing a leading role in the development of cultural and creative industries in the UK and beyond. In Canterbury we offer an innovative, engaging and high quality arts programme for students, staff and the community with our award winning Colyer-Fergusson Concert Hall and Gulbenkian theatre and cinema. The Gulbenkian, an Arts Council of England National Portfolio Organisation, continues to develop its ground breaking work and commitment to the creative empowerment of children and young people. Students on both the Canterbury and Medway campuses can take part in a wide range of extra-curricular music making. At our Medway campus we are working in partnership with Medway Council to develop an arts programme in the Galvanising Workshop and Royal Dockyard Church.

We also support students studying at our Paris School of Arts and Culture in initiatives such as their MA festival in 2018 – REVOLUTIONS.

Our student engagement programme, Gulbenkian Uncovered, provides mentoring opportunities for students to devise, co-ordinate and manage events across the Canterbury and Medway campuses, including student-led 2forTuesday cinema screenings.

We recognise that to make a significant social and economic impact, collaboration and partnership is a vital and signed a memorandum of understanding with the University and Arts Council England to work together on research on Arts, Health and Wellbeing; develop the creative economy in Medway and to promote the engagement of all children young people in Kent in arts and culture addressing inequalities of opportunity.

Student residences

Kent's Commercial Services provides a varied choice of quality student accommodation to 6,500 students across our Canterbury and Medway campuses and in 2017/18 we continued our on-going programme to maintain and enhance our high quality bed stock, by completing the refurbishment of Kemsdale and Stock Courts in Park Wood village, to include double beds throughout. Our accommodation continues to be well subscribed and high occupancy levels are enjoyed throughout the academic year and during vacation periods.

Our student dining facilities remain as popular as ever and the Darwin Conference Suite, our non-residential all year round conference facility was refurbished to a high standard and now provides a high quality venue for a wide range of events. Our award-winning residential conference business remained extremely buoyant during vacation periods and the contribution of this activity helps ensure that student rents remain competitive.

STRATEGIC REPORT (CONT)

Growing internationally respected research and our postgraduate community

Our new Research and Innovation Strategy places research at the heart of the University's work, bringing improvements to society, the economy and the environment and encouraging a culture of creativity and intellectual freedom among our students and staff. Following our strategy we aim to increase our delivery of world-leading research, so that our work becomes better known, to ensure that our research is available to and used by those who need it most and to ensure that our research and innovation is fully and appropriately funded, so that we are able to work to the best of our ability and to support and develop our postgraduate community.

Since achieving a strong performance in the most recent national Research Excellence Framework (REF2014) and a ranking of 17th for Research Intensity out of 122 multi-subject universities in the Times Higher, the University continues to increase its research income and to attain the highest standards of research as judged by international measures. Research income increased again, for the fifth consecutive year to over £18m and the value of applications has increased by over 80%. Our research strategy to achieve further growth is being embedded, with two new interdisciplinary supercentres: Bioscience and Molecular Medicine (iBAMM); and the Kent Interdisciplinary Research Centre in Cyber Security (KirCCS) which has been recognised by the UK Government as an Academic Centre of Excellence. Additionally the international reach of our research was demonstrated with the first in a series of Global Challenges Research Fund (GCRF) partnership development workshops with academics and aid agencies from around the world working together to address global issues.

Internationally, Kent retains its top 400 position in the 2019 Times Higher world rankings (out of more than 1,250 institutions) and has the best ever ranking by QS at 355 out of 1,000. This consolidated performance, coupled with the increased activity levels, will underpin our submission to REF2021 where we aim to increase the proportion of world-leading (4*) research outputs to 40% 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 and support 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, capitalising on the doctoral loan scheme launched for the 2018/19 academic year onwards. The University has a postgraduate scholarship fund of over £12m from a range of sources including the UK Research Councils. However, the recruitment environment remains increasingly challenging, as a result of Brexit, cuts to Research Council studentship funding, visa restrictions and student debt. We are actively reviewing our offering to postgraduates to ensure it meets their expectations.

Our postgraduate researchers make a significant contribution to the University's research profile and will contribute to Kent's success in the Research Excellence Framework, supported by such initiatives as our setting up the new Global Challenges Doctoral Centre from 2018/19 onwards. Our postgraduate training environment is enriched through collaboration with other research-intensive institutions and membership of three prestigious doctoral training consortia as well as numerous partnerships with overseas institutions. We have been awarded a further 5-year round of CHASE funding as part of this humanities consortium.

The University came 3rd in the What University Student Choice Awards 2018, showing our excellent student engagement and experience. We also obtained excellent results in the Postgraduate Research Experience Surveys in 2018. Kent is placed in the top quarter for Research Culture (70%) and Overall Satisfaction (86%), both of which are significantly higher than the sector averages (62% and 80% respectively). Kent was ranked 5th out of the 66 institutions surveyed for Overall Satisfaction.

Our Postgraduate Taught Experience Survey results remain strong. Compared with the sector as a whole, Kent is placed in the second quarter for Teaching and Overall Satisfaction. Our Postgraduate Task Force will make recommendations on how to develop and diversify our offer with more innovative programmes, including through use of our European study centres.

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 government priority for the Industrial Strategy is of significant importance to the University and the business community and we are focusing strategic support for innovation and enterprise around the key sector themes within this.

Kent Innovation and Enterprise, the University's dedicated business and innovation gateway, has a strong regional engagement focus and works with Local Economic Partnerships to provide a range of high profile, well-regarded activities for the local business community, including the provision of a dedicated incubation facility, the Hub for Innovation & Enterprise, which provides direct support, guidance and advice covering all aspects of employability skills, student enterprise, and business startup and has had over 11,000 student interactions.

The Hub's Big Ideas Competition supports and selects one student team each year to compete in the Global Entrepreneur Challenge which takes place at Virginia Tech University in the USA. The University represents the UK in the competition, which sees students from 15 global universities pitching their business ideas for the chance to win \$25,000.

Kent's successful and unique employability scheme supported over 8,300 students in 2017/18 and we provided over 800 student awards.

In 2017/18 we launched a range of new initiatives:

- The Hub's new #DigitalReboot pilot will address the growing need for digital start-up business support. A £50k donation from Santander Universities will help ensure the success of this dedicated stream of packages to turn ideas into reality supporting fledgling digital businesses as they develop apps or e-commerce sites.
- Kent joined the universities of Essex and East Anglia, in a £4.7m Enabling Innovation Research to Application (EIRA) programme to provide access to new funding, training and networking opportunities and collaborative working space.
- Our new programme, ICE-P (Inspire, Challenge, Excel) will support women to broaden the engagement with business, public and third sector organisations.
- The Accelerator Space for Innovation and Responsible Enterprises (ASPIRE). This centre will provide a twelve-week programme supporting students from the Business School, Economics and Computing.

Increasing international opportunities and engagement

Kent has long valued European and international collaboration and partnership. Our recent strategic review has reaffirmed the importance of this wide engagement in order to respond to the challenges from Brexit and the broader international environment. We continue to host a large number of overseas and European students ensuring that our educational provision and research is delivered and undertaken in a diverse context by internationally experienced individuals and schools. This supports the University in its ambitions to provide an internationalised curriculum and undertake world-class research. Despite significant challenges from visa policy and uncertainty over Brexit, we aspire to increase this international recruitment and have put in place a number of measures such as increasing routes to entry to Kent programmes, portfolio enhancements and reviewing the effectiveness of marketing spend.

Our study centres in Brussels, Paris, Athens and Rome embody our European focus, as restated in the strategy refresh and celebrated in the 20th anniversary of postgraduate delivery in Europe. They recruit students attracted by high quality research-informed teaching delivered in a location relevant to the subject of study. 2017/18 saw increasing activity and strength across our European focus, with new links to Lille, Ghent and KU Leuven for a strong regional network and support for potential medical school links. A new vision for the European Centres was put forward to explore new modules and new lines of revenue, strengthening existing provision and addressing issues of concern. Brussels and Paris continue to flourish and there is continued year-on-year growth in Paris, especially for year-long modules; Athens has been re-assessed and new platforms of delivery are now being explored to ensure financial success and the Rome centre is exploring new developments to build its capacity and establish cross-centre modules for new year-long options between Rome and Paris.

Modernising the University estate

The University's major capital programme is now underway, with £402m of capital spending planned by 2027/28 although this may need to be reduced if financial performance is adversely impacted by the risks identified in the section "Future outlook, risks and going concern" below. We will amend our programme in order to deliver the maximum financial returns for the limited capital available whilst at the same time seeking to further enhance the student experience. The outcome of the review is likely to result in fewer major capital projects and/or a greater phasing of when projects can be delivered. In parallel with this we are progressing a Master Planning Framework to guide the development of the campus over the next 50 years.

Within a programme of enhancements, improvements and updates to the capital estates, notable highlights at Canterbury and Medway in 2017/18 not mentioned elsewhere in this report include:

- The construction of a new £19m academic building to house the School of Economics and to provide much-needed, additional teaching space is now well underway with completion expected in spring 2019. The repositioning of the School in close proximity to Kent Business School and School of Mathematics, Statistics and Actuarial Science is designed to enable the development of joint programs.
- The development of plans to provide science facilities to house the new Institute for Biotechnology and Molecular Medicine. These facilities will support the University's strategy to develop its life sciences provision while supporting the Local Authority's strategy of creating a knowledge economy within Canterbury and its associated region.
- The development of plans for a new teaching and administration building to facilitate the establishment of the recently announced Kent and Medway Medical School, with the first students due to arrive in 2020.
- The completion of a major £7m refurbishment of space for the Kent Law School.
- The £6.2m refurbishment of Cornwallis building has now been successfully completed as has the £1.7m refurbishment of the old Business School building.
- A £1m redevelopment of the old Chatham Historic Dockyard Trust's offices at Medway has commenced which will provide additional state-of-the-art facilities for Kent Business School (KBS). These will include a new Bloomberg Room, teaching spaces and offices and will enable KBS to grow student numbers and to run Masters courses for the first time at the Medway campus.

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.

A key challenge in 2017/18 was a 14-day period of disruption caused by industrial action over proposed changes to the USS pension scheme. Participation among Kent's academic staff was among the highest in the sector. Mitigation measures were put in place to minimise the impact on our students and the University has reviewed its responses for future learning.

In response to the concerns of academic staff we have also set up a short life HR team to accelerate action on reducing casualization and reviewing the terms of staff retained on hourly paid and GTA contracts (the "Workforce Profile Project"). This follows the completion of a major pilot project across five schools, aimed at reducing casualization, strengthening academic communities and improving the student experience. The University has maintained a positive employee relations environment with 93% of staff agreeing that "Kent is a Good Place to Work" in the 2017/18 Staff Survey, the School of Engineering and Digital Arts being shortlisted for a THELMA workplace of the year award, achievement of our first Silver Athena Swan award (School of Mathematics, Statistics and Actuarial Science) and Kent being the first employer in the sector to publish its statutory Gender Pay Gap data and action plan.

Significant work has also taken place in 2017/18 to define an "Academic Career Map" that will set out the expectations of academic staff and form the foundation of revised promotion, contract transition, reward and recruitment policies. We have also agreed the scope and approach for a revised reward strategy and developed and implemented an Apprenticeship Strategy. This work will collectively improve the employee experience, improve effectiveness and enable Kent to continue to recruit and retain the staff it needs to post Brexit.

STRATEGIC REPORT (CONT)

In 2018/19 we will review our People Strategy to support our refreshed institutional plan, embed a new promotions and appraisal process and policy and embark on Phase 2 of Kent's Recognising Excellence in Academia (REiA) project to embed the Academic Career map. We will also build on the result of the first year of the Staff Survey and review our support to staff affected by Brexit and continue to monitor and respond to the impact of this challenge.

Environment

Our Carbon Management Plan to 2020 commits to an absolute CO₂ reduction target of 23% in scope 1 and 2 emissions measured against a 2005 baseline. Reductions achieved to date suggest that Kent is on track. Carbon and energy saving measures achieved during the year included replacing heating systems in some teaching buildings and installing condensing boilers in refurbished residences as well as upgrading controls in several building management systems.

Kent's environment management system was re-audited in October 2018 and continues to be compliant with ISO14001:2015. Our new staff engagement programme 'FutureProof', is embedding sustainability into our systems, services, operations, teaching and research across the University in line with UN Sustainable Development Goals.

Work is underway to complete the design for a project to replace the main gas boilers serving the District Heating System for the Canterbury campus, with energy efficient low temperature gas boilers and to install a Combined Heat and Power (CHP) engine that will generate electricity for the Canterbury campus, with the waste heat from the engine being recovered to supplement the heat output of the new boiler plant. This improvement is scheduled to be operational by September 2020.

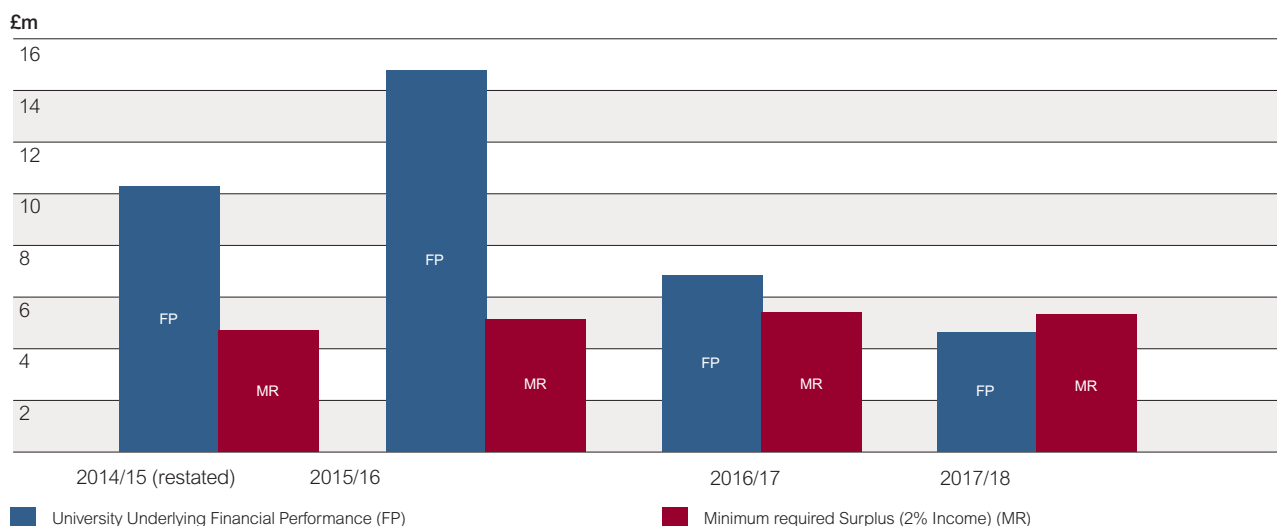
Financial summary

The table below summarises the underlying financial performance in each year after adjusting for the impact of significant one-off items or differences in impact between the two years, and shows the composition of the Surplus for the year reported in these financial statements.

The University's consolidated results for the years ended 31 July 2018 and 31 July 2017 are summarised as follows:

	2017/18 £000	2016/17 £000	Change (%)
Total Income	267,830	267,087	0.3%
Less: One-off Capital Grants and donations	-	(6,818)	
Add: Unrealised gain on investment	5	511	
Total Expenditure	(264,406)	(251,161)	5.3%
Less: Movements in provision for pension deficit recovery plan	(300)	(2,855)	
Less: Cost of strategic early retirement scheme for academic renewal	1,382	-	
Underlying financial performance	4,511	6,764	(33.3)%
Impact of movements in provision for pension deficit recovery plan	300	2,855	
Cost of strategic early retirement scheme for academic renewal	(1,382)	-	
One-off Capital Grants and donations recognised in year	-	6,818	
Surplus for the Financial Year	3,429	16,437	(79.1)%

Financial Performance 2014/15 – 2017/18



The University's reported surplus for the year of £3.4m (1.3% of income), compared favourably to a budget for the year of £2.6m, but is significantly lower than the prior year surplus of £16.4m; however as shown above, the result for the previous year benefitted from some significant one-off capital grant receipts and a favourable movement in the provision for the pension deficit recovery plan. There were also a number of one-off items in the current year, most notably a £1.4m scheme for academic renewal to enable the inflow of early career staff to refresh the University's research portfolio, which have impacted on the reported surplus for the year, as shown above. The underlying financial performance, excluding these items, fell by £2.3m during the year, reflecting the cumulative impact of increasing staff costs and the reducing opportunities for income growth, constrained by tuition fee regulations, tightened controls on the recruitment of overseas students and an increasingly competitive global higher education market.

This underlying financial performance, representing 1.7% of total income (2016/17: 2.6%), has fallen below 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. The associated Adjusted Net Operating Cashflow as a percentage of income (see Financial Highlights, earlier) of 7.8% also falls below our internal target of 9%. However this performance does include further initiatives to increase provision to students from disadvantaged backgrounds, to implement University strategy and to modernise our organisational structure.

Income

Total income grew by just 0.3% in the year to £267.8m which, whilst only modest, includes an additional £5.3m tuition fee income, largely arising from an increase in the number of Home/EU undergraduate students. Tuition fee income from overseas students was only £0.1m higher than in 2016/17 reflecting the challenges of recruiting from overseas markets. Kent is continuing with its internationalisation of the University's curriculum and student experience in line with its Strategic Plan and recruitment of overseas students remains a priority despite the increased competition for these students. Income from part-time students has increased by £0.7m from a low base reflecting, in part, the on-going success of our recently established Centre for Higher and Degree Apprenticeships.

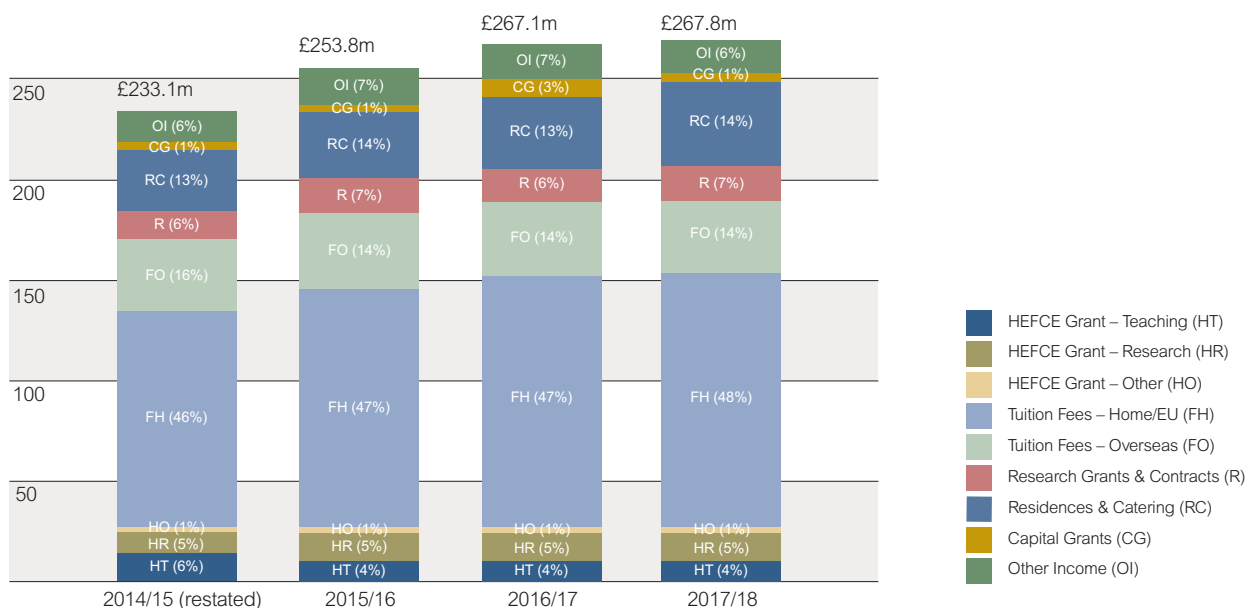
Recurrent grants from Funding Councils (HEFCE, OfS and UKRI) were £0.2m lower than last year, with a reduction of £0.6m in the recurrent teaching grant being partly offset by small increases in grants for research and innovation. In addition to this capital grants of £2.4m (2016/17: £2.2m) were received from the Capital Investment Fund (CIF) to support the provision of new and improved teaching and research facilities through the University capital programme.

Income from the Skills Funding Agency in relation to the delivery of Higher Degree Apprenticeship programmes is continuing to grow as new programmes are being set up and amounted to £0.5m for the year (2016/17: £0.2m). This is expected to continue to grow in future years as activity in this area is further expanded.

Analysis of income 2014/15 – 2017/18

£m

300



CONTINUED OVERLEAF

STRATEGIC REPORT (CONT)

Income from Research Grants and Contracts increased by £1.3m (8%) in the year to £18.0m. This reflects the increased strategic focus on driving up the level of funded research at Kent and represents some good performance in the face of intense competition across the sector. Income from consultancy and innovation grants and contracts has also increased by £0.3m (10%) in the year, reflecting its variable nature as the number of staff actively engaged in delivering these projects fluctuates depending on other commitments. Work is ongoing to monitor performance and ensure that the activity grows in the future. We also now have a three year Eastern Arc project underway, part of which is consultancy work with businesses. This is likely to contribute to an increase in income in this area.

Income from Residences and Catering operations continues to grow, with an increase of £0.8m in the year. This reflects the continued growth in catering and conference activities at both the Canterbury and Medway campuses, surpluses from which are ploughed back into the residential estate through a cyclical refurbishment programme, bringing facilities up to date and in line with student expectations. Income from student accommodation continues to be strong, with occupancy rates for the year of 96.5% at Canterbury and 92.8% at Medway.

Income from all other activities has fallen by £1.9m during the year to a total of £14.1m. However, the income for 2016/17 included a one off capital donation of £1.8m, which part-funded the construction of the University's Wigoder Building, a facility to house the Kent Law Clinic and provide a mooted chamber for our students.

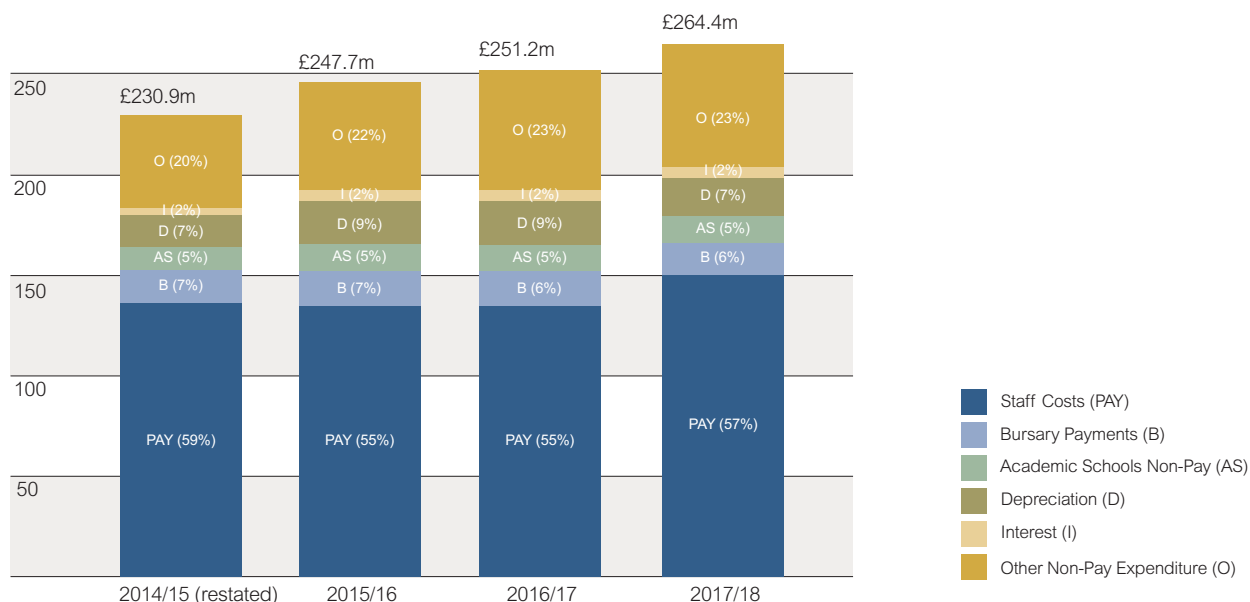
Expenditure

Staff pay expenditure, excluding the movement in the provision for pension deficit recovery plans and costs relating to major restructuring, increased by 6.5% in the year to £151.0m. This reflects investment made in staff within academic schools, which make up £5.0m of the overall increase of £9.3m in the year. An increase of £0.6m within Academic Services relates to additional investment in posts to support library and IT services to staff and students across the University. Staff Costs in Administration and Central Services also increased by £1.0m during the year, largely due to the additional costs of supporting and embedding a new HR Payroll System and the adverse impact of a falling euro-sterling exchange rate on expenditure incurred at our overseas sites. Furthermore, the overall increase includes the full year impact of the Apprenticeship Levy introduced during 2016/17, resulting in an increase of £0.5m from last year, as well as the national pay award of 1.7% plus increments and promotions of circa 1.8%.

Movements in the provision for pension scheme deficit recovery plans have reduced the reported staff costs for the year by £0.8m (2016/17: reduction of £3.4m). This consists of a release of £2.4m from prior year provisions, offset by an increase of £1.6m in the provision balance relating to an updated calculation of the provision position following increases in investment discount rates as at 31 July 2018 as a result of rising UK gilt yields and updated assumptions on pay inflation and staff growth rates. The provision for the deficit recovery plan for the SAUL pension scheme has now been fully released as this scheme is now in surplus, and therefore the provision balance at the year-end relates solely to the agreed deficit recovery plan for The Universities Superannuation Scheme (USS). The actuarial valuation of USS as at 31 March 2017 has not yet been finalised, and therefore is not reflected in these financial

Analysis of expenditure 2014/15 – 2017/18

£m
300



statements; however we acknowledge that the funding position has deteriorated. This will give rise to pressure on employee and employer contribution rates and is discussed further in the section "Future Outlook and Risks."

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 rose from 53.2% to 56.4%, reflecting increasing numbers of staff following investment and the increased costs of employing staff against income that has now broadly flat-lined.

Other Operating Expenses have increased by £2.9m (3.3%) in the year to £90.2m. This increase reflects the ongoing investment in student support and facilities. Within this balance, scholarship and bursary payments to students totalled £15.5m, with a further £3.6m 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 and represents an overall increase of £0.3m in financial support provided to students. There has also been an increase of £1.3m in the cost of Student and Staff Facilities, which includes student support services, sporting facilities and grants to the students union, as a result of additional investment in this area. An increase of £0.5m in the cost of General Educational Expenditure includes an increase of £0.7m from the movement of the element of the bad debt provision in relation to tuition fee income, with an increase for the year of £0.3m compared to a reduction of £0.4m in 2016/17. Costs in relation to Administration and Central Services have also increased by £0.3m, but this area includes the Kent share of the start of project expenditure relating to the establishment of the new Kent and Medway Medical School (£0.3m in the year), which is expected to increase further next year. Spend within academic schools has increased by £0.6m in the year, with investments in equipment being made in a number of areas.

The operating costs of Residences and Catering facilities have risen by £0.5m in the year, largely due to price inflation and the ongoing costs of maintaining the residential estate.

Depreciation charged in the year was £1.6m lower than in 2016/17. Much of this relates to the timing of equipment purchases, as the value of items which are now fully depreciated has not been fully offset by depreciation in relation to new expenditure. This is expected to increase next year as the major project to replace the student record system is expected to be completed.

Interest paid on borrowing is £0.3m higher than last year as the final £25m instalment the European Investment Bank (EIB) loan was drawn down during the year. The finance cost arising from the unwinding of the provision for pension scheme deficit recovery plans is at a similar level to last year.

Cash flow

Cash received from Operating Activities during the year was £24.0m, a decrease of £5.6m from 2016/17. This reflects the tightening squeeze on operations as shown in the declining underlying financial performance shown above, alongside movements in working capital, but is slightly above the budgeted performance for the year. Cash balances remain strong, however. The University monitors its available liquid reserves and requires a minimum of 40 days expenditure to be held at any time; as at 31 July 2018 these liquid reserves represented

around 94 days' expenditure, excluding depreciation, (2017: 80 days). At its lowest point, in April, the value of liquid reserves held by the University represented around 86 days' expenditure.

The University finished the year with a strong cash position of £41.4m. This is higher than budgeted as the second instalment of the EIB Loan facility (£25m) has now been drawn down but not yet fully utilised against capital developments. This will be fully spent by December 2018. As a result of this improved position, the planned disposal of investments included in the budget has not been required. The value of fixed and current asset investments held has increased by £0.3m during the year. As at 31 July 2018 the University had net debt of £68.6m (2017: £59.8m) 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 £314.6m (2017: £311.2m), Net Current Assets of £32.0m (2017: £24.7m) and a current asset ratio of 1.61 (2017: 1.52). Receivable balances have increased by £1.6m during the year, although this largely relates to prepayments and accrued income and reflects the timing of activities. Debtor balances outstanding have fallen by £2.0m during the year, with the majority relating to student debtors. Collections during the year have remained robust. The provision for bad debts remains at the same level overall as last year, although there has been an adjustment between the levels relating to tuition fees and other income sources. Current liabilities have increased by £5.2m during the year as a large number of supplier invoices for work done on major projects were received just prior to 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 recognises a provision for USS at 31 July 2018. This provision reflects the present value of the increased employer contributions being made to recover the deficit, as reported in the 2014 actuarial valuations. A previous provision for a deficit in SAUL was fully released during the year, and the scheme is now in surplus as reported in the 2017 actuarial valuation. As discussed below, in the Section "Future outlook, risks and going concern", the results of the 2017 actuarial valuation for USS may result in a requirement for increased funding. Dependent on the decisions made this may result in an increase in this provision. Full details of the pension schemes and their annual funding position can be found in Note 27 to the financial statements.

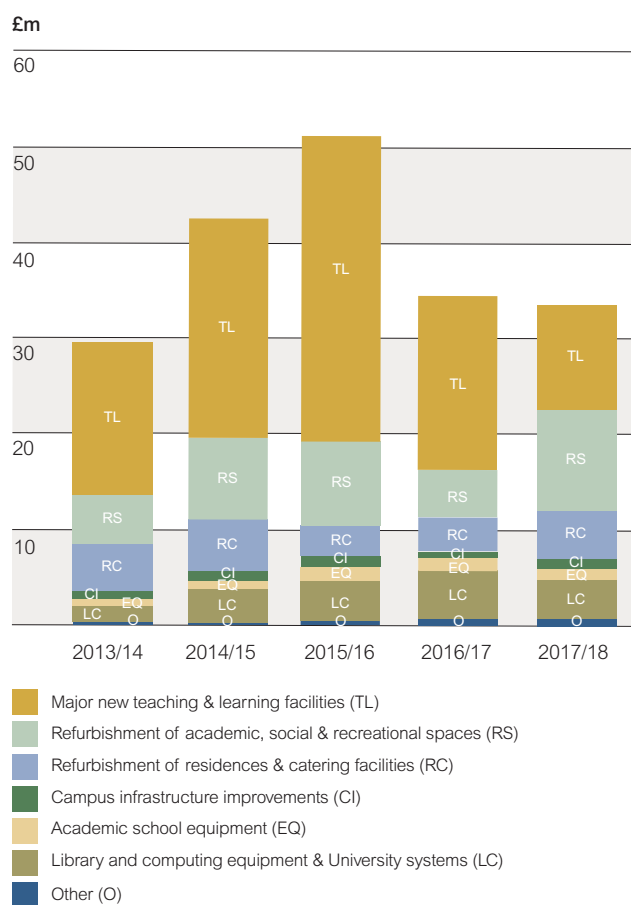
Capital expenditure and long-term borrowing

Capital expenditure amounted to £33.1m (2016/17: £34.5m) in the year, reflecting the on-going investment in 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.

The capital programme for the next five years was agreed by the University's Council in June 2018 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

STRATEGIC REPORT (CONT)

Capital expenditure 2013/14 – 2017/18



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 increased by £19.5m during the year, as the new draw down of £25m from the EIB facility has been partly offset by repayments on existing loans. Overall borrowing levels stand at 41% of total income (2017: 33.4%).

Future outlook, risks and going concern

The University is experiencing significant financial pressure alongside most of the HE sector, with the result achieved for 2017/18, although greater than budget, being lower than the targets set in our Financial Framework. 2018/19's approved budget was set in this challenging context, with a budgeted surplus of £2m, representing only 0.7% of income and with an Adjusted Net Operating Cash Flow of only 7.6% of income. Since the time this budget was set, the budget has been revised downward reflecting the projected impact of the student recruitment risk discussed below on the current year. The approved budget reflected the continuing flat-lining of real income and reduced

opportunity for growth together with expenditure pressures arising from inflation, pension scheme funding difficulties and a significant level of past and future planned strategic investment. This investment will enable Kent to move forward and continue to deliver a highly-valued educational experience to our students and to deliver internationally recognised research outputs, while ensuring sound management and compliance with regulatory requirements. The budget also makes provision for further capital expenditure of £47.6m in 2018/19 to enable the construction of a new Bioscience and Molecular Medicine research building and the teaching, laboratory, office and social space needed to deliver the Kent facilities as part of the jointly developed Medical School, as well as the on-going investment in maintaining and renewing existing facilities.

The strain on the University's financial position is now apparent, owing in particular to cost inflation, increased regulatory burden and the freeze on Home/EU undergraduate fee levels. Over the period to 2022/23 Kent will be seeking to make targeted financial improvements through income growth and reducing the overhead of its operations in order to ensure that its performance is sustainable and in line with our Financial framework minimum levels. Short-term savings measures are in place for 2018/19 and work is underway to enable a programme of focused change to be implemented from 2019/20, which includes a review of organisational structure, efficiency and effectiveness. It is likely to be a challenging time but the University has an excellent reputation and starts from a sound financial position.

Kent's senior management and Council remain focused on the challenges ahead. Our programme of risk management identifies, reports and addresses areas of major risk to the University. The level of risk in the current operating environment remains, however, higher than at any point in the last ten years, with considerable uncertainty over what some of the impacts for the sector will be. During these uncertain times Kent has developed a range of contingency plans to ensure that the University's strategy to 2025 can be delivered.

The three most significant risks at this time relate to tuition fee funding, pension cost pressures and student recruitment.

As noted above, the freeze on undergraduate tuition fees for 2018/19 and 2019/20 in itself makes the situation difficult as the University will continue to face inflationary costs, but this may be further exacerbated by the impact of the 2017 actuarial valuation of the USS pension scheme. Kent is engaging with a consultation currently underway which may result in increased employer contributions of up to 6.9% (around £5.9m annually). It is possible that the impact of this will be diluted by changes in the valuation assumptions that have been proposed by an independent Joint Expert Panel (JEP) but even taking this into account, contributions are still likely to increase by over 2% (around £1.7m annually). Although details of any recovery plan are still awaited, the expectation is that the balance sheet provision, for any future deficit contributions payable, will increase and that this increase could be quite sizeable; this will reduce the overall strength of the University's balance sheet, and those of much of the sector, and may result in reduced confidence in the sector. Furthermore the outcome of the Government review of funding for Higher Education could significantly impact on the level of tuition fees and may reduce the residual teaching income received from government. The review will publish its findings in Spring 2019 and the University and representative bodies are keeping a vigilant eye on the possible outcomes.

The student recruitment environment is expected to remain intensely competitive for Home/EU students and those from overseas. This has been further exacerbated by a demographic reduction in the numbers of 18-24 year-olds in the UK until 2022/23, by tightening visa restrictions on overseas entrants and by the adverse political messages sent by Brexit. Although Kent has fared very well overall in past years, 2018/19's admissions process has seen expansionary activity from universities with very strong reputations. This has impacted on Kent's ability to achieve targeted overseas and postgraduate students and, for the first time, we have not achieved Home/EU undergraduate recruitment targets. The resultant shortfall has meant that the budget for 2018/19 has had to be re-set, to a deficit position, and a review of financial measures is underway to part mitigate this. Further work is underway to ensure that the response in future recruitment rounds is appropriate to this more difficult environment and to ensure that Kent's reputation and strong offering to students is clearly represented.

We give below an overview of other significant risks faced by Kent in the period to 2020 alongside the steps being taken to mitigate their impact. Much of this risk is not unique to Kent and is being experienced across the Higher Education sector.

- The implementation of Brexit may impact on our ability to recruit EU students once the UK has left Europe, as they are likely to face higher fees and reduced access to student loans. This is particularly of concern at Kent, the UK's European University, where EU admissions comprise around 9% of the student population. A similar proportion 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 that international relationships can continue to flourish and that Kent can engage globally with the academic community. The prospect of a 'No-Deal' Brexit is a significant concern.
- Increasing compliance burdens are continuing to be placed on the sector, at a time when financial pressures continue to be felt. Significant duties include those in relation to the next stage of the Teaching Excellence Framework, UK Visa and Immigration requirements, data reporting, Competition and Markets Authority guidance and meeting the requirements of the new sector regulator, the Office for Students (OfS). These can prove onerous and add to the overall administrative burden without leading to immediate tangible benefits to the student experience. At Kent these areas of regulation are monitored regularly to ensure we remain compliant.
- Kent's goal to increase the volume of research activity and achieve increased international recognition for its research in the 2021 REF is ambitious in a very competitive arena. Research award levels have increased significantly since the Research Strategy was put in place but the full scale of planned growth will prove challenging in an increasingly competitive national and international environment. Work is underway to foster international research partnerships, to focus on quality and to bid for larger funds, to develop early career researchers and to ensure we retain those with strong research credentials.

After making appropriate enquiries, which include the review of medium term forecasts, the consideration of the nature and extent of the risks identified in this section on 'future outlook, risks and going concern' on pages 26-27 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.

Management of performance and risks

The University measures its performance against peers and internal targets and reports annually on relevant key performance indicator (KPI) data to the University's Council. Following the recent Strategy refresh exercise, our KPI measures focus on five key areas to track delivery against the plan to 2025. These are Education, Research, Civic Mission, Sustainability and Governance. Monitoring is performed over baskets of individual KPIs. Specific areas of sustainability assessed include student recruitment, income generation, cash reserves and adequacy of the estate.

Other indicators monitored within this process include sector positioning, student satisfaction, completion and employability, research income generation and research impact as well as a range of measures of social and environmental impact. Each individual KPI is 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 OfS 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.

Conclusion

Kent is a successful, collegial University with a sound reputation. There are talented and dedicated staff working across the whole of the University and we have a vibrant and talented student community. Our recently completed strategy refresh takes these values forward to ensure that, in an increasingly challenging environment, we can continue to change and enhance the lives of our students, to contribute to thought leadership and to deliver improved prospects to our region and wider afield. We have some real opportunities to do things differently and ensure the University of Kent is in a great position now and into the future. We have not stopped investing and will continue to do this to ensure future sustainability and success.

I am confident that the renewed ambitions and a focus on key priorities in our strategy to 2025 will strengthen the University considerably, building on the past achievements of our staff, students and alumni. Our 60th anniversary in 2025 will not, however, be the end of the process but rather a milestone along the road of continuous development.

Although the Higher Education sector as a whole is going through a difficult time, Kent has a great platform from which to respond. I look forward to working with you throughout the next academic year to build on these foundations and to bring our ambitions to life.

Professor Karen Cox
Vice-Chancellor and President
27 November 2018



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 membership is made of staff, students and lay members who are external to the University. The majority is held by the lay membership

and the chair and deputy chair must be lay members. 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 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 and President is ex officio Chair of Senate. The Senate has a range of boards to undertake much of the detailed work including the Education 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 and President, 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 and conditions of funding for higher education institutions for the period to 31 July 2019", from the Office for Students, the Vice-Chancellor and President is the Accountable Officer of the University and in that capacity can be required to appear before the Public Accounts Committee. The Vice-Chancellor and President 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 and President 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 Senior Deputy and Deputy 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.

STATEMENT OF CORPORATE GOVERNANCE & INTERNAL CONTROL (CONT)

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 2017/18 included the consideration of the University's bid for medical places and the subsequent approval of the Kent and Medway Medical School; the approval of capital investment in buildings, infrastructure and IT projects; the approval of a Senior Reward Policy and revised Terms of Reference for the Remuneration Committee; updated policies and procedures regarding Anti-Bribery, Whistleblowing, Fraud and Anti-Money Laundering; monitoring the University and Colleges Union (UCU) dispute; oversight of the University's implementation of its duties under Prevent and its responsibilities to protect free speech within the law.

Council has monitored institutional performance through Key Performance Indicators and in league tables. Council is committed to equality, diversity and inclusivity and it has approved an annual report on the University's progress in this area. It has maintained an oversight of academic governance and of donations and fundraising through the consideration of the annual report from the Fundraising Coordination Committee. It has received regular reports of the meetings of Senate and 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 considered an Annual Report of the Senate, an Annual Provider Review and the Annual Assurance Return and authorised the Chair of Council and the Vice-Chancellor and President to sign the Annual Assurance Return for submission to HEFCE.

Council spent a considerable time discussing the higher education environment in 2017/18, particularly regarding the Office for Students and the New Regulatory Framework, the industrial strategy, the impact of the outcome of the EU referendum and the impact of all these developments on the University's academic objectives, strategy and long term financial sustainability. The aim of the discussions has been to ensure that the University is able to make progress in realising its objectives and take appropriate steps to mitigate risks.

In 2017/18 Council also received presentations on Athena Swan, refreshing the University Plan and strategy development, innovation and mental health support for students.

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 a scheme of delegation. The Finance and Resources Committee considers proposals for large items of expenditure and makes recommendations for items over £2m 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 returned to the Higher Education Statistics Agency (HESA), The Student Loans Company, 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.

The Remuneration Committee is responsible for considering the remuneration of the University's Vice-Chancellor and President, Senior Deputy and Deputy Vice-Chancellors and the Director of Finance. In fulfilling this responsibility it considers performance against objectives set and benchmarking information from peer group institutions. The Committee reports to Council and provides a note of its methodology and the rationales for its decisions. In 2017/18 the Committee recommended that its updated and amended Terms of Reference document and a new Policy and Procedure for Senior Reward be approved by Council.

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.

The Ethics Committee was established by Council at its meeting in October 2016 and held its first meeting in November 2017, where it agreed that the University required an overarching Ethics Code, which would provide guidance to members of the University and would underpin the work of the Ethics Committee in providing assurance to Council on ethical matters. The Ethics Committee considered draft documents at its meetings during the 2017/18 academic year and in May 2018 recommended a draft Ethics Code for consideration by Senate and Council in June 2018. The text of the Ethics Code was then approved by Senate and Council.

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 has agreed a clear scheme of delegation;
- 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. There was no reserved business in 2016/17 or 2017/18;
- The Code invites governing bodies to consider reviewing annual reports on the work of appropriate institutional committees in relation to ethics. Council has agreed to set up an Ethics Committee.

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 Terms and conditions of funding for higher education institutions from the Office for Students.

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 2018 and up to the date of approval of the Financial Statements for 2017-2018 and it accords with the guidance from the Office for Students.

The Internal Audit Annual Report for 2017-2018 provided an overall opinion of "limited assurance that the University maintained adequately designed and effective arrangements for risk management, control and governance, and economy, efficiency and effectiveness." In particular this view arose from the limited assurance outcome of 4 of the 13 assignments performed by internal audit in the year, on payroll, academic diligence, Competition and Markets Authority compliance and data quality arrangements. The University management and Council take their responsibilities seriously and detailed action plans have been put into place to address the recommendations from all of these assignments, including payroll, where the highest priority recommendations have been resolved.

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). Council has monitored progress towards its objectives and an exercise to refresh the plan and take the University into 2025, its 60th anniversary year, is nearing completion;
- 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 President 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, focusing on areas considered to be high risk, 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 Plan is regularly reviewed and flexed to address any issues that may arise;

STATEMENT OF CORPORATE GOVERNANCE & INTERNAL CONTROL (CONT)

- 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 the full range of risks across the University, including business, operational, financial and compliance, 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. The Risk Register is reviewed by Executive Group, Audit Committee and then approved by Council, usually at its Summer Term meeting (on 29 June 2018 in 2017-2018);
- The Significant and Contingency Risks for the year are subject to Risk Owner action plans by heads of professional service departments and the deans/heads of academic schools and termly performance monitoring and re-scoring to ensure that exposure is mitigated to a level that conforms to the University's Risk Appetite. Risk Owners are also given the opportunity to update the overall Register each term in response to changes within the year. Termly reports are reviewed by Executive Group and Audit Committee.

Council has undertaken an overall assessment of the effectiveness of risk management and internal control, informed by reports from the Audit Committee, the External Auditors in their Management Letter, the Internal Auditor, from the Vice-Chancellor and President and other executive officers. Council noted in particular the conclusion of "limited assurance" provided by the Internal Auditor for 2017-2018 but considered that, in the light of all the evidence, the University's internal control was sound for 2017-2018 and to the date of its approval of these Financial Statements is hereby confirmed for the record. The evidence taken into account by Council included the observations of the External Auditors on the Financial Controls, the outcomes of Internal Audit reviews over recent years and particularly the satisfactory assurance given in relation to the Risk Management Arrangements in 2018, consideration of the arrangements for risk management and value for money and assurances from management on the prompt progress in addressing recommendations.

Signed on behalf of the University of Kent on 27 November 2018 by:

Sir David Warren
Chair of the Council

Professor Karen Cox
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 (SORP 2015) and any subsequent amendments and the HEFCE and Office for Students' Accounts Directions.

In addition, within the terms and conditions of HEFCE's Memorandum of Assurance and Accountability (July 2017) agreed between the Higher Education Funding Council for England (HEFCE) and the Council of the University in effect until 31 March 2018, the Office for Students' Terms and conditions of funding for higher education institutions for the period to 31 July 2019, and the Office for Students'/Research England's Accounts Directions from 1 April 2018 onwards, the Council, through its accountable officer (the Vice-Chancellor and President), 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.

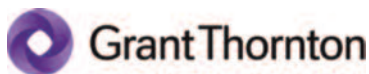
The Council has taken reasonable steps to:

- Ensure that funds from HEFCE/the Office for Students/Research England are used only for the purposes for which they have been given and in accordance with the HEFCE Memorandum of Assurance and Accountability (July 2017) the Office for Students' Terms and conditions of funding for higher education institutions for the period to 31 July 2019, the Office for Students'/Research England's Accounts Directions and any other conditions which HEFCE/the Office for Students and Research England 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



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Opinion

We have audited the financial statements of the University of Kent (the 'parent university') and its subsidiaries (the 'group') for the year ended 31 July 2018 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 notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards including Financial Reporting Standard 102; the Financial Reporting Standard applicable in the UK and Republic of Ireland (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the group's and the parent university's affairs as at 31 July 2018, and of the group's and the parent university's 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 United Kingdom Generally Accepted Accounting Practice and the Statement of Recommended Practice: Accounting for Further and Higher Education published in March 2014.

Basis for opinion

We have been appointed as auditor under the Royal Charter and report in accordance with regulations made under it. We conducted our audit in accordance with International Standards on Auditing (UK) ("ISAs (UK)") and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the group in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Who we are reporting to

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.

Conclusions relating to going concern

We have nothing to report in respect of the following matters in relation to which the ISAs (UK) require us to report to you where:

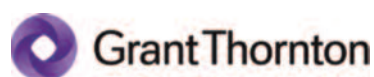
- the Council's use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the Council have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the group's or the parent university's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

Other information

The Council are responsible for the other information. The other information comprises the information included in the annual report set out on pages 1-34 and 65-68, other than the financial statements and our auditor's report thereon. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon. In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material

Continued overleaf

INDEPENDENT AUDITORS REPORT TO THE COUNCIL OF THE UNIVERSITY OF KENT (CONT)



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misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

Opinion on other matters prescribed by the Office for Student's ('OfS') Terms and conditions of funding for higher education institutions (issued March 2018) and the OfS's accounts direction (issued June 2018)

In our opinion, in all material respects:

- funds from whatever source administered by the parent university for specific purposes have been properly applied to those purposes and managed in accordance with the relevant legislation;
- funds provided by HEFCE, the OfS and Research England have been applied in accordance with the relevant terms and conditions, and any other terms and conditions attached to them; and
- the requirements of the OfS's accounts direction (issued June 2018) have been met.

Responsibilities of the Council for the financial statements

As explained more fully in the Statement of responsibilities of the Council set out on page 34, the Council is responsible for the preparation of the financial statements and for being satisfied they give a true and fair view, and for such internal control as the Council determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the Council are responsible for assessing the University's ability to continue as a going concern, disclosing, as applicable, matters relating to going concern and using the going concern basis of accounting unless the Council either intend to liquidate the University or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists.

Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at: www.frc.org.uk/auditorsresponsibilities. This description forms part of our auditor's report.

Grant Thornton UK LLP
Statutory Auditor, Chartered Accountants, London

27 November 2018

CONSOLIDATED & UNIVERSITY STATEMENT OF COMPREHENSIVE INCOME AND EXPENDITURE

FOR THE YEAR ENDED 31 JULY 2018

	Note	Consolidated & University	
		2017/18 £000	2016/17 £000
Income			
Tuition Fees and Education Contracts	1	166,644	161,320
Funding Council Grants	2	29,783	34,875
Research Grants and Contracts	3	18,019	16,686
Other Income	4	51,813	52,810
Investment Income	5	888	618
Donations and Endowments received	6	683	778
Total Income		267,830	267,087
Expenditure			
Staff Costs	7	150,373	138,660
Other Operating Expenses	9	90,199	87,296
Depreciation	11	19,406	21,046
Interest and Other Finance Costs	8	4,428	4,159
Total Expenditure		264,406	251,161
Surplus before other gains		3,424	15,926
Gain on Investments		5	511
Surplus and Total Comprehensive Income for the year		3,429	16,437
Represented by:			
Endowment comprehensive (expenditure)/income for the year		(409)	332
Restricted comprehensive income for the year		10	42
Unrestricted comprehensive income for the year		3,828	16,063
		3,429	16,437

All income and expenditure recognised above relates to continuing operations.

STATEMENT OF CHANGES IN RESERVES

FOR THE YEAR ENDED 31 JULY 2018

	Statement of Comprehensive Income and Expenditure			
	Endowment £000	Restricted £000	Unrestricted £000	Total £000
Consolidated				
Balance at 1 August 2016	5,196	402	289,130	294,728
Surplus for the year	803	173	15,461	16,437
Other comprehensive income	-	-	-	-
Release of restricted funds spent in year	(471)	(131)	602	-
Total comprehensive income for the year	332	42	16,063	16,437
Balance at 1 August 2017	5,528	444	305,193	311,165
Surplus for the year	111	224	3,094	3,429
Other comprehensive income	-	-	-	-
Release of restricted funds spent in year	(520)	(214)	734	-
Total comprehensive income for the year	(409)	10	3,828	3,429
Balance at 31 July 2018	5,119	454	309,021	314,594
University				
Balance at 1 August 2016	5,196	402	289,095	294,693
Surplus for the year	803	173	15,461	16,437
Other comprehensive income	-	-	-	-
Release of restricted funds spent in year	(471)	(131)	602	-
Total comprehensive income for the year	332	42	16,063	16,437
Balance at 1 August 2017	5,528	444	305,158	311,130
Surplus for the year	111	224	3,094	3,429
Other comprehensive income	-	-	-	-
Release of restricted funds spent in year	(520)	(214)	734	-
Total comprehensive income for the year	(409)	10	3,828	3,429
Balance at 31 July 2018	5,119	454	308,986	314,559

BALANCE SHEETS

AS AT 31 JULY 2018

	Note	Consolidated		University	
		2018 £000	2017 £000	2018 £000	2017 £000
Non-current assets					
Tangible Fixed Assets	11	417,809	404,074	417,809	404,074
Fixed Asset Investments	13	1,372	65	1,372	65
		419,181	404,139	419,181	404,139
Current assets					
Stocks		790	800	790	800
Trade and Other Receivables	14	18,973	17,398	18,973	17,398
Current Asset Investments	15	23,230	24,232	23,230	24,232
Cash and Cash Equivalents		41,359	29,520	41,359	29,487
		84,352	71,950	84,352	71,917
Creditors: amounts falling due within one year	16	(52,401)	(47,226)	(52,436)	(47,228)
Net current assets		31,951	24,724	31,916	24,689
Total assets less current liabilities		451,132	428,863	451,097	428,828
Creditors: amounts falling due after more than one year	17	(111,327)	(91,937)	(111,327)	(91,937)
Provisions					
Pension Provisions	18	(25,211)	(25,511)	(25,211)	(25,511)
Other Provisions	18	-	(250)	-	(250)
		(25,211)	(25,761)	(25,211)	(25,761)
Net assets		314,594	311,165	314,559	311,130

	Note	Consolidated		University	
		2018 £000	2017 £000	2018 £000	2017 £000
Restricted reserves					
Endowment reserves	20	5,119	5,528	5,119	5,528
Restricted reserves	21	454	444	454	444
		5,573	5,972	5,573	5,972
Unrestricted reserves					
General Reserve		309,021	305,193	308,986	305,158
Total reserves		314,594	311,165	314,559	311,130

The financial statements on pages 37 to 64 were approved by the Council on 27 November 2018 and signed on its behalf by:

Professor Karen Cox,
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 2018

	Note	2017/18 £000	2016/17 £000
Cash Flow from Operating Activities			
Surplus for the year		3,429	16,437
Adjustment for non-cash items			
Depreciation	11	19,406	21,046
(Gain) on investments		(5)	(511)
Decrease/(increase) in stock		10	3
Decrease/(increase) in debtors	14	(1,436)	60
Increase/(decrease) in creditors	16/17	2,494	1,610
Increase/ (decrease) in pension provision	18	(300)	(2,855)
Increase/ (decrease) in other provisions	18	(250)	115
Adjustment for investing or financing activities			
Investment income	5	(888)	(618)
Interest payable	8	3,948	3,642
Endowment income	20	(38)	(291)
Capital grant income	2/4	(2,410)	(9,044)
Net cash inflow from operating activities		23,960	29,594
Cash flows from investing activities			
Capital grant receipts		2,410	2,336
Investment income	5	884	629
Payments made to acquire fixed assets	11	(31,674)	(36,826)
New non-current asset investments	13	(995)	-
New deposits		-	(122)
Withdrawal of deposits		695	-
		(28,680)	(33,983)
Cash flows from financing activities			
Interest paid	8	(4,189)	(3,891)
Endowment cash received	20	113	291
New unsecured loans	17	25,000	-
Repayments of amounts borrowed		(4,365)	(3,303)
		16,559	(6,903)
Increase/(decrease) in cash and cash equivalents in the year		11,839	(11,292)
Cash and cash equivalents at beginning of the year		29,520	40,812
Cash and cash equivalents at end of the year		41,359	29,520

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 on a going concern basis under the historical cost convention modified by the revaluation of certain fixed assets and investments.

Going concern

The University statement on going concern can be found within the Future outlook, risks and going concern section of the Strategic Report on pages 26-27.

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 cash deposits and investments is credited to income in the period in which it is earned.

Capital grants

Grants received from any source 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.

STATEMENT OF PRINCIPAL ACCOUNTING POLICIES (CONT)

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).

From 1 October 2016 USS changed from a defined benefit only scheme to a hybrid pension scheme, providing defined benefits (for all members) as well as defined contribution benefits. The assets of the scheme are held in a separate trustee-administered fund. Because of the mutual nature of the scheme, the assets are not attributed to individual institutions and a scheme-wide contribution rate is set. The University is therefore exposed to actuarial risks associated with other institutions' employees and is unable to identify its share of the underlying assets and liabilities of the scheme on a consistent and reasonable basis. As required by section 28 of FRS102 "Employee benefits", the University therefore accounts for the scheme as if it were a wholly defined contribution scheme.

The University has entered into an agreement (the Recovery Plan) that determines how each employer within the scheme will fund the overall deficit. A provision is recorded on the Balance Sheet for additional contributions payable under the Recovery Plan representing the present value of future payments agreement under the Recovery Plan. The associated expense was recognised in the Consolidated Statement of Comprehensive Income and Expenditure in the year in which the deficit recovery plan was agreed.

The cost 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 the Recovery Plan over the period of the recovery plan.

SAUL is a multi-employer defined benefit scheme. The assets of the scheme are held in separate trustee administered funds. The scheme operates as a "Last Man Standing" scheme 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 scheme as if it were a defined contribution scheme.

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

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
Major Management Information System developments	8 years
Computer equipment and systems	3 to 5 years
Equipment acquired for specific research or other projects	Project life (generally 3 years)

All depreciation charges are calculated annually from the year in which they come into use.

Where Tangible Fixed Assets are acquired with the aid of specific grants, the cost capitalised and depreciated in accordance with the above policy, with the related grant income recognised in line with Accounting Policy C.

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.

Other 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.

Investments in funds intended to be held for the long term in order to generate ongoing income to fund activities are reported as fixed asset investments. All other funds are reported as current asset investments.

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 Financial instruments

The University has applied the recognition, measurement and disclosure requirements of sections 11 and 12 of FRS 102 in relation to basic and complex financial instruments.

Financial assets are initially measured at transaction price (including transaction costs) and subsequently held at cost, less any impairment.

Financial liabilities are classified according to the substance of the financial instrument's contractual obligations, rather than the legal form. Financial liabilities are initially measured at transaction price (including transaction cost) and subsequently held at amortised cost.

Cash & cash equivalents

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.

STATEMENT OF PRINCIPAL ACCOUNTING POLICIES (CONT)

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 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.

Loans

Loans are measured at amortised cost using the effective interest method and are subject to an annual impairment review.

Short term debtors and creditors

Debtors and creditors with no stated interest rate and receivable or payable within one year are recorded at transaction price. Any losses arising from impairment are recognised immediately in the Statement of Comprehensive Income.

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 (e.g. 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 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 11.

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 11.

Revaluation of land

The valuation of the land now taken forward as deemed cost is a significant judgement, based on an external valuation as at 31 July 2014 but reviewed annually by management for any impairment. Further information on the basis of the valuation and the impact on the financial statements can be seen in Note 11.

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. 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 the surplus or deficit for the year in accordance with section 28 of FRS102. The University is satisfied that the scheme provided by USS meets the definition of a multi-employer scheme and has therefore recognised the discounted fair value of the contractual contributions under the Recovery Plan in existence at the date of approving the financial statements.

The recovery plan in the 2014 actuarial valuation requires employers to contribute 2.1% of salaries towards repairing the deficit over a period of 17 years, of which 14 years remain. Details of this provision, which has been discounted at a rate of 2.21% as at 31 July 2018, are included in note 27 to the financial statements.

The 2017 actuarial valuation of USS has been undertaken but this has not yet been formally completed. The 2017 valuation has set out the challenges currently facing the scheme and the likelihood of significant increases in contributions being required to address these challenges.

In the judgement of the University, as the 2017 valuation has not formally completed, and there remains various stages of consultation around the key factors specifically relating to the funding of the past deficit, including the level of contributions required, the period of the recovery plan and the level of asset performance over the period, it remains appropriate to continue to account for the past deficit obligation in accordance with the plan agreed after the 2014 actuarial valuation.

However, there is a significant risk that the year-end provision as calculated will not reflect the position following the final outcome of negotiations, potentially by a very significant amount depending upon what is finally agreed as regards future deficit contributions and their duration. The University expects to have greater clarity in this respect during the next financial year. Based on the inputs to the model, the following sensitivity analysis outlines the potential impact on the existing liability of £25.2m (assuming the same discount rate of 2.21%) if the following changes had been agreed during the year with effect from April 2019:

Change in Recovery Plan	Provision at 31 July 2018
Increase in deficit contributions by 1%	£36.6m
Increase in deficit contributions by 3.9%	£69.8m
Increase term of Recovery Plan by 3 years	£31.8m
Increase term of Recovery Plan by 6 years	£38.7m

NOTES TO THE ACCOUNTS

1 Tuition fees and education contracts

	2017/18 £000	2016/17 £000
Full-time Home and EU Students	122,920	118,054
Full-time International Students	36,992	36,911
Part-time Fees	3,537	2,860
Research Training Support Grants	1,694	1,813
Short Course Fees	1,501	1,682
	166,644	161,320

2 Funding council grants

	2017/18 £000	2016/17 £000
Recurrent Grant		
Teaching and Research funding (HEFCE; OfS and UKRI)	24,124	24,572
Higher Education Innovation Fund (HEIF)	1,287	1,045
Capital Grants (CIF)	2,410	2,226
Specific Grants		
Skills Funding Agency	509	214
All Other Grants	1,453	1,818
Capital Grant (HEFCE STEM)	-	5,000
	29,783	34,875

3 Research grants and contracts

	2017/18 £000	2016/17 £000
Research Councils	7,670	7,160
UK Based Charities	1,806	1,843
UK Industry and Commerce	346	405
Government (UK & EU)	7,138	6,441
Other Grants and Contracts	1,059	837
	18,019	16,686

4 Other income

	2017/18 £000	2016/17 £000
Residences, Catering and Conferences	36,396	35,595
Other Income Generating Activities	6,702	6,605
Other Revenue Grants	2,941	4,029
Capital Grants (non-funding council)	-	1,818
Other Income	5,774	4,763
	51,813	52,810

'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

	2017/18 £000	2016/17 £000
Investment Income on Endowments	171	176
Other Investment Income	407	245
Other Interest Receivable	310	197
	888	618

6 Donations and endowments received

	2017/18 £000	2016/17 £000
New Endowments	38	291
Donations with Restrictions	224	173
Unrestricted Donations	421	314
	683	778

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:

	2017/18 Avge FTE No.	2016/17 Avge FTE No.
Academic Staff	853	819
Research Staff	187	174
Teaching only Staff *	37	51
Academic Related Staff	546	532
Clerical Staff	702	680
Manual & Ancillary	431	434
Technical	142	143
	2,898	2,833

*Teaching only staff relates to postgraduate students who are also paid a salary for the provision of teaching services to undergraduate students.

The above figures exclude 155 FTE (2016/17: 271 FTE) in relation to employees classified as Casual workers that are paid by timesheet.

Staff Costs for the above persons:

	2017/18 £000	2016/17 £000
Wages & Salaries	120,120	112,256
Social Security Costs	11,898	11,352
Other Pension Costs (Note 27)	19,023	18,181
Movement in Pension Deficit Recovery Plan Provision	(780)	(3,372)
Restructuring Costs	112	243
	150,373	138,660

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 movements 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.

7 Staff costs (cont)

Staff Costs by Department:

	2017/18 £000	2016/17 £000
Academic Departments	85,997	80,996
Academic Services	10,545	9,905
Research Grants & Contracts	8,831	8,070
Student and Staff Facilities	6,775	6,733
General Educational Expenditure	7,401	6,910
Administration and Central Services	13,415	12,394
Residences and Catering	9,684	9,821
Premises	6,280	5,617
Pension provision movements	(780)	(3,372)
Other	2,113	1,343
Sub-total	150,261	138,417
Restructuring Costs	112	243
Total Staff Costs by Department	150,373	138,660
Payments for loss of office included in total staff costs above	1,761	790
Number of staff to which this relates	106	95

Included within the cost of payments for loss of office is a £1.4m scheme for academic renewal to enable the inflow of early career staff to refresh the University's research portfolio.

Senior Staff pay:

	Number of Staff	
	2017/18	2016/17
Basic annual salary (per 1.0 FTE)		
£100,000 - £104,999	3	6
£105,000 - £109,999	5	6
£110,000 - £114,999	3	-
£115,000 - £119,999	2	3
£120,000 - £124,999	1	4
£125,000 - £129,999	3	1
£130,000 - £134,999	3	-
£135,000 - £139,999	-	-
£140,000 - £144,999	1	-
£145,000 - £149,999	-	-
£150,000 - £154,999	-	1
£155,000 - £159,999	-	-
£160,000 - £164,999	1	2
£165,000 - £169,999	2	-

NOTES TO THE ACCOUNTS (CONT)

7 Staff costs (cont)

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.

	2017/18 £000	2016/17 £000
Key management personnel compensation	1,154	1,166

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

Remuneration for the Vice-Chancellor and President:

	2017/18 £000	2016/17 £000
Professor Dame Julia Goodfellow (to 31 August 2017)		
Basic salary	22	262
Pension contributions and payments in lieu of pension contributions	3	37
Performance-related bonus	-	25
Professor Karen Cox (from 1 August 2017)		
Basic salary	240	-
Pension contributions and payments in lieu of pension contributions	37	-
Taxable benefit – Accommodation ¹	22	-
Total Emoluments for the Year	324	324

¹ The taxable benefit in 2017/18 was a one-off provision made to the new Vice-Chancellor and President in her first year of appointment only, to assist her and her family in relocating to Kent.

The Vice-Chancellor and President's basic salary in 2017/18 was 9.61 times the median pay of all staff*, where the median pay is calculated on a full-time equivalent basis for the salaries paid by the University to its staff.

The Vice-Chancellor and President's total remuneration in 2017/18 was 10.03 times the median total remuneration of staff*, where the median total remuneration is calculated on a full-time equivalent basis for the total remuneration by the University of its staff.

Where the median ratio is calculated on a full time equivalent basis for all staff, the pay ratio is distorted by the inclusion of a high number of (mainly student) staff on flexible/atypical timesheet contracts where we aim to provide employment experience. Given the distorting effect of these contracts on the pay ratio, a ratio which excludes these staff is also given (below) for comparison purposes.

The Vice-Chancellor and President's basic salary and total remuneration in 2017/18 was 7.44 times the median basic salary and total remuneration of all substantive staff, where the median pay is calculated on a full time equivalent basis for the salaries paid by the University to its staff.

Justification for salary of Vice-Chancellor and President

University Context:

The University of Kent is a substantial and efficiently run business with total revenue over £267m. We are one of the largest employers in the region with over 3,000 full-time equivalent (FTE) jobs and generate more than 2,900 FTE jobs outside the University, contributing £780m for the south-east region economy.

* 'All staff' includes flexible/atypical staff, but excludes payments to agency workers as agencies are paid via invoices and costs are not reported within total staff costs above. Details of the number of individuals involved and the number of hours worked has not been captured during the 2017-18 financial year.

There have been significant step-changes in Kent's teaching and research achievements, confirming the University as an academic, economic and cultural force in the UK, Europe and internationally. We have strengthened and embedded our international activities; 26% of our student body and 41% of our academic and research staff come from outside the UK. We have continued to build on long-standing relationships in Europe and remain the only UK university to lead two European Commission funded Erasmus Mundus Joint Doctoral programmes which support over 70 PhD students. Kent is the only UK university to have specialist postgraduate centres in four European capital cities: Athens, Brussels, Paris and Rome, in addition we have an extensive study abroad programme with over 204 universities in 36 countries.

We have multiple collaborative research partnerships and are members of a number of research consortia covering a broad range of disciplines such as Biosciences, Arts and Humanities, Health and Social Care, Engineering and Physical Sciences. We are working with partner institutions to develop the Kent and Medway Medical School, offering 100 undergraduate places from 2020.

As a well-managed university with robust finances and an effective governance structure, we are well placed to respond to the increasing pressures on UK public funding, escalating competition for high quality students and further expectations for universities to improve standards in both teaching and research.

Value and performance:

Professor Dame Julia Goodfellow

1 June 2007 to 31 August 2017

This reward package reflected the University's continuing strong performance in league tables and in the NSS, plus stable student recruitment over a number of years. In addition, the University's reputation was strengthened through the VC's role as President of UUK. This salary is close to the median for VC pay at other similar sized universities.

Due to the timing of retirement (31 August 2017) the VC had no contractual entitlement to an increase in her base pay for the year prior to her departure, but in the light of sustained high performance during her last year in office a one-off payment was awarded.

Professor Karen Cox

From 1 August 2017

This reward package, agreed at the point of recruitment, reflects the sum necessary to attract a strong candidate, with an impressive track record at a successful Russell Group University and takes into account the existing reward package. The figure is less than both the median and the mean salaries of VCs at peer group universities and also less than the salary of the out-going Vice-Chancellor and President: this is a reflection of the newness of the appointment and the importance of demonstrating success in the Vice-Chancellor and President role.

Process for determining pay:

As a part of its commitment to transparency the Committee has developed a Senior Reward Policy which is published on the University website. This policy incorporates requirements relating to individual performance assessment, including appraisal on detailed objectives, and the link to pay decisions. Appraisal also includes extensive 360 degree feedback. In addition, as a part of its governance role, the Remuneration Committee monitors the application of Kent's reward policies across all staff groups, including other senior staff.

All decisions on senior pay are made by the University's Remuneration Committee, with delegated responsibility for decision-making on these matters from Council. The Committee consists of members of Council, plus from 2019 and going beyond the requirements of the CUC Code, a student member and a staff member will also be appointed to the Committee.

The Vice-Chancellor is not a member of the Remuneration Committee. No members of staff, including the Vice-Chancellor, are present at Remuneration Committee during discussions about their own remuneration.

A report of the Committee's decisions is made to Council each year. The University makes a transparent and detailed disclosure on how the Remuneration Committee determines senior pay in its Annual Review & Financial Statements, and follows OfS requirements on senior pay and the CUC Governance Code.

NOTES TO THE ACCOUNTS (CONT)

8 Interest and other finance costs

	2017/18 £000	2016/17 £000
Loan Interest	4,100	3,877
Pension Scheme Finance Costs	480	517
Other Interest charged	22	-
Less: Capitalised Interest (Note 11)	(174)	(235)
	4,428	4,159

9 Other operating expenses

	2017/18 £000	2016/17 £000
Academic Departments	13,287	12,722
Academic Services	8,568	8,752
Research Grants and Contracts	4,247	4,337
Bursary Payments to Students	15,492	15,724
Student and Staff Facilities	5,695	4,433
General Educational Expenditure	6,499	6,023
Administration and Central Services	3,021	2,747
Residences and Catering	17,415	16,794
Premises	14,753	14,548
Other Expenses	1,222	1,216
	90,199	87,296
Other Operating Expenses include:		
Auditors' Remuneration for audit services for the year	66	69
Auditors' Remuneration for prior year audit services recognised in the current year	-	27
Auditors' Remuneration for non-audit services for the year	20	44
Auditors' Remuneration for prior year non-audit services recognised in the current year	-	12
Operating Lease Rentals:		
Land and Buildings	951	1,049
Other	362	288
	1,399	1,489

Total Auditors Remuneration in respect of non-audit services in 2016/17 included a one-off fee of £42k for an additional audit of US GAAP compliant financial statements in relation the compliance requirements for US student loans.

10 Surplus on operations for the year

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

	2017/18 £000	2016/17 £000
University Surplus for the Year	3,429	16,437
Surplus generated by subsidiary companies	-	-
Consolidated Surplus for the Year	3,429	16,437

Details of the University's subsidiary companies can be found in Note 13.

11 Tangible fixed assets

	Consolidated and University				
	Land and Buildings £000	Service Concession Arrangement Assets £000	Assets Under Construction £000	Equipment and Systems £000	Total £000
Cost or Valuation					
At 1 August 2017	492,045	10,172	16,771	33,569	552,557
Additions	4,622	-	-	8,303	12,925
Assets under construction	-	-	20,216	-	20,216
Transfers	15,074	-	(15,074)	-	-
Disposals	-	-	-	(291)	(291)
At 31 July 2018	511,741	10,172	21,913	41,581	585,407
Depreciation					
At 1 August 2017	131,844	955	-	15,684	148,483
Charge for the Year	14,819	173	-	4,414	19,406
Disposals	-	-	-	(291)	(291)
At 31 July 2018	146,663	1,128	-	19,807	167,598
Net Book Value					
At 31 July 2018	365,078	9,044	21,913	21,774	417,809
At 1 August 2017	360,201	9,217	16,771	17,885	404,074
Financed by:					
Capital Grant	43,193	-	1,705	709	45,607
Other	321,885	9,044	20,208	21,065	372,202
	365,078	9,044	21,913	21,774	417,809

Land was acquired both by gift and purchase (historic cost of £5.8m) and is stated at a valuation of £133.2m (2017: £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 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 Sheet at this valuation, which has been 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. As at 31 July 2018 a review of property values has found no indications of impairment as defined in section 27 of FRS102.

Interest of £0.2m on loans used to finance the construction of buildings has been capitalised in the year (Note 8). This interest relates to the £25m loan drawdown received during the year and is based on a fixed interest rate of 2.10%. Total interest capitalised to date, included in the cost of Land and Buildings, amounts to £2.5m at 31 July 2018 (2017: £2.3m).

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

NOTES TO THE ACCOUNTS (CONT)

12 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 no liability is recorded in these financial statements.

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

13 Fixed asset investments

	Consolidated and University	
	2018	2017
	£000	£000
Cost of Investment in Subsidiary Companies	-	-
Cost of Investment in Other Companies (Incl. Spin-Out Companies)	65	65
Investment in funds	1,134	-
Bonds	143	-
Long term cash deposits	30	-
	1,372	65

During 2016/17 the University made a Joint Venture investment in KM Television Ltd, a jointly controlled entity with the KM Group. The University holds 74% of the share capital in this Joint Venture, at a value of £74. Control of the entity is shared equally by the University and KM Group.

During 2017/18 the University restructured its investment portfolio. The new investments during the year in funds, bonds and long term cash deposits shown here are those now held in long term investments, largely in relation to amounts received from permanent endowments

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

14 Trade and other receivables

	Consolidated		University	
	2018	2017	2018	2017
	£000	£000	£000	£000
Amounts falling due within one year:				
General Receivables	7,943	9,928	7,943	9,928
Research Grants and Contracts	2,801	1,934	2,801	1,934
Prepayments and Accrued Income	8,229	5,536	8,229	5,536
	18,973	17,398	18,973	17,398

15 Current asset investments

	Consolidated and University	
	2018 £000	2017 £000
Short-term investment in funds	6,949	7,744
Short-term bonds	-	191
Short-term deposits	16,281	16,297
	23,230	24,232

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.

16 Creditors: amounts falling due within one year

	Consolidated		University	
	2018 £000	2017 £000	2018 £000	2017 £000
Bank Loans Due for Repayment (Note 17)	5,476	4,365	5,476	4,365
Research Grants Received on Account	8,544	6,900	8,544	6,900
Deferred Income	10,081	12,961	10,081	12,961
Creditors and Accrued Liabilities	22,452	17,398	22,487	17,400
Taxation and Social Security	5,848	5,602	5,848	5,602
	52,401	47,226	52,436	47,228

Deferred Income

Included within deferred income are the following items of income which have been deferred until specific performance related conditions have been met.

	Consolidated		University	
	2018 £000	2017 £000	2018 £000	2017 £000
Capital Grants	-	-	-	-
Other Grant income	3,336	4,905	3,336	4,905
	3,336	4,905	3,336	4,905

NOTES TO THE ACCOUNTS (CONT)

17 Creditors: amounts falling after more than one year

	Consolidated		University	
	2018 £000	2017 £000	2018 £000	2017 £000
Mortgages secured on University Buildings	35,751	39,286	35,751	39,286
Unsecured Bank Loans	74,170	50,000	74,170	50,000
Less: Loans repayable within one year	(5,476)	(4,365)	(5,476)	(4,365)
	104,445	84,921	104,445	84,921
Other Long-Term Liabilities	6,882	7,016	6,882	7,016
	111,327	91,937	111,327	91,937
Payable as follows:				
Due between one and two years	5,920	5,609	5,920	5,609
Due between two and five years	18,692	17,550	18,692	17,550
Due after five years	86,715	68,778	86,715	68,778
	111,327	91,937	111,327	91,937
Lender	Amount £000	Interest rate (%)	Term (years)	Maturity Date
RBS Group	7,234	8.8	25	Jan 2022
RBS Group	7,269	6.0	25	Nov 2028
RBS Group	11,582	5.3	25	Oct 2030
Lloyds	9,666	5.5	24	Jun 2029
European Investment Bank	49,170	2.6	25	Mar 2040
European Investment Bank	25,000	2.1	25	Sept 2042
	109,921			

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

Loans from RBS Group and Lloyds are secured against University owned buildings on both the Canterbury campus (RBS Group) and the Medway campus (Lloyds).

A new Loan of £25m was received in September 2017, representing the final tranche of a £75m Loan facility agreed with the European Investment Bank in September 2014. This second installment is at a fixed rate of 2.10% repayable by installments between September 2020 and September 2042.

18 Provisions for liabilities

	Obligation to fund deficit on USS/SAUL £000	Other Pension £000	Consolidated and University		
			Total Pension £000	Other £000	Total other £000
Balance at 1 August 2017	25,461	50	25,511	250	250
Utilised in the Year	(1,907)	-	(1,907)	(250)	(250)
Additions in Year	1,607	-	1,607	-	-
Balance at 31 July 2018	25,161	50	25,211	-	-

Pension Deficit

The obligation to fund past deficits on the University's Superannuation Scheme (USS) and, in 2017, 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 estimated the number of 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. In its March 2017 actuarial valuation, SAUL reported a funding surplus on its scheme, thereby negating the need for any deficit contributions to be paid.

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

	2018 £000	2017 £000
USS	25,161	24,754
SAUL	-	707
	25,161	25,461

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)

19 Financial instruments

The carrying value of the University and Group's financial assets and liabilities are summarised by category below:

	Note	Consolidated		University	
		2018 £000	2017 £000	2018 £000	2017 £000
Financial assets					
Measured at fair value through Income and Expenditure:					
Investments (Incl. endowments)	13/15	8,226	7,935	8,226	7,935
Cash deposits	13/15	16,311	16,297	16,311	16,297
Cash and Cash Equivalents		41,359	29,520	41,359	29,487
Measured at undiscounted amount receivable:					
Trade and other receivables	14	10,744	11,862	10,744	11,862
Measured at cost less impairment:					
Investment in subsidiary companies	13	65	65	65	65
		76,705	65,679	76,705	65,646
Financial liabilities					
Measured at undiscounted amount payable					
Trade and other creditors payable	16	30,996	24,298	31,031	24,300
Salix revolving green fund loan	17	320	320	320	320
Measured at amortised cost					
Loans payable	17	109,921	89,286	109,921	89,286
		141,237	113,904	141,272	113,906

The University and Group's income, expenditure, gains and losses in respect of financial instruments are summarised below:

	Note	Consolidated		University	
		2018 £000	2017 £000	2018 £000	2017 £000
Interest income / (expense):					
Interest receivable from financial assets measured at fair value through Income and Expenditure	5	888	618	888	618
Interest payable for financial liabilities measured at amortised cost	8	(4,122)	(3,877)	(4,122)	(3,877)
		(3,234)	(3,259)	(3,234)	(3,259)
Fair value gains / (losses):					
Gain / (loss) on financial assets measured at fair value through Income and Expenditure		5	511	5	511
		5	511	5	511

20 Endowment reserves

	Unrestricted Permanent £000	Restricted Permanent £000	Total Permanent £000	Restricted Expendable £000	Consolidated and University	
					2018 Total £000	2017 Total £000
Balance at 1 August						
Capital	578	666	1,244	3,846	5,090	4,700
Accumulated Income	-	237	237	201	438	496
	578	903	1,481	4,047	5,528	5,196
New Endowments	-	1	1	37	38	291
Investment Income	9	19	28	143	171	176
Expenditure	(9)	(26)	(35)	(485)	(520)	(471)
Increase in Market Value of Investments	(93)	33	(60)	(38)	(98)	336
Total endowment comprehensive income / (expenditure) for the year	(93)	27	(66)	(343)	(409)	332
Balance at 31 July	485	930	1,415	3,704	5,119	5,528
Represented by:						
Capital Value	485	700	1,185	3,495	4,680	5,090
Accumulated Income	-	230	230	209	439	438
	485	930	1,415	3,704	5,119	5,528
Analysis by Purpose						
Chairs and lectureships	-	685	685	822	1,507	1,553
Student financial support	-	71	71	1,524	1,595	1,653
Prize funds	-	6	6	234	240	241
Other	485	168	653	243	896	1,031
Capital initiatives	-	-	-	881	881	1,050
	485	930	1,415	3,704	5,119	5,528
Analysis by Asset						
Equities					4,423	4,149
Bonds					143	191
Cash and Short term deposits					553	1,188
					5,119	5,528

NOTES TO THE ACCOUNTS (CONT)

21 Restricted reserves

	Revenue Grants £000	Donations £000	Consolidated and University	
			2018 Total £000	2017 Total £000
Balance at 1 August	39	405	444	402
New Grants	-	-	-	-
New Donations	-	224	224	173
Expenditure	-	(214)	(214)	(131)
Balance at 31 July	39	415	454	444
			2018 £000	2017 £000
Analysis by Purpose				
Scholarships and bursaries			351	344
Research support			32	34
Prize funds			39	39
Other			32	27
			454	444

22 Capital commitments

	Consolidated and University	
	2018 £000	2017 £000
Contractual Commitments at 31 July	11,584	23,608

23 Financial commitments

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

	Land and Buildings £000	Other £000	Consolidated and University	
			Total 2018 £000	Total 2017 £000
Paid during year	951	362	1,313	1,337
Payable within one year	978	310	1,288	1,193
Payable within two and five years inclusive	2,978	295	3,273	3,060
Payable after five years	4,148	-	4,148	4,581
	8,104	605	8,709	8,834

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 2017/18 financial year this payment amounted to £409k (2016/17 £95k).

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. This account was closed in July 2018 and Kent Enterprise Limited has been made dormant from this date.

25 Related party transactions

GOETEC Limited (formerly Kent Man Limited)

The University was one of five partners in GOETEC Limited, a company formed on 1 April 2002 and limited by guarantee, maintaining micro-wave radio links between Higher Education Institutions in Kent. GOETEC Limited was closed on 31 January 2018. In the year to 31 July 2018 the University received £nil (2016/17: £nil) from GOETEC Limited and paid GOETEC Limited £nil (2016/17: £7,390), with no balance outstanding at the year-end (2016/17: £nil).

Council members: expenses and related party transactions

During the 2017/18 financial year expenses totalling £4,262 (2016/17: £1,367) were paid to 8 members of Council while acting in their role as Trustees (2016/17: 6 members). 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 2017/18 £	Payments receivable during 2017/18 £	Net balance due (from)/to at 31 July 2018 £
British Academy	-	24,319	-
Brompton Academy	2,310	-	-
Canterbury City Council	51,495	-	1,067
Canterbury Festival Board	5,950	-	5,000
HESA	37,147	-	-
Kent Union	3,549,484	4,993,220	162,038
KM Television Ltd	337,667	9,811	(2,144)
Longfield Academy Trust	560	-	-
Medway Council	75,558	-	1,521
Mid Kent College	32,975	-	120
Turner Contemporary	2,450	-	-
Visit Kent	5,532	-	-

26 Linked charities

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

NOTES TO THE ACCOUNTS (CONT)

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:

	2017/18 £000	2016/17 £000
Contributions to USS	14,346	13,703
Contributions to SAUL	4,675	4,473
Contributions to Other Schemes	2	5
Total Pension Cost (Note 7)	19,023	18,181

USS Pension Scheme

The total pension cost for the University charged to the Statement of Comprehensive Income in the year 2017/18 was £14,345,723 (2016/17: £13,702,667). This includes £1,189,608 (2017: £1,156,298) outstanding contributions at the balance sheet date.

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. In 2017/18 the percentage was 18% (2016/17: 18%).

The latest available complete actuarial valuation of the Retirement Income Builder section of the Scheme is at 31 March 2014 ("the valuation date"), which was carried out using the projected unit method. The valuation as at 31 March 2017 is underway but not yet completed.

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

The 2014 valuation was the third valuation for USS under the scheme-specific funding regime introduced by the Pensions Act 2004, which requires schemes to adopt a statutory funding objective, which is to have sufficient and appropriate assets to cover their technical provisions. 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. These figures will be revised once the 2017 Scheme Valuation is complete. Further information on the current provision for the deficit recovery plan is included in accounting policy Q – Significant Judgements and Estimates.

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

	2018	2017
Discount rate	2.64%	2.57%
Pensionable salary growth	n/a	n/a
Price inflation (CPI)	2.02%	2.41%

27 Pension schemes (cont)

The main demographic assumption used relates to the mortality assumptions. These assumptions have been updated for the 31 March 2018 accounting position, based on updated analysis of the Scheme's experience carried out as part of the 2017 actuarial valuation. The mortality assumptions used in these figures are as follows:

	2018	2017
Mortality base table	<p>Pre-retirement: 71% of AMC00 (duration 0) for males and 112% of AFC00 (duration 0) for females</p> <p>Post-retirement: 96.5% of SAPS S1NMA "light" for males and 101.3% of RFV00 for females</p>	<p>98% of SAPS S1NA "light" YOB unadjusted for males</p> <p>99% of SAPS S1NA "light" YOB with a -1 year adjustment for females</p>
Future improvements to mortality	CMI_2016 with a smoothing parameter of 8.5 and a long term improvement rate of 1.8% pa for males and 1.6% pa for females	CMI_2014 with a long term rate of 1.5% pa

The current life expectancies on retirement at age 65 are:

	2018	2017
Males (Females) currently aged 65 (years)	24.5 (26.0)	24.4 (26.6)
Males (Females) currently aged 45 (years)	26.5 (27.8)	26.5 (29.0)

Existing Benefits	2018	2017
Scheme assets	£63.6bn	£60.0bn
Total scheme liabilities	£72.0bn	£77.5bn
FRS 102 total scheme deficit	£8.4bn	£17.5bn
FRS 102 total funding level	88%	77%

Funding updates are provided in the USS 2018 Report and Accounts for the financial year ended 31 March 2018, 2017, 2016 and 2015. These are based on projecting forward the assumptions applied in the 2014 actuarial valuation, updated for investment returns and changes to market conditions, the results of these updates are:

	Actuarial Valuation 2014	Funding Update 2015	Funding Update 2016	Funding Update 2017	Funding Update 2018
Value of assets (£bn)	41.6	49.1	49.8	60.0	63.6
Value of liabilities (£bn)	46.9	57.3	59.8	72.6	75.7
Deficit (£bn)	5.3	8.2	10.0	12.6	12.1
Funding ratio	89%	86%	83%	83%	84%

These movements are 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. This position showed a slight improvement in the March 2018 Funding Update.

NOTES TO THE ACCOUNTS (CONT)

27 Pension schemes (cont)

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 a Career Average Revalued Earnings ("CARE") basis.

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 2017. 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 June 2018 and are due to be reviewed at SAUL's next formal valuation in 2020.

At the 31 March 2017 valuation SAUL was fully funded on its Technical Provisions basis so no deficit contributions were required. The Trust and the Employers have agreed that the ongoing Employers' contributions will continue at a rate of 16% of CARE salaries.

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 £3.2bn representing 102% of the liabilities for benefits accrued up to 31 March 2017.

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.

As there was a Technical Provisions surplus at 31 March 2017 there is no defined benefit liability (ie. the present value of any deficit contributions due to SAUL) to be recognised by the University.

The SAUL pension cost for the University was £4,674,780 (2016/17: £4,473,134). This includes £397,529 (2017: £424,561) outstanding contributions at the balance sheet date.

AWARDS, APPOINTMENTS, PROMOTIONS & DEATHS

Awards

- The University won the Outstanding Support for Students award for its acclaimed Student Success Project at the 2017 Times Higher Education (THE) Awards.
- Acclaimed novelist Kazuo Ishiguro, who studied BA English and Philosophy at Kent, was awarded the Nobel Prize for Literature in 2017.
- Professor Sally Kendall, from the Centre for Health Services Studies, was awarded an MBE in the 2018 Queen's Birthday Honours List, in recognition of 30 years' research in nursing and health visiting.
- Professor Karen Cox, Vice-Chancellor and President, and Dr Mohamed Sakel, Honorary Senior Research Fellow in the School of Engineering and Digital Arts (EDA), were named among the NHS's most influential staff members as part of its 70th Anniversary celebrations.
- Deborah Molloy, a member of the Graduate School team, received the Elsa Nettels Prize for a Beginning Scholar from the Edith Wharton Society.
- The Information Services' Special Collections & Archives team was awarded Archive Service Accreditation from the National Archives.
- Convert Energy, entrepreneurs in residence at the University's Hub for Innovation and Enterprise, won the award for Most Promising New Business at the Kent Invicta Chamber of Commerce Business Awards.
- The University won 3rd place for Postgraduate WhatUni Student Choice Awards climbing nine spaces in the postgraduate category, rising from 12th place in 2017 to 3rd place in 2018.
- Kent Hospitality Housekeeping department won the Cleaning Supervisor of the Year 2018 Award at the British Association of Cleaning in Higher Education (BACHE) Awards.
- Winners of this year's Kent Student Awards were announced at a Gala Dinner on in June 2018. The overall 'Student of the Year' award, chosen from the category winners, was presented to joint winners Lily Dedman and Valiant Dorian. Lily won for her amazing work as Kent Union's Women's Officer and for organising a wide range of events, including the 'Reclaim the Night March' and International Women's Week. Valiant won for being a dedicated Kent Union LGBT+ Trans Officer, from helping with the University's new trans policy to organising a variety of LGBT+ events, notably 'Fit for LGBT+ Trans Swimming'. The Kent Islamic Society also won 'Group of the Year'.
- The School of Engineering and Digital Arts received the Workplace of the Year award at the 2018 Times Higher Education Leadership and Management Awards (THELMAs) for its staff development programme and social activities, focusing on EDI initiatives to help forge close bonds between academic and professional services staff.
- The University won Best University Accommodation for Groups award for the 11th year in a row at the Group Travel Organiser's Awards.
- Dr Anthony Manning, Dean for Internationalisation, was shortlisted for the International Education award for his 'Outstanding Contribution to the Industry' in the PIEoneer Awards 2018.
- Charlotte Hughes, a GlaxoSmithKline Laboratory Analyst Apprentice, was named national Higher or Degree Apprentice of the Year at the 2017 National Apprenticeship Awards.
- Dr Julie Anderson, Reader in History, won the inaugural Jinty Nelson Award for Inspirational Teaching and Supervision in History 2018.
- The School of Politics and International Relations celebrated a double success in the annual British International Studies Association (BISA) awards. PhD student Tom Watts won the Postgraduate Excellence in Teaching International Studies Prize, while Reader in International Relations, Dr Sean Molloy was joint winner of the Susan Strange Book Prize.
- At the College & University Business Officers (CUBO) Awards, Kent received the Commercial University of the Year Award, recognising the work of our student accommodation, catering services, arts activities and sports facilities.
- The University has been ranked among the top 50 in Europe for teaching in the Times Higher Education's new European Teaching Rankings.



AWARDS, APPOINTMENTS, PROMOTIONS & DEATHS (CONT)

- Kent has entered the top 500 in Shanghai Ranking's Academic Ranking of World Universities (ARWU) for the first time since its launch in 2003. It is also one of only 39 UK HEIs to feature in the top 500.
- Kent Law School has been ranked among top 100 law schools worldwide in the Shanghai Ranking, and is one of only 12 UK law schools to be listed in the top 100.
- The University has been recognised by the government as an Academic Centre of Excellence in Cyber Security Research (ACE-CSR).
- The School of Mathematics, Statistics and Actuarial Science (SMSAS) has become the first at the University to be awarded the Athena SWAN Silver Award.
- Nathan Abbott, a student in Kent Business School, has raised over £15,000 for the cleft lip and palate charity, most of the fundraising coming from a series of 15-mile open-water swimming events at the age of 16 and 17.

University of Kent Honorary Degrees 2017/18

At the November 2017 Degree Congregations, the following honorary degrees were conferred:

In Canterbury Cathedral:

- Sir Terry Farrell CBE, RIBA, FRSA, FCSD, MRTPI
- Janet Smith MBE
- Professor Hugh Brody

In Rochester Cathedral:

- Susannah Townsend MBE

At the July 2018 Degree Congregations, the following honorary degrees were conferred:

In Canterbury Cathedral:

- Richard Oldfield OBE, DL
- Dr Susan Black OBE, FBCS, FRSA
- The Rt Hon Sir Terence Etherton PC
- Dr Anne-Marie Imafidon MBE
- Professor Miranda Fricker FBA
- Dr Julian Baggini
- Professor Dame Jane Francis DCME
- Professor Mark Ablowitz
- Lemn Sissay MBE
- Philip Howard

In Rochester Cathedral:

- Tacita Dean OBE RA
- Gary Hume RA

Appointments

- Oliver Carruthers, Director of the Gulbenkian
- Mel Clewlow, Director of Sport
- Professor Dennis Douroumis, Interim Head of the Medway School of Pharmacy
- Professor Chris Holland, Dean of Kent and Medway Medical School
- Dr Karen Jones, Interim Head of the School of History
- Professor Nigel Mason OBE, Head of the School of Physical Sciences
- Dr Adrian Pabst, Head of the School of Politics and International Relations
- Professor Claire Peppiatt-Wildman, Head of the School of Sport and Exercise Sciences
- Kevin Stuckey, Director of Commercial Services
- Dr Scott Wildman, Director of the Centre for Higher and Degree Apprenticeships
- Professor David Wilkinson, Interim Head of the School of Psychology

Promotions

Promotions to Professor

Faculty of Humanities

- Dr Mattias Frey, School of Arts
- Dr Simon Kirchin, School of European Culture and Languages
- Dr Barbara Bombi, School of History

Faculty of Sciences

- Dr Dan Lloyd, School of Biosciences
- Dr Peter Rogers, School of Computing
- Dr Anna Corrias, School of Physical Sciences
- Dr Stephen Lowry, School of Physical Sciences

Faculty of Social Sciences

- Dr Fragkiskos Filippaios, Kent Business School
- Dr Zaheer Khan¹, Kent Business School
- Dr Ekaterini Panopoulou, Kent Business School
- Dr Maria Paola Scaparra, Kent Business School
- Dr Shaomin Wu, Kent Business School
- Dr Emilie Cloatre², Kent Law School
- Dr Heather Ferguson, School of Psychology
- Dr Jane Wood, School of Psychology

1 Promoted w.e.f. 1 February 2018

2 Promoted w.e.f. 22 March 2018

Promotions to Reader

Faculty of Humanities

- Dr Helen Brooks, School of Arts
- Dr Ben Thomas, School of Arts
- Dr Stella Bolaki, School of English
- Dr Edward Kanterian, School of European Culture and Languages

Faculty of Sciences

- Dr Campbell Gourlay, School of Biosciences
- Dr Neil Kad, School of Biosciences
- Dr Bas Lemmens, School of Mathematics, Statistics and Actuarial Science
- Dr Maria Alfredsson, School of Physical Sciences
- Dr Glen Davison, School of Sport and Exercise Sciences

Faculty of Social Sciences

- Dr May Seitanidi, Kent Business School
- Lisa Dickson, Kent Law School
- Dr Sophie Vigneron, Kent Law School
- Dr Patrick Mahoney, School of Anthropology and Conservation
- Dr Matthew Skinner, School of Anthropology and Conservation
- Dr Zaki Wahhaj, School of Economics
- Dr Paolo Dardanelli, School of Politics and International Relations
- Dr Iain MacKenzie, School of Politics and International Relations
- Dr Luca Mavelli, School of Politics and International Relations
- Dr Harmonie Toros, School of Politics and International Relations
- Dr Markus Bindemann, School of Psychology
- Dr Tim Hopthrow, School of Psychology
- Dr Beth Breeze, School of Social Policy, Sociology and Social Research
- Dr Anne Logan, School of Social Policy, Sociology and Social Research
- Dr Dawn Lyon, School of Social Policy, Sociology and Social Research

Promotions to Senior Lecturer

Faculty of Humanities

- Dr Luciano Cardelicchio, Kent School of Architecture
- Dr Giridharan Renganathan, Kent School of Architecture
- Lawrence Jackson, School of Arts
- Dr Shaun May, School of Arts
- Dr Sophie Quirk, School of Arts
- Dr Sarah Dustagheer, School of English
- Dr Declan Gilmore-Kavanagh, School of English
- Dr Rory Loughnane, School of English
- Dr Lois Lee¹, School of European Culture and Languages
- Dr Dunstan Lowe, School of European Culture and Languages
- Dr Tamara Rathcke, School of European Culture and Languages
- Dr Amy Blakeway, School of History
- Dr Andrew Cohen, School of History
- Dr Emily Guerry, School of History

Faculty of Sciences

- Dr Shivaun Gammie, Medway School of Pharmacy
- Andrew Lea, Medway School of Pharmacy
- Dr Anastasios Tsaousis, School of Biosciences
- Dr Jennifer Tullet, School of Biosciences
- Dr Radu Grigore, School of Computing
- Dr Anna Jordanous², School of Computing
- Dr Christos Efstratiou, School of Engineering and Digital Arts
- Dr Benito Sanz-Izquierdo, School of Engineering and Digital Arts
- Dr Steffen Krusch, School of Mathematics, Statistics and Actuarial Science
- Dr Ana Loureiro, School of Mathematics, Statistics and Actuarial Science
- Dr Rachel McCrea, School of Mathematics, Statistics and Actuarial Science
- Dr Cristiano Villa, School of Mathematics, Statistics and Actuarial Science
- Dr Xue Wang, School of Mathematics, Statistics and Actuarial Science
- Dr Ewan Clark, School of Physical Sciences
- Dr Silvia Ramos, School of Physical Sciences
- Dr Paul Saines, School of Physical Sciences
- Dr Christopher Serpell, School of Physical Sciences
- Dr Helena Shepherd, School of Physical Sciences

Faculty of Social Sciences

- Dr Connal Parsley, Kent Law School
- Nicholas Piška, Kent Law School
- Johanne Thompson, Kent Law School
- Dr Jonathon Mair, School of Anthropology and Conservation
- Dr Anna Waldstein, School of Anthropology and Conservation
- Dr Sylvain Barde, School of Economics
- Dr Fernanda Leite Lopez de Leon, School of Economics
- Dr Ingvild Bode, School of Politics and International Relations
- Dr Toni Haastrup, School of Politics and International Relations
- Dr Kristof Dhont, School of Psychology
- Dr Amir-Homayoun Javadi, School of Psychology
- Dr Caoilte Ó Ciardha, School of Psychology
- Dr Eduardo Vasquez, School of Psychology
- Nadia Brookes¹, School of Social Policy, Sociology and Social Research
- Sarah Brown, School of Social Policy, Sociology and Social Research
- Dr Maria Duggan, School of Social Policy, Sociology and Social Research
- Dr Ferhana Hashem¹, School of Social Policy, Sociology and Social Research
- Dr Tina Haux, School of Social Policy, Sociology and Social Research
- Dr Eleanor Jupp, School of Social Policy, Sociology and Social Research
- Dr Erin Sanders-McDonagh, School of Social Policy, Sociology and Social Research
- Dr Edd Pitt, Unit for the Enhancement of Learning and Teaching

1 Promotion to Senior Research Fellow

2 Promoted w.e.f. 1 August 2018

Deaths

From 1 November 2017 to 1 November 2018

- Professor Jim Brown, Emeritus Professor of Experimental Physics, died in April 2018. Professor Brown was appointed to the Readership in Experimental Physics from 1 September 1965 and Professor of Experimental Physics from 1 April 1971. He became Director of the Physics Laboratory in 1976 and he remained Director until 1982, being appointed Emeritus Professor in 1985 following his retirement. After 1985 he continued to be closely associated with the University, acting as internal examiner in 1991 and still teaching for many years. Professor Brown used to visit the Canterbury campus regularly after his retirement and was greatly liked by students and staff, who admired both his warm, gentle and supportive nature, and his significant scientific career, which started during World War II.
- Gabriella Brigo-Cowling, who died on 8 February 2018, had a long association with the University as an alumna and Italian language teacher. Originally employed by the University in 1984, Gabriella had most recently worked in the Centre for English and World Languages, from 2010 to 2015.
- Former member of the School of Politics and International Relations and Emeritus Professor Michael Burgess died on Sunday 4 February 2018. Michael was Professor of Federal Studies and founding Director of the Centre for Federal Studies (CFS). He joined the School in 2005, founding the CFS and retired from the University in 2014. Michael was an internationally recognised scholar of federalism and his work *In Search of the Federal Spirit* has been recognised as a modern classic text on comparative federalism.
- John (MJ) Butler, former Master of Darwin College, died on 24 October 2018. Remembered with great fondness by colleagues across academic schools and professional services, John was appointed Lecturer in Politics and Local Government in 1969, was Master of Darwin College between 1982 and 1987 and was Social Sciences Admissions Officer between 1991 and 1993.

AWARDS, APPOINTMENTS, PROMOTIONS & DEATHS (CONT)

- Professor Joe Connor, Emeritus Professor of Inorganic Chemistry in the School of Physical Sciences, died on 14 April 2018. Professor Connor was appointed as Professor of Inorganic Chemistry in 1981 and was Director of the Chemical Laboratory from 1981 to 1990. He was appointed Dean of Natural Sciences in 1988 and in 1990 he was appointed Pro-Vice-Chancellor (until 1996). Professor Connor's research interests included organometallic chemistry and later in his career he specialised in thermochemistry of organometallics. He enjoyed teaching and was a clear minded and calming influence in the Chemistry Laboratory and Faculty of Natural Sciences.
- Roger Davies died on 15 June 2018, following a long illness. Roger was a Postal Services Assistant, working for the Post Room in the Estates Department from 2005 until he retired in 2017. Roger was an extremely well-liked member of staff, particularly known for his helpfulness and cheerful character.
- One of the first lecturers in law at the University, Ian Grigg-Spall, died on Saturday 16 June 2018. Ian joined what was then the Board of Studies in Law in 1969 and was a mainstay and influential member of what became the Kent Law School until his retirement in 2007. In that time he played a major role in the development of the distinctive critical orientation of the Law School at Kent, especially in relation to Marxist approaches to law.
- Jacqueline Hill (née Marchand) died on 28 April 2018. With her husband John, she was a founder of the original University of Kent Language Centre from 1966. She taught French language within what was initially the Institute of Language and Linguistics (ILL) and later the Board of Applied Languages and Linguistics (BALL) until her retirement in 1992.
- John Hill, who was Head of French within the Board of Applied Languages and Linguistics (BALL) on his retirement in 1993, died in August 2018. With a background in secondary school teaching, John worked together with his wife Jacqueline to produce a range of new and innovative language courses for the fledgling University in the Language Centre. John and Jacqueline Hill's roles were to prepare students from other disciplines in a short time, and to an exceptionally high standard, for their year abroad. In a very real sense, John and Jacqueline were pioneers and played key roles in building "the UK's European university".
- Professor Colin Seymour-Ure died on 18 November 2018. Colin was a founder member of the study of politics at the University of Kent, joining the University on its establishment in 1965, and was one of the world's leading scholars of political communications and mass media. Colin served the University as the Dean of Social Sciences and Head of Department, and was made Professor in 1980 and Emeritus Professor from 2002. After his retirement he continued to contribute to the musical life of the University. Colin was a Council member of the Hansard Society, Chairman of the Study of Parliament Group, made up of parliamentary staff and academics and for six years had chaired the Independent Television Commission's committee responsible for advising on ITV's advertising rules.
- John Simmonds MBE, former Chair of the University Council, died on 19 August 2018. John served as a member of the University Council for twelve years from 2002. In 2006 he started his appointment as Deputy Chair of the Council/Chair of the Finance and Resources Committee and from 2011 until 2014, John was Chair of Council. John's strong and wise leadership helped steer the University during that time and he also acted as an effective bridge between the University and the wider community in Canterbury and Kent, due to his commitment to local government and education.
- Jacqui Suggett died on 13 January 2018, following a long illness. Jacqui, who retired from the University in 2008, was the Alumni Database Manager in the Communications & Development Office. Jacqui was employed by the University in August 1976 as a Secretariat Assistant (Word Processing Machine Operator) in the Academic Division of the Registry. In 1989 Jacqui started to work for the Public Relations and Information Office on desktop publishing, the University prospectus, and database work and in later years Jacqui worked in Alumni Relations, with particular responsibility for the alumni database.
- David Waghorn (Waggie) died on 2 May 2018. Dave had worked for the University on and off for many years in a variety of roles, starting as a Security Officer in 1998 and working as a Security Supervisor for Campus Security from 2008 to 2015. Dave was a popular and highly respected member of the Campus Security team.
- Michael (Mick) Woods died 9 February 2018. Mick started work as an Estates Worker at the University in February 1975, became a Gardener in 1979 and then Grounds Supervisor (Manager) in 2002. He retired in 2011 having given 36 years to managing and maintaining the University's grounds. Mick was well liked and respected around the University and played a significant role during the 1987 hurricane, when he worked tirelessly to clear the campus of fallen trees.



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