

UNIVERSITY OF KENT/ FINANCIAL STATEMENTS 2014



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THE UK'S
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UNIVERSITY





UNIVERSITY OF KENT/ FINANCIAL STATEMENTS 2014

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MEMBERSHIP OF THE COUNCIL

Chancellor:	Dr Gavin Esler (from 1 August 2014)
Membership of the Council	
Chair of the Council:	Sir David Warren (from 1 August 2014) John Simmonds (to 31 July 2014)
Deputy Chair of the Council/ Chair of the Finance and Resources Committee:	Anthony Quigley
Vice-Chancellor:	Professor Dame Julia Goodfellow
Senior Deputy Vice-Chancellor:	David Nightingale
President of Kent Union:	Chelsea Moore (to 31 July 2014) Thamerei Naidoo (from 1 August 2014)
External members:	John Bowers Colin Carmichael Peter Clokey Elaine Colville Neil Davies Lord Hannay of Chiswick Richard Honey Angela McNab (from 10 October 2014) Robert Scruton Ann Sutton Dr Harshad Topiwala Sir David Warren (to 31 July 2014) Ashley West Her Honour Judge Adèle Williams
Staff and student representatives:	Nabeel Ahmed (from 1 August 2014) Lewis Cogger Dr Louise Naylor Loba Van der Bijl Dr Mario Weick Leo Wilkinson (to 31 July 2014)
Total Membership:	25
Secretary of the Council	Keith Lampard
The Chairs of Council committee were as follows:	
Audit Committee:	Robert Scruton
Finance and Resources Committee:	Anthony Quigley
Lay Nominations Committee:	Sir David Warren
Remuneration Committee:	Sir David Warren
Safety Health and Environment: Executive Committee:	Professor Keith Mander (to 31 March 2014) Denise Everitt (from 1 April 2014)
Staff Policy Committee:	Professor Keith Mander (to 31 March 2014) Denise Everitt (from 1 April 2014)

UNIVERSITY STATUS AND MISSION

Status

The University of Kent ("the University") was incorporated by Royal Charter in 1965 and is an exempt charity within the meaning of the Charities Act 2011.

Mission

The University's mission and institutional plan for the period 2012-15 are based around seven key messages.

- The University of Kent – the UK's European university – will:
- Proactively develop distinctive attributes that others seek to emulate, in particular for:
 - our inspiring and distinctive education that prepares students to make a positive contribution to help shape a better world
 - our innovative and world-leading research
 - our positive impact regionally, nationally and especially internationally;

- Promote diversity and inclusivity in the University community by offering fair treatment and equality of opportunity to every member of the University (staff and students), keeping morale high;
- Work with partners in whom we have confidence (internally and externally) for mutual benefit;

and:

- Communicate well (internally and externally);
- Recruit well (staff and students);
- Understand our external context, and be agile in responding to it;
- Be efficient and effective throughout our internal operations.





UNIVERSITY'S PUBLIC BENEFIT STATEMENT

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

The University of Kent was established by Royal Charter dated 4 January 1965 which established the University Council as the supreme governing body of the institution. The University Council serves as the University's board of trustees and is responsible for defining the University's strategic aims and the overall direction of the institution in the furtherance of the objects defined by the Charter.

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

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

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

The University's Vision, set out in its Institutional Strategic Plan 2012-15, is as follows:

"The University of Kent has a distinctive mission. We are the UK's European university with an international reputation in which Europe meets the world.

We are a leading research-intensive UK university creating a global student and staff community that together advances knowledge and stimulates intellectual creativity, and performs at the highest levels in all our activities.

We believe in the unity of research and teaching, in the freedom and responsibility that staff have to question and test received wisdom, in the transforming power of higher education to change for the better the lives of individuals and our society, in acting with integrity, and in the value of an inclusive and diverse university community.

We are committed to growing, shaping and supporting the regions in which we operate by investing our research and intellectual value in these regions, by improving our national and international competitiveness, and by developing our students and staff as professional and academic leaders with broad horizons, so that we may have a positive impact regionally, nationally and internationally."

The text below shows how the University has worked towards these objectives.

"We are a leading research-intensive UK university creating a global student and staff community that together advances knowledge and stimulates intellectual creativity, and performs at the highest levels in all our activities."

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 Research Assessment Exercise (RAE) 2008 ranked Kent 24th in the UK for its world-leading research with particular strengths in Drama, English, History, Law, Social Policy and Sociology. The number of staff submitted for the 2014 Research Excellence Framework (REF2014) in November 2013 has increased significantly from the RAE submitted in 2007. Of the University's academic staff, 97% work in schools or centres where the research is rated as internationally or nationally excellent.

The work of specialist research units at the University of Kent, such as the Personal Social Services Research Unit and the Centre for Health Services Studies, contributes to public policy development at national level and the University's contribution to health has been enhanced by the establishment of "KentHealth", an agency within the University for overseeing, co-ordinating and communicating the University's health-related activities, to enable the University to engage more effectively with the external health community and to increase the University's collaborative research and training provision.

As a leading research-intensive University, the University of Kent is keen to work with other well-established universities at the highest level, for example the University of Kent has joined the University of East Anglia and the University of Essex to form a significant new force in research collaboration and training known as the Eastern Academic Research Consortium (Eastern ARC). The consortium builds on recent partnership bids for doctoral training awards in the natural and environmental sciences and the arts and humanities and on a range of other bilateral research relationships.

Other constructive partnerships with leading universities include the South East Economic and Social Research Council (ESRC) Doctoral Training Centre, a partnership between the Universities of Kent, Reading, Royal Holloway and Surrey to establish a centre of excellence in social science postgraduate research training, and a consortium to promote excellence in research, postgraduate research training and knowledge exchange in the arts and humanities with the Courtauld Institute of Art, Goldsmiths, University of London, the Open University, and the Universities of East Anglia, Essex, Kent and Sussex.

The student population of the University of Kent in 2013/14 was 19,852 students. The University has a long tradition of welcoming international students from around the world and of the total student body, 25% are from outside of the UK, from 125 different countries, studying at campuses and centres in Canterbury, Medway, Brussels, Paris, Athens and Rome. The University community of staff includes over 1,000 members of staff from 97 different nationalities.

The University has a strong international impact, based on its external networks, partnerships with leading universities in Europe and around the world, and its staff, students and alumni. The University launched its Internationalisation Strategy in 2007 and since then has reinforced its reputation as the UK's European university and further developed a network of international partnerships worldwide.

UNIVERSITY'S PUBLIC BENEFIT STATEMENT (CONT)

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

To add to the University's investment in its European centres, the University has partnerships with over 100 different universities across Europe, involving exchanges of staff and students, the awarding of "double degrees" to students and collaborative projects with European institutions. The University receives support from the European Union's Erasmus+ programme (formerly the Lifelong Learning Programme), Framework programmes (Horizon 2020 from 2014), and the European Research Council. This internationalisation of the curriculum prepares students for employment in a more globalised environment, and enhances their employability. The University is the only institution in the UK to co-ordinate two prestigious Erasmus Mundus Joint Doctorates, which provide bursaries to cover fees and living costs for doctoral study split between leading European universities. These programmes are designed to train the leading international scholars of the future.

As a global community, the University of Kent has developed extensive links with partners outside Europe. In particular, Kent is actively involved in strategic partnership development work in South East Asia, the USA, Canada and Australia with a view to strengthening opportunities for student and staff exchanges, student work placements, research collaborations and alumni participation. Kent is also establishing partnership connections with prestigious institutions in Latin America, and is an active participant in international Higher Education Institution networks.

"We believe in the unity of research and teaching, in the freedom and responsibility that staff have to question and test received wisdom, in the transforming power of higher education to change for the better the lives of individuals and our society, in acting with integrity, and in the value of an inclusive and diverse university community."

The University of Kent is a research-intensive university with a reputation for teaching excellence. The engagement of teaching staff with research provides benefits for students, the curriculum is informed by the latest developments and teachers are able to provide an emphasis on methodological issues, critical thinking and creativity.

For the last five years, members of the University's academic staff have been awarded National Teaching Fellowships. Dr Peter Klappa, Reader in Biochemistry, was awarded a Fellowship in 2014, one of only 55 higher education staff in England, Northern Ireland and Wales to have been awarded a Fellowship, the most prestigious award for excellence in higher education teaching and support for learning. Dr Klappa has introduced a wide range of initiatives designed to make learning

accessible to all, including physical teaching props and online technologies, as well as audio-visual tools that provide students with meaningful and individualised feedback to their assessments.

Kent has been selected to be just one of 15 prestigious Q-Step Centres in the UK, funded by HEFCE, the Nuffield Foundation and the Economic and Social Research Council. The Q-Step initiative provides students with advanced training in quantitative methods in social sciences.

Success in National Student Surveys and national league tables provides evidence of the excellent student experience delivered by the University. The University was, for example, ranked in the top 20 in the Guardian university league table and continues to be a top 10 institution in the 2014 National Student Survey, having achieved the third highest score in the country for overall student satisfaction at all publicly funded, multi-faculty institutions with an overall satisfaction score of 91%. Kent received a ranking of 88% for the quality of its teaching.

The University is dedicated to a belief in the transforming power of higher education to change for the better the lives of individuals and our society. The University has made significant progress towards the objective of widening participation and it has achieved its HEFCE Key Performance Indicator target for widening participation.

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 via collaborative arrangements such as Aim Higher: P4P, through access programmes, contacts with local schools and our Associate Colleges."

The University has continued its work with partner secondary schools in Kent and Medway and schools within the Kent and Medway Progression Federation to help raise the aspirations of those from non-Higher Education backgrounds. In the last year contacts have been made with over 10,000 pre-Higher Education students and over 400 Student Ambassadors have been recruited, employed and trained to support this work.

The University's Medway Campus has provided new opportunities for young people in the region and had 2,901 students in 2013/14. The University has worked with colleges in its region (MidKent College, Canterbury College and West Kent College (formerly K College)) to offer a range of vocationally related higher education qualifications. 336 students were registered on such programmes in 2013/14.

The University is the lead sponsor of the Brompton Academy in Medway. Academy students benefit from the knowledge, experience and resources that the University has to offer and the University is committed to supporting the Academy in designing and delivering a range of courses for adults as well as family learning programmes for parents/carers and their children.

Since 2001 the University of Kent has run an annual Space School, providing an intensive two day experience aimed at introducing 11 to 18 year olds to the many different fields of space activity and giving them an awareness of the course and career profiles on which they could embark to become tomorrow's space professionals. Another activity for school children was the First Lego League, with over 250 pupils from schools across Kent taking part in the First Lego League regional finals

at the University's Canterbury Campus. First Lego League is an international programme designed to bring science to life for schoolchildren aged 9 to 16 through themed activities, including a hands-on robot challenge and scientific research.

The University has provided over £14.5m for scholarships from its own resources and raised a further £5.3m from other sources to provide significant financial help to students to ensure that the costs of being a student were not a barrier to participation in higher education at the University. The University of Kent has joined the Government's National Scholarship Programme which has been established in order to support students whose household incomes are £25,000 (or less) as they commence their studies. Kent has allocated additional funds to extend this package of 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. 720 awards were made under the National Scholarship Programme for the 2013-14 academic year and nearly 1,400 further awards were provided from University and other sources. The University makes further extensive provision for students experiencing financial hardship during their studies.

The University of Kent is dedicated to the creation and support of a balanced, inclusive and diverse community, a friendly, supportive environment, helping students get the most out of the challenges and opportunities university study brings. The University works closely with

Kent Union and both the Union and the University provide a wealth of support services for students. There are many Equality, Diversity and Inclusivity initiatives for members of staff, one of which is the University's commitment to the principles of the Athena SWAN Charter for the advancement and promotion of the careers of women in science, engineering and technology, which was recently recognised with an Athena SWAN Bronze Award for the University as a whole and then for the School of Mathematics, Statistics and Actuarial Science. Other Schools in the Faculty of Science are working towards this. The University supports staff network groups, the Lesbian, Gay, Bisexual and Transgender Staff Network, the Disability Staff Network and the Women's Network Group and has moved up 63 places in the Stonewall Workplace Equality Index.

"We are committed to growing, shaping and supporting the regions in which we operate by investing our research and intellectual value in these regions, by improving our national and international competitiveness, and by developing our students and staff as professional and academic leaders with broad horizons, so that we may have a positive impact regionally, nationally and internationally."

The University's research is openly published and disseminated, and active steps are taken to apply research where economic and social benefits are identified. A few examples of this are listed below:

The 'Imagining Autism' research project involved children with autism engaging in a series of interactive sensory environments, designed for



UNIVERSITY'S PUBLIC BENEFIT STATEMENT (CONT)

them to encounter a range of stimuli and respond to triggers created through lighting, sound, physical action and puppetry. This research was conducted in special needs schools across Kent, including one residential school run by the National Autistic Society (NAS), and the practical methods used in the project are currently being trialled at all NAS schools across the UK and developed into training programmes for teachers, care workers, families, arts practitioners and health professionals.

The University's Respiratory Clinic, based at Medway Park, was selected to screen the entire GB Boxing team. Following the success of work undertaken by Dr John Dickinson from the School of Sport and Exercise Sciences in advance of the 2012 Olympic Games, the project involved in-depth analysis and screening of GB boxers for exercise-induced asthma. The research is providing information to athletes and the team's coaches to help reduce respiratory issues occurring during training and competition.

University of Kent scientists are to play a major part in new research which could detect early visual loss in people with long-term conditions, such as diabetes. Together with NHS Greater Glasgow and Clyde, a leading Scottish medical technology company, Optos plc, and Strathclyde University, Kent researchers are to help develop a new laser technology which will be able to monitor the functions of cells in the eye. This new technology is aimed at detecting and monitoring eye disease at a very early stage and will create a new device which will be at the forefront of the fight to detect early visual loss.

The University is to host one of five new national Engagement Centres being established to support community World War One (WWI) research projects. This new Engagement Centre at Kent, known as "Gateways to the First World War" is funded by the Arts and Humanities Research Council in conjunction with the Heritage Lottery Fund. The centres will connect academic and public histories of WWI as part of the commemoration of the war's centenary. The University and the Simon Langton Grammar Schools have contributed to a new WWI exhibition featuring images, objects and words commemorating the start of WWI and in particular the role of Voluntary Aid Detachment nurses and The Buffs (East Kent Regiment). The exhibition, titled 'In Remembrance', can be seen at Canterbury's Beane House of Art and Knowledge running to 4 June 2015.

The University of Kent develops its staff and students as professional and academic leaders and the University's programmes provide graduates with generic intellectual and transferable skills that enhance their employability and ability to contribute to society. There are also a range of programmes that prepare students for specific professions, for example, Architecture, Law, Pharmacy, Accountancy, Computing, Journalism, Marketing and Business.

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. 110 companies have been involved in this project and over 3,600 students participated in 2013/14 with 410 gaining an employability award.



4,929 UK and EU students completed their degrees in 2014. 65.5% of responders reported that they were in paid employment in a wide range of careers within 6 months of graduation. A further 22.5% reported they had progressed to further study.

The University offered a wide range of opportunities for students to gain work experience during their period of study: 798 students undertook either a work placement year or year abroad as part of their academic programme while a further 1,063 had short term placements. The Kent Experience of Work Bursary scheme provided 89 students with financial support enabling them to undertake high quality work experience.

The Kent Law Clinic has continued to provide free legal advice and help to individuals and community groups who are unable to afford to pay for legal advice (handling over 10,000 queries from local people) at the same time as providing invaluable practical law experience for the University's law students. The Clinic won the Ethical Initiative of the Year award at the Lawyer Awards in 2014.

The University of Kent also provides innovative and creative solutions to the business community through Kent Innovation and Enterprise (KIE). The University aims to make the resources available within the University community both relevant and accessible to businesses regionally, nationally and globally. KIE builds strong links between research and business, to better develop, support and create high-growth enterprise and some of its initiatives are detailed below.

The Innovation, Creativity and Enterprise (ICE) initiative has continued to be a successful platform for engagement with the business community which has resulted in enhanced links with local businesses interested in using the University's innovation, skills, knowledge and facilities to support further innovation and development.

The University has a dedicated space, the Bulb, based at the Canterbury Innovation Centre, a centre for innovative business and high technology companies located on the Canterbury Campus. The Bulb is the home of the Environmental Innovation Network (EiNET) project focusing on assisting Small and Medium size Enterprises (SMEs) in the low carbon area. The Bulb provides a focus to enable SMEs to benefit from knowledge and expertise available in the University's academic schools.

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 the development of the Enterprise Zone at Sandwich, the successful Regional Growth Fund and has representation on the Economic Development Group formed following the closure of Pfizer at Sandwich. The University is working closely with the developers of the site, Discovery Park, to support new start-ups and spin-outs. There are now over 100 businesses located at Discovery Park including a small Pfizer research group. Having researched the businesses on site the University has recently taken an office in the science building located at Discovery Park on a short term basis to proactively engage with the businesses there. The University continues to support the South East Local Enterprise Partnership and close links with the Kent Invicta Chamber of Commerce have been cemented by the University's Director of Innovation and Enterprise taking up the post of Chair of the Board of Directors.

The University's Kent Enterprise Hub, a dedicated facility to support innovative and high-growth businesses from start-up and development, continues to support the growing number of students, graduates and staff looking to set up their own businesses. Business advisors support students and staff in all aspects of starting a company and provide strategic advice. The University has submitted an £8.5m bid for external funding to establish HIVE, a 2,500m² incubation facility.

The University's impact on its regional community is immense. A report on the economic impact of the University received in October 2011 indicated that, excluding capital expenditure, 'in 2010/2011 University activities generated nearly £572m of output and 6,785 jobs for the regional community.' The overall economic worth of the University of Kent to the region has been estimated at £0.6 billion per annum with the University's students contributing £211 million to the region's economy. A further review of the University's economic impact in 2014 is underway and will be published shortly.

A further example of the University's positive influence on the wider community is the University's commitment to volunteering, by both students and staff. Volunteers play a crucial role in the University experience, from welcoming students over arrivals weekend, to taking up one of the 2,700 Kent Union volunteering roles. In 2013/14 over 1,000 students logged 105,000 hours of volunteering both on campus and in the local community. Kent Union coordinates a range of recognition programmes for these volunteers, including the KSCV (Kent Student Certificate for Volunteering), which is supported and endorsed by the University. The University has approved arrangements which allow members of staff registered as volunteers to apply for up to 25 hours' paid leave a year to support this initiative. There are certificates for staff who have registered and logged hours of volunteering each year which are presented at the annual Learning and Development Awards Ceremony.

One of the ways that the University's students make a difference is by raising money for charity. Kent RaG (Raise and Give) is the official fundraising society at Kent Union, which aims to fundraise and support charities locally, nationally and internationally, donating over £130,000 to charity in 2013.

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 free series of Open Lectures by distinguished speakers, events offered by the Gulbenkian Theatre and Cinema, musical performances, art exhibitions, sports facilities and open days. The Gulbenkian Theatre has been accepted onto Arts Council England's national portfolio programme which means that in addition to the current support from the University, the Gulbenkian will receive an Arts Council England grant of £220,000 for each of the next three financial years (starting in April 2015), which it plans to use to make the Gulbenkian the pioneer and leader of work with, for and by children and young people. The new Colyer-Fergusson Music Building, available for use by students, staff and the community which opened in October 2012, was used by the Canterbury Festival for the first time in autumn 2013. It was also one of only two buildings in the south-east to win a 2013 RIBA National Award for architectural excellence (one of 43 nationally) and the top prize in the Wood Awards 2013.



OPERATING AND FINANCIAL REVIEW

Financial highlights for the year to 31 July 2014

Financial performance and investment:

- Surplus for the year of £6.7m (2012/13: £12.8m) representing 3.1% of income (2012/13: 6.4%);
- Income up £13.1m (6.5%) to £214.4m compared to 2012/13;
- Increased residences and catering income at £29.0m (2012/13: £27.6m);
- Staff costs representing 54.3% of income (2012/13: 53.0%);
- Cashflow from Operating Activities of £28.3m (2012/13: £26.2m);
- Capital expenditure of £31.0m (2012/13: £30.0m);

Liquidity, debt and financial viability:

- Current asset ratio¹ of 1.40 (2013: 1.61);
- Available 'cash reserves'² representing 85 days expenditure (2013: 103 days);
- Net debt (Outstanding loans less cash held) of £18.9m (2013: £16.5m);
- Net assets of £179.8m (2013: £176.0m).

1 a liquidity measure of ability to pay short term debts, calculated as the ratio between current assets and current liabilities

2 measured as cash in hand, short-term deposits and 90% of the market value of the current asset investments

The University also saw national recognition when, in February, it was presented with a Queen's Anniversary Prize for Higher and Further Education by the Queen at Buckingham Palace. This Prize, the University's second in six years, celebrated the work of the Tizard Centre, part of the School of Social Policy, Sociology and Social Research, and its contribution to improving the lives of people with Intellectual and Developmental Disabilities (IDD) and their families.

Financially, the year was more challenging than in previous years but this had been anticipated, with the need to balance income volatility arising from the ongoing uncertainties in student recruitment, with a strategic priority to invest in academic staff, student facilities and the University's estate. Despite a cautious start, income budgets were eventually exceeded in almost all areas and through careful planning, aimed at maximising use of resources, it has been possible to make further significant investment in academic schools and in supporting services thus enhancing the quality and experience of our students' education and developing their skills to increase opportunities in later life. This strategy called for a reduced surplus, as compared to previous years. This was £6.7m, representing 3.1% of total income, but was ahead of the budget for the year. Capital expenditure continues at high levels, delivering an estates strategy that will see major improvements and expansions in academic space and central library and information services facilities. The balance sheet remains strong with cash reserves of 85 days and a current asset ratio of 1.40. This is in line with the University's financial framework key performance indicators which aim to ensure financial sustainability and viability in the long-term.

Scope of the Financial Statements

The Financial Statements for the year ended 31 July 2014 have been prepared on a consolidated basis and include all the recommendations outlined in the revised Statement of Recommended Practice (SORP): Accounting for Further and Higher Education effective from 1 August 2007. All subsidiary undertakings have been consolidated but only Kent Enterprise Limited was trading during the current and prior financial years.

Summary of the financial and academic year

The University has enjoyed continued success in 2013/14, building on its achievements of past years and delivering another set of positive financial results. Kent's performance in UK League Tables and the National Student Survey (NSS) remains strong, with ongoing recognition of its reputation for high quality research-led teaching, a friendly, safe campus environment and strong record of graduate employability. For the second year running, the Guardian University Guide placed the University among the top 20 universities in the UK, and the upward trend continued in both The Complete University Guide league tables (22nd) and The Times Good University Guide (30th), in a sector with more than 120 institutions. In the NSS, Kent achieved a score of 91% for "overall satisfaction".

Teaching and the student experience

Following a slight fall in new entrants during 2012/13 on the introduction of the £9,000 tuition fee and in line with a sector-wide drop in demand from new students, recruitment in 2013/14 picked up with significant increases in the undergraduate intake back towards 2011/12 levels and with the highest ever postgraduate intake to date. With further changes being implemented to student number controls, 2013/14 presented both an opportunity to expand provision in schools where demand was high, but also a threat from increased competition as many universities sought to recover from a difficult student recruitment round in the previous year. Kent fared well, however, increasing its student numbers across all three faculties and with continued expansion in the Faculty of Sciences where Home student numbers increased in the year by over 12%. In total, Kent's recorded student numbers as at 1 December 2013 were at its highest level with 19,852 (1 December 2012: 19,275) active students in attendance across all its UK and overseas locations.

Work undertaken during the prior year on enhancing the profile of the University's Medway campus, which had consisted of a portfolio review and new programme developments, proved successful, with a 23% increase in the number of full-time students commencing courses at Medway. This brought total student numbers back to previous high levels of around 2,900, but with a growing proportion of full-time postgraduates studying on the campus.

OPERATING AND FINANCIAL REVIEW (CONT)

Overseas student numbers continued to grow once again with a further 9% expansion in new entrants. With almost 16% of all Kent's students arriving from countries outside Europe, the University remains a popular choice for overseas students, particularly in Social Science disciplines and increasingly for postgraduate study.

The Graduate School saw a bounce back in the numbers of students wishing to undertake a postgraduate taught award, and full-time numbers grew by over 10% to a high of 1,579, in contrast to the general sector downward trends in postgraduate recruitment. Postgraduate research student numbers also grew by over 13% to 1,018, with a continued successful take-up of 50th anniversary post-graduate scholarships which the University has committed to extending for at least a further year in recognition of the importance of the postgraduate community in the achievement of Kent's research strategy. The proportion of postgraduate students as a total of all students now exceeds 18% and it remains the University's strategy to continue to grow this further.

The University aims to provide an inspiring and challenging student experience that prepares its students for the future. There is a strong emphasis on graduate employability and skills acquisition, enhanced through a wide range of extra-curricular activities, support and services. In the 2014 National Student Survey, Kent achieved the third highest score in the country for overall student satisfaction (of all publicly funded, multi-faculty institutions), with an overall satisfaction score of 91%. Improvements were seen in all areas, most notably in

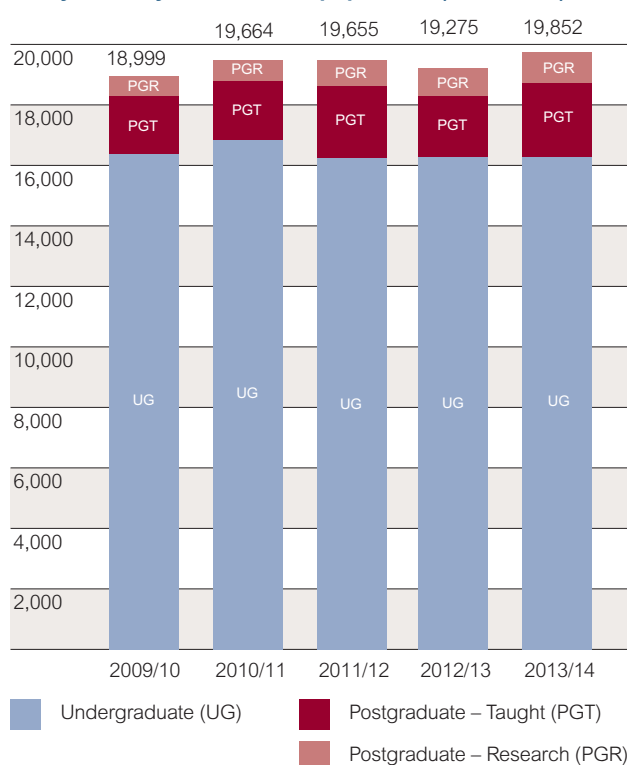
relation to access to IT resources, marking and assessment and feedback. This reflects the University's commitment to ensure a high quality all-round education experience. Recent benchmarking of good degrees awarded on undergraduate programmes placed Kent well within the top quartile of the sector with over 75% of 2012/13 graduates being awarded a first or upper second class degree.

The University continues to enhance its provision of high quality, effective study spaces and services to complement the excellent teaching in order to help students achieve their full potential. Highlights this year can be summarised as follows:

- Work has continued on a £28m project to extend and refurbish the library at the Canterbury campus, which will provide new study and social spaces, flexible seminar rooms, a 250 seat lecture theatre and exhibition facilities. The first phase of the project is expected to be delivered in early 2015;
- The design and planning phases of a new academic building for the Kent Business School and the School of Mathematics, Statistics and Actuarial Science was completed with full approval now having been obtained to commence on a £29m project to co-locate these schools, enabling synergies between the teaching of mathematics and quantitative areas of social sciences. The new building will provide enhanced new teaching facilities, flexible learning spaces and social areas for staff and students and will complement the existing Business School facilities. This will help to achieve growth in both undergraduate and postgraduate programmes;
- The University has continued in its aim of improving library materials with significant investment of £3m on new library resources in the year. NSS scores for Library and Information Technology have shown improvements over the past 5 years with significant progress being made over the past two;
- Work continues to enhance the provision of 24/7 access to resources, making self-service easier and making more library services available online. Our existing 400,000 e-book titles already available will be supplemented later this year with access to the online Cambridge University Press and Oxford University Press offering;
- Additional premium study areas, known as Campus Study Hubs, have been created across campus offering public computers and quiet, silent and social learning spaces. A new Oaks study hub has come on stream this term following the introduction of new facilities last year at Rutherford Social Learning Hub, Tyler Court A Study Hub and Parkwood Study Hub.

Financial support for students was provided at its highest ever levels with an increasing number of students achieving top grades at A-levels and throughout their academic undergraduate career, thus qualifying for the University's Academic Excellence Scholarship of £2,000 per annum. Generous fee waivers were also provided to students through the National Scholarship Programme. The University has continued to work closely with a number of schools in the surrounding area, which has contributed to the stabilising of local widening participation application numbers at the University. This work has attracted national praise from both HEFCE and the Office For Fair Access (OFFA). The University has also been successful in securing £3m of Catalyst funding from HEFCE to roll out its Higher Education Access Tracker (HEAT) database, used for tracking participation in outreach and measuring impact, across the Higher Education sector over the next three years. The successful student ambassador scheme has continued to grow with even more undergraduate and postgraduate students working to engage in outreach activities in schools, colleges

Five year analysis of student population (headcount)



and communities, reaching over 10,000 pre-Higher Education students. The ambassador scheme is a key contributor to a positive 'student experience' at Kent and ongoing evaluations illustrate that ambassadors think that their experiences impact positively on their employment chances. Commitment to the continued investment in the scheme has been made in the University's Access Agreement with OFFA.

Further support and advice is provided to students through the University's Students' Union, Kent Union, a separate legal entity with its own governance arrangements. Kent Union provides a wide range of advisory and welfare services and student activities, part-funded by grants from the University and supplemented by a significant trading contribution from its bars and retail outlets across campus. These services and commercial outlets also provide students with opportunities to obtain paid part-time employment, offering jobs to students either directly or through its temporary staff agency, JobShop, and in the past year £0.9 million was paid to students in wages. Kent Union also runs a graduate employability toolkit, which helps students develop, understand and track the transferable skills that they are developing through working or volunteering for the Union. In total, Kent Union has over 17,600 members and supports over 300 clubs and societies across the Canterbury, Medway and Brussels campuses. The Kent Student Awards, a joint initiative between the University and Kent Union, was launched this year to celebrate and give recognition to exceptional students from the University who have made an outstanding contribution to university life and an impact on the wider community.

The University's sports department, Kent Sport, offers the University's staff and students a wide range of sporting activities and facilities and has been successful in an application to Sport England's University Sport Activation Fund. Kent is one of 54 universities that will benefit from nearly £10 million of funding to help around 180,000 new students playing sport. The University's £215k award will help launch a 'Let's Play – Project 5.0', which aims to increase participation in sport across the University's Canterbury and Medway campuses.

Research and postgraduate activity

The University made its submission to the UK Research Excellence Framework (REF2014) in November 2013. The submission data statistics make favourable reading when compared to the previous such exercise (the RAE2008 submitted to in 2007) demonstrating the increased quantity of research. From the RAE 6 years ago the number of staff submitted has increased by a substantial 37% in terms of full time equivalents from 430 FTE to 591 FTE. At the same time the percentage of staff submitted, which gives a good indication of research intensity has increased from 70% to 84%. The submission comprised 2090 research outputs (publications) from 23 subject areas, with 80 impact case studies, a reported total research income of just over £67 million and over 600 doctoral awards. The results of the quality assessment of the REF submissions will be known in December 2014 with HEFCE Qualitative Research (QR) funding allocations announced in the spring of 2015 for the 2015/16 financial year and onwards.

Further success was seen in 2013/14 with the increase in externally funded research income during the year, up by 1.5% from £13.4 million to £13.6 million. This trend is likely to continue at least in the short term with new research awards also up, markedly, by 28% from the 5-year

rolling average of £14.0 million to the highest ever figure of £17.6 million.

Postgraduates at the University benefit from the dedicated Graduate School whose mission is to "lead and champion the strategic development of provision for graduate education and research at Kent". There is a vibrant, active, postgraduate community brought together through the Graduate School which, in partnership with academic schools, faculties, professional service departments and Kent Union, helps enhance the experience for our postgraduates and deliver to them the support and facilities for their duration of study. Postgraduate students are provided with excellent development opportunities through the Researcher Development Programme (for postgraduate researchers) and Global Skills Award Programme (for Taught Master's students). Funding, study and training opportunities are provided through the University's links with Research Councils and organisations across the world. The University allocates over £5.5 million from its own funds and attracts an additional £4.2 million to provide a variety of financial support opportunities for its postgraduate students. Postgraduate numbers have risen by 44% over the last five years but recruitment in future years could be challenging.

Innovation, enterprise and creativity

The University is in the final year of the Higher Education Innovation Fund 5 (HEIF5) funding period and Innovation and Enterprise has now been embedded within the University's structure and Institutional Plan. The University has directed its innovation and enterprise activities across a wide range of areas such as Security and Human Capability, Health and the Green Economy. The University continues to deliver a high level of service and success, working with the business community and the public sector. The University is actively identifying opportunities to respond to Government priorities such as the 8 Great Technologies.

The key successes delivered under HEIF5 to date include:

- Innovation, Creativity & Enterprise (ICE), enabling on-going engagement between businesses and academic staff, increasing the University's reach to the small and medium enterprises (SME) community. The ICE approach is also having an impact on the larger size businesses, including global businesses who are working with the University across a range of disciplines;
- The introduction of an Innovation Voucher funding scheme for SMEs which together with a number of SME focused events have led to the development of new SME partnerships;
- Large corporate engagement that is leading to successful partnerships with a number of new businesses, opening up new sources of funding and giving rise to a number of Innovate UK (formerly Technology Strategy Board) projects;
- Student Enterprise, delivered through the University's incubation facility, The Hub, enabling students, graduates and staff to embark on start-ups and new enterprise initiatives. The University is actively seeking funding to expand the size of the facility to ensure it is able to meet demand;
- Student employability engagement with business through the University's highly successful, and unique, Employability Points Scheme which reached out to 3,600 students in 2013/14. In addition to Coca-Cola, LinkedIn and the National Trust, the scheme has recently gained sponsorship from IBM and many other local and national businesses. It continues to be recognised as best practice

OPERATING AND FINANCIAL REVIEW (CONT)

in the sector as evidenced by The Department for Business, Innovation and Skills support in its response to the Wilson Review and has been shortlisted for the Times Higher Education Awards for Outstanding Student Contribution. The Employability Points Rewards Evening sponsored by Santander Universities, took place in June with over 110 companies providing more than 400 awards to students demonstrating a high level of engagement to the scheme;

- Knowledge Transfer Partnerships (KTPs) which continue to support businesses to develop strategic projects with the University. This year a company completed its fourth project with the University and was awarded an A grade (outstanding). Less than 10% of projects nationally achieve this grade;
- Continued engagement with business support organisations such as the Chambers of Commerce, Institute of Directors and trade associations;
- Contributions, at a strategic level to the work of the South East Local Enterprise Partnership (LEP) continues with active involvement in the development of the Strategic Innovation Fund Plans, Growth Plans and European Regional Development Fund (ERDF) project development.

The state of the economy continues to be a challenge for knowledge exchange activity, however, the University's income from consultancy and development remains steady.

Internationalisation at Kent

The University is succeeding in embedding internationalisation across all areas of activity and continues to make a strong international impact through its network of partners across the world and the work of its staff, students and alumni. Highlights this year have included:

- Further growth in overseas student numbers which have increased year on year, and with early indications that the 2014/15 entry for overseas registrations will exceed all prior years;
- Record numbers of students on overseas exchange programmes and placements globally, with indications that 2014/15 will see further increases in this type of activity. New exchange agreements have been signed with institutions in Argentina, Canada, Chile, China, Colombia and the USA and the extension of agreements with institutions in Hong Kong will widen study abroad opportunities;
- The award of the Erasmus Charter for Higher Education 2014-2020 allowing continued engagement in the Erasmus programme;
- Continued participation in the LoTUS project, an Erasmus Mundus programme to promote partnership and co-operation between European and south-east Asian universities, with funding renewed for a fifth round and continued success of the Text and Event in Early Modern Europe (TEEME) and the Doctorate in Cultural and Global Criminology (DCGC) Erasmus Mundus Programmes;
- The successful continuation of the internal summer school for Kent students and the launch of external summer schools in the European Centres at Brussels and Paris. The re-structure of management staff at the European Centres including the appointment of a new Dean and Academic Director. The planned re-location of the Brussels Centre to new premises in June 2015 to provide improved facilities for students and space for expansion;
- The successful launch of an alumni society in Nigeria and a well-attended first event in Lagos;
- Enhanced cultural and developmental opportunities that included a successful Worldfest and the introduction of a series of smaller events on campus celebrating individual national occasions run throughout the year under the banner Worldfest Bitesize;

- The extension of the University of Kent's Centre for English and World Language's (CEWL) Trans National Education provision to include the establishment of our International Foundation Programme in Hong Kong, in partnership with Sun Wah Pearl Business Academy and in Istanbul, Turkey in partnership with Bahcesehir University. These programmes are set to run from January 2015.

Students at the University of Kent continue to have the opportunity to learn a range of languages on either credit bearing or non-credit bearing modules through the Language Express provision. In 2013/14 more than 180 students studied Mandarin and over 150 students studied Japanese. There were 550 registrations from international students on its in-session English language skills courses and modules. Students are also engaging to further enhance their intercultural communication skills through the Talking Cultures short course provision offered to all students through Kent Extra. This year CEWL welcomed over 215 students from across Asia to participate in short courses in English Language.

Future outlook and risks

Student registration of 2014/15 new entrants proceeded successfully, with overall planning targets being met and exceeded in some academic schools. This represents a good start to the year and a period which will see significant financial challenges as the real value of Home/EU tuition fees decreases while staff costs rise. Resources, including the cash reserves, are being utilised carefully so as to put the University into the best position for a challenging and uncertain future, whilst ensuring that the longer-term cost base of the University remains sustainable. Investment into academic schools, the library and IT services is made to ensure that students receive the best teaching, facilities and support throughout their time at Kent. The Estates Strategy has also been reviewed giving rise to an expanded £211million five-year capital programme providing new teaching and learning facilities, improved student administration services and bringing efficiencies through the design and implementation of major systems.

The budgeted surplus for 2014/15 of £7.5m is marginally higher than the actual surplus achieved this year and reflects the ongoing strategic investment in new resources and the financial challenges that are beginning to take hold. The third year of the new £9,000 tuition fee will see income levels increase once again but in the absence of inflationary increases, the real value of such income continues to fall against a backdrop of increasing staff costs. The strain on the University's financial position from increased staff numbers, past and future pay awards and certain anticipated pension contribution and national insurance cost rises will become more apparent in the coming years, requiring further income growth from unregulated sources if it is to remain on track with capital expenditure plans. It is likely to be a challenging few years but the University enters into this period from a strong financial and reputational base.

The level of cash reserves and the current asset ratio are budgeted to fall over the year as cash balances are utilised in funding major capital developments that are currently underway. Since the year-end, the University has signed a Finance Contract with the European Investment Bank, which provides a £75m loan facility to be drawn down over the coming three years and will enable the delivery of the first phase of the University's Estates Strategy. Debt levels are therefore projected to increase to up to 48% of total income by 2015/16 but this will ensure

operating cash reserves remain at healthy levels and in line with the Financial Framework, established to ensure long-term financial viability. Debt levels are then projected to fall over subsequent years as existing loans are repaid.

The recruitment environment for Home and EU undergraduate students is expected to remain intensely competitive. The Government's changes to the 'non-core' threshold at which universities can recruit high calibre candidates without limitation, from 'AAB' to 'ABB', combined with lower overall A level grades awarded, resulted in a very unpredictable recruitment round to August 2014. For 2015/16 the Government has indicated that universities will be able to recruit without limit across the entire range of candidates. It is currently unclear how this policy will be implemented and how this will affect the behaviour of competing universities. Continued pressure on the tariff and increased emphasis on the quality of student experience is expected. The University's strong position in national league tables, sound national student survey performance and measures to offer a wider range of academic achievement scholarships should help ensure that the University meets internal student recruitment targets. The University continues, in the meantime, with its strategy of trying to grow overseas and postgraduate student numbers as a means of mitigating the impact of lower Home/EU undergraduate recruitment.

The May 2015 General Election may result in a change of Government, which could bring further change in regulation concerning recruitment, funding and student support measures. It may also result in changes to student number controls for 2015/16 not taking effect. The University is aware of this uncertainty and has undertaken modelling of the implications of these risks and changes to funding.

Other specific risks facing the University and the Higher Education Sector in 2014/15 and beyond include:

- Continued competition for undergraduate students attaining high, 'non-core' grades and overseas students, with international providers seeking to attract UK students away from the UK and an increased number of UK providers, aiming to expand their share of local and overseas students;
- An ongoing compliance burden and information requirements for overseas students, with a risk that these students will be deterred from applying to UK Higher Education providers. A reduction in the overall numbers of overseas students would have a detrimental effect on the UK HE economy, both nationally and locally;
- Nil or low inflation on regulated Home/EU tuition fees until at least 2016/17 and possibly beyond, whilst having limited control over teaching-related inflation. This is likely to impact on the levels of investment into student facilities and ultimately the student experience;
- A potential decline in the demand for postgraduate qualifications post 2015, on the graduation of the first cohort of undergraduates under the new teaching funding regime;
- Uncertain financial and reputational impact as a result of the outcome of the Research Excellence Framework in early 2015;
- A continued squeeze on research income as a result of Government funding cuts and increased global competition for research grants and contracts;

- Instability in the financial economy putting further pressure on major educational and local government pension schemes resulting in increased scheme funding deficits in both USS and SAUL and the likelihood of high-cost recovery plans and less favourable benefits. More information on the pension schemes' funding positions is provided in Note 29 to the accounts;
- Non-achievement of Government targets relating to access agreements as submitted to and approved by the Office For Fair Access and employability due to economic factors and student recruitment constraints outside HEIs control;
- Continuing economic recession impacting on the potential to generate funds from relationships with business and the public sector and constraining discretionary spend by students.

The University also faces a range of additional risks specific to its strategic intentions and future plans. These risks are subject to mitigating action plans and are kept under review. They include:

- Ensuring that the University's estate continues to meet student expectations and requirements, that the major capital investment planned in the University's capital programme can be funded and that individual priority capital projects within this programme are completed to time, cost and quality;
- Ensuring that the implementation of major new IT systems for student administration, staff administration and pay deliver anticipated benefits and are achieved on time and within budget;
- Ensuring that targeted student number growth in specific Academic Schools within the University is achieved.

Management of performance and risks

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

OPERATING AND FINANCIAL REVIEW (CONT)

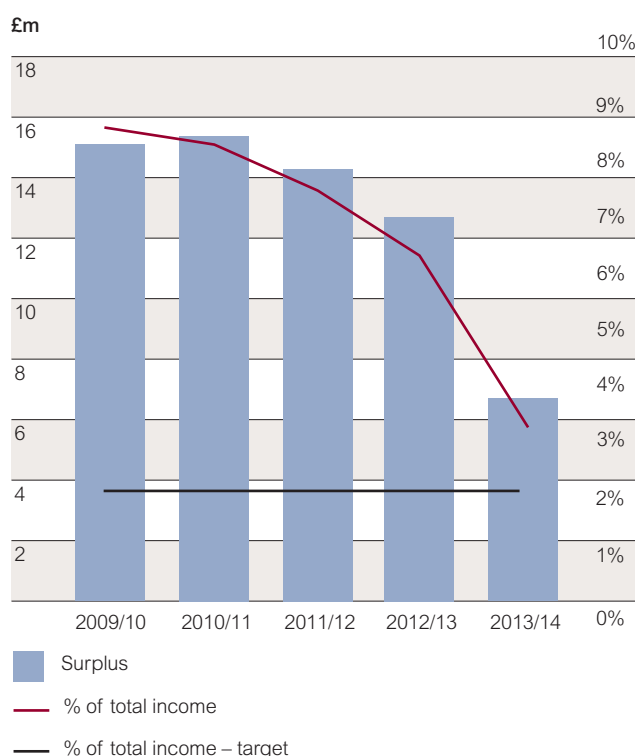
Financial summary

The University's consolidated results for the years ended 31 July 2014 and 31 July 2013 are summarised as follows:

	2013/14 £000	2012/13 £000	Change %age
Income	214,366	201,313	6.5
Expenditure	(208,056)	(188,766)	10.2
Transfer from Accumulated Income in Endowment Funds	346	250	38.4
Surplus for the Year	6,656	12,797	(48.0)

The results for 2013/14 are once again a strong indication that, even in times of higher education government funding cuts and increased competition, the University has continued growing its income streams whilst maintaining good control over its expenditure. The retained surplus for the year of £6.7m, compared to a budgeted surplus for the year of £4m, was lower than that generated in 2012/13 (£12.8m) but reflects the strategic decisions taken to invest in new staff resources in areas of growth and research excellence. Due to higher than budgeted tuition fee income and timing delays in the appointment of new staff, the surplus does however exceed the budget for the year and represents 3.1% of the University's turnover, exceeding the target of 2% set within 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.

Operating surplus 2009/10 – 2013/14

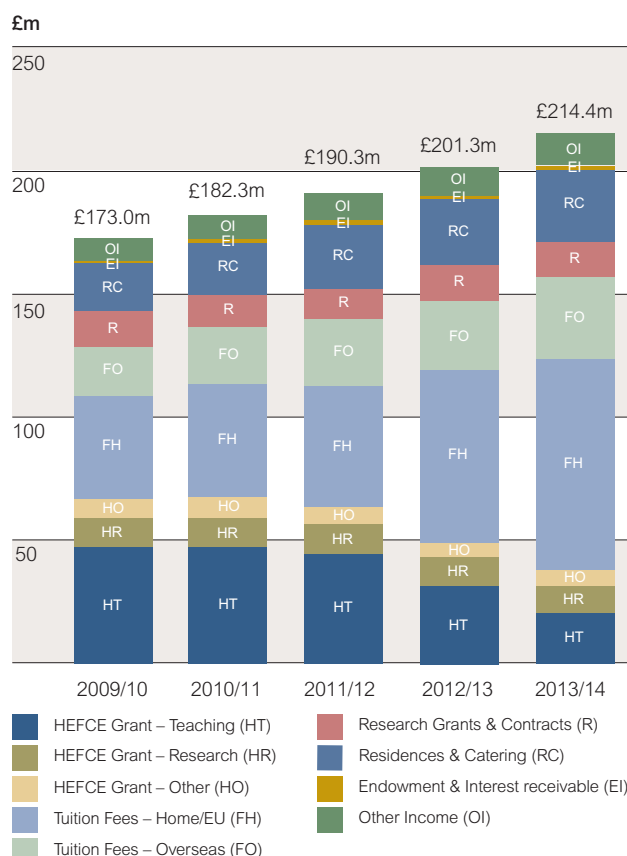


Income

Total income grew by 6.5% to £214.4m with an additional £20.2m fee income, partially offset by an associated £10.7m fall in funding from the Higher Education Funding Council for England (HEFCE). There were also increases in income from Research Grants and Contracts (£0.2m), Residences and Catering Operations (£1.5m) and Other Income (£2.3m). The increase in Tuition Fee income and associated fall in HEFCE income largely reflect the effect of the first and second years of students falling under the £9,000 fee regime, which is a significant shift in the balance of funding for teaching. Income from full-time overseas students continues to be a high growth area, and, benefitting from the previous two year's high levels of overseas student recruitment, was in total up by 13.7% when compared to the prior year. This reflects Kent's strategy to increase its numbers of overseas students and the University's growing reputation both in the UK and internationally.

Income from research grants and contracts was £13.6m for the year representing a slight increase from last year and continuing the upward trend. Other income generating activities remained strong in the year, with another successful result from the University's hospitality division due to high occupancy levels in University residential accommodation, a strong catering business and a buoyant conference trade throughout the year.

Analysis of income 2009/10 to 2013/14



Expenditure

Staff Costs rose by 9.1% in the year to £116.3m largely reflecting the continuing investment into areas of strategic importance and growth in academic schools. Whilst the national pay award was constrained to a level of 1%, average staff pay increased by an additional 1.5% as a result of increments and promotions. The overall rise in staff costs also reflects the full impact of prior years' investment in research excellence and the continuing increased pension costs associated with auto-enrolment which has seen a significant increase in pension scheme membership. The University monitors its staff costs as a percentage of income with a financial framework upper limit of 60%. During the year, this measure increased from 53% to 54% reflecting the higher staff numbers, which on average increased by 163 full-time equivalents (7.2%) in the year.

Other Operating Expenses increased by £7.4m (11.4%) in the year as a result of the continued investment directly into student support and academic services with an additional £2m of expenditure in the year in academic schools. Payments to students in the form of bursaries increased by £1.3m, amounting to £6.2m in total, with a further £4m of fee waivers reducing the total reported income from tuition fees. This reflects the University's continued commitment to widening access to higher education and is part of Kent's overall approach to supporting its students as set out in its approved

Access Agreement. In addition, studentships funded by Research Council training grants increased by £0.7m and the University increased its grant funding to Kent Union by £0.4m.

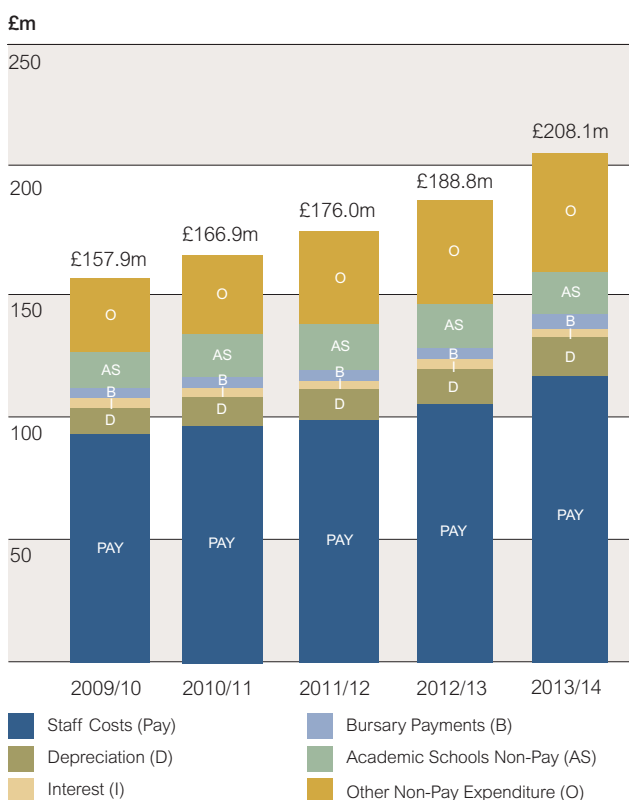
Depreciation charged in the year was £2.2m higher than in 2012/13 largely as a result of some significant capital expenditure during the year and a number of major refurbishments of student accommodation over the prior year summer vacation.

Balance sheet

The University's Consolidated Balance Sheet continues to be strong with Net Assets of £179.8m (2013: £176.0m), Net Current Assets of £17.6m (2013: £25.3m) and a current asset ratio of 1.40 (2013: 1.61). Current assets were budgeted to fall during the year as large cash reserves, accumulated in previous years, are gradually utilised on investment in the University's estate and on some major systems developments. Debtors' balances have fallen slightly in the year by £0.6m, and within this student debtor balances have fallen by £0.8m which continues to reflect robust credit control processes and improvements in the student billing and payments systems. Current liabilities increased by £2.3m, primarily as a result of an increase in creditor accruals on research projects and large capital projects, and an increase in capital grants and donations income received in advance of expenditure.

The University follows the requirements of FRS17 in relation to the accounting for the Local Government Pension Scheme for which it has one remaining active member and the pension deficit can be seen on the balance sheet; during the year the deficit increased slightly and now stands at £0.3m. 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 Financial Reporting Standard 17: Retirement Benefits (FRS17) as the University is unable to identify its share of the underlying assets and liabilities on a consistent and reasonable basis. The University recognises the risks attached to the funding position of these schemes and is contributing to discussions and employer consultations on proposals being set out to address the anticipated deficit funding positions. The actuarial valuations as at 31 March 2014 together with the associated finance management plans for both the USS and SAUL schemes are expected to be finalised by the end of June 2015. Full details of the pension schemes and their annual funding position can be found in Note 29 to the financial statements.

Analysis of expenditure 2009/10 to 2013/14



Investment management

During the year the Investments Committee monitored the returns achieved on cash deposits and on those funds invested in and managed by Cazenove Charities.

The permanent endowment is invested in UK equities and bonds through the Schroder Charity Equity and Fixed Interest Funds and also holds a cash deposit. The Michael Ramsay Appeal Fund is subject to investment considerations set by the donor and as such is invested in the CBF Church of England Investment Fund and the CBF Church of England Fixed Interest Fund. Over the year the portfolios generated a total return of 6.1% and 6.7% respectively. The medium and long term assets are invested in the Charity Multi-Asset Fund, managed by Cazenove Charities which generated a total return of 4.7%. The shorter

OPERATING AND FINANCIAL REVIEW (CONT)

term assets are invested in cash deposits using Schroders Charities' cash management service. These are placed out with counterparties, to gain a spread of maturities and an attractive rate, as well as diversification of counterparty risk. Over the year, the cash portfolio has returned 1.1% (net of fees) which compares favourably to base rates of 0.5% and other cash funds.

Cazenove Charities commented on the University's investment performance by saying that "The global economic recovery is well under way and investment markets have reacted positively in a growth environment. In the 12 months to 31 July 2014 UK equities returned 3.5% compared with UK Gilts of 2.5%. The permanent endowment and Michael Ramsey Appeal Funds performed better in this period, as they had a higher allocation to equities when compared with the Charity Multi-Asset Fund. The maintenance of Schroders' long-standing negative view of fixed interest and preference for equities has been positive for performance in this period. Whilst they expect interest rates to rise eventually (making bonds better value), Schroders maintain that bonds are unattractive and continue to prefer equities. However, given the strong returns from equity markets over the past two years, while growth momentum remains positive, they warn that returns are unlikely to be as strong as last year, and volatility is likely to pick up. The University's investments continue to be diversified in order to minimise risk."

Cash flow

The Cash received from Operating Activities in the year was £28.3m, an increase of £2.1m from last year. This is due to improvements in debt collection rates and the receipt of a lease premium in connection with land provided for new student accommodation provided by a third party. Liquidity levels fell in the year, with high net cash inflows from operating activities being offset by increased investment in capital expenditure. The University monitors its available liquid reserves and requires a minimum of 40 days expenditure to be held at any time. At the year-end, these liquid reserves, measured as cash in hand, short-term deposits and a percentage of the market value of the current asset investments, represented around 85 days expenditure, excluding depreciation (2013: 103 days). At its lowest point, in April, the value of liquid reserves held by the University represented around 77 days expenditure (2013: 95 days) but was followed by the receipt of the majority of Home/EU undergraduate fee income from the Student Loans Company in May.

Total Cash, Short-Term Deposits and Current Asset Investments as at 31 July 2014 have decreased by £4.8m as follows:

	2014 £000	2013 £000	Change %age
Cash and Short-Term Deposits	29,679	34,778	(14.7)
Current Asset Investments	16,570	16,305	1.6
	46,249	51,083	(9.5)

Although the above shows that the University had a strong cash position at the end of the year, the reduction in cash reserves as a result of high self-funded capital expenditure means that a net debt position continues to be reported. This means that the cash and investments held, as shown above, are lower than the outstanding value of loans held by the University at the year end.

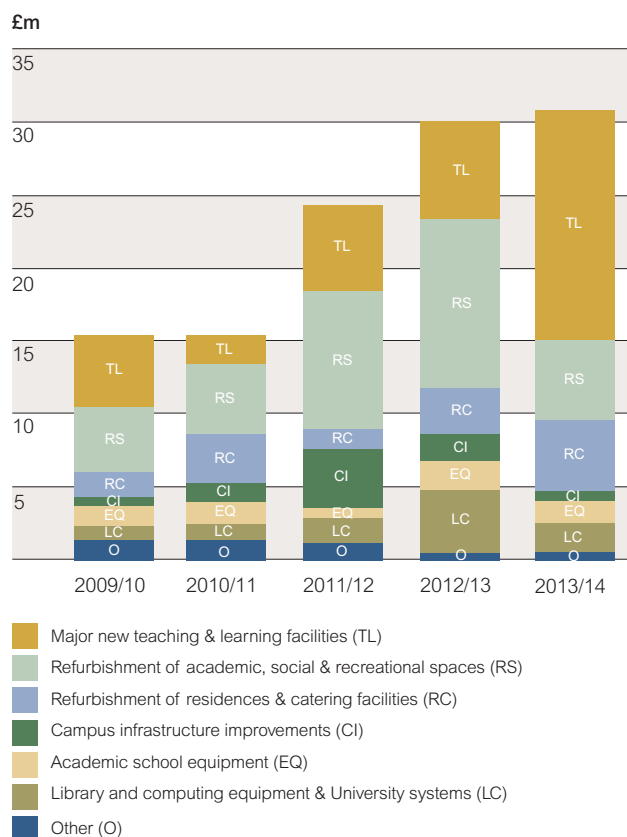
Capital expenditure and long-term borrowing

Capital expenditure amounted to £31.0m in the year, reflecting the continued increase in investment into the University's estate. The chart below provides a breakdown of the capital programme spend over the past 5 years.

The capital programme for the next five years was agreed by the University's Council in June 2014 detailing £211m of investment in the Estate. This programme includes significant refurbishment and infrastructure developments, to ensure facilities are at a standard that meets students' expectations. In addition, it addresses space utilisation issues which have arisen due to the high growth in student and staff numbers experienced by the University in recent years and includes major strategic building projects which will provide additional new academic teaching and learning space and an extension to the University's library.

The associated funding strategy utilises current borrowing capacity whilst ensuring that borrowing costs remain affordable, part-funding this investment. As existing loans are repaid in forthcoming years, they will create capacity for additional borrowing to address new opportunities.

Capital expenditure 2009/10 to 2013/14



Long-term bank loan debt has fallen by a further £2.9m in the year with borrowing levels now reduced to 23% as a percentage of income (2013: 25%). The high levels of available cash have ultimately reduced the need to borrow for smaller developments but as stated above borrowing levels are projected to rise once again and since the year end, a finance contract has been signed with the European Investment Bank, providing the University with a facility of £75m, which is available to be drawn down over three years.

Enhancing people management, resourcing and communication

There have been a number of successful initiatives this year to improve and embed good people management practice and respond appropriately to legal requirements.

In August we successfully harmonised all our staff onto a 35 hour working week. Excellent work has been done to ensure compliance with UK Visa and Immigration requirements for students and staff, and our processes and controls were recently audited receiving a high level of assurance. The approach to employing staff in international sites has been improved, including new French employment contracts for the Paris staff. The University's Statute and Ordinances regarding suspension, grievance, disciplinary and dismissal processes are being updated to reflect current employment legislation and best practice. In future there will be a single set of Ordinances and policies for all staff. This is being done in close consultation with union representatives.

Developing leadership and organisational capabilities

The University now has a suite of four leadership programmes for existing and new senior staff which continue to be well received, and are helping to build leadership capability across the Institution. The Review of School Governance has progressed this year to develop other key leadership roles in Schools to support the Head of School. There have again been a high number of successful academic promotions this year. The Researcher Development Working Group is making good progress on supporting the career development of our researchers.

There has also been a focus this year on improving the University's ability to attract and recruit senior academic staff, particularly to leadership roles within Academic Schools. Roles have been reviewed and more attractive advertising and candidate literature has been produced, and these together with more active academic networking and search activities, are helping to fill these critical roles with high calibre staff.

Promoting equality and diversity

Increasing our focus on the equality, diversity and inclusivity agenda has yielded positive results. In April the University was successful in gaining a bronze level Athena Swan award for the advancement and promotion of the careers of women in science, engineering and technology in higher education and research. This was followed in October by the School of Statistics, Maths and Actuarial Science becoming the first academic school to achieve a bronze Athena Swan award.

Analysis of the University's submission to the Research Excellence Framework shows positive findings regarding higher levels of women entered than before.

A new all staff training programme Valuing Everyone: Thinking Differently has been successfully launched and is being rolled out across the whole University.

Building efficient and effective HR systems and supporting workforce planning

The University has now procured a new HR and payroll system and is in the process of building and implementing the new system. All HR and payroll administrative processes have been reviewed with the aim of streamlining and improving efficiency when the new system goes live in 2015. The new system will also provide much better management information for future workforce planning.

Environment

The University's Carbon Management Plan for the period 2010-2020 details the University's carbon footprint and sets a target reduction in CO2 emissions of 23%, in absolute terms, against a 2005 baseline. Recent data shows that progress to date has been good, with an absolute reduction of 11% in carbon emissions having been achieved. An audit by the Carbon Trust in 2013 also demonstrated an absolute reduction in CO2 emissions despite a significant increase in the University's business travel. Carbon Trust Standard certification was renewed for the period 1 August 2013 to 31 July 2015.

The University continues to participate in the HEFCE / SALIX Revolving Green Fund and has now invested a total of £558k under this scheme in a number of compliant, energy-efficient projects. Financial savings, generated each year, are being reinvested into newly identified projects.

Following certification with the prestigious ISO 14001 Environmental Management Standard in 2012, a number of internal ISO 14001 audits were conducted during the year showing that great progress has been made in integrating sound environmental management practices into the University's day to day activities.

OPERATING AND FINANCIAL REVIEW (CONT)

The Green Impact awards ceremony was held in April 2014 with the achievements of a record number of 29 teams being recognised. This year's Green Impact programme, run in partnership with the National Union of Students, launches on 21 November 2014 with the aim of recruiting 50 teams to celebrate the University's 50th Anniversary, and is designed to assist both staff and student communities in realising behavioural changes leading to greener, sustainable lifestyles. The University has also retained its Fair Trade accreditation until August 2015.

Payment of creditors

It is the University's policy to obtain the best terms for all business and, consequently, there is no single policy as to the terms used. In agreements negotiated with suppliers, the University endeavours to include and abide by specific payment terms.

Going concern

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

Conclusion

As the University enters its 50th Anniversary year, it celebrates with pride its successes of the last fifty years. From a vision fifty years ago, which originally aimed to spread higher education opportunities to up to 3,000 students, the University has grown in both its size and reputation into a first-class, leading UK University with almost 20,000 students. This is a huge achievement, with much of this growth and status having been earned over the last ten years. For this, I congratulate and thank our staff for their loyalty, hard work and dedication to making Kent the place it is today.

The planned removal of the student number cap is likely to increase competition for students and there will be other financial and political pressures. Kent has shown throughout the years that it can ride through turbulent times and has grown stronger in the process. Its sound financial position, position as the UK's European university, and status within UK League Tables and the National Student Survey, puts the University in a good place to deal with these and other challenges. We will be using our 50th anniversary celebrations to build our reputation further and embed the University even more firmly as one of the UK's leading higher education institutions.

Professor Dame Julia Goodfellow
Vice-Chancellor
27 November 2014





CORPORATE GOVERNANCE STATEMENT

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.

The University endeavours to conduct 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 Guide for Members of Higher Education Governing Bodies in the UK published by the Committee of University Chairs (CUC) (February/March 2009). The University is committed to achieving best practice in all aspects of Corporate Governance.

The University is an independent corporation 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 its supporting Statutes, the latest version of which was approved in 2013, and in Ordinances; these may be found on the University's website.

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 executive governing body, responsible for the finance, property, investments and general business of the University, and for setting the general strategic direction of the institution. Council has 25 members with a majority appointed from outside the University (16 members comprising 64% of its membership), from whom its chair and its deputy chair must be appointed. Other members include representatives of the staff of the University and the student body. Members do not receive any payment for their work in relation to the Council. External members may, however, claim reimbursement of associated travel costs and expenses.

The Senate is the academic authority of the University and draws its membership (currently 49 members) almost entirely from academic and research staff and students of the University. Senate is responsible for the teaching and research work of the University. The Vice-Chancellor is ex officio Chair of Senate.

The Court is a large, mainly formal, body comprising about 450 members. It offers a means whereby the wider interests served by the University can be associated with the institution, and provides a forum where members of Court can be briefed and comment on key University activities and developments. The Court meets once a year when an annual review of the University and its annual accounts are presented. Many members of the Court are from outside the University, representing the local community and other designated 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. The Chancellor is ex officio Chair of the Court.

The Vice-Chancellor, the University's principal academic and administrative officer, has a general responsibility to the Council for maintaining and promoting the efficiency and good order of the University. Under the terms of the Financial Memorandum between the University and the Higher Education Funding Council for England (HEFCE), the Vice-Chancellor is the Accountable Officer of the University and in that capacity can be required to appear before the Public Accounts Committee of the House of Commons.

The University's compliance with the CUC Governance Code of Practice includes the adoption of a Statement of the Council's Primary Responsibilities which may be found on the Council Secretariat's website. In brief 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, institutions such as the Funding Council and legislation.

Other requirements of the CUC's Corporate Governance Code refer to matters delegated to the Vice-Chancellor, the Council's effectiveness and evaluation of University performance by the use of Key Performance Indicators (KPIs). The Vice-Chancellor is required to provide an annual report to Council each autumn on matters delegated to him/her by Council and arising from Statutes in the previous academic year. During 2008/09 Council undertook a review of its effectiveness and that of its committees. The overall outcome was positive and a few changes have been made to improve the position further. Council has instigated annual reviews of its effectiveness and will undertake a major review in 2014/15. Since 2006 Council has reviewed the University's performance against a set of approved KPIs each year, with the next review due to take place at its meeting in November 2014.

Council meets at least five times each academic year and much of its detailed work is initially handled by committees which generally meet two or three times per year. Council committees include the Finance and Resources Committee, the Staff Policy Committee, the Lay Nominations Committee, the Remuneration Committee and the Audit Committee. Council committees have written terms of reference and specified membership, including external members (from whom Council generally appoints chairs), designated quorums and numbers of meetings held each year and each committee reports to Council at least once a year. The Audit Committee has a particular role in relation to Corporate Governance as its Annual Report is required to include the Committee's opinion on the adequacy and effectiveness of the University's arrangements for risk management, control and governance; for promoting economy, efficiency and effectiveness (value for money) and the arrangements for the management and quality assurance of data submitted to the Higher Education Statistics Agency (HESA), HEFCE and other funding bodies.

As chief executive of the University, the Vice-Chancellor advises the Council on the development of institutional plans, policies and strategy, the identification and planning of new developments and shaping of the institutional ethos. The Deputy and Pro-Vice-Chancellors, Director of Finance and other senior academic and

administrative officers all contribute in various ways to aspects of this work but Council, as the University's governing body, has ultimate responsibility for University activities, for determining its future direction and for fostering an environment in which the University's mission is achieved.

The Statutes of the University provide for the Council to appoint a Secretary of the Council (and of the Court). Any enquiries about the constitution and governance of the University should be addressed to the Secretary of the Council.

The University maintains a Register of Interests of members of the Council and other staff which may be consulted by arrangement with 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 Financial Memorandum (and from August 2014 its successor, the Memorandum of Assurance and Accountability) with HEFCE.

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 2014 and up to the date of approval of the Financial Statements for 2013/14 and it accords with HEFCE guidance.

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 years Council approves a new University Plan; the version in effect for the period of these accounts was that for 2012-15 (and may be seen on the University's website);
- Council meets regularly to consider strategic, policy and oversight matters. These include the annual approval of a Risk Register (based on the institutional Plan and compiled on an objective scoring basis); the annual report on risk management and annual reports from the Audit Committee and the Head of Internal Audit, each including an evaluation of the assurance provided by internal controls;
- The Vice-Chancellor and her Executive Group are responsible for the management of the University, including oversight of risk management and consideration of termly monitoring reports (and the same in relation to value for money (VfM));
- Internal Audit's work, based on risk assessment, plays a valuable role in providing assurance on the adequacy and effectiveness of risk management, control and governance arrangements and VfM;
- The 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;
- The heads of academic schools and professional service departments are responsible for the identification and management of risks and the achievement of value for money in their areas of operation on a day-to-day basis and in relation to future plans.

Council's overall assessment of the effectiveness of internal control is informed by reports from the Audit Committee, the External Auditors in their Management Letter, the Internal Auditor and from the Vice-Chancellor and other executive officers and from HEFCE. The last includes HEFCE's institutional assessment of the University which indicated that in 2014 the University was "not at higher risk" and the 2009 assessment by HEFCE's Assurance Service that the University's Internal Audit provided a high level of assurance. Council's assessment that the University's internal control was sound for 2013/14 and to the date of its approval of these Financial Statements is hereby confirmed for the record.

Signed on behalf of the University of Kent on 27 November 2014 by:

Sir David Warren
Chair of the Council

Professor Dame Julia Goodfellow
Vice Chancellor

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, the Statement of Recommended Practice: Accounting for Further and Higher Education 2007 and other relevant accounting standards.

In addition, within the terms and conditions of the Financial Memorandum agreed between the Higher Education Funding Council for England (HEFCE) and the Council of the University, the Council, through its accountable officer (the Vice-Chancellor), is required to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the University and of the surplus or deficit and cash flows for that year.

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

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

The Council has taken reasonable steps to:

- Ensure that funds from HEFCE are used only for the purposes for which they have been given and in accordance with the Financial Memorandum agreed with HEFCE and any other conditions which HEFCE may from time to time prescribe;
- Ensure that there are appropriate financial and management controls in place to safeguard public funds and funds from other sources;
- Safeguard the assets of the University and prevent and detect fraud and bribery;
- 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;
- 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.

REPORT OF THE INDEPENDENT AUDITORS TO THE COUNCIL OF THE UNIVERSITY OF KENT



Grant Thornton UK LLP, Grant Thornton House
Melton Street, Euston Square, London NW1 2EP
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We have audited the financial statements of the University of Kent (the 'University') for the year ended 31 July 2014 which comprise the Consolidated Income and Expenditure Account, the Consolidated Statement of Total Recognised Gains and Losses, the Consolidated and University Balance Sheets, the Consolidated Cash Flow Statement and the related notes. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

This report is made solely to the University's Council, 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, for our audit work, for this report, or for the opinions we have formed.

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

As explained more fully in the Statement of the Responsibilities of the University's Council set out on page 24, the University's Council are responsible for the preparation of the financial statements which give a true and fair view. Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors.

Scope of the audit of the financial statements

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

Opinion on financial statements

In our opinion the financial statements:

- give a true and fair view of the state of the University's affairs as at 31 July 2014, and of its income and expenditure, recognised gains and losses and cash flows for the year then ended in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been properly prepared in accordance with the 2007 Statement of Recommended Practice: Accounting for Further and Higher Education.

Opinion on other matters

In accordance with HEFCE's Financial Memorandum dated July 2010 we are required to report to you whether, in our opinion, in all material respects:

- funds from whatever source administered by the institution for specific purposes have been properly applied to those purposes and managed in accordance with the relevant legislation; and
- funds provided by HEFCE have been applied in accordance with the funding council's Financial Memorandum and any other terms and conditions attached to them.

Matter on which we are required to report by exception

We have nothing to report in respect of where the HEFCE Audit Code of Practice issued under the Further and Higher Education Act 1992 requires us to report to you if, in our opinion, the Statement of Internal Control included as part of the Corporate Governance Statement is inconsistent with our knowledge of the University.

Grant Thornton UK LLP
Statutory Auditor, Chartered Accountants, London

27 November 2014

CONSOLIDATED INCOME AND EXPENDITURE ACCOUNT

FOR THE YEAR ENDED 31 JULY 2014

	Note	2013/14 £000	2012/13 £000
Income			
Funding Council Grants	1	38,287	48,981
Tuition Fees and Education Contracts	2	118,757	98,569
Research Grants and Contracts	3	13,579	13,375
Other Income	4	42,954	39,165
Endowment and Investment Income	5	789	1,223
Total Income		214,366	201,313
Expenditure			
Staff Costs	6	116,316	106,638
Restructuring Costs	6	581	336
Other Operating Expenses	7	71,718	64,364
Depreciation	11	16,227	14,007
Interest Payable	8	3,214	3,421
Total Expenditure		208,056	188,766
Surplus on Continuing Operations after Depreciation of Assets at Cost and before Tax		6,310	12,547
Taxation	9	-	-
Surplus on Continuing Operations after Depreciation of Assets at Cost and Tax		6,310	12,547
Surplus for the Year Transferred from Accumulated Income in Endowment Funds	20	346	250
Surplus for the Financial Year Retained within General Reserves		6,656	12,797

There is no difference between the surplus stated above and the historical cost equivalent.

All income and expenditure recognised above is derived from continuing operations.

STATEMENT OF CONSOLIDATED TOTAL RECOGNISED GAINS AND LOSSES FOR THE YEAR ENDED 31 JULY 2014

	Note	2013/14 £000	2012/13 £000
Surplus on Continuing Operations after Depreciation of Assets at Cost and Tax		6,310	12,547
Unrealised Gain on Endowment Asset Investments	20	44	356
New Endowments and Income Retained for the Year	20	319	425
Endowment Transferred to Grants	20	(310)	(298)
Actuarial (Loss)/Gain on Pension Scheme	29	(58)	55
Total Recognised Gains and Losses on Continuing Operations relating to the Year		6,305	13,085
Reconciliation			
Opening Reserves and Endowments		125,756	112,671
Total Recognised Gains and Losses for the Year		6,305	13,085
Closing Reserves and Endowments		132,061	125,756

BALANCE SHEETS

AS AT 31 JULY 2014

	Note	Consolidated 2014 £000	2013 £000	University 2014 £000	2013 £000
Fixed assets					
Tangible Assets	11	210,079	195,313	210,079	195,313
Investments	12	-	-	-	-
		210,079	195,313	210,079	195,313
Endowment assets					
	13	5,980	6,273	5,980	6,273
Current assets					
Stocks		662	553	662	553
Debtors	14	14,582	15,209	14,582	15,209
Investments	15	16,570	16,305	16,570	16,305
Short-Term Deposits		64	10,071	64	10,071
Cash at Bank and in Hand		29,615	24,707	29,488	24,580
		61,493	66,845	61,366	66,718
Creditors: Amounts Falling Due Within One Year	16	(43,845)	(41,508)	(43,853)	(41,515)
Net Current Assets		17,648	25,337	17,513	25,203
Total Assets Less Current Liabilities		233,707	226,923	233,572	226,789
Creditors: Amounts Falling Due After More Than One Year	17	(53,128)	(50,178)	(53,034)	(50,084)
Provisions For Liabilities	18	(413)	(423)	(413)	(423)
Net Assets Excluding Pension Liability		180,166	176,322	180,125	176,282
Net Pension Liability	29	(344)	(337)	(344)	(337)
NET ASSETS		179,822	175,985	179,781	175,945
Deferred capital grants					
	19	47,761	50,229	47,761	50,229
Endowments					
Expendable	20	4,722	5,050	4,722	5,050
Permanent	20	1,258	1,223	1,258	1,223
		5,980	6,273	5,980	6,273
Reserves					
Revaluation Reserve	22	8,431	8,431	8,431	8,431
Pension Reserve	21	(344)	(337)	(344)	(337)
General Reserve	23	117,994	111,389	117,953	111,349
		126,081	119,483	126,040	119,443
TOTAL FUNDS		179,822	175,985	179,781	175,945

The financial statements on pages 26 to 52 were approved by the Council on 27 November 2014 and signed on its behalf by:

Professor Dame Julia Goodfellow,
Vice-Chancellor

Anthony Quigley, Chair of the Finance
and Resources Committee

Lisa-Jane Crudgington-Higham,
Director of Finance

CONSOLIDATED CASH FLOW STATEMENT

FOR THE YEAR ENDED 31 JULY 2014

	Note	2013/14 £000	2012/13 £000
Cash Flow from Operating Activities	24	28,289	26,208
Returns on Investments and Servicing of Finance	25	(2,326)	(2,186)
Capital Expenditure and Financial Investment	26	(28,105)	(28,286)
Management of Liquid Resources	27	9,742	12,674
Financing		(2,692)	(2,571)
Increase in Cash in the Year		4,908	5,839

Reconciliation of net cash flow to movement in net (debt)/funds

		2013/14 £000	2012/13 £000
Increase in Cash in the Year		4,908	5,839
Inflow from Liquid Resources		(9,742)	(12,674)
Repayment of Debt	16	2,693	2,571
Change in Net Funds in the Year		(2,141)	(4,264)
Net (Debt)/Funds at 1 August		(167)	4,097
Net (Debt)/Funds at 31 July	28	(2,308)	(167)

STATEMENT OF PRINCIPAL ACCOUNTING POLICIES

A Basis of preparation

These financial statements have been prepared in accordance with the Statement of Recommended Practice (SORP): Accounting for Further and Higher Education 2007 and in accordance with applicable United Kingdom Generally Accepted Accounting Practice (UK GAAP).

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

B Basis of consolidation

The consolidated financial statements include the University and all of its subsidiary undertakings. Intra-group transactions are eliminated fully on consolidation. In accordance with FRS2, the activities of Kent Union have not been consolidated because the University does not control those activities.

C Recognition of income and expenditure

Recurrent block grants from the Higher Education Funding Council for England (HEFCE) are recognised in the period to which they relate, less an estimate of any potential funding clawback related to the current year.

Fee income 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 are accounted for gross as expenditure.

Income from research grants, contracts and other services rendered is included to the extent of completion of the contract or service concerned. This is generally equivalent to the sum of the relevant expenditure incurred during the year and any related contributions towards overhead costs. Any future predicted losses on individual long-term contracts are recognised immediately. Any payments received in advance are included in the Balance Sheet within creditors.

Donations with restrictions attached are recognised when the relevant conditions have been met. Donations which are to be retained for the benefit of the University are recognised in the Statement of Consolidated Total Recognised Gains and Losses and in endowments; other donations are recognised by inclusion as other income in the Income and Expenditure Account.

Endowment income is credited to the Income and Expenditure Account on a receivable basis. Any income on restricted endowments earned in excess of that applied to the specific purpose is transferred from the Income and Expenditure Account to restricted endowments. Any realised gains or losses from dealing in the related assets are retained within the endowments in the Balance Sheet.

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

Non-recurrent grants from HEFCE and grants or donations from other bodies received in respect of the acquisition or construction of fixed assets are treated as deferred capital grants and amortised in line with depreciation over the life of the assets.

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 the Access to Learning Fund (ALF) and externally funded bursaries and scholarships where the funder determines the recipient, not the University, are excluded from the Income and Expenditure Account. Any commissions received in this respect are credited to the Income and Expenditure Account 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 Income and Expenditure Account 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 Income and Expenditure Account in the period in which they arise.

G Pension schemes

Retirement benefits for most employees of the University are provided by the Universities Superannuation Scheme (USS) and the Superannuation Arrangements of the University of London (SAUL). These are centralised defined benefit schemes which are externally funded and contracted out of the State Second Pension (S2P). The assets of both schemes are held in separate trustee administered funds. Both schemes operate as "Last Man Standing" schemes so that in the event of the insolvency of any of the participating employers, the amount of any pension funding shortfall (which cannot otherwise be recovered) in respect of that employer will be spread across the remaining participating employers and reflected in the next actuarial valuation. The University is unable to identify its share of the underlying assets and liabilities of the schemes on a consistent and reasonable basis and therefore, as required by FRS17, accounts for the schemes as if they were defined contribution schemes. As a result, the amount charged to the Income and Expenditure Account represents the contributions payable to the schemes in respect of the accounting period. Informal reviews of the position of the schemes are carried out between formal valuations.

One employee of the University participates in the local government pension fund which is a defined benefit scheme in which the University's share of the underlying assets and liabilities have been separately identified. For this fund, the difference between the University's share of the fair value of the assets held in the fund and the fund's liabilities, measured on an actuarial basis using the projected unit method, is recognised in the University's Balance Sheet as a pension scheme asset or liability, as appropriate. The pension scheme balance is recognised net of any related deferred tax balance.

Amounts relating to this scheme are shown as follows: The current service costs and gains and losses on settlements and curtailments are included in Staff Costs (Note 6). The expected return on assets, net of the impact of the unwinding of discounts of scheme assets is shown in Interest Payable (Note 8). Actuarial gains and losses are recognised immediately in The Statement of Consolidated Total Recognised Gains and Losses. Further information regarding the scheme can be found in Note 29.

H Tangible fixed assets

Land and buildings

Land held prior to 1995 was valued on an open market existing use basis by Grimley – JR Eve (Chartered Surveyors) on 3 May 1995. In keeping with the transitional rules set out in FRS15 'Tangible Fixed Assets' this land valuation is retained as the cost of that land. Land purchased since that date is shown at cost. Freehold land is not depreciated. The University buildings are specialised buildings and therefore it is not appropriate to value them on the basis of open market value. 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 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.

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

Freehold Buildings	50 years
Components of new buildings eg lift, heating, Electrical systems etc	25 years
Refurbishment of academic facilities	15 years
Refurbishment of accommodation	10 years
Refurbishment of dining and trading facilities	5 years

Where material, a depreciable asset's anticipated useful economic life is reviewed annually and the accumulated and future depreciation adjusted in accordance with FRS15. 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.

Where land and buildings are acquired with the aid of specific grants or donations they are capitalised and depreciated as above. The related grants or donations are credited to a deferred capital grant account and are released to the Income and Expenditure Account over the expected useful economic life of the related asset on a basis consistent with the depreciation policy.

Certain buildings situated at the University's Medway campus are jointly owned by the University of Kent and the University of Greenwich. All costs associated in the purchase and refurbishment of these buildings have been shared equally between both parties. In accordance with FRS9 this arrangement has been treated as a Joint Arrangement that is Not an Entity (JANE), reflecting the University's share of the assets and liabilities and results for the year within the financial statements, in accordance with the agreements.

Equipment and software

Equipment costing less than £5,000 per individual item or group of related items is written off in the year of acquisition. All other equipment is capitalised at cost. Software costs are only capitalised in relation to new developments or major upgrades of core Financial and Management Information systems. Costs relating to major system developments in progress are not depreciated until the system is brought into use.

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

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

Where equipment is acquired with the aid of specific grants it is capitalised and depreciated in accordance with the above policy, with the related grant being credited to a deferred capital grant and released to the Income and Expenditure Account over the expected useful economic life of the related equipment.

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.

Investments that form part of endowment assets are included in the Balance Sheet at market value and any subsequent appreciation or depreciation in market value of endowment assets is added to or subtracted from the reported endowment funds. Current asset investments are included at the lower of their original cost and net realisable value on a fund basis.

STATEMENT OF PRINCIPAL ACCOUNTING POLICIES (CONT)

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 (formerly Schedule 2 of the Charities Act 1993) 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.

The University receives no similar exemption in respect of VAT. Irrecoverable VAT on inputs is included in the costs of such inputs. Any irrecoverable VAT incurred on the purchase of tangible fixed assets is included in the cost of these assets.

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

L Liquid resources

Time deposits with recognised banks and building societies with a duration of 12 months or less invested in accordance with the University's Cash Management Policy are treated as Short-Term Deposits in the University and Group's Balance Sheets. Cash deposits with a duration of more than 12 months invested in accordance with the University's Cash Management Policy are treated as Current Asset Investments in the University and Group's Balance Sheets.

M Provisions

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

N Treatment of 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 Income and Expenditure Account in the period to which the payment relates. Future liabilities under such operating leases are disclosed as a financial commitment in the accounts.

Rental payments received are credited to Income and Expenditure Account in the period to which the income relates. Lease premiums received at the start of a lease are credited to the Income and Expenditure Account as rental income over the life of the lease.

NOTES TO THE ACCOUNTS

1 Funding council grants

	2013/14 £000	2012/13 £000
Recurrent Grant (Higher Education Funding Council)	32,932	44,242
Specific Grants		
Joint Information Systems Committee (JISC)	1,053	1,250
All Other Grants	1,300	434
Deferred Capital Grants Released		
Buildings (Note 19)	2,256	2,058
Equipment (Note 19)	746	997
	38,287	48,981

2 Tuition fees and education contracts

	2013/14 £000	2012/13 £000
Full-time Home and EU Students	80,668	64,543
Full-time International Students	33,042	29,071
Part-time Fees	1,666	1,844
Research Training Support Grants	1,843	1,720
Short Course Fees	1,538	1,391
	118,757	98,569

3 Research grants and contracts

	2013/14 £000	2012/13 £000
Research Councils	5,166	4,947
UK Based Charities	1,539	1,574
UK Industry	179	426
European Commission	2,081	1,185
Other Grants and Contracts	4,614	5,243
	13,579	13,375

4 Other income

	2013/14 £000	2012/13 £000
Residences, Catering and Conferences	29,024	27,558
Other Income-generating Activities	5,409	4,337
Other Grant Income	3,401	2,055
Other Income	5,120	5,215
	42,954	39,165

'Other Income' includes the release of non-HEFCE deferred capital grants, 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.

NOTES TO THE ACCOUNTS (CONT)

5 Endowment and investment income

	2013/14 £000	2012/13 £000
Income from Expendable Endowment Assets (Note 20)	103	109
Income from Permanent Endowment Assets (Note 20)	38	42
Other Investment Income	243	390
Other Interest Receivable	405	682
	789	1,223

6 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:

	2013/14 Avge FTE No	2012/13 Avge FTE No
Academic Staff	777	711
Research Staff	141	121
Academic Related Staff	466	452
Clerical Staff	564	552
Manual and Ancillary	378	350
Technical	96	73
	2,422	2,259

The above figures exclude 701 FTE (2012/13: 630 FTE) in relation to employees classified Casual workers that are paid by timesheet. This figure includes post-graduate students who assist lecturers by providing part-time teaching to students.

	2013/14 £000	2012/13 £000
Staff Costs for the above persons:		
Wages and Salaries	95,236	87,624
Social Security Costs	7,709	7,186
Other Pension Costs (Note 29)	13,371	11,828
Restructuring Costs	581	336
	116,897	106,974

The Restructuring Costs relate entirely to early retirements and voluntary severance arrangements.

6 Staff costs (cont)

	2013/14 £000	2012/13 £000
Academic Departments	66,967	60,596
Academic Services	6,810	7,030
Research Grants and Contracts	5,835	5,265
Administration	23,141	20,713
Catering and Residences	7,801	7,598
Premises	4,358	3,988
Other	1,404	1,448
Sub-total	116,316	106,638
Restructuring Costs	581	336
Total	116,897	106,974
Total Emoluments for the Vice-Chancellor:	2013/14 £000	2012/13 £000
Salary	265	222
Pension	-	-
Emoluments for the Year	265	222

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

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

	2013/14 No	2012/13 No
£100,000 - £109,999	6	3
£110,000 - £119,999	9	2
£120,000 - £129,999	3	3
£130,000 - £139,999	2	2
£140,000 - £149,999	-	-
£150,000 - £159,999	-	-
£160,000 - £169,999	1	-

No payments were made to former Higher Paid Staff during the year for compensation for loss of office (2012/13: £Nil) or to the USS for enhanced Pension benefits (2012/13: £Nil).

NOTES TO THE ACCOUNTS (CONT)

7 Other operating expenses

	2013/14 £000	2012/14 £000
Academic Departments	17,174	17,699
Academic Services	5,461	5,854
Research Grants and Contracts	3,402	2,812
Administration (including Bursary Payments)	21,069	16,081
Residences and Catering	12,195	10,656
Premises	11,451	11,267
Other Expenses	966	(5)
	71,718	64,364
Other Operating Expenses include:		
Auditors' Remuneration	56	56
Auditors' Remuneration in Respect of Non-Audit Services	9	25
Operating Lease Rentals:		
Land and Buildings	1,054	1,124
Other	152	147
	1,271	1,352

8 Interest payable

	2013/14 £000	2012/13 £000
On Bank Overdrafts and Other Loans	3	3
On Bank Loans repayable wholly in more than five years	3,226	3,412
FRS17 Finance Costs	(15)	3
Other Interest Payable	-	3
	3,214	3,421

9 Taxation

	2013/14 £000	2012/13 £000
UK Corporation Tax payable on the profits of the University and subsidiary companies	-	-

10 Surplus on continuing operations for the year

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

	2013/14 £000	2012/13 £000
University Surplus for the Year	6,655	12,796
Surplus generated by subsidiary companies	1	1
	6,656	12,797

Details of the University's subsidiary companies can be found in Note 12.

11 Tangible fixed assets

	Freehold Land and Buildings £000	Assets Under Construction £000	Consolidated and University Equipment £000	Total £000
Cost or Valuation				
At 1 August 2013	259,199	7,528	39,443	306,170
Additions	9,826	-	4,855	14,681
Buildings Under Construction	-	16,312	-	16,312
Transfer Buildings Under Construction	5,290	(5,290)	-	-
Disposals	(1,196)	-	(4,474)	(5,670)
At 31 July 2014	273,119	18,550	39,824	331,493
Depreciation				
At 1 August 2013	81,991	-	28,866	110,857
Charge for the Year	11,403	-	4,824	16,227
Disposals	(1,196)	-	(4,474)	(5,670)
At 31 July 2014	92,198	-	29,216	121,414
Net Book Value				
At 31 July 2014	180,921	18,550	10,608	210,079
At 1 August 2013	177,208	7,528	10,577	195,313
Financed by				
Capital Grant	44,495	1,553	1,713	47,761
Other	136,426	16,997	8,895	162,318
Net Book Value at 31 July 2014	180,921	18,550	10,608	210,079

Land was acquired both by gift and purchase (£139,000) and is stated at valuation of £8,570,000 (2013: £8,570,000) and not depreciated. The valuation was prepared by Grimley – J R Eve (Chartered Surveyors) on an open market existing use basis as at 3 May 1995. The land is included in the Balance Sheet at this valuation and the excess of the valuation over net book value (£139,000) has been taken to the Revaluation Reserve (Note 22).

No interest on loans used to finance the construction of buildings has been capitalised in the current or prior year. Total interest capitalised to date, included in the cost of Freehold Land and Buildings, amounted to £852,439 at 31 July 2014 (2013: £852,439).

Disposals in 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 Fixed asset investment

	Consolidated and University	
	2014	2013
	£000	£000

Cost of Investment in Subsidiary Companies	-	-
--------------------------------------------	---	---

At 31 July 2014 and 31 July 2013 the University held an interest in the following companies:

Name of company	% Shareholding	Nature of business
Canterbury Business School Limited	100	Dormant
Invicta Technology Investments Limited	100	Dormant
Kent Business School Limited	100	Dormant
Kent Enterprise Limited	100	Other Business Activities
Kent Management School Limited	100	Dormant
Kent Property Services Limited	100	Dormant
Summer Academy Limited	100	Dormant

The financial year-end of all the subsidiaries is 31 July. All the companies are registered in England and Wales.

13 Endowment asset investments

	Consolidated and University	
	2014	2013
	£000	£000

Balance at 1 August	6,273	6,040
Additions	276	281
Disposals	(613)	(404)
Increase in Market Value	44	356

Investment Assets at Market Value at 31 July	5,980	6,273
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Investments comprise the following:

Charities Investment Funds	3,416	3,307
Endowment-Linked Bank Deposit	2,564	2,966
	5,980	6,273

14 Debtors

	Consolidated		University	
	2014	2013	2014	2013
	£000	£000	£000	£000

Amounts falling due within one year:

Debtors	7,480	9,460	7,480	9,460
Research Grants and Contracts	1,106	2,046	1,106	2,046
Prepayments and Accrued Income	5,996	3,703	5,996	3,703
	14,582	15,209	14,582	15,209

15 Current asset investments

	Consolidated and University	
	2014	2013
	£000	£000
Charities Investment Funds	2,896	2,896
Equities	65	35
Cash Managed Deposit	13,609	13,374
	16,570	16,305

16 Creditors: amounts falling due within one year

	Consolidated		University	
	2014	2013	2014	2013
	£000	£000	£000	£000
Bank Loans Due for Repayment (Note 17)	2,882	2,693	2,882	2,693
Research Grants Received on Account	6,442	3,972	6,442	3,972
Payments Received in Advance	14,416	16,454	14,416	16,454
Creditors and Accrued Liabilities	15,743	14,243	15,751	14,250
Taxation and Social Security	4,362	4,146	4,362	4,146
	43,845	41,508	43,853	41,515

17 Creditors: amounts falling after more than one year

	Consolidated		University	
	2014	2013	2014	2013
	£000	£000	£000	£000
Bank Loans secured on University Buildings	48,557	51,250	48,557	51,250
Less: Bank Loans repayable within one-year	(2,882)	(2,693)	(2,882)	(2,693)
	45,675	48,557	45,675	48,557
Other Long-Term Liabilities	7,453	1,621	7,359	1,527
	53,128	50,178	53,034	50,084
Payable as follows:				
Between one and two years	3,313	2,995	3,219	2,901
Between two and five years	11,024	9,979	11,024	9,979
After five years	38,791	37,204	38,791	37,204
	53,128	50,178	53,034	50,084

All other bank loans are at commercial fixed rates of between 5.31% and 8.75% and are repayable by instalments falling due between 1 August 2013 and 1 October 2030. These loans are secured by way of a charge over various plots of land, including a number of student residences.

A further loan facility has been agreed since the end of the financial year, more information of this can be found at Note 36.

NOTES TO THE ACCOUNTS (CONT)

18 Provisions for liabilities

	Restructuring £000	Pensions £000	Consolidated and University	
			2014 Total £000	2013 Total £000
Balance at 1 August	373	50	423	585
Utilised in the Year	(238)	-	(238)	(321)
Transferred from Income and Expenditure Account	228	-	228	159
Balance at 31 July	363	50	413	423

The Restructuring Provision relates to the estimated costs of early retirement and voluntary severance arrangements agreed at the year-end. The amount provided is based on agreed terms under individual arrangements. The amount provided at 31 July 2014 is expected to be fully utilised by 31 July 2015.

The 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.

19 Deferred capital grants

	Funding Council £000	Other Grants and Benefactions £000	Consolidated and University	
			2014 Total £000	2013 Total £000
Balance at 1 August				
Buildings	31,475	16,258	47,733	50,018
Equipment	1,912	584	2,496	2,408
	33,387	16,842	50,229	52,426
Cash Received				
Buildings	1,436	117	1,553	732
Equipment	45	280	325	1,410
	1,481	397	1,878	2,142
Released to Income and Expenditure				
Buildings	(2,256)	(982)	(3,238)	(3,017)
Equipment	(746)	(362)	(1,108)	(1,322)
	(3,002)	(1,344)	(4,346)	(4,339)
Balance at 31 July				
Buildings	30,655	15,393	46,048	47,733
Equipment	1,211	502	1,713	2,496
	31,866	15,895	47,761	50,229

20 Endowments

	Unrestricted Permanent £000	Restricted Permanent £000	Total Permanent £000	Restricted Expendable £000	Consolidated and University	
					2014 Total £000	2013 Total £000
Balance at 1 August						
Capital Value	485	506	991	4,452	5,443	5,235
Accumulated Income	-	232	232	598	830	805
	485	738	1,223	5,050	6,273	6,040
New Endowments	-	4	4	315	319	425
Investment Income	13	25	38	103	141	151
Expenditure	(13)	(26)	(39)	(448)	(487)	(401)
Transfer to Grants	-	-	-	(310)	(310)	(298)
Increase in Market Value of Investments	16	16	32	12	44	356
Balance at 31 July	501	757	1,258	4,722	5,980	6,273
Represented by:						
Capital Value	501	520	1,021	4,201	5,222	5,443
Accumulated Income	-	237	237	521	758	830
	501	757	1,258	4,722	5,980	6,273
Analysis by purpose						
Chairs and lectureships	-	542	542	552	1,094	1,121
Capital initiatives	-	-	-	1,262	1,262	1,653
Student financial support	-	53	53	1,770	1,823	1,783
Prize funds	-	5	5	200	205	193
Other	501	157	658	938	1,596	1,523
	501	757	1,258	4,722	5,980	6,273

The transfer to grants relates largely to donations received in relation to the fundraising campaign for a new law clinic. This is now moving forwards and the balance of donations received has been transferred to capital grant creditors. As building work progresses this will be transferred to Deferred Capital Grants and released to the Income and Expenditure Account in line with depreciation. In 2013 the transfer related largely to charitable donations received in support of research activities.

NOTES TO THE ACCOUNTS (CONT)

21 Pension reserve

	Consolidated and University	
	2014	2013
	£000	£000
Balance at 1 August	(337)	(434)
Actuarial (Loss)/Gain	(58)	55
Transferred to General Reserve	51	42
Balance at 31 July	(344)	(337)

22 Revaluation reserve

	Consolidated and University	
	2014	2013
	£000	£000
Net Revaluation Amount at 1 August	8,431	8,431
Transferred to General Reserve	-	-
Net Revaluation Amount at 31 July	8,431	8,431

The Revaluation Reserve relates to land valued at £8,570,000 less excess of valuation over net book value of £139,000.

23 Movement on general reserves

	Consolidated	University
	£000	£000
Income and Expenditure Account Reserve:		
Balance at 1 August 2013	111,389	111,349
Surplus on Continuing Operations after Depreciation of Assets at Cost and Tax	6,310	6,309
Surplus for the Year Transferred from Accumulated Income in Endowment Funds	346	346
Transfer from Pension Liability	(51)	(51)
Balance at 31 July 2014	117,994	117,953

24 Reconciliation of consolidated operating surplus to net cash from operating activities

	2013/14	2012/13
	£000	£000
Surplus retained within General Reserves	6,656	12,797
Depreciation (Note 11)	16,227	14,007
Deferred Capital Grants Released to Income (Note 19)	(4,346)	(4,339)
Interest and Endowments Receivable	(1,135)	(1,472)
Interest Payable	3,214	3,421
(Increase)/Decrease in Stocks	(109)	76
Decrease/(Increase) in Debtors, Prepayments and Research Grants	320	(1,614)
Increase in Creditors	7,508	3,539
Decrease in Provisions	(10)	(162)
Other Non-cash Movements	(36)	(45)
Net Cash Inflow from Operating Activities	28,289	26,208

25 Returns on investments and servicing of finance

	2013/14 £000	2012/13 £000
Income from Endowments	141	151
Income from Investments and Short-Term Deposits	776	1,083
Interest Paid	(3,243)	(3,420)
Net Cash Outflow from Returns on Investments and Servicing of Finance	(2,326)	(2,186)

26 Capital expenditure and financial investment

	2013/14 £000	2012/13 £000
Purchase of Tangible Fixed Assets	(30,329)	(30,678)
Deferred Capital Grants Received	1,878	2,142
Endowments Received	319	425
Endowments Transferred to Grants	(310)	(298)
Decrease in Endowment Funds Invested	337	123
Net Cash Outflow for Capital Expenditure and Financial Investment	(28,105)	(28,286)

27 Management of liquid resources

	2013/14 £000	2012/13 £000
Decrease in Current Asset Investments and Short-Term Deposits	9,742	12,674
Net Cash Outflow from Management of Liquid Resources	9,742	12,674

28 Analysis of changes in net funds/(debt)

	At 1 August 2013 £000	Cash Flows £000	Other Changes £000	At 31 July 2014 £000
Current Asset Investments	16,305	265	-	16,570
Short-Term Deposits	10,071	(10,007)	-	64
Cash at Bank and in Hand	24,707	4,908	-	29,615
	51,083	(4,834)	-	46,249
Debt due within one year:				
Bank Loan	(2,693)	2,693	(2,882)	(2,882)
Debt due after one year	(48,557)	-	2,882	(45,675)
	(167)	(2,141)	-	(2,308)

NOTES TO THE ACCOUNTS (CONT)

29 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 University also participates in a Local Government Pension Fund.

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

	2013/14 £000	2012/13 £000
Contributions to USS	10,505	9,445
Contributions to SAUL	2,793	2,305
Contributions to Other Schemes	73	78
Total Pension Cost (Note 6)	13,371	11,828

The 2013/14 contributions to Other Schemes includes £43,000 (2012/13: £44,500) additional pension contributions payable to a local government pension scheme primarily in respect of past service performed. The projected contribution payable to this scheme in 2014/15 is £51,000. There is only one active member of the Scheme employed by the University and no new members are admitted.

USS Pension Scheme

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

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

The latest triennial actuarial valuation of the Scheme was at 31 March 2011. This was the second valuation for USS under the scheme-specific funding regime introduced by the Pensions Act 2004, which requires schemes to adopt a statutory funding objective, which is to have sufficient and appropriate assets to cover their technical provisions. The actuary also carries out regular reviews of the funding levels. In particular, he carries out a review of the funding level each year between triennial valuations and details of his estimate of the funding level at 31 March 2014 are also included in this note.

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

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

Standard mortality tables were used as follows:

Male members' mortality	S1NA ['light'] YoB tables – No age rating
Female members' mortality	S1NA ['light'] YoB tables – rated down 1 year

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

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

29 Pension schemes (cont)

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

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

As part of this valuation, the trustee has determined, after consultation with the employers, a recovery plan to pay off the shortfall by 31 March 2021. In 2011 the actuary estimated that if experience remained in line with the assumptions made, the shortfall at 31 March 2014 would be £2.2 billion, equivalent to a funding level of 95%.

However, changes in market conditions between March 2011 and March 2014 have had an impact on Scheme funding. The next formal triennial actuarial valuation will take place as at 31 March 2014, and work is currently underway to update the actuarial assumptions and allow for any adjustments to the overall funding approach adopted by the trustee board in consultation with stakeholders.

As work on the 2014 valuation is not yet complete the trustee cannot provide the final figure however, an estimate has been provided using the assumptions used to deliver the 2011 actuarial valuation. On that basis, the actuary has estimated that the funding level under the Scheme specific funding regime will have fallen from 92% at 31 March 2011 to 85% at 31 March 2014. This estimate is based on the results from the valuation at 31 March 2011 allowing primarily for investment returns and changes to market conditions.

The funding level has decreased mainly due to a decrease in real gilt yields, reducing the implied net discount rate and therefore placing a higher value on the Scheme's liabilities. This increase has been partially offset by a higher than expected investment return.

On the FRS17 basis, using an AA bond discount rate of 4.5% per annum based on spot yields, the actuary estimates that the funding level at 31 March 2014 was 75%. An estimate of the funding level measured on a historic gilts basis at that date was approximately 61%.

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

Assumption	Change in Assumption	Impact on Shortfall
Investment return	Decrease by 0.25%	Increase by £1.6 billion
The gap between RPI and CPI	Decrease by 0.25%	Increase by £1.0 billion
Rate of salary growth	Increase by 0.25%	Increase by £0.6 billion
Members live longer than assumed	1 year longer	Increase by £0.8 billion
Equity markets in isolation	Fall by 25%	Increase by £4.6 billion

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

NOTES TO THE ACCOUNTS (CONT)

29 Pension schemes (cont)

As at the 2011 valuation the Scheme was still a fully Final Salary Scheme for future accruals and the prevailing employer contribution rate was 16% of Salaries.

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

Since the valuation effective date of 31 March 2011 there have been a number of changes to the benefits provided by the Scheme although these became effective from October 2011. These include:

New Entrants

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

Normal pension age

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

Flexible Retirement

Flexible retirement options were introduced.

Member contributions increased

Contributions were uplifted to 7.5% p.a. and 6.5% p.a. for FS Section members and CRB Section members respectively.

Cost sharing

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

Pension increase cap

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

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

At 31 March 2014, USS had over 162,000 active members and the University had 2,138 active members participating in the Scheme.

The total pension cost for the University was £10,505,466 (2013: £9,444,795). This includes £879,668 (2013: £806,554) outstanding contributions at the balance sheet date. The contribution rate payable by the University was 16% of pensionable salaries.

29 Pension schemes (cont)

Saul Pension Scheme

The University participates in a centralised defined benefit scheme for all qualified employees with the assets held in separate Trustee-administered funds. It is not possible to identify the University's share of the underlying assets and liabilities of SAUL. Therefore contributions are accounted for as if SAUL were a defined contribution scheme and pension costs are based on the amounts actually paid (ie cash amounts) in accordance with paragraphs 8-12 of FRS17.

SAUL is subject to triennial valuations by professionally qualified and independent actuaries. The last available valuation was carried out as at 31 March 2011 using the projected unit credit method in which the actuarial liability makes allowance for projected earnings. The main assumptions used to assess the technical provisions were:

Discount rate – pre-retirement	6.80% pa
– post-retirement	4.70% pa
General* Salary Increases	3.75% pa until 31 March 2014, 4.50% pa thereafter
Retail Prices Index inflation ('RPI')	3.50% pa
Consumer Price Index inflation ('CPI')	2.80% pa
Pension Increases in payment (excess over GMP)	2.80% pa
Mortality – base table	SAPS Normal (year of birth) tables with an age rating of +0.5 years for males and -0.4 years for females
Mortality – future improvements	Future improvements in line with CMI 2010 projections with a long term trend rate of 1.25% pa

*an additional allowance is made for promotional Salary increases.

The actuarial valuation applies to SAUL as a whole and does not identify surpluses or deficits applicable to individual employers. As a whole, the market value of SAUL's assets was £1,506 million representing 95% of the liability for benefits after allowing for expected future increases in salaries.

Based on the strength of the Employer covenant and the Trustee's long-term investment strategy, the Trustee and the Employers agreed to maintain Employer and Member contributions at 13% of Salaries and 6% of Salaries respectively following the valuation. The above rates will be reviewed when the results of the next formal valuation (as at 31 March 2014) are known.

A comparison of SAUL's assets and liabilities calculated using assumptions consistent with FRS17 revealed SAUL to be in deficit at the last formal valuation date (31 March 2011). As part of this valuation, the Trustee and Employer have agreed that no additional contributions will be required to eliminate the current shortfall.

The more material changes (the introduction of a Career Average Revalued Earnings, or 'CARE', benefit structure) to SAUL's benefit structure were applied from 1 July 2012. As a consequence, the cost of benefit accrual is expected to fall as existing final salary members are replaced by new members joining the CARE structure. This will allow an increasing proportion of the expected asset return to be used to eliminate the funding shortfall. Based on conditions as at 31 March 2011, the shortfall is expected to be eliminated by 31 March 2021, which is 10 years from the valuation date.

The SAUL pension cost for the University and its subsidiary companies was £2,793,008 (2012/13: £2,305,428). This includes £279,668 (2012/13: £244,890) outstanding contributions at the balance sheet date.

NOTES TO THE ACCOUNTS (CONT)

29 Pension schemes (cont)

Local Government Pension Fund

The University also participates in a defined benefit local government pension fund, in which there is only one active member currently employed by the University and no new members are admitted.

The fair values of the University's share of the assets in the fund at the balance sheet date can be analysed as follows:

	Expected Return On Assets At 31 July 2014 % pa	Assets at 31 July 2014 £000	%	Expected Return On Assets At 31 July 2013 % pa	Assets at 31 July 2013 £000	%
Equities	6.8	937	70	6.2	994	72
Gilts	3.4	15	1	3.4	-	0
Other Bonds	4.0	153	12	4.3	166	12
Property	5.7	130	10	4.2	110	8
Cash	3.2	40	3	0.5	55	4
Target Return Portfolio	5.7	58	4	4.7	55	4
Total	6.2	1,333	100	5.5	1,380	100

The expected return on assets is based on the long term future expected investment return for each asset class as the beginning of the year. The returns on gilts and other bonds are assumed to be the gilt yield and corporate bond yield respectively at the relevant date. The returns on equities and property are then assumed to be a margin above gilt yields.

The main actuarial assumptions at the balance sheet date were as follows:

	At 31 July 2014 % pa	At 31 July 2013 % pa
RPI Increases	3.2	2.9
CPI Increases	2.4	2.1
Salary increase rate	4.2	4.3
Pension Increases	2.4	2.1
Discount rate	3.9	3.6

Life expectancy assumptions are based on the S1PA tables. These base tables are then projected using the CMI 2012 model, allowing for a long term rate of improvement of 1.5% per annum. Based on this, the average life expectancies from age 65 are summarised below:

	Males	Females
Retiring today	22.7 years	25.1 years
Retiring in 20 years	24.9 years	26.0 years

29 Pension schemes (cont)

The impact of a small change in the discount rate assumptions on the defined benefit obligation and projected service cost along with a +/- 1 year age rating adjustment to the mortality assumption has been calculated by the actuary as follows:

	£000	£000	£000
Adjustment to Discount rate	+0.1%	0.0%	-0.1%
Present Value of Total Obligation	1,658	1,677	1,696
Projected Service Cost	13	13	13
Adjustment to mortality age rating assumption	+1 year	None	-1 year
Present Value of Total Obligation	1,617	1,677	1,737
Projected Service Cost	13	13	13

The fair value of the fund assets, the present value of the fund liabilities and the resulting deficit on the fund as recognised in the Balance Sheet are as follows:

	2014 £000	2013 £000
Fair Value of Fund Assets	1,333	1,380
Present Value of Funded Liabilities	(1,645)	(1,687)
Present Value of Unfunded Liabilities	(32)	(30)
Net Pension Liability	(344)	(337)

The movement in the deficit during the year can be analysed as follows:

	2013/14 £000	2012/13 £000
Defined Benefit Obligation at 1 August	(1,717)	(1,629)
Current Service Cost	(12)	(10)
Interest Cost	(60)	(62)
Contributions by Members	(3)	(3)
Actuarial Gains/(Losses)	28	(105)
Estimated Unfunded Benefits Paid	3	3
Estimated Benefits Paid	84	89
Defined Benefit Obligation at 31 July	(1,677)	(1,717)
Fair Value of Employer's Assets at 1 August	1,380	1,195
Expected Return on Assets	75	59
Contributions by Members	3	3
Contributions by the University	48	55
Contributions in respect of Unfunded Benefits	-	-
Actuarial (Losses)/Gains	(86)	160
Unfunded Benefits Paid	(3)	(3)
Benefits Paid	(84)	(89)
Fair Value of Employer's Assets at 31 July	1,333	1,380
Net Pension Fund Deficit at 31 July	(344)	(337)

CONTINUED OVERLEAF

NOTES TO THE ACCOUNTS (CONT)

29 Pension schemes (cont)

The amounts recognised in the Income and Expenditure Account in the current year can be analysed as follows:

	2013/14 £000	2012/13 £000
Current Service Cost	12	10
Interest Cost	60	62
Expected Return on Employer Assets	(75)	(59)
	(3)	13
Actual Return on Fund Assets	91	219

Amounts for the current and previous four years are as follows:

	2013/14 £000	2012/13 £000	2011/12 £000	2010/11 £000	2009/10 £000
Fair Value of Employer Assets	1,333	1,380	1,195	1,214	1,071
Present Value of Defined Benefit Obligation	(1,677)	(1,717)	(1,629)	(1,560)	(1,561)
Deficit	(344)	(337)	(434)	(346)	(490)
Experience adjustments on Assets	(86)	160	(56)	105	96
Experience adjustments on Liabilities	50	(2)	(2)	(57)	7

Recognised in the Statement of Consolidated Total Recognised Gains and Losses (STRGL)

	2013/14 £000	2012/13 £000	2011/12 £000	2010/11 £000	2009/10 £000
Actuarial Gains/(Losses)	(58)	55	(129)	105	83
Increase in Irrecoverable Surplus from membership fall and other factors	-	-	-	-	-
Actuarial Gains/(Losses) Recognised in STRGL	(58)	55	(129)	105	83
Cumulative Actuarial Losses	(286)	(228)	(283)	(154)	(259)

30 Capital commitments

	Consolidated and University	
	2014	2013
	£000	£000
Contractual Commitments at 31 July	22,754	3,554

31 Financial commitments

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

	Consolidated and University	
	2014	2013
	£000	£000
Land and Buildings:		
Expiring within one year	445	243
Expiring within two and five years inclusive	375	603
Expiring in over five years	237	98
	1,057	944
Other:		
Expiring within one year	45	5
Expiring within two and five years inclusive	149	234
	194	239

32 Contingent liabilities

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 Ltd in the event of an overdraft. The University has reviewed this in the light of current activity within Kent Enterprise Ltd and considers it to be unlikely that this guarantee will be called upon.

33 Access funds

	2013/14	2012/13
	£000	£000
Balance Unspent at 1 August	8	12
Funding Council Grants	295	274
Interest earned	1	1
	296	275
Disbursed to students	(286)	(270)
Audit fees	(1)	(1)
Access administration costs	(8)	(8)
Balance unspent at 31 July	9	8

Funding Council Grants are available solely for students and the University acts only as paying agent. The Grants and related disbursements are therefore excluded from the Income and Expenditure Account.

NOTES TO THE ACCOUNTS (CONT)

34 Related party transactions

Goetec Limited (Formerly Kent Man Limited)

The University is one of five partners in GOETEC Limited (formerly Kent MAN Limited), a company formed on 1 April 2002 and limited by guarantee, maintaining micro-wave radio links between Higher Education Institutions in Kent. In the year to 31 July 2014 the University received £5,300 (2012/13: £Nil) from GOETEC Limited and paid GOETEC Limited £10,672 (2012/13: £6,933), with no balance outstanding at the year-end (2012/13: £Nil).

Subsidiary companies

The University has taken advantage of the specific exemption given under Financial Reporting Standard 8 and not disclosed all related party transactions between the University of Kent and its wholly owned subsidiaries.

Council members: expenses and related party transactions

During the 2013/14 financial year expenses totalling £2,352 (2012/13: £2,841) were paid to 6 members of Council while acting in their role as Trustees. 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 2013/14 £	Payments Receivable during 2013/14 £	Net balance due (from)/to at 31 July 2014 £
Brompton Academy	2,115	1,300	-
Canterbury Christ Church University	46,757	73,620	(14,166)
Canterbury City Council	134,668	-	-
Canterbury College	530,193	9,254	(5,013)
Canterbury Festival Board	6,062	1,298	-
East Malling Trust	2,055	1,200	-
Kent Union	2,205,531	4,053,527	150,916
Longfield Academy Trust	500	-	-
Medway Council	212,997	2,094	35
Mid Kent College	158,751	-	-
Open College Network South East Region	5,803	8,551	(64)
Science & Technology Facilities Council	4,095	252,880	-
St Edmunds School	220	3,558	-
Universities UK	31,878	-	-
Visit Kent	8,320	-	-

35 Linked charities

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

36 Post balance sheet events

Since the year end, the University has entered into a finance contract with the European Investment Bank, providing a facility of £75m, to be drawn down over a three-year period. As at the date of signing these accounts there had been no amounts drawn down.

The interest rate on these borrowings will be determined at the point of requesting funds from the facility. Loan funds will be repaid on an amortising basis over a period of up to twenty-five years including a three-year capital repayment holiday if required.



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