

Financial Statements 2010-11

Contents	Page
Operating and Financial Review	2 – 14
Responsibilities of the Board of Governors	15
List of Board of Governors	16
Corporate Governance	17
Independent Auditors' Report	18 - 19
Consolidated Income and Expenditure Account	20
Statement of Total Recognised Gains and Losses	21
Consolidated Statement of Historical Cost Surpluses and Deficits	22
Balance Sheet	23 - 24
Consolidated Cash Flow Statement	25
Notes to the account	26 - 55

1. Institutions Strategy and objectives

1.1 Vision and mission

The University's current mission statement is:

The mission of Kingston University is to promote participation in higher education, which it regards as a democratic entitlement, to strive for excellence in learning, teaching and research; to realise the creative potential and fire the imagination of all its members; and to equip its students to make effective contributions to Society and the economy.

1.2 Strategic Plan

The University's strategic plan to 2012/13 identifies three cross cutting themes as well as covering the University core areas.

The cross-cutting themes are:

- Comprehensive scope;
- Academic focus; and
- Fitness for purpose.

The core areas are:

- Learning and teaching and the curriculum;
- Research and enterprise;
- Student experience; and
- Management and organisation.

Within these areas, clear objectives have been articulated along with the indicators of success. The strategic plan was approved by the institution's Governing Body at its meeting of January 2009 and operational and implementation plans were presented to the Board of Governors at its meeting of 25 November 2009.

An update on the progress in implementing the Plan was considered by the Board of Governors 2010 and a further update to the operational plan will be presented in November 2011.

Following the appointment of the new Vice-Chancellor Professor Julius Weinberg on 1 April 2011 and in the light of the significant changes in the HE environment the University is undertaking a review of its strategic plan and aims to produce a new plan early in 2012.

1.3 Financial Strategy

The financial strategy is currently being revised to align with the development of the new University strategy. Detailed plans have been approved to reduce the cost base by £9m over the two years ended 31 July 2014. The impact of increased fees on recruitment from 2012 will be closely monitored to ensure that financial parameters continue to be met. The existing strategy provides expected levels of achievement for the following:

- Annual surplus – historic cost surplus of 2% of funding and fee income
- Net liquidity (days) – more than 70
- Current ratio – no less than 1.5
- Cash flow as a percentage of income – no less than 5%
- Annualised servicing costs – no more than 4% of income
- Staff costs as a percentage of income – not more than 58%
- Capital /maintenance costs – within 7% of insurable value

The University also produces a ten year financial plan reflecting the expected performance.

OPERATING AND FINANCIAL REVIEW

(REPORT OF THE GOVERNING BODY)

2010-11 FINANCIAL STATEMENTS

2. Public Benefit Statement

Kingston University's legal status is that of a higher education corporation but it is also an exempt charity under the Education Reform Act 1988 and subject to monitoring by the Higher Education for England (HEFCE) in its role as principal regulator under the terms of the Charities Act 2006. The Act requires the University to clearly demonstrate the public benefits it provides and that these are related to the aims of the University.

As both a charity and a higher education corporation, the University makes a significant contribution to several of the charitable purposes set out in the Charities Act 2006. In addition to the advancement of education (which relates directly to the primary purpose of the University) these include:

- The advancement of the arts, culture, heritage or science;
- The advancement of health or the saving of lives;
- The advancement of citizenship or community development;
- The advancement of amateur sport;
- The advancement of environmental protection or improvement;
- The relief of those in need by reason of age, ill health disability, financial hardship, or other disadvantage; and
- The prevention or relief or poverty.

The governing body, and its members, is aware of its responsibilities in relation to its charitable purposes, which it discharges through its decisions in determining the educational character and mission of the University, and in relation to the effective and efficient use of resources. It has considered the new Financial Memorandum and the role of the Principal Regulator on a number of occasions and recently reviewed its Strategic Plan.

The mission of Kingston University is to promote participation in higher education, which it regards as a democratic entitlement; strive for excellence in learning, teaching and research; realise the creative potential and fire the imagination of all its members; and equip its students to make effective contributions to society and the economy.

To realise this ambition, Kingston has developed as a comprehensive university – with a wide range of subjects taught at all levels, and with a diverse student body. We are as proud of our past as a polytechnic, from which our enduring commitments to widening participation and vocational preparation/professional formation are derived, as we are ambitious for our future as a university with a growing research reputation and international presence.

Kingston University has also developed as a civic university, working closely with the Royal Borough of Kingston upon Thames and the wider community (notably in terms of economic development, sustainability, cultural strategy and civic engagement) and with local schools and colleges. Our geographical position enlarges this civic role. As the only large multi-faculty university in south-west London, we continue to play a central role in the provision of higher education in a sub-region with a population of 1.5 million, larger than any city outside the capital.

Kingston University has a clear and inclusive commitment to widening participation, being part of the mission statement of the university and a significant principle in Kingston's comprehensive philosophy and character. Our widening participation strategy is guided in principle by both the Office for Fair Access (OFFA) Access Agreement and HEFCE Widening Participation Strategic Assessment (WPSA). The University has agreed that the following groups will be the focus of the WPSA: BME groups; vocational learners; lower socio-economic groups; disabled students; and care leavers.

The university can report that all students with family incomes under £39,700 who have been eligible and applied into the scheme have received a bursary from the University in 2010/11. In 2010/11 bursaries were issued to some 7,650 students with a value of almost £5.5m. This represents 21% of the University's fee income.

OPERATING AND FINANCIAL REVIEW

(REPORT OF THE GOVERNING BODY)

2010-11 FINANCIAL STATEMENTS

These various elements of the Access Agreement are inherently linked to activity within the University that supports fairer access routes for students from our WPSA target groups. Three areas of work in which we are particularly proud of our achievements are with our Compact Scheme, Care Leavers Compact Scheme and International Mobility Bursary Scheme. The Compact Scheme students receive a minimum of £300 additional bursary per year and the increased sum of £1,000 per year has been an integral part of our work with care leavers.

During 2010/11 the University submitted its new Access Agreement to OFFA in preparation for the introduction of the new student fees regime from 2012/13. The University intends to invest £792,000 as the University's individual contribution to the National Scholarship Programme (NSP). We expect to be able to support 528 students through the NSP representing a total financial commitment of £1,584,000. Students who do not receive the NSP but who have a household income of less than £25,000 and are first generation HE entrants will be eligible to apply for a scholarship of £1,000. We estimate 1,238 students will be eligible for the scholarship based on data from the 10/11 application cycle which identified 45% of our Home undergraduate new students as being first generation HE entrants. Including the NSP, this would offer financial support to approx. 1,750 students. Additionally, our extended compact scheme will be available to first generation HE entrants thus providing a further mechanism for targeting scholarship support.

Recognised for our commitment to supporting care leavers by the Frank Buttle Trust (the Trust), we have been honoured as one of the first six universities to receive their prestigious kite mark. Work in this area has included building cross-borough relationships between care workers, substantially increasing the number of declared students from care and offering support and guidance to other HEIs. We will continue our work with the Trust to support students who have been in local authority care. Care leavers will be eligible for a bursary from the University of £1,500, provided they have an assessed income of less than £25,000, whether or not they receive the NSP or Kingston Scholarship. We estimate a spend of £45,000 on care leaver bursaries based on 30 care leavers.

A brief summary of the general nature and intent of our work is offered here and ranges from specific advice and guidance to aspirational activities and academic and practical support. Last year the team was involved with over 8,900 students based at the university campus and with 84 schools and colleges. This included 2,300 on campus and 6,600 in school. In addition to this we deliver talks about a range of HE related issues, including advice on writing applications and a clear guide to student finance. Last year we delivered 68 talks to over 2,900 students and 1,470 of their guardians.

The Education Liaison Team has combined forces with the Royal Borough of Kingston (RBK) in a new initiative to engage young people in education. The focus has been placed on students working within six of schools within the Kingston Borough, and who all have free school meals (fsm) status. This cohort has been selected as a key priority for RBK as these students consistently underachieve in comparison to their non-fsm peers. The project takes a similar format to other Education Liaison activities and sees pupils working closely with our student ambassadors. Pupils engage in activities regarding student life, qualifications and progression routes for their futures, as well as study skills for exam success.

The Student Associates Scheme (SAS) has been set up to help students who are considering teaching as a career and would like to make a difference in a school and get the 'feel' of teaching while they're still at university. Kingston University has now been running the scheme for three years, during which time 154 students have been placed in 38 schools across the Aimhigher London South region.

At Kingston University we have a team of around 80 Student Ambassadors who support the Recruitment and Outreach team's activities. The Student Ambassadors are current undergraduate and postgraduate students studying at the University. We recruit across all faculties, courses, ethnic groups and fee statuses (ie both home and international). This ensures that the Ambassadors reflect the diverse population of the University, as well as the pupils we work with in schools and colleges.

Students and staff at the University have opportunities to take part in a range of extracurricular voluntary activities. The majority of this activity takes place in the local community, but occasionally volunteers travel further afield to London and the surrounding areas. The volume, variety and quality of volunteer activity have gone from strength to strength and the University now sees an average of over 300 volunteers active within 50 partner organisations, contributing around 3,700 hours to the community each year.

(REPORT OF THE GOVERNING BODY)

2010-11 FINANCIAL STATEMENTS

All of the University's educational activity is underpinned by research informed teaching and this assists students in their employability and development of skills to support them in entering the workforce. For example, the Faculty of Health and Social Care Sciences (the Faculty) is a joint arrangement between Kingston University and St George's, University of London and is one of the leading providers of health and social care education in the UK. It is proud to be playing a pivotal role in shaping the future workforce for London and has more than 4,000 students on courses in nursing, midwifery and child health, paramedic science, radiography, rehabilitation sciences and social work as well as a range of continuing professional development programmes. The Faculty works closely with employers to continually develop its portfolio of courses and its research and enterprise activities. Operating in a climate of continuing change, it has responded proactively and innovatively to new health and social care policy initiatives to deliver programmes that are at the cutting edge of professional development.

The University's Sport and Recreation Service provides opportunities for students to get involved in developing their sporting knowledge and put this in to action by delivering coaching in the local community. It runs a sports specific volunteering programme, placing qualified student coaches in local schools with the aim of:

- increasing active participation in sport within the local community;
- raising awareness of further and higher education through sport;
- increasing the number of students volunteering in sports-related activities;
- increasing the coaching and participation opportunities for students in sport; and
- increasing the experience and leadership skills of students and encouraging them into the sports sector.

The University has introduced a Sports Performance Programme to assist talented sports people at the University in balancing their sporting and academic commitments. Elements of the programme are also available to talented athletes living or working locally who are not studying at the University.

Adjoining the University's Knights Park campus, the Stanley Picker Gallery is on a small island in the Hogsmill River. It works with artists, designers and students to put on a broad programme of exhibitions and events. For example, recent exhibitions have included Urban Landscape Photography, Characters in Search of an Author and The Tourists. The gallery aims to engage with audiences within the University and the wider community and encourage and assist the development of research in the arts.

The University owns and runs Dorich House Museum (the Museum), which is the former home of the internationally acclaimed Estonian Sculptor Dora Gordine (1895-1991) and holds the major collection of her bronzes, paintings and drawings, and a superb collection of Russian Imperial Art, gathered by her husband, the Hon. Richard Hare. The house became a Museum in 2004, and was awarded Full Accreditation status in 2009 under the MLA Museum Accreditation Scheme which sets nationally agreed standards for all museums in the UK. The Museum is open for visits by school groups by appointment. The Museum welcomes all age groups for sketching and organises specialised sessions on request.

3. Regulatory and competitive environment

The University's main sources of income reveal the nature of the regulatory and competitive environment in which it operates. In 2010/11 83.9% of its income (84.1% in 2009/10) came from funding agencies grants, tuition fee income and education contracts. The major proportion of this income, 77.2% (77.3% in 2009/10) relates to teaching income, both funding and fees, for the provision of education to full time UK and EU students. The student numbers are regulated through contracts with the funding agencies, mainly HEFCE, who will determine the number of students eligible for funding. Whilst the University has consistently met its student recruitment, numbers and applications to the University remain buoyant, the current funding arrangements necessitate the University meeting student number controls in order to avoid financial penalties. HEFCE exercises much of this regulation through the Financial Memorandum. Income from overseas students represents 14.3 % of funding and fee income (13.7% 2009/10). This source of income has grown consistently

OPERATING AND FINANCIAL REVIEW

(REPORT OF THE GOVERNING BODY)

2010-11 FINANCIAL STATEMENTS

over recent years in a very competitive market. Applications remain buoyant even with tighter controls over the issue of visas. The main growth has been in postgraduate students with a decline in undergraduate applications. The University has recently entered into a contract (Study Group Limited) that will contribute to a more consistent flow of undergraduate students. Income from the contract with the NHS for nurse and midwifery training amounted to 4.2% of total income (2009/10 4.0%). NHS London has launched a tender exercise to seek bids from provider organisations with the ambition and capacity to develop and deliver innovative training programmes in pre-registration Adult Nursing and Physiotherapy that are demonstrably high quality and meet the demands of healthcare services across London and the increasing expectations of the patients and carers they serve. Kingston University, through its joint arrangement with St George's, University of London to operate the Faculty of Health and Social Care Sciences, submitted an Expression of Interest on 14 July 2011 and subsequent Pre-Qualification Questionnaire (PQQ) on 7 September. The two institutions were informed on 22 September that we were successful in reaching the next phase, the Invitation to Tender (ITT). The ITT is due to be submitted on 14 November. The outcome is scheduled to be advised on 15 January 2012 for implementation for the 2012/13 academic year.

4. Analysis of Financial position

The Financial Statements comprise the results of the activities channelled through the University as a legal entity and give the consolidated results of the University and its subsidiary companies – Kingston University Service Company Limited (KUSCO), Kingston University Enterprises Limited (KUEL), Kingston University Campus Enterprises Limited (KUCEL), Kingston University Innovations Limited (KUIL), and Kingston University Press Limited (KUPL).

KUSCO was established to provide certain support services to the University and its subsidiaries. KUEL exists to undertake activities which, for legal or commercial reasons are more appropriately channelled through a limited company. KUCEL was established to further develop conference and vacation letting activity. KUIL was established to hold investments in spin out and spin in activities. KUPL was established to handle the printing and publishing activity of the University. The statements also include an apportionment of the activities of a joint arrangement with St. George's University of London engaged in health and social care education.

Overview of the financial result for the year

The University's financial performance for the year to 31 July 2011 is summarised as follows:

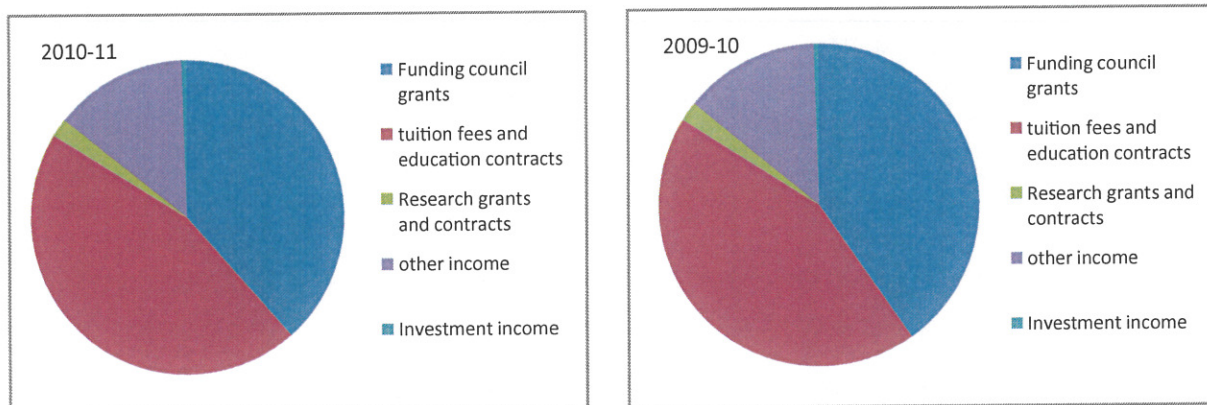
	<u>2010/11</u> £000's	<u>2009/10</u> £000's
Total income	210,118	205,869
Total expenditure	190,176	189,724
Taxation	-	104
Surplus for the year after tax	<u>19,942</u>	<u>16,041</u>
Cash flow from operating activities	27,459	24,597
Cash at bank and in hand	97,218	96,841
Increase in net assets excluding pensions liability	18,610	18,452
Increase in total reserves excluding pension liability	19,778	18,966

OPERATING AND FINANCIAL REVIEW

(REPORT OF THE GOVERNING BODY)

2010-11 FINANCIAL STATEMENTS

The total income of £210m is mainly received from two sources; HEFCE income and tuition fees. An analysis of the income is shown in the chart below:



The increase in income compared with last year is £4.25m which is an increase in tuition fees of £5.6m and a reduction in grants received of £2.3m. The funding reduction of £2.3m can be explained in the table below:

	£m
University share of HEFCE sector reduction	(1.7)
HEFCE Modernisation fund	1.8
Additional student numbers	0.9
Write back of holdback provision for 2008/09 in 2009/10	(1.6)
Reduction in deferred credit	(1.2)
Other	(0.5)
Total reduction	(2.3)

The majority of the funding for additional student numbers includes an allocation of 190 places from HEFCE's University Modernisation Fund of £2.7m. Of this total, £1.8m was awarded to support efficiency projects. This has been spent on a range of cost improvement projects (see expenditure below).

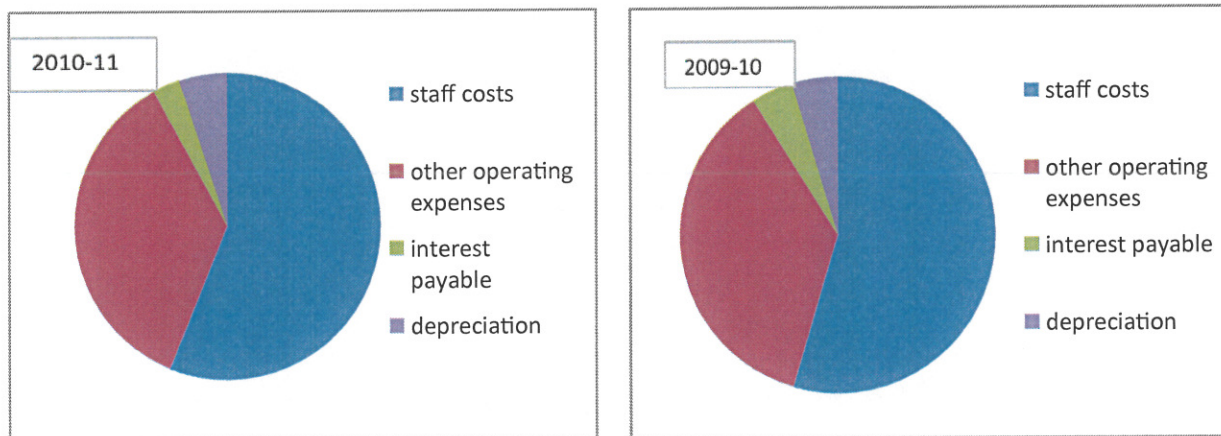
The increase in fee income of £5.6m represents a 6.3% increase in full time home/EU fees (£3.1m) and a 6.2% increase in overseas fees (£1.4m). The increase in home EU fees represents growth in undergraduate numbers of 268 (including the 190 additional student numbers) and postgraduates of 230. Although growth in overseas students was 60 FTEs, this was below the target figure by 50 students. The remainder of the increase was mainly due to income from the NHS contract of £0.6m.

Total expenditure increased by £0.5m which included a staff cost increase of £3.2m and an increase in the depreciation charge of £0.8m. Set against these increases were reductions in other operating expenses of £1m and interest payable of £2.5m. An analysis of expenditure over the two year period is shown as follows:

OPERATING AND FINANCIAL REVIEW

(REPORT OF THE GOVERNING BODY)

2010-11 FINANCIAL STATEMENTS



Staff FTE's increased over the year by 0.8%. The net increase in FTEs is after an investment from the modernisation fund which resulted in staff reductions of 44 FTEs. The majority of the staff left the organisation between March and July 2011. The associated exit costs were £1.9m. Other operating costs have decreased by 1.4%. The main reason for this is a reduction in franchising costs of 11% (£1.2m) resulting from application of controls on recruitment with partner colleges. Interest payable has reduced by £2.5m due to a reduced adjustment for the pension scheme in accordance with FRS17.

Capital expenditure

Expenditure in the year on fixed assets totalled £24.5m, £22.0m of which was on freehold buildings. The improvements to the estate continue to be carried out in accordance with the Campus Development Plan (CDP). This year, £14.4m was spent on the new Kingston Hill Business School building which is scheduled for completion in January 2012. Other projects included the first stage of a major refurbishment project at Knights Park including the Learning Resources and improvements to the School of Architecture. This work is due for completion in early 2012. The completion of these projects will conclude the first stage of the campus development plan which represents an investment of £43m in new projects. The financial plan includes a further £50m allocation for next stage of improvements for which feasibility work is being undertaken. In addition to the major projects mentioned above, the University has set aside annual expenditure of £5m per annum to ensure that the estate is properly maintained. Expenditure in the year included roof replacement works at Kenry House on the Kingston Hill site (£366,000), replacement of fire alarm panels (£227,000), lift refurbishment (£748,000) and general redecoration (£506,000). The planned maintenance projects are completed in accordance with a ten year programme which reflects the results of condition surveys undertaken across all campuses.

Treasury Management

The following indicators show the changes in liquidity, borrowing and reserves.

	<u>2010/11</u>	<u>2009/10</u>
Cash flow as a percentage of income	13.1%	11.8%
Net liquidity (days)	196	195
Current ratio	3.3	3.3
External borrowing as a percentage of income	25.6%	28.1%
Discretionary reserves (excluding pension assets liability) as a percentage of total income	61.2%	52.4%

OPERATING AND FINANCIAL REVIEW

(REPORT OF THE GOVERNING BODY)

2010-11 FINANCIAL STATEMENTS

Cash generated from operations amounted to £27.4m (£24.6m in 2009/10) with a year-end cash balance of £97.2m (£96.8m in 2009/10). Average cash balance over the year amounted to just over £100m. The treasury management policy specifies the parameters within which surplus funds can be invested in terms of financial standing of the institutions and monetary value and there is a clear process to handle variations to this policy when it is necessary. All excess balances are invested with secure UK and European banks over a range of deposits from call accounts to 12 month placements.

Financial outlook

The University has generated substantial surpluses for the last five years as shown in the table below:

£m	2006.07	2007.08	2008.09	2009.10	2010.11
Historical cost Surplus	8.8	11.6	12.0	16.7	20.6
Cash generated from operations	19.0	21.8	21.9	24.3	27.4

The above table covers the period since the introduction on variable fees in 2006/07 which by 2009/10 has resulted in additional income to the University of £20.4m after the payments for student bursaries. The increase in the surplus level in the last two years reflects continued tight control over budgets and the costs savings made in 2010/11 due following a scenario planning exercise. From 2011/12, plans are in place to reduce the cost base by £9m in response to funding reductions imposed on the sector.

The forecast result for 2011/12 predicts a much lower level of surplus due mainly to funding grant reductions from HEFCE of £5.2m. The impact on recruitment levels for Home /EU students in 2012 with the new fee levels will be closely monitored from December this year. The impact of any changes to recruitment levels on the compliance with financial strategy targets included in section 2 will continue to be appraised.

5. Performance and operation of the University

The University monitors performance across a range of its activity. The Board of Governors agreed a set of 10 Key Performance Indicators (KPIs) in 2006. These include a number of student related indicators covering, achievement of student number targets, widening participation, student achievement, employment, and satisfaction, they also cover research grant and contract income, staff, and financial performance. The Board of Governors reviewed the KPIs, in 2009 in the light of the CUC guidance and with some minor changes, agreed that they were still appropriate. The indicators are not hierarchical but are representative of the main areas of the strategic plan. They are reported annually to the Senior Management Group, the Executive Board and the Board of Governors, The KPIs are reported in a Review of Progress document which reports on a much wider range of indicators and includes trend analysis and comparison with comparator groups which also include a regional group, the average of new universities and the average of all HEIs.

The KPIs are drawn as appropriate from nationally published data including the HEFCE PIs which allows them to be benchmarked. This means that some of the indicators use the previous year's data where that is the only nationally available data. The KPI report includes information on the extent to which the KPI achieves or does not achieve its target and shows the movement of the indicator compared with the previous year.

OPERATING AND FINANCIAL REVIEW

(REPORT OF THE GOVERNING BODY)

2010-11 FINANCIAL STATEMENTS

A summary of the KPIs reported in 2011 is included in the table below:

Key Performance Indicator	What is being measured?	Target Definition	This year			Last year			Key
			Target	Actual	Variation 2010/11	Target	Actual	Variation 2009/10	
1 Student Numbers	a) HEFCE Funded HEU Target	Minimum FTE required to avoid financial clawback 2010/11 (HESES)	12,898 FTE	14,552 FTE	+1654 FTE	12,691 FTE	14,362 FTE	+1,671 FTE	Performance better than target
	b) UG	Target growth in Business Plan prepared in 2009/10	+352	+304	-48	+678	+1,100	+422	Performance worse than target
	c) PGT		+195	+151	-44	+181	+362	+180	Positive variation on previous year
	d) HEU		+418	+472	+54	+808	+1261	+453	Negative variation on previous year
	e) OS		+110	+48	-62	+110	+313	+203	No variation on previous year
2 Widening Participation	Young FTS UG entrants 2009/10	a) % State school / college intake benchmark	93.9%	96.6%	+2.7%	92.9%	96.5%	+3.6%	Performance better than target
		b) % Social Class IIIM, IV, V benchmark	36.2%	39.4%	+3.2%	38.2%	40.5%	+2.3%	Performance better than target
		c) % Low Participation neighbourhoods benchmark	7.7%	7.1%	-0.6%	6.9%	5.6%	-1.3%	Negative variation on previous year
3 Progression to Degree Award	FT First Degree Entrants starting course in 2008/09 and activity in 2009/10	% projected to achieve Degree award benchmark	71.30%	70.40%	-0.9%	71.70%	69.80%	-1.9%	Negative variation on previous year
4 Employment	Leavers obtaining First Degrees from Full-time courses 2009/10	% Employed or Further Study benchmark	86.4%	84.4%	-2.0%	84.9%	82.4%	-2.5%	Negative variation on previous year
5 National Student Survey	Average score across six NSS categories for final year FT UG students	Average Score for New Universities	75.6%	71.9%	-3.7%	74.4%	73.3%	-1.1%	Negative variation on previous year
6 Research Grant and Contract Income	Growth in Research Grant & Contract Income (£000s) between 2008/09 and 2009/10	Until specific targets are set, monitoring is against previous year's Research Grant and Contract Income (£000s)	2,917	3,470	+553	2,720	2,917	+197	Performance better than target
7 Staff engagement	Staff engagement as measured by staff surveys	Average of participating HEIs in 2011	75%	73%	-2%				
8 Historic cost surplus as % of turnover	Actual final position for 2008/09 compared with target in the budget	Target for 2009/10	2.7%	8.1%	+5.4%	2.5%	6.2%	+3.7%	Performance better than target
9 Cash generated from operations	Actual final position for 2009/10 compared with target in the budget	Target for 2009/10	£9.5m	£24.2m	£14.9m	£8.7m	£21.9m	£13.1m	Performance better than target
10 Estates Investment	Capital and Maintenance Expenditure Total as a percentage of Insurance Replacement Value (Non-residential estate)*	Norm for 2009/10	3.5% to 4.5%	8.3%	+3.8%	3.5% to 4.5%	3.8%	0%	No variation on previous year

Progress on specific KPIs:

Recruitment

HEU Undergraduate recruitment remains strong and the University enrolments were close to the new Student Number Control.

Overseas student recruitment was above the previous year's level but below target. A new initiative with Study Group to offer international students a Foundation year was introduced in 2010/11 to support undergraduate overseas recruitment. Postgraduate taught recruitment has grown significantly recently based on the introduction of a number of new postgraduate programmes in Faculties. This growth is unlikely to be sustained in the year ahead.

Employability

There has been a small increase in the proportion of student going into employment or further study but the University is still below its benchmark. Addressing this continues to be a key priority for the University and following a review of the academic committee structure an employability task group has been established to lead this and the implementation of the new Employability Strategy.

National Student Survey (NSS)

The NSS scores remain a cause for concern with satisfaction declining this year. Additional resource has been allocated to address this and implement the agreed action plan.

6. Achievements and successes

The University has consistently achieved against its strategic objectives through to 2010/11. The main achievements have covered a range of areas. For student growth there is evidence of continuing popularity as evidenced by continuing growth in applications. This has resulted in sustained student growth for both home and overseas students. Although the growth in overseas students continued in the year, the growth target was not achieved by approximately 50 students. This is attributable to difficulties encountered with students gaining entry into the UK with more stringent procedures adopted by the UK Border Agency. There continues to be a continuing commitment to widening participation exceeding most of our benchmarks for recruitment.

The past year has been a successful one for research, with the University securing a number of prestigious research grants and studentships across the spectrum of its activity, in addition to its HEFCE QR allocation of £3.7 million. Grants were awarded to the value of £3.35 million, surpassing the target of £3.1 million for the year, a notable achievement against a backdrop of budgetary restraints and funding cuts.

Of particular note has been the success in attracting funding from the EU Framework Programme 7 which accounted for approximately £1 million of the total awarded. This funding is supporting projects in e-health, in the manufacture and application of nanostructured materials and in the area of visual surveillance. One of the visual surveillance projects, on the development of systems to monitor criminal behaviour automatically and to track suspects, has already gained national attention, having been the subject of a BBC technology news report.

The University has also won grants from the most highly competitive UK funding sources, namely, the Research Councils and major UK charities. Worthy of mention are an award of £570,000 for a project on shaping new low carbon community norms and practices, jointly funded by the Economic and Social Sciences (ESRC) and the Engineering and Physical Sciences (EPSRC) Research Councils; a prestigious Arts and Humanities Research Council (AHRC) Fellowship for a critical study of the architecture and design of Kenneth Wood Associates; and awards from the Wellcome Trust and the Leverhulme Trust to researchers in History and Psychology respectively.

In addition to the £3.35 million in funding awarded for research grants, the University has recorded significant success with external research studentships. Most notable has been a block grant of over £375,000 from the AHRC to fund annual study for 14 students over the next three years, including 4 awards at PhD level. The awards cover Creative Writing; Design; Film, Digital Media and Production; Fine Art; History of Art, Architecture and Design; and Philosophy. Moreover, the University has succeeded in winning Research Council funding to the value of £125,000 from the AHRC and the EPSRC for collaborative doctoral awards with external partners, including the National Maritime Museum.

In terms of academic development, a project was undertaken to create a single faculty from three individual faculties to consolidate and strengthen Kingston's already strong base in science, engineering, computing and mathematics. These subjects are an important element in the University's identity and distinguish us from many other universities. Bringing these faculties together gives greater critical mass, allowing us to take advantage of interdisciplinary opportunities and develop research potential. It will also allow us to respond to national initiatives on STEM subjects. The new faculty was established from 1 August 2011.

Each of the 3 merging faculties were asked to identify cost reductions in line with other faculties, i.e. 6.7% reduction in academic costs and posts, 8.8% in non-academic posts and 8.8% reduction in non-pay costs. This totalled a cost reduction of £1.7m to be achieved over the three years 2011/12 to 2013/14. The additional year was granted to the Faculty of Science, Engineering and Computing (SEC) to allow for the transition to a newly merged faculty. In addition £0.8m was assigned, to recognise the opportunity of efficiency gains in the new faculty. This was intended to be achieved by reductions in academic costs, and to be achieved in the first year. The original plan submitted in January 2011 demonstrated a proposal which would achieve the cost saving slightly ahead of target. This proposal focussed on retirements and voluntary early retirements which were understood to have a high probability of occurring, both in academic and non-academic posts. The major saving however was due to non-academic posts, as a result of the restructure of same being constructed at the time.

(REPORT OF THE GOVERNING BODY)

2010-11 FINANCIAL STATEMENTS

In terms of infrastructure the first stage of the campus development plan is nearly complete at a cost of £44m. The new Business School building costing £25m is due to be opened in January 2012 and the refurbishment of Knights Park will be completed by the spring of 2012. The next stage of the development of the estate is being planned with an improvement in the percentage of space being described as being in "good condition" according to the national Estates Management Statistics.

There have been significant changes to the Senior Management Team. A new Vice-Chancellor, Professor Julius Weinberg, was appointed on 1 April 2011. A new Finance Director and Human Resources Director have also been successfully appointed.

7. Sustainability

Kingston University continues to be actively engaged in environmental sustainability. This year we are shortlisted for a 2011 Green Gown Award in the Curriculum Change category and have achieved Phase 4 in BS8555 (the phased approach to environmental management systems). The University has maintained a First Class Award in the People and Planet Green League table where it is ranked second out of all London universities.

To enhance effectiveness, a new Sustainability Hub has been created, drawing together both academics and practitioners in a unified organisation. Continuing performance improvement has resulted in:

- An increase in the University's recycling rate from 11% in 2006 to 34% in 2011. We also run an end of term donation scheme from halls of residence that diverted approximately 6 tonnes from landfill, donating items for reuse by local charities;
- Emissions reduction by 13.4% in tCO₂ per £M of income and by 8.6% in kgCO₂ per m² of gross internal area since the baseline in 2005/06 up to the academic year 2009/10. (Data for 2010/11 will be presented at the November 2011 Carbon Management meeting);
- Reduction in water consumption by 9% between academic years 2008/09 and 2009/10. The first 6 months of 2010/11 academic year show a further 17% reduction, predominantly due to leak identification and rectification, as well as rainwater harvesting, sensor controls on flush systems and water pressure reduction at sites;
- The use of BREEAM (Building Research Establishment Environmental Assessment Method) for new buildings and major refurbishment projects to reduce their environmental impact; this has included flagship developments such as installing a sedum roof on the new Rennie building at Kingston Hill to give improved insulation and water regulation and enhance biodiversity;
- Within the framework of the University's biodiversity policy and action plan, last year saw 443 volunteer hours from staff and students over 15 events and ongoing projects. Highlights included opening an educational woodland walk at Kingston Hill campus (Autumn 2010), in collaboration with, and using donations received from the Rennie contractor, Wates Ltd;
- Maintaining Fairtrade University status since 2006 and further developing moves towards a sustainable food policy and more widely initiating steps towards a University-wide procurement policy and purchasing guide, reflecting HEFCE guidelines;
- 41 Hub-organised events (lectures, seminars & activities) held in 2009-10 and we have engaged with 57 external stakeholder beneficiary organisations; providing 9 students with employment throughout the year;
- Major contributions to two new, Sustainability Hub devised, sustainability Masters' programmes; and liaising with colleagues in the validation of further sustainability postgraduate modules; and
- Contributions nationally and internationally, including key-note speaker invitations, advisors in national consultations, research presentations at conferences and workshops, and publications; providing advice to international universities; hosting overseas visitors and making in-house contributions to a wide range of teaching and research activities.
- For more information about sustainability management at Kingston visit: www.kingston.ac.uk/sustainability

(REPORT OF THE GOVERNING BODY)**2010-11 FINANCIAL STATEMENTS****8. People**

We know that our people have been and remain fundamental to the success of the University. We have shown recognition of that commitment to the University in a variety of ways. For instance: we offer staff leadership and management development, a core development programme, mentoring schemes, teaching fellowship programmes and the post-graduate Certificate in Teaching and Learning. Members of staff have a range of support mechanisms available to them, including our Harassment Contact Scheme, an employee assistance programme for confidential guidance and advice as well as face-to-face Counselling if required. In addition, we continue to seek improvements in health & safety by focusing on providing both in-house occupational health services and 'wellbeing' events such as Health Fairs. Because we value our people, we ensure that the reward they receive is fair for the job done against external market comparisons. A key part of the reward package is the pension benefits for our people. In addition to statutory retirement arrangements, the University provides two defined benefit schemes; Local Government (LGPS) and Teachers' Pensions Schemes.

Kingston University is committed to the fair and equal treatment of all individuals regardless of race, sex, disability, age, socio-economic category, sexual orientation, religion or belief. We seek to create a positive, inclusive and diverse working, learning and social environment free from unfair discrimination, prejudice, intimidation and all forms of harassment. In this respect, during 2010/11, we delivered a range of student and staff projects to help us:

- Identify, explore and address systemic and local discrimination, harassment and victimisation;
- Raise aspirations and encourage the participation, attainment and progression of under-represented groups; and
- Raise awareness of and commitment to equality and diversity so we develop the values and practices that enable our students and staff to achieve their potential.

Strengthening staff engagement remains an important area for development and we have identified several key organisational themes where we are focussing our attention in the light of last year's staff survey. We have also developed and support an active group of Survey Champions who work with their local management teams on local engagement issues. We plan to re-survey to assess our progress in early 2012.

Effective communication with staff is highly important and the aim of the University is always to provide staff with timely and appropriate communication, and wherever possible to ensure that this is a two-way process. We are also very aware of the supportive role that communication can play in supporting organisational change. The University uses a variety of media which include a monthly newsletter from the Vice-Chancellor, fortnightly e-bulletins, 'StaffSpace' which is a web based information service accessible to all staff, 'Yammer', an online discussion group, and poster campaigns. We also have a record of stable industrial relations and constructive relationships with our recognised unions – University & College Union (UCU), UNISON, Royal College of Nursing (RCN) and Royal College of Midwives (RCM).

9. Principal risks and uncertainties

The principal risks and uncertainties are considered to be focussed on the impact of the increase in undergraduate tuition fees on student demand. A reduction in student intakes has been included in the financial plan but the level is difficult to forecast. As this is the principal source of income to the university (71% of fees and funding income, 2009/10; 72%) then the financial impact of recruitment levels not meeting targets could be significant. A major strategy is being undertaken which includes a review of the academic framework including campus development and space management. The risks and sensitivities associated with this are being considered as part of the development of a new financial strategy.

The difficulties encountered with international students being able to obtain visas is likely to continue into 2011/12. This could impact on the ability to achieve growth targets.

10. Future Plans

The University is committed to maintaining its investment in academic developments and infrastructure despite the anticipated future financial challenges. The financial results for 2010/11 represent a robust financial position that will greatly assist in managing the risks and uncertainties. The University's financial strategy articulates the expected financial results over the plan period which are modest compared with recent performance but deemed to be realistic given the future financial climate.

Over the last year, the University has been engaged in scenario planning which will contribute £1.6m of efficiency gains in 2010/11. A number of potential future income reduction scenarios were considered and outline plans produced by Faculties and Departments. During the course of 2010/11, a range of specific performance improvement projects will be developed along with more general plans for Faculties and Departments, with the view to reducing operating costs by £9m over 2011/12 and 2012/13.

OPERATING AND FINANCIAL REVIEW

(REPORT OF THE GOVERNING BODY)

2010-11 FINANCIAL STATEMENTS

11. Conclusion

The year 2010/11 has been another successful year both academically and financially. The current financial year (2011/12) will be challenging with a further reduction to mainstream grant of £5.2m. As a result a budget has been approved at a lower surplus level of £1.5m. Demand for the University's courses is still buoyant and the early indications are that recruitment will be managed to target. There will be close monitoring of application levels from January onwards to determine the impact of the new fee regime for 2012 entry.



Sir Roderic Lyne
Chairman of the Board of Governors



Professor Julius Weinberg
Vice-Chancellor

RESPONSIBILITIES

OF THE BOARD OF GOVERNORS OF KINGSTON UNIVERSITY

In accordance with the Education Reform Act 1988, the Board of Governors is responsible for the administration and management of the affairs of Kingston University and its subsidiaries, including ensuring an effective system of internal control, and is required to present audited financial statements for each financial year.

The Board of Governors is responsible for ensuring that proper accounting records are kept that disclose at any time and with reasonable accuracy the financial position of the University and its subsidiaries, to enable it to ensure that the financial statements are prepared in accordance with the Education Reform Act 1988, applicable law and United Kingdom Generally Accepted Accounting Practice. In addition, within the terms and conditions of the Financial Memorandum agreed between the Higher Education Funding Council for England and the Board of Governors of Kingston University, the Board of Governors, through its designated office holder, is required to prepare financial statements for each financial year that give a true and fair view of the state of affairs of Kingston University and its subsidiaries, and of the surplus or deficit and cash flows for that year.

Financial statements are published on Kingston University's website in accordance with legislation in the United Kingdom governing the preparation and dissemination of financial statements, which may vary from legislation in other jurisdictions. Ensuring the maintenance and integrity of Kingston University's website is the responsibility of the Board of Governors. The Board of Governors' responsibility also extends to the ongoing integrity of the financial statements contain therein.

In relation to the preparation of the 2010-2011 financial statements, the Board of Governors has ensured that:

- suitable accounting policies are selected and applied consistently;
- judgements and estimates are made that are reasonable and prudent;

- applicable accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements; and

- Kingston University has adequate resources to continue in operations for the foreseeable future. For this reason the going concern basis continues to be adopted in the preparation of the financial statements.

The Board of Governors has taken reasonable steps to:

- ensure that funds from the Higher Education Funding Council for England and Further Education Funding Council, and Teacher Training and Development Agency are used only for the purpose for which they have been given and in accordance with the Financial Memorandum dated December 2003 with the Funding Council and any other conditions which the Funding Council may from time to time prescribe;
- ensure that income has been applied in accordance with the Education Reform Act 1988;
- ensure that there are appropriate financial and management controls in place to safeguard public funds and funds from other sources;
- safeguard the assets of Kingston University and its subsidiaries and prevent and detect fraud; and
- secure the economic, efficient and effective management of the resources and expenditure of Kingston University and its subsidiaries.

LIST OF BOARD OF GOVERNORS AS AT 31 JULY 2011

OF KINGSTON UNIVERSITY

Ms Ann ALLEN	
Dr George ALEXANDROU	
Mr Tony BEADLE	
Mr Chris BROOKS	
Mr David CARTER	
Mr Gren COLLINGS	Retired 26 Jan 2011
Cllr Stephen COOKSEY	
Ms Ann CORRIGAN	Retired 20 Nov 2010
Ms Sara DRAKE	
Mr TJ ESUBIYI	
Mr B FRASER	Appointed 21 Nov 2010
Ms Lesley GRANGER	
Mr Robert GREEN	
Mr Frank KENNEDY	
Mr Stephen KING	Retired 20 Nov 2010
Prof Peter KOPELMAN	
Sir Roderic LYNE	
Mr Neil MACINTOSH	Appointed 26 Jan 2011
Ms Nona McDUFF	
Mr Phil MOLYNEUX	
Cllr Derek OSBOURNE	
Mr David REARDON	Retired 27 Jan 2011
Ms Sue RIMMER	
Mr John RIPLEY	Appointed 21 Nov 2010
Professor Peter SCOTT	Retired 31 December 2010
Mr David TAYLOR	
Professor Julius WEINBERG	Appointed 1 April 2011
Dr Clarissa WILKS	

OF KINGSTON UNIVERSITY

As the governing body of Kingston University, we have responsibility for maintaining a sound system of internal control that supports the achievement of policies, aims and objectives, while safeguarding the public and other funds and assets for which we are responsible, in accordance with the responsibilities assigned to the governing body in the instrument of Governance for 'Kingston University Higher Education Corporation' which provides for Kingston University's Articles of Governance and the Financial Memorandum with the HEFCE. The Board of Governors formally adopted the CUC Code of Practice at its meeting on 23 September 2009. During the period covered by these Statements, the Board of Governors has undertaken a review of its own effectiveness, in line with the guidance issues by the CUC. The Report concluded that '...governance is basically sound, and that appropriate arrangements are in place for providing the necessary oversight and assurance required by the various stakeholder bodies'. The Board has approved a detailed action plan to address the recommendations in the report and already started to implement a number of steps including a reduction in the overall size of the Board and the changes to its committee structures. The Nominations & Governance Committee will monitor the action plan in the coming year and consider any substantive changes before making recommendations to the Board.

The system of internal control is designed to manage rather than eliminate the risk of failure to achieve policies, aims and objectives; it can therefore only provide reasonable and not absolute assurance of effectiveness.

The system of internal control is based on an ongoing process designed to identify the principal risks to the achievement of policies, aims and objectives, to evaluate the nature and extent of those risks and to manage them efficiently, effectively and economically. This process has been in place during the Year ended 31 July 2011 and up to the date of approval of the financial statements, and accords with HEFCE guidance.

As the governing body, we have responsibility for reviewing the effectiveness of the system of internal control. The following processes have been established:

- a. We meet at regular intervals five times a year and consider the plans and strategic direction of the institution.
- b. We receive periodic reports from the chairman of the Audit Committee concerning, internal control, governance, value for money, risk management and data quality.
- c. The University has established a Risk Management Committee to oversee risk management, which met five times during the year, reporting to the SMG and University.
- d. The Audit Committee meets four times a year and

receives regular reports from the Head of Internal Control (Managing director of Kingston City Group – Internal Audit Consortium), which include an independent opinion on the adequacy and effectiveness of the institution's system of internal control, together with recommendations for improvement.

- e. A regular programme of review exists to keep up-to-date the record of risks facing the organisation at both strategic and operational levels.
- f. A robust risk prioritisation methodology based on risk ranking has been established in the identification and evaluation of risks.
- g. A series of organisation-wide risk registers is now maintained on an on-going basis by nominated risk managers across the institution.
- h. A programme of risk awareness training has also been started and will continue as part of the annual Risk Management programme.
- i. A system of key performance and risk indicators has been developed and incorporated in detailed strategic and operational monitoring modules, which derive from risk registers across the institution; these modules track the progress made with implementing agreed actions for the mitigation of identified risks.
- j. The process of risk management is fully embedded and integrated within the institution's planning processes, at both strategic (institutional) and operational (Faculty and Departmental) levels.

Our review of the effectiveness of the system of internal control is informed by Kingston City Group, which operates to standards defined in the HEFCE Audit Code of Practice and which was last reviewed for effectiveness by the HEFCE Audit Service in June 2008. Kingston City Group submits regular reports which include the Head of Internal Audit's independent opinion on the adequacy and effectiveness of the institution's system of internal control, with recommendations for improvement.

Our review of the effectiveness of the system of internal control is also informed by the work of the executive managers within the institution, who have responsibility for the development and maintenance of the internal control framework, and by comments made by the external auditors in their management letter, other reports and attendance at certain Audit Committee meetings.

INDEPENDENT AUDITORS' REPORT

TO THE BOARD OF GOVERNORS OF KINGSTON UNIVERSITY

We have audited the financial statements of Kingston University for the year ended 31 July 2011 which comprise the Consolidated Income and Expenditure Account, Consolidated Statement of Total Recognised Gains and Losses, the Balance Sheets for the Group and the University, 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 Governors, as a body, in accordance with paragraph 124B of the Education Reform Act 1988. Our audit work has been undertaken so that we might state to the University's Governors 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 Governors as a body, for our audit work, for this report, or for the opinions we have formed.

Respective Responsibilities of the University's Governing Body and Auditors

As explained more fully in the statement of responsibilities of the Board of Governors, the members of the Governing Body are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view.

Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law, regulatory requirements and International Standards on Auditing (UK and Ireland) and the Audit Code of Practice issued by the Higher Education Funding Council for England. Those standards require us to comply with the Auditing Practices Board's (APB'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 APB's website at www.frc.org.uk/apb/scope/private.cfm.

In addition, we also report to you whether income from funding bodies, grants and income for specific purposes and from other restricted funds administered by the University have been properly applied only for the purposes for which they were received and whether income has been applied in accordance with the Statutes and, where appropriate, with the Financial Memorandum with the Higher Education Funding Council for England.

Opinion on the financial statements

In our opinion:

- the financial statements give a true and fair view of the state of the Group's and the University's affairs as at 31 July 2011 and of the Group's surplus of income over expenditure for the year then ended;

INDEPENDENT AUDITORS' REPORT

**TO THE
BOARD OF GOVERNORS OF KINGSTON UNIVERSITY**

- the financial statements have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice and the Statement of Recommended Practice: "Accounting for Further and Higher Education Institutions";
- the financial statements have been prepared in accordance with the requirements of the Education Reform Act 1988;
- income from the Higher Education Funding Council for England, Training and Development Agency for Schools, grants and income for specific purposes and from other restricted funds administered by the University have been applied only for the purposes for which they were received; and
- income has been applied in accordance with the University's statutes and where appropriate with the applicable Financial Memorandum with the Higher Education Funding Council for England.



BDO LLP
Statutory Auditor
Epsom
United Kingdom

Date: 25 November 2017

(BDO LLP is a limited liability partnership registered in England and Wales (with registered number OC305127).

CONSOLIDATED
INCOME AND EXPENDITURE ACCOUNT
FOR THE YEAR ENDED 31 JULY 2011

	Notes	2010/11 £000s	2009/10 £000s
INCOME			
Funding Council grants	2	81,298	83,574
Tuition fees and education contracts	3	95,154	89,512
Research grants and contracts	4	3,550	3,470
Other income	5	29,064	28,222
Endowment and investment income	6	1,052	1,091
Total income		210,118	205,869
EXPENDITURE			
Staff costs	7	106,756	103,548
Other operating expenses	8	68,344	69,351
Interest payable	9	5,439	8,015
Depreciation	10 & 11	9,637	8,810
Total expenditure		190,176	189,724
Surplus on continuing operations after depreciation of assets		19,942	16,145
Taxation		-	104
Surplus on continuing operations after depreciation of assets and tax	21	19,942	16,041

The income and expenditure account is in respect of continuing activities.

**STATEMENT OF
TOTAL RECOGNISED GAINS AND LOSSES
FOR THE YEAR ENDED 31 JULY 2011**

	2010/11 £000s	2009/10 £000s
Surplus on continuing operations after depreciation of assets, disposal of assets and tax	19,942	16,041
Movement in restricted and endowment reserves	176	35
Adjustments associated with pension schemes:		
Actuarial (loss)/gain in respect of pension schemes	(2,686)	600
Changes in financial assumptions underlying the present value of the scheme liabilities	-	13,005
Total recognised gains and losses since last annual report	17,432	29,681
Reconciliation		
Opening reserves and endowments	105,220	75,539
Total recognised gains and losses for the year	17,432	29,681
Closing reserves and endowments	122,652	105,220

**CONSOLIDATED STATEMENT OF
HISTORICAL COST SURPLUSES AND DEFICITS
FOR THE YEAR ENDED 31 JULY 2011**

	Notes	2010/11 £000s	2009/10 £000s
Surplus on continuing operations before taxation		19,942	16,145
Difference between historical cost depreciation and the actual charge for the period calculated on the re-valued amount	19 & 21	708	706
Historical cost surplus for the period before taxation		20,650	16,851
Historical cost surplus for the period after taxation		20,650	16,747

BALANCE SHEET

FOR THE YEAR ENDED 31 JULY 2011

		Consolidated 2010/11 £000s	University 2010/11 £000s	Consolidated 2009/10 £000s	University 2009/10 £000s
	Notes				
Fixed Assets					
Tangible assets	10	183,827	178,584	168,946	163,636
Investments	10	115	6,356	115	6,356
Total fixed assets		183,942	184,940	169,061	169,992
Endowment Assets	11	1,661	1,661	1,488	1,488
Current Assets					
Stock	12	282	275	275	268
Debtors	13	8,738	9,267	7,610	8,457
Cash at bank and in hand		97,218	89,641	96,841	89,230
		106,238	99,183	104,726	97,955
Creditors: amounts falling due within one year	14	(32,274)	(31,362)	(31,088)	(30,498)
Net current assets		73,964	67,821	73,638	67,457
Total assets less current liabilities		259,567	254,422	244,187	238,937
Creditors: amounts falling due after more than one year	15	(54,721)	(54,721)	(57,951)	(57,951)
Net Assets excluding pension liability		204,846	199,701	186,236	180,986
Pension Liability	16	(62,245)	(59,496)	(59,727)	(56,899)
Net Assets including pension liability		142,601	140,205	126,509	124,087

BALANCE SHEET (continued)

FOR THE YEAR ENDED 31 JULY 2011

Deferred capital grants	17	19,949	19,949	21,289	21,289
Endowment					
Specific	18	1,661	1,661	1,488	1,488
Reserves					
Revaluation reserve	19	54,508	54,508	55,216	55,216
Restricted reserve	20	117	117	114	114
General reserve	21	128,611	123,466	108,128	102,879
Total reserves excluding pension liability reserve		183,236	178,091	163,458	158,209
Pension liability reserve	16	(62,245)	(59,496)	(59,726)	(56,899)
Total reserves including pension liability reserve		120,991	118,595	103,732	101,310
TOTAL		142,601	140,205	126,509	124,087

The financial statements on pages 20 to 55 were approved and authorised for release by the Governing Body on 23 November 2011 and were signed on its behalf by:



Sir Roderic Lyne
Chairman of the Board of Governors



Professor Julius Weinberg
Vice-Chancellor and Chief Executive

CONSOLIDATED
CASH FLOW STATEMENT
FOR THE YEAR ENDED 31 JULY 2011

		2010/11 £000s	2009/10 £000s
	Notes		
Cash flow from operating activities *	22	27,459	24,597
Returns on investments and servicing of finance	23	(3,123)	(2,243)
Capital expenditure and financial investment	24	(21,053)	(8,828)
Financing	25	(2,906)	(2,683)
Increase in cash in the period		377	10,843
Reconciliation of net cash flow to movement in net funds			
Increase in cash in the period *		377	10,843
Movement in endowment asset		188	53
Change in net debt resulting from cash flows *		2,999	2,685
Movement in funds in period		3,564	13,581
Net funds at 1 August		40,263	26,682
Net funds at 31 July	26	43,827	40,263

*Prior year figures have been reanalysed to provide consistency with the current year.

The notes on pages 26 to 55 form part of these financial statements

NOTES TO THE ACCOUNTS

Year ended 31 July 2011

1. STATEMENT OF ACCOUNTING POLICIES

The financial statements have been prepared in accordance with the Statement of Recommended Practice (SORP) Accounting for Further and Higher Education July 2007 and applicable UK accounting standards.

a Basis of Accounting

The Financial Statements are prepared on the historical cost basis, as modified by the revaluation of land and buildings.

b Basis of Consolidation

The consolidated financial statements include the financial statements of the University and all its subsidiary undertakings for the financial years 31 July 2011 and 2010. The consolidated financial statements exclude the financial statements of the Kingston University Students' Union as the Union does not constitute a subsidiary or quasi-subsidiary undertaking under the definitions of Financial Reporting Standards 2 and 5.

The University entered into a joint arrangement with St George's Hospital Medical School on 1 January 1996. Under the terms of the joint arrangement, assets and liabilities are divided equally and 50% of the value of the appropriate assets and liabilities has been included in the Balance Sheet of the University. The arrangement has been accounted for as a joint arrangement that is not an entity in compliance with FRS9. The basis of apportionment of the income and expenditure is in proportion to the awards granted by each institution.

c Tangible Fixed Assets

Land and Buildings

Freehold land is stated at a clear site land value based upon a valuation report prepared by the Chartered Surveyors, Dunphys, as at 31 July 1993. Assumptions made in preparing the report include planning permission for development for a use prevailing in the vicinity of each site and no unusual costs in developing any of the sites. Given the specialist nature of the usage of the land, these assumptions give a best approximation of existing use land value.

Freehold Buildings inherited from the Local Authority on 1 April 1989 are stated in the accounts at depreciated replacement cost in accordance with the Royal Institute of Chartered Surveyors' Guidance notes concerning asset valuation. This value is based upon a valuation report prepared by the Chartered Surveyors, Dunphys, as at 31 July 1993. Under the transitional provisions of FRS15 the valuation has not been updated since this date.

All other buildings are shown in the accounts at cost less accumulated depreciation.

Other Tangible Fixed Assets

Other tangible fixed assets are stated at cost less accumulated depreciation.

The historical cost of tangible fixed assets included in the balance sheet at valuation is not available and therefore cannot be disclosed.

NOTES TO THE ACCOUNTS
(continued)
Year ended 31 July 2011

d Depreciation

Land is held freehold and is not depreciated as it is considered to have an indefinite useful economic life.

Freehold buildings are depreciated on a straight line basis over the estimated remaining useful economic life of each asset. The useful economic lives of main buildings range between fifty and one hundred years. Minor works projects are deemed to have a useful economic life between five and fifteen years.

Plant, machinery and other equipment has a capitalisation threshold of £10,000 and is depreciated on a straight line basis as follows:

Major Plant	-	10 years
Fixtures & Fittings	-	6 years
Minor Plant	-	5 years
Vehicles	-	5 years
Educational Equipment	-	5 years
Computer Equipment - Mainframe	-	5 years
Computer Equipment - Minor	-	3 years

The Dorich art collection is not depreciated as it is considered that the carrying value of the asset will continue to be at least equal to the residual value of the asset.

e Investments

Other investments are shown at cost less any provision for impairment.

f Stocks

Stocks are stated at the lower of cost and net realisable value.

g Recognition of income

The recurrent grant from HEFCE, other funding council grants and the NHS contracts income represent the funding allocation that is attributable to the current financial year and is credited directly to the Income and Expenditure account.

Tuition fees represent student fees received and receivable, attributed to the current accounting period.

Income from Research Grants and Contracts is included to the extent of the expenditure incurred during the year, together with any related contributions towards overhead costs.

Income from other services rendered is included to the extent of completion of contract or services concerned and is measured at the fair value of the consideration receivable.

Income used to acquire tangible fixed assets is credited to deferred capital grants and released to the Income and Expenditure Account over the estimated useful lives of the relevant assets.

The University acts as an agent in collection and payment of training bursaries from the Training and Development Agency and of Access Funds from the HEFCE. Related payments received from the Training and Development Agency and the HEFCE and subsequent disbursements to students are excluded from the Income and Expenditure Account and are shown separately in Note 31 to the accounts.

NOTES TO THE ACCOUNTS
(continued)
Year ended 31 July 2011

h Taxation Status

The University is an exempt charity within the meaning of Schedule 2 of the Charities Act 1993 and as such is a charity within the meaning of Para 1 of Schedule 6 to the Finance Act 2010. Accordingly, the University is potentially exempt from taxation in respect of income or capital gains received within categories covered by Sections 478 – 488 of the Corporation Tax Act 2010 (CTA 2010) (formerly enacted Section 505 of the Income and Corporation Tax Act 1988 (ICTA)) or Section 256 of the Taxation of Chargeable Gains Act 1992 to the extent that such income or gains are applied to exclusively charitable purposes.

All subsidiary companies are liable to Corporation Tax and Value Added Tax in the same way as any other commercial organisation. The University's principal activities are exempt from Value Added Tax, but certain ancillary supplies and services are liable to Value Added Tax at various rates. Expenditure includes irrecoverable Value Added Tax charged by suppliers to the University.

i Operating Leases

Rental costs under operating leases are charged to expenditure in equal annual amounts over the period of the lease.

j Pension Costs

The University contributes to a number of defined benefit pension schemes and accounts for the costs in relation to these schemes in accordance with FRS17 (Retirement benefits).

Where the University is unable to identify its share of the underlying assets and liabilities in a defined benefit pension scheme on a reasonable and consistent basis, it accounts as if the scheme were a defined contribution scheme, so that the cost is equal to the total contributions payable in the year.

For other defined benefit schemes, the assets of each scheme are measured at fair value, and the liabilities are measured on an actuarial basis using the projected unit method and discounted at an appropriate rate of return. The University's share of the surplus or deficit of the scheme is recognised as an asset or liability on the balance sheet. The current service cost, being the actuarially determined present value of the pension benefits earned by employees in the current period, and the past service costs are included within staff costs. Interest Payable includes the net of the expected return on assets, being the actuarial forecast of total return on the assets of the scheme, and the interest costs being the notional interest cost arising from unwinding the discount on the scheme liabilities. All changes in the pension surplus or deficit due to changes in actuarial assumptions or differences between actuarial forecasts and the actual out-turn are reported in the statement of total recognised gains and losses.

On 22 June 2010 it was announced in the Chancellor's Emergency Budget that increases to public sector pensions will in future be linked to the Consumer Prices Index (CPI) rather than the Retail Prices Index (RPI). These revised pension increase were effective from 1 April 2011.

k Finance Leases

Assets held under finance leases arising from lease and lease-back transactions are shown at cost and depreciated over their estimated useful lives.

The finance charges are allocated over the period of the lease in proportion to the amount of capital outstanding.

l Endowment Assets

Assets donated to the University are included in the Income and Expenditure Account for the year at valuation, and subsequently transferred to specific reserves and released where appropriate in accordance with depreciation charged in the Income and Expenditure Account.

m Reserves Policy

Revaluation Reserve: Upon achieving corporate status under the 1998 Education Reform Act the original value of the inherited assets and liabilities was transferred to capital reserves. Revaluation of inherited land and buildings was carried out in July 1993. The revaluation reserve includes these elements. The capital element of reimbursable inherited debt payments is credited direct to the revaluation reserve. A transfer is made from the revaluation reserve to the income and expenditure reserve, for an amount equivalent to the difference between historical cost depreciation and the actual charge for the period.

Restricted Reserves: This reserve is used for prize funds where donations have been given for a specific use.

NOTES TO THE ACCOUNTS
(continued)
Year ended 31 July 2011

2 FUNDING COUNCIL GRANTS

	2010/11 £000s	2009/10 £000s
*Recurrent grant (including research element)	70,573	71,340
*HEFCE specific grants	2,448	2,599
TDA	3,774	3,892
LSC (formerly FEFC) grant	355	395
Deferred capital grants released in year	4,148	5,348
	81,298	83,574

*Prior year figures have been reanalysed to provide consistency with the current year.

3 TUITION FEES AND EDUCATION CONTRACTS

	2010/11 £000s	2009/10 £000s
Full-time UK and EU students	53,122	49,964
Part-time UK and EU students	5,938	5,646
Channel Island students	378	466
Overseas full-time students	23,571	22,192
Overseas part-time students	1,231	1,082
NHS teaching contracts	8,899	8,301
Short course fees	2,015	1,861
	95,154	89,512

4 RESEARCH GRANTS AND CONTRACTS

	2010/11 £000s	2009/10 £000s
Research Councils	946	918
UK based charities	275	332
Other research grants and contracts	2,329	2,220
	3,550	3,470

NOTES TO THE ACCOUNTS
(continued)
Year ended 31 July 2011

5 OTHER INCOME

	2010/11 £000s	2009/10 £000s
Residencies and catering	16,492	15,999
Income from UK public bodies	4,146	3,912
Income from EU based organisations	239	251
Income from University shops	171	158
Income from sports facilities	284	268
Course validation fees/teaching contracts	1,565	1,607
Knowledge transfer partnerships	-	6
Nursery fees	152	145
Field trips	302	337
Graduation ceremonies	272	250
Sale of teaching materials	618	423
Release from deferred capital grant	96	111
Release from endowment reserve	-	-
Other income	4,727	4,755
	<u>29,064</u>	<u>28,222</u>

6 ENDOWMENT AND INVESTMENT INCOME

	2010/11 £000s	2009/10 £000s
Interest receivable	1,052	1,091
	<u>1,052</u>	<u>1,091</u>

7 STAFF

	2010/11 £000s	2009/10 £000s
Staff Costs		
Wages and salaries	86,882	85,082
Social security costs	7,274	7,008
Other pension costs	12,600	11,458
	<u>106,756</u>	<u>103,548</u>

Staff costs for the year include exceptional payments in respect of compensation for loss of office totalling £271,000 (2010 £208,000).

NOTES TO THE ACCOUNTS
(continued)
Year ended 31 July 2011

7 STAFF continued

Vice-Chancellor and Chief Executive

2010/11	2009/10
£000s	£000s

The emoluments of the Vice-Chancellors serving in the year were as follows:

Current Vice Chancellor

Emoluments	63	-
Employer's contribution to pension fund	10	-

Former Vice-Chancellor

Emoluments	86	200
Employer's contribution to pension fund	12	28
	171	228

Executive Managers

	2010/11	2009/10
	No.	No.
£150,001 - £160,000	1	-
£140,001 - £150,000	-	1
£130,001 - £140,000	1	1
£120,001 - £130,000	1	-
£110,001 - £120,000	3	4
£100,001 - £110,000	3	3

The average number of persons employed by the University during the year, expressed as full-time equivalents was:

	2010/11	2009/10
	No.	No.
Executive, senior and academic staff	926	890
Research, language and teaching assistants	44	47
General and professional staff	1,227	1,242
	2,197	2,179

The total sum of £2,700 was claimed as expenses by six members of Board of Governors during 2010/11. All of the expenses were in respect of travel and subsistence.

NOTES TO THE ACCOUNTS
(continued)
Year ended 31 July 2011

8 OTHER OPERATING EXPENSES

	2010/11 £000s	2009/10 £000s
Residencies, catering and conferences	10,197	9,867
Staff development	1,690	1,650
Recruitment costs	363	529
Other employee costs	2,147	1,808
Teaching materials	3,052	2,960
Academic equipment	1,991	2,359
Franchising costs	9,706	10,935
Other academic expenses	15,528	14,694
Overseas recruitment costs	954	883
Agency costs	756	850
Administrative Equipment	1,312	2,055
Utilities	1,395	1,630
Repairs and general maintenance	3,815	4,132
Other premises expenses	927	1,172
Grant to Kingston University Students' Union	680	683
Rent	1,240	1,664
Rates	462	518
Auditors remuneration: audit services	89	61
Equipment hire	543	522
Other expenses	11,497	10,379
	<u>68,344</u>	<u>69,351</u>

Operating Lease Expenses included in the above are:

Land and buildings related	<u>965</u>	<u>933</u>
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9 INTEREST PAYABLE

	2010/11 £000s	2009/10 £000s
On loans payable within 5 years	-	33
On loans payable wholly or partly in more than 5 years	2,740	2,561
On finance leases	1,160	1,377
	<u>3,900</u>	<u>3,971</u>
On pension schemes	1,539	4,044
	<u>5,439</u>	<u>8,015</u>

NOTES TO THE ACCOUNTS
(continued)
Year ended 31 July 2011

10 **FIXED ASSETS**

Tangible Assets
CONSOLIDATED

Cost or Valuation

Balance as at 1 August 2010

Valuation

Cost

Additions

Disposals

Balance as at 31 July 2011

	Freehold Land £000s	Freehold Buildings £000s	Plant, Machinery, Equipment £000s	Total £000s
	32,874	37,875	-	70,749
	-	144,395	35,727	180,122
	-	22,061	2,441	24,502
	-	-	(357)	(357)
	32,874	204,331	37,811	275,016

Depreciation

Balance as at 1 August 2010

Charge in year

Disposals

Balance as at 31 July 2011

	-	52,425	29,500	81,925
	-	6,672	2,949	9,621
	-	-	(357)	(357)
	-	59,097	32,092	91,189

Net Book Value

As at 31 July 2011

	32,874	145,234	5,719	183,827
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As at 31 July 2010

	32,874	129,845	6,227	168,946
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NOTES TO THE ACCOUNTS
(continued)
Year ended 31 July 2011

10 FIXED ASSETS (continued)

UNIVERSITY

Cost or Valuation

Balance as at 1 August 2010

Valuation

Cost

Additions

Disposals

Balance as at 31 July 2011

Freehold Land £000s	Freehold Buildings £000s	Plant, Machinery, Equipment £000s	Total £000s
32,874	37,875	-	70,749
-	137,664	34,737	172,401
-	22,061	2,441	24,502
-	-	(357)	(357)
32,874	197,600	36,821	267,295

Depreciation

Cost or Valuation

Charge in year

Disposals

Balance as at 31 July 2011

-	50,955	28,559	79,514
-	6,672	2,882	9,554
-	-	(357)	(357)
-	57,627	31,084	88,711

Net Book Value

As at 31 July 2011

32,874	139,973	5,737	178,584
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As at 31 July 2010

32,874	124,584	6,178	163,636
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As at 31 July 2011 the University had accrued approximately £962,000 (2010:£497,000) in respect of capital expenditure. The net book value of freehold buildings includes £8,476,000 (2010:£8,667,000) in respect of assets acquired under finance leases. The depreciation charge on these assets is £191,000 (2010:£191,000).

Included in the net book value of freehold land and buildings are Exchequer Assets of £8,515,859 (2010:£8,774,509). These assets can be disposed of freely by the University, but initially the proceeds of any sale must be offered to the HEFCE. The HEFCE may allow the University to retain any proceeds and has the right to attach conditions to the use of these funds.

NOTES TO THE ACCOUNTS
(continued)
Year ended 31 July 2011

10 **FIXED ASSETS** (continued)

INVESTMENTS

CONSOLIDATED

As at 31 July 2011

As at 31 July 2010

UNIVERSITY

At 1 August 2010

As at 31 July 2011

Shares in Subsidiary Undertakings £000s	Other Investments £000s	Total £000s
	115	115
	115	115
	6,241	6,356
	6,241	6,356

The investments consist of shares in the University's subsidiaries listed below, together with other unlisted investments.

Subsidiary	Percentage	Main Business
Kingston University Enterprises Limited	100%	Trading and consultancy
Kingston University Campus Enterprises Limited	100%	Vacation letting
Kingston University Service Company Limited	100%	Management of residencies and property services
Kingston University Innovations Limited	100%	Enterprise activity
Kingston University Press Limited	100%	Publishing activity

NOTES TO THE ACCOUNTS
(continued)
Year ended 31 July 2011

1 ENDOWMENT ASSETS
CONSOLIDATED AND UNIVERSITY

Dorich House building and art collection:

Cost or Valuation

	Freehold Buildings £000s	Art Collection £000s	Total £000s
Balance as at 1 August 2010	1,129	382	1,511
Balance as at 31 July 2011	<u>1,129</u>	<u>382</u>	<u>1,511</u>

Depreciation

Balance as at 1 August 2010	240	-	240
Charge in year	16	-	16
Balance as at 31 July 2011	<u>256</u>	<u>-</u>	<u>256</u>

Net Book Value

Balance as at 31 July 2011	<u>873</u>	<u>382</u>	<u>1,255</u>
Balance as at 31 July 2010	<u>889</u>	<u>382</u>	<u>1,271</u>

Endowment Cash

Balance as at 31 July 2011	<u>405</u>
Balance as at 31 July 2010	<u>217</u>

Total Endowment Asset

Balance as at 31 July 2011	<u>1,661</u>
Balance as at 31 July 2010	<u>1,488</u>

IMPAIRMENT REVIEW

In accordance with FRS11 the University has conducted a review which concluded that there was no material impairment of fixed assets during 2010/11.

NOTES TO THE ACCOUNTS
(continued)
Year ended 31 July 2011

12 STOCK

	Consolidated 2010/11 £000s	University 2010/11 £000s	Consolidated 2009/10 £000s	University 2009/10 £000s
Refectory	56	56	55	55
Stamps and franking credits	81	81	71	71
Shop stock & books	41	34	40	33
Building materials	99	99	103	103
Branded merchandise	5	5	6	6
	282	275	275	268

13 DEBTORS

	Consolidated 2010/11 £000s	University 2010/11 £000s	Consolidated 2009/10 £000s	University 2009/10 £000s
Trade debtors	8,750	8,467	6,855	6,580
Provision for doubtful debts	(3,005)	(3,005)	(2,195)	(2,195)
	5,745	5,462	4,660	4,385
Amounts owed by subsidiary undertakings	-	868	-	1,179
Accrued income	1,332	1,332	882	880
Other debtors	274	265	315	285
Prepayments	1,387	1,340	1,753	1,728
	8,738	9,267	7,610	8,457

**14 CREDITORS - AMOUNTS FALLING
DUE WITHIN ONE YEAR**

	Consolidated 2010/11 £000s	University 2010/11 £000s	Consolidated 2009/10 £000s	University 2009/10 £000s
Amounts owed to subsidiary undertakings	-	118	-	294
Obligations under finance leases	660	660	653	653
Term loan facility	1,552	1,552	1,445	1,445
Trade creditors	5,905	5,820	3,800	3,738
Other creditors including tax and social security	10,334	10,165	10,759	10,585
Student deposits	611	611	603	603
Accruals	5,916	5,140	6,201	5,628
Tuition fees in advance	1,547	1,547	1,486	1,486
Deferred income	3,807	3,807	4,549	4,474
Deferred credit on revenue grants	1,942	1,942	1,592	1,592
	32,274	31,362	31,088	30,498

NOTES TO THE ACCOUNTS
(continued)
Year ended 31 July 2011

**15 CREDITORS - AMOUNTS FALLING
DUE AFTER MORE THAN
ONE YEAR**

	Consolidated 2010/11 £000s	University 2010/11 £000s	Consolidated 2009/10 £000s	University 2009/10 £000s
Obligations under finance leases	9,731	9,731	10,392	10,392
Term loan facility	40,183	40,183	41,729	41,729
Deferred income	3,134	3,134	3,250	3,250
Other loans	1,673	1,673	2,580	2,580
	<u>54,721</u>	<u>54,721</u>	<u>57,951</u>	<u>57,951</u>

Term Loans

	Consolidated 2010/11 £000s	University 2010/11 £000s	Consolidated 2009/10 £000s	University 2009/10 £000s
Balance at 1 August	43,173	43,173	44,519	44,519
Capital repayments	(1,439)	(1,439)	(1,346)	(1,346)
Total loans outstanding at 31 July	<u>41,734</u>	<u>41,734</u>	<u>43,173</u>	<u>43,173</u>

Obligations Term Loans

	Consolidated 2010/11 £000s	University 2010/11 £000s	Consolidated 2009/10 £000s	University 2009/10 £000s

Obligations under loans fall due as follows:

Within one year	1,552	1,552	1,445	1,445
In the second to fifth years inclusive	7,456	7,456	6,923	6,923
In over five years	32,727	32,727	34,805	34,805
	<u>41,735</u>	<u>41,735</u>	<u>43,173</u>	<u>43,173</u>

NOTES TO THE ACCOUNTS
(continued)
Year ended 31 July 2011

Obligations under Finance Leases

Consolidated 2010/11 £000s	University 2010/11 £000s	Consolidated 2009/10 £000s	University 2009/10 £000s
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Obligations under finance leases fall due as follows:

Within one year	1,781	1,781	1,804	1,804
In the second to fifth years inclusive	7,604	7,604	7,388	7,388
In over five years	10,391	10,391	12,388	12,388
	<u>19,776</u>	<u>19,776</u>	<u>21,580</u>	<u>21,580</u>
Less finance charges allocated to future periods	(9,384)	(9,384)	(10,535)	(10,535)
	<u>10,392</u>	<u>10,392</u>	<u>11,045</u>	<u>11,045</u>

Analysis of terms of repayment and rates of interest

For loans and leases falling due after more than five years

Lender	Value and type	Start date	Term	Interest rate
Roodhill Leasing (Middle Mill)	£4.1m lease	22/05/1997	01/04/2022	7.50%
Roodhill Leasing (Kingston Bridge House)	£3.4m lease	22/05/1997	01/04/2022	7.50%
Roodhill Leasing (Kingston Hill Chancellors)	£5.3m lease	22/09/1994	01/04/2019	7.50%
Barclays	£17m term loan	20/12/2005	30/09/2020	4.84%
Barclays	£35m term loan	31/07/2008	31/07/2031	5.35%

NOTES TO THE ACCOUNTS
(continued)
Year ended 31 July 2011

16 PENSION LIABILITY

The pension liability has been measured in accordance with the requirements of FRS17 and relates to the Local Government Superannuation Scheme (LGSS) and the London Pensions Fund Authority (LPFA). Further information is given in note 30.

	LGSS 2011	LPFA 2011	Total 2011	Total 2010
CONSOLIDATED				
Opening balance	(56,899)	(2,828)	(59,727)	(70,417)
<u>Movement in year:</u>				
Current service cost	(4,798)	(214)	(5,012)	(5,638)
Contributions	6,310	410	6,720	6,767
Other finance (cost)	(1,433)	(106)	(1,539)	(4,044)
Actuarial gain / loss recognised in	(2,676)	(11)	(2,687)	13,605
Statement of total recognised gains and losses				
Closing balances	<u>(59,496)</u>	<u>(2,749)</u>	<u>(62,245)</u>	<u>(59,727)</u>
UNIVERSITY				
Opening balance	(56,899)	-	(56,899)	(67,483)
<u>Movement in year:</u>				
Current service cost	(4,798)	-	(4,798)	(5,418)
Contributions	6,310	-	6,310	6,387
Other finance (cost)/gain	(1,433)	-	(1,433)	(3,896)
Actuarial gain / loss recognised in	(2,676)	-	(2,676)	13,511
Statement of total recognised gains and losses				
Closing balances	<u>(59,496)</u>	<u>-</u>	<u>(59,496)</u>	<u>(56,899)</u>

NOTES TO THE ACCOUNTS
(continued)
Year ended 31 July 2011

17 DEFERRED CAPITAL GRANTS

	Consolidated 2010/11 £000s	University 2010/11 £000s	Consolidated 2009/10 £000s	University 2009/10 £000s
Balance at 1 August	21,287	21,287	21,841	21,841
Movements:				
Grants received	2,809	2,809	4,905	4,905
Release to income and expenditure account				
- Funding Council Grants	(4,051)	(4,051)	(5,348)	(5,348)
Release to income and expenditure account				
- Other income	(96)	(96)	(111)	(111)
Balance at 31 July	19,949	19,949	21,287	21,287
Amount to be released within one year	(2,488)	(2,488)	-	-
Amounts to be released after more than one year	17,461	17,461	21,287	21,287

18 ENDOWMENTS

	Consolidated 2010/11 £000s	University 2010/11 £000s	Consolidated 2009/10 £000s	University 2009/10 £000s
Balance at 1 August	1,488	1,488	1,451	1,451
Transfer to income and expenditure account	(99)	(99)	(50)	(50)
Income received	272	272	87	87
Balance at 31 July	1,661	1,661	1,488	1,488

This endowment funds relate to the Dora Hare Estate - £1,325k; Phillip Russell Scholarship - £40k and others - £295k.

19 REVALUATION RESERVE

	Consolidated 2010/11 £000s	University 2010/11 £000s	Consolidated 2009/10 £000s	University 2009/10 £000s
Balance at 1 August	55,216	55,216	55,922	55,922
<u>Transfer to General Reserve:</u>				
Difference between historical cost depreciation and actual charge for the period calculated on re-valued amount	(708)	(708)	(706)	(706)
Balance at 31 July	54,508	54,508	55,216	55,216

NOTES TO THE ACCOUNTS
(continued)
Year ended 31 July 2011

20 RESTRICTED RESERVES

Consolidated and University

Balance at 1 August
Increase/ (Decrease) in restricted reserves
Balance at 31 July

Prize Fund £000s	Total £000s
114	114
3	3
117	117

21 MOVEMENT ON GENERAL RESERVE

Income and expenditure account reserve
at 1 August
Surplus retained for the year
Transfer from/(to) pension reserve
Transfer from revaluation reserve

Consolidated 2010/11 £000s	University 2010/11 £000s	Consolidated 2009/10 £000s	University 2009/10 £000s
108,128	102,879	88,454	88,774
19,942	19,957	16,041	10,472
(167)	(78)	2,927	2,927
708	708	706	706
128,611	123,466	108,128	102,879

22 NET CASH INFLOW FROM OPERATING ACTIVITIES *

Surplus before tax
Interest payable
Interest receivable
Release of capital grant
Depreciation
Loss on sale of assets
Increase in investments
(Increase)/decrease in stocks
(Increase)/decrease in debtors
(Increase)/decrease in creditors
Pension costs less contributions payable
Transfer of research grant to deferred credit
Release of revenue grant

2010/11 £000s	2009/10 £000s
19,942	16,196
5,439	7,866
(1,052)	(1,036)
(4,148)	(5,458)
9,637	8,806
-	14
-	(30)
(7)	(13)
(667)	(1,339)
(327)	729
(1,708)	(969)
1,942	1,592
(1,592)	(1,761)
27,459	24,597

*Prior year figures have been reanalysed to provide consistency with the current year.

NOTES TO THE ACCOUNTS
(continued)
Year ended 31 July 2011

23 RETURNS ON INVESTMENTS AND SERVICING OF FINANCE

	2010/11	2009/10
	£000s	£000s
Interest receivable	767	1,728
Interest paid	(2,739)	(2,791)
Finance lease charges paid	(1,151)	(1,180)
	<u>(3,123)</u>	<u>(2,243)</u>

24 CAPITAL EXPENDITURE AND FINANCIAL INVESTMENT

	2010/11	2009/10
	£000s	£000s
Purchase of tangible fixed assets	(23,862)	(13,733)
Deferred capital grant received	2,809	4,905
	<u>(21,053)</u>	<u>(8,828)</u>

25 FINANCING

	2010/11	2009/10
	£000s	£000s
Medium term loan repayments	(2,346)	(2,347)
New loans obtained	93	232
Loan repaid	-	-
Capital element on finance leases	(653)	(568)
	<u>(2,906)</u>	<u>(2,683)</u>

NOTES TO THE ACCOUNTS
(continued)
Year ended 31 July 2011

**26 ANALYSIS OF CHANGES IN
NET FUNDS**

	At 1 August 2010 £000s	Cash flows £000s	Other Non Cash Changes £000s	At 31 July 2011 £000s
Cash at bank and in hand	96,841	377	-	97,218
Cash in endowment assets	217	188	-	405
Debt due within one year	(1,442)	1,439	(1,545)	(1,548)
Debt due after one year	(44,308)	907	1,545	(41,856)
Finance leases due within one year	(653)	653	(660)	(660)
Finance leases due after one year	(10,392)	-	660	(9,732)
	<u>40,263</u>	<u>3,564</u>	<u>-</u>	<u>43,827</u>

**27 ANALYSIS OF CHANGES IN FINANCING
DURING THE YEAR**

	Leases £000s	Loans £000s	Total £000s
Balance at 1 August 2010	11,044	45,751	56,795
Capital Repayments	(653)	(2,346)	(2,999)
New loans	-	-	-
Balance at 31 July 2011	<u>10,391</u>	<u>43,405</u>	<u>53,796</u>

28 OPERATING LEASE COMMITMENTS

At 31 July 2011 the Group was committed to making the following payments during the next year in respect of operating leases:

	2010/11 Land and Buildings £000s	2009/10 Land and Buildings £000s
Leases which expire:		
Within one year		271
In the second to fifth years inclusive		474
In more than five years		188
		<u>933</u>
		<u>314</u>

NOTES TO THE ACCOUNTS
(continued)
Year ended 31 July 2011

29 PRIVATE FINANCE TRANSACTIONS

The University has only one PFI scheme which is for the Clayhill Halls of Residence.	£000s
Estimated capital value of scheme	21,861
Project agreement date:	23/5/02
Completion of building project and commencement of unitary charge:	1/12/03
Contract end date:	30/11/38

A unitary charge is payable for a period of 35 years from the completion of the building project on 1st December 2003. The annual charge for 2010/11 was £2,710,552. Estimated annual payments in the future are not expected to be materially different.

30 PENSIONS

The two principal pension schemes for University staff are the Teachers Pension Scheme (TPS) and the Local Government Superannuation Scheme (LGSS). Whilst both are defined benefit schemes, the TPS is a national scheme and it is not possible to identify the University's share of underlying assets and liabilities.

Local Government Pension Scheme (LGPS)

A defined benefit pension scheme (LGPS) is operated on behalf of the employees of Kingston University, the figures disclosed below have been derived from the actuarial valuations carried out by AON Hewitt Limited Limited as at 31 July 2011.

	2010/11	2009/10
	£000s	£000s
<i>Reconciliation of present value of plan liabilities</i>		
At the beginning of the year	137,970	131,282
Current service cost	4,798	5,418
Interest cost	7,608	8,132
Actuarial losses	6,901	6,532
Benefits paid	(2,588)	(630)
Past service costs	-	(12,764)
At the end of the year	154,689	137,970

NOTES TO THE ACCOUNTS
(continued)
Year ended 31 July 2011

<i>Reconciliation of present value of plan liabilities</i>	2010/11 £000s	2009/10 £000s
	154,689	137,970
Schemes wholly or partly funded	<u>154,689</u>	<u>137,970</u>

<i>Reconciliation of fair value of plan assets</i>	2010/11 £000s	2009/10 £000s
At the beginning of the year	81,071	63,799
Expected rate of return on plan assets	6,174	4,236
Actuarial gains/(losses)	4,226	7,279
Contribution by group	8,345	8,461
Benefits paid	(4,623)	(2,704)
At the end of the year	<u>95,193</u>	<u>81,071</u>

<i>Reconciliation to balance sheet</i>	2010/11 £000s	2009/10 £000s
Present value of funded obligations	(154,689)	(137,970)
Fair value of plan assets	95,193	81,071
Plan deficit	(59,496)	(56,899)
Related deferred tax asset	-	-
Net liability	<u>(59,496)</u>	<u>(56,899)</u>

NOTES TO THE ACCOUNTS
(continued)
Year ended 31 July 2011

30 **PENSIONS** (continued)

The amounts recognised in profit and loss are as follows:

Included in Other Operating expenses:

	2010/11 £000s	2009/10 £000s
Current service cost	4,798	5,418
Past service cost	(6,309)	(6,387)

Included in Interest payable:

Interest cost	7,608	8,132
Expected return on plan assets	(6,174)	(4,235)

	(77)	2,928
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Analysis of amount recognised in statement of total recognised gains and losses

	2010/11 £000s	2009/10 £000s
Actual return less expected return on pension plan assets	4,226	7,279
Experience gains and losses arising on the scheme liabilities	(6,901)	(6,533)
Changes in assumptions underlying the present value of the scheme liabilities	-	12,765

Actuarial (losses)/gains recognised in the statement of total recognised gains and losses

	(2,675)	13,511
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Narrative description of the basis used to determine the overall expected rate of return of assets:

Overall expected rate of return on plan assets is based upon historical returns of investment performance adjusted to reflect expectations of future long-term returns by asset class.

Actual return on plan assets

	10,730	11,880
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NOTES TO THE ACCOUNTS
(continued)
Year ended 31 July 2011

30 **PENSIONS** (continued)

Principal actuarial assumption used at the balance sheet date

	2010/11 %	2009/10 %
Discount rates	5.3	5.4
Expected rate of return on plan assets	7.2	7.5
Future salary increases	5.2	4.9
Future pension increases	2.8	2.7
RPI inflation	3.7	3.4
CPI inflation	2.8	2.7
Inflation assumption	2.8	2.7

Five year history

	2011 £000s	2010 £000s	2009 £000s	2008 £000s	2007 £000s
Present value of the plan liabilities	(154,689)	(137,970)	(131,282)	(107,517)	(103,400)
Fair value of the plan assets	95,193	81,071	63,799	61,990	66,900
Deficit on the pension plans	<u>(59,496)</u>	<u>(56,899)</u>	<u>(67,483)</u>	<u>(45,527)</u>	<u>(36,500)</u>
<i>Experience adjustments arising on:</i>					
Plan liabilities	290	1,240	(340)	1,140	(150)
Plan assets	<u>4,360</u>	<u>7,510</u>	<u>(8,090)</u>	<u>(12,190)</u>	<u>1,920</u>

The group's best estimate of the contributions expected to be paid in the year beginning 1 August 2011 is £8.55m.

The approximate split of the scheme assets and assumed rates of return adopted by the Employer for the purpose of FRS17 is shown below:

	Long-term expected rate of	Asset split at 31 July 2011 (%)	Long-term expected rate of	Asset split at 31 July 2010 (%)
Equities	7.9	78.5%	8.2	78.7%
Property	7.4	4.6%	7.7	4.2%
Government bonds	3.9	0.9%	4.2	0.6%
Corporate bonds	4.7	13.1%	4.9	13.3%
Cash/other	1.5	2.9%	1.4	3.2%
Total	<u>7.5</u>	<u>100%</u>	<u>7.5</u>	<u>100%</u>

NOTES TO THE ACCOUNTS
(continued)
Year ended 31 July 2011

30 **PENSIONS** (continued)

London Pension Fund Authority (LPFA) Pension Scheme

A defined benefit pension scheme (LPFA) is operated on behalf of the employees of KUSCO Limited, the figures disclosed below have been derived from the actuarial valuations carried out by Barnett Waddington as at 31 July 2011.

<i>Reconciliation of present value of plan liabilities</i>	2010/11 £000s	2009/10 £000s
At the beginning of the year	5,733	5,419
Current service cost	214	220
Interest cost	313	325
Actuarial losses	127	225
Benefits paid	(71)	(216)
Past service costs	-	(240)
	<hr/>	<hr/>
At the end of the year	6,316	5,733

Reconciliation of present value of plan liabilities

	2010/11 £000s	2009/10 £000s
Schemes wholly or partly funded	6,316	5,733
	<hr/>	<hr/>
	6,316	5,733

Reconciliation of fair value of plan assets

	2010/11 £000s	2009/10 £000s
At the beginning of the year	2,905	2,485
Expected rate of return on plan assets	206	177
Actuarial gains/(losses)	116	79
Contribution by group	469	440
Benefits paid	(130)	(276)
	<hr/>	<hr/>
At the end of the year	3,566	2,905

NOTES TO THE ACCOUNTS
(continued)
Year ended 31 July 2011

30 **PENSIONS** (continued)

Reconciliation to balance sheet

	2010/11 £000s	2009/10 £000s
Present value of funded obligations	(6,316)	(5,733)
Fair value of plan assets	3,566	2,905
Plan deficit	(2,750)	(2,828)
Related deferred tax asset	-	-
Net liability	<u>(2,750)</u>	<u>(2,828)</u>

The amounts recognised in profit and loss are as follows:

Included in other operating expenses:

	2010/11 £000s	2009/10 £000s
Current service cost	214	220
Contributions received	(410)	(380)

Included in interest payable:

	2010/11 £000s	2009/10 £000s
Interest cost	313	325
Expected return on plan assets	(206)	(177)
	<u>(89)</u>	<u>(12)</u>

Analysis of amount recognised in statement of total recognised gains and losses

	2010/11 £000s	2009/10 £000s
Actual return less expected return on pension plan assets	(127)	(225)
Experience gains and losses arising on the scheme liabilities	116	79
Changes in assumptions underlying the present value of the scheme liabilities	-	240
Actuarial (losses)/gains recognised in the statement of total recognised gains and losses	<u>(11)</u>	<u>94</u>

NOTES TO THE ACCOUNTS
(continued)
Year ended 31 July 2011

30 **PENSIONS** (continued)

Cumulative amount of losses recognised in the statement of total recognised gains and losses

2010/11 £000s	2009/10 £000s
(1,517)	(1,506)
<u>(1,517)</u>	<u>(1,506)</u>

Narrative description of the basis used to determine the overall expected rate of return of assets

Overall expected rate of return on plan assets is based upon historical returns of investment performance adjusted to reflect expectations of future long-term returns by asset class.

Actual return on plan assets

2010/11 £000s	2009/10 £000s
322	257

Principle actuarial assumption used at the balance sheet date

	2010/11 %	2009/10 %
Discount rates	5.3	5.4
Expected rate of return on plan assets	6.2	6.7
Future salary increases	4.5	4.7
Future pension increases	2.7	2.7

Five year history

	2011 £000s	2010 £000s	2009 £000s	2008 £000s	2007 £000s
Present value of the plan liabilities	(6,316)	(5,733)	(5,419)	(4,597)	(4,731)
Fair value of the plan assets	3,566	2,905	2,485	2,495	4,232
Deficit on the pension plans	<u>(2,750)</u>	<u>(2,828)</u>	<u>(2,934)</u>	<u>(2,102)</u>	<u>(499)</u>
<i>Experience adjustments arising on:</i>					
Plan liabilities	116	79	(350)	(2,106)	186
Plan assets	<u>(127)</u>	<u>(225)</u>	<u>(500)</u>	<u>409</u>	<u>337</u>

The group's best estimate of the contributions expected to be paid in the year beginning on 1 August 2011 is £477,000.

NOTES TO THE ACCOUNTS
(continued)
Year ended 31 July 2011

30. **PENSIONS** (continued)

Estimated asset allocation as at 31 July

	2011		2010	
	£000s	%	£000s	%
Equities	2,461	69	2,004	69
Target Return Portfolio	392	11	349	12
Alternative Assets	499	14	436	15
Cash	143	4	58	2
Other Bonds	71	2	58	2
	3,566	100	2,905	100

Universities Superannuation Scheme

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

The appointment of directors to the board of the trustee is determined by the trustee company's Articles of Association. Four of the directors are appointed by Universities UK; three are appointed by the University and College Union, of whom at least one must be a USS pensioner member; one is appointed by the Higher Education Funding Councils; and a minimum of two and a maximum of four are co-opted 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.

Because of the mutual nature of the scheme, the scheme's assets are not hypothecated to individual institutions and a scheme-wide contribution rate is set. The institution is therefore exposed to actuarial risks associated with other institutions' employees and is unable to identify its share of the underlying assets and liabilities of the scheme on a consistent and reasonable basis and therefore, as required by FRS 17 "Retirement benefits", accounts for the scheme as if it were a defined contribution scheme. As a result, the amount charged to the income and expenditure account represents the contributions payable to the scheme in respect of the accounting period.

The latest triennial actuarial valuation of the scheme was at 31 March 2008. This was the first valuation for USS under the new 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 2011 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 6.4% per annum (which includes an additional assumed investment return over gilts of 2% per annum), salary increases would be 4.3% per annum (plus 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 3.3% per annum.

NOTES TO THE ACCOUNTS
(continued)
Year ended 31 July 2011

30. **PENSIONS** (continued)

Standard mortality tables were used as follows:

Male members' mortality	PA92 MC YoB tables – rated down 1 year
Female members' mortality	PA92 MC YoB tables - No age rating

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 assumed life expectations on retirement at age 65 are:

Males (females) currently aged 65	22.8 (24.8) years
Males (females) currently aged 45	24.0 (25.9) years

At the valuation date, the value of the assets of the scheme was £28,842.6 million and the value of the scheme's technical provisions was £28,135.3 million indicating a surplus of £707.3 million. The assets therefore were sufficient to cover 103% 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 71%. Under the Pension Protection Fund regulations introduced by the Pensions Act 2004 the Scheme was 107% funded; on a buy-out basis (ie assuming the Scheme had discontinued on the valuation date) the assets would have been approximately 79% 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 6.5% per annum based on spot yields, the actuary estimated that the funding level at 31 March 2008 was 104%.

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 except that the valuation rate of interest assumed asset outperformance over gilts of 1.7% per annum (compared to 2% per annum for the technical provisions) giving a discount rate of 6.1% per annum; also the allowance for promotional salary increases was not as high. Analysis has shown very variable levels of growth over and above general pay increases in recent years, and the salary growth assumption built into the cost of future accrual is based on more stable, historic, salary experience. However, when calculating the past service liabilities of the scheme, a cautionary reserve has been included, in addition, on account of the variability mentioned above.

The scheme-wide contribution rate required for future service benefits alone at the date of the valuation was 16% of pensionable salaries and the trustee company, on the advice of the actuary, increased the institution contribution rate to 16% of pensionable salaries from 1 October 2009.

Since 31 March 2008 global investment markets have continued to fluctuate and as at 31 March 2011 the market's assessment of inflation has increased slightly. The government has also announced a change to the inflation measure used in determining the "Official Pensions Index" from the Retail Prices Index to the Consumer Prices Index. The actuary has taken this all into account in his funding level estimates at 31 March 2011 by reducing the assumption for pension increases from 3.3% pa to 2.9% pa. The actuary has estimated that the funding level as at 31 March 2011 under the scheme specific funding regime had fallen from 103% to 98% (a deficit of circa £700 million). Over the past twelve months, the funding level has improved from 91%, as at 31 March 2010 to 98%. This estimate is based on the funding level at 31 March 2008, adjusted to reflect the fund's actual investment performance over the three years and changes in market conditions (market conditions affect both the valuation rate of interest and also the inflation assumption which in turn impacts on the salary and pension increase assumptions). The next formal valuation is as at 31 March 2011 and this will incorporate updated assumptions agreed by the trustee company.

With effect from 1 October 2011, new joiners to the scheme will join the new revalued benefits section rather than the existing final salary section. This change will have an impact, expected to be positive, on the future funding levels.

On the FRS17 basis, using an AA bond discount rate of 5.5% per annum based on spot yields, the actuary estimated that the funding level at 31 March 2011 was 86%. An estimate of the funding level measured on a buy-out basis at that date was approximately 54%.

NOTES TO THE ACCOUNTS
(continued)
Year ended 31 July 2011

30. **PENSIONS** (continued)

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

<i>Assumption</i>	<i>Change in assumption</i>	<i>Impact on scheme liabilities</i>
Valuation rate of interest	Increase/decrease by 0.5%	Decrease/Increase by £2.2 billion
Rate of pension increases	Increase/decrease by 0.5%	Increase/decrease by £1.5 billion
Rate of salary growth	Increase/decrease by 0.5%	Increase/decrease by £0.7 billion
Rate of mortality	More prudent assumption (move to long cohort future improvements from the medium cohort adopted at the valuation)	Increase by £1.6 billion

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

The trustee believes that over the long-term equity investment and investment in selected alternative asset classes will provide superior returns to other investment classes. The management structure and targets set are designed to give the fund a major exposure to equities through portfolios that are diversified both geographically and by sector. The trustee recognises that it would be theoretically possible to select investments producing income flows broadly similar to the estimated liability cash flows. However, in order to meet the long-term funding objective within a level of contributions that it considers the employers would be willing to make, the trustee needs to take on a degree of investment risk relative to the liabilities. This taking of investment risk seeks to target a greater return than the matching assets would provide whilst maintaining a prudent approach to meeting the fund's liabilities. Before deciding what degree of investment risk to take relative to the liabilities, the trustee receives advice from its internal investment team, its investment consultant and the scheme actuary, and considers the views of the employers. The strong positive cash flow of the scheme means that it is not necessary to realise investments to meet liabilities. The trustee believes that this, together with the ongoing flow of new entrants into the scheme and the strength of covenant of the employers enables it to take a long-term view of its investments. Short-term volatility of returns can be tolerated and need not feed through directly to the contribution rate although the trustee is mindful of the desirability of keeping the funding level on the scheme's technical provisions close to or above 100% thereby minimizing the risk of the introduction of deficit contributions. The actuary has confirmed that the scheme's cash flow is likely to remain positive for the next ten years or more.

The next formal triennial actuarial valuation is as at 31 March 2011 and will incorporate allowance for scheme benefit changes and any changes the trustee makes to the underlying actuarial assumptions. The contribution rate will be reviewed as part of each valuation and may be reviewed more frequently.

At 31 March 2011, USS had over 142,000 active members and the institution had 43 active members participating in the scheme.

The total pension cost for the institution was £391k (2010: £288k). This is *net of/includes £37k (2010: £36k) *prepaid/outstanding contributions at the balance sheet date. The contribution rate payable by the institution was 16% of pensionable salaries.

NOTES TO THE ACCOUNTS
(continued)
Year ended 31 July 2011

31 OTHER FUNDING

The University received additional funds from the funding councils (HEFCE and TDA) which it holds and distributes to either students or other educational partners.

	Access Funds (HEFCE) £	Life Long (HEFCE) £	Graduate (TDA) £
Balance as at 1 August 2010	18,926	114,561	1,742,523
Funds received	458,927	-	2,611,562
Disbursement of funds	(457,558)	(101,283)	(2,855,868)
Balance as at 31st July 2011	20,295	13,278	1,498,217

The unspent balance is held with creditors within deferred income and other creditors.

32 RELATED PARTY TRANSACTIONS

In the course of normal operations, related party transactions entered into by the University have been contracted on an arm's length basis during the year, in accordance with the University's financial regulations and procurement policy.

Transactions relating to franchised arrangements with South Thames College amounted to payments of £787k (2009/10: £510k), an organisation in which the principal Ms Sue Rimmer was a member of the Kingston University Governing Body from November 2009.

Grants were paid to Kingston University Students Union amounting to £678k (2009/10: £625k), an organisation in which the president, Mr TJ Esubiyi is a member of Kingston University Governing Body.

Transactions relating to franchised arrangements with St. Georges Hospital Medical School, an organisation in which the Principal, Professor Peter Kopelman is a member of the Kingston University Governing Body were as follows:

	2010/11 £000s	2009/10 £000s
Franchising income	356	273
Franchising costs	(365)	(335)
	(9)	(62)

33 CAPITAL COMMITMENTS - CONSOLIDATED & UNIVERSITY

	2010/11 £000s	2009/10 £000s
Capital expenditure contracted that has not been provided for in the financial statements	8,688	24,597
Capital expenditure that has been authorised by the Governing Body but has not yet been contracted for	7,132	-
	15,820	24,597