

*Financial Statements
for the
Year ending
31 July 2012*

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TREASURER’S REPORT

Results for the Year

The Income, Expenditure and Results for the year to 31 July 2012 are summarised as follows:

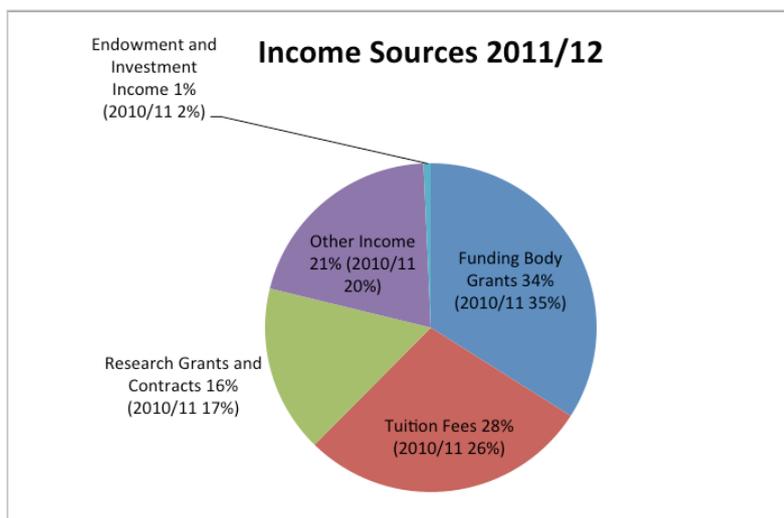
	2011/12 £'000	Restated 2010/11 £'000
Income	120,392	118,553
Expenditure	(119,769)	(117,496)
Surplus on Continuing Operations after Depreciation of Assets	623	1,057
Transfer to Accumulated Income within Endowment Funds	(116)	(2,035)
Surplus retained within General Reserves	507	(978)
Historical Cost Surplus	2,612	3,046

Against a challenging backdrop of significant cuts in recurrent Funding Council grant funding for 11/12 a budgeted operating surplus of £75k was submitted to HEFCW as part of the five year forecasts. This budgeted position included a surplus relating to the disposal of assets of £526k. This has been a transitional year, there was a conscious change in policy in 2011/12 surrounding asset disposals to ensure that assets are available to support the developing University strategy, and the actual surplus on continuing operations of £623k is not enhanced by asset sales.

Whilst the operating position is significantly below the University’s medium and long term financial return objectives it would be remiss of me not to highlight that there were some one-off costs incurred in 2011/12 in relation to legal and accountancy fees.

During the year income grew by 1.6%. The sources of are illustrated in the pie chart below. Aberystwyth has typically been more reliant on funding council grants than the average for the sector in Wales. In 2010/11 the sector average for the funding council grant as a percentage of total income was 33.45% with Aberystwyth University being at 35.15%. At a time of reductions in this stream of income it is important to note that in 2011/12 there has been a reduction in the percentage as a total of our income. Looking forward it will be essential to generate additional revenues from alternative sources and the strategy aims to meet this challenge in part by expanding recruitment in the unrestricted areas of postgraduate and overseas students.

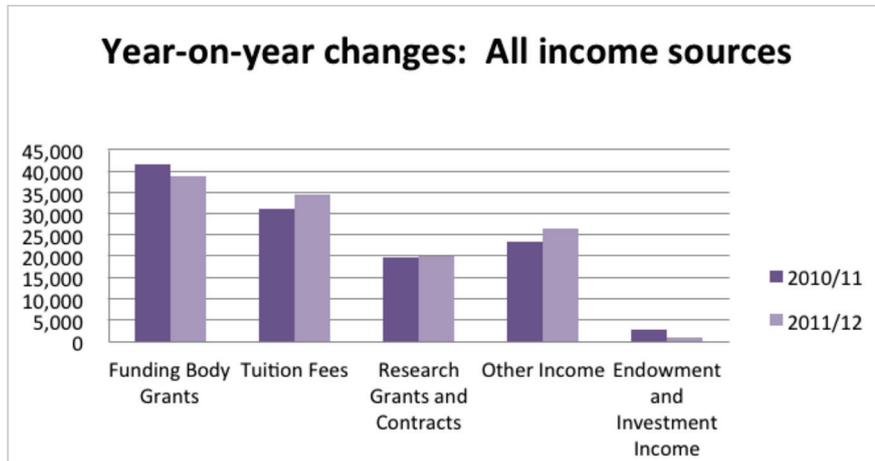
Income from Tuition Fees increased in total by £3,330k (10.7%) compared to the prior year. The main reason for the increased fees were that applications for places at Aberystwyth for entry in September 2011 were high which resulted in an over recruitment



above the HEFCW capped number of Home/EU Undergraduate students, this also had a positive impact on the income within Residential and Hospitality Services. Income from International students contributed £589k to the overall increase in tuition fee income.

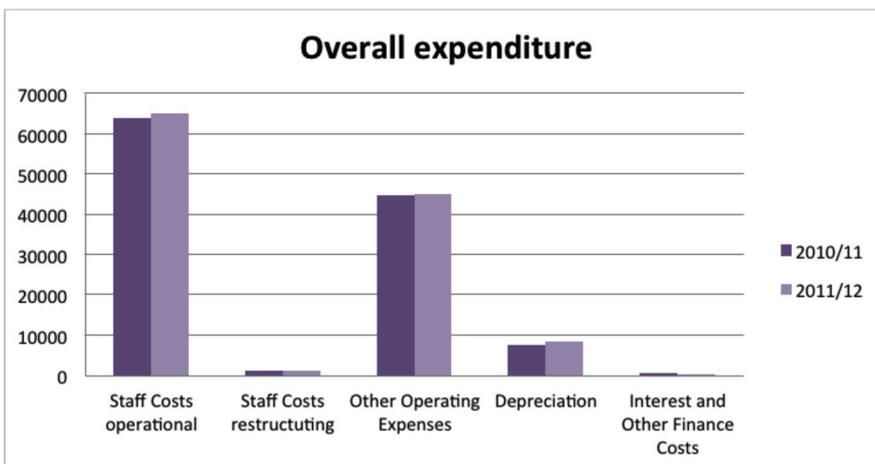
The level of gross income from research grant activities stayed broadly at the same level as the prior year, reflecting the tightening of budgets for the Research Councils and Government departments. The impact of the current funding environment on opportunities and data on current application levels, success rates and award levels will need to be closely monitored as this is a target area for growth in the 2012-2017 Strategic Plan.

TREASURER'S REPORT (continued)



Total expenditure increased by 2% during the year which was above the growth in income. There was a significant one off cost in 2011/12 and stripping this out from the total means that the increase in expenditure was in line with the overall increase in income.

Staff costs expressed as a percentage of total income at 54.8% is at broadly the same level as the prior year (2010/11 54.67%). In 2010/11 the sector average in Wales was 56.95%



Balance Sheet

The University balance sheet is strong which is a good indicator of our ability to withstand a financial shock; however it also indicates that we have the capacity for development. Aberystwyth currently has no debt on its Balance Sheet. A new University Estates Strategy is currently being finalised, with a programme of investment in both the academic and residential estate being planned. 2014/15 will see the opening of a new

student residence which will provide an attractive product that increases capacity and meets the expectations of our students in particular those in the potential new postgraduate and international markets and will increase the overall proportion of en-suite rooms to bring Aberystwyth University in line with its competitors. This will be a valuable resource that enhances and protects the 'residential campus experience' into the future.

There is also commitment to a programme of upgrades to teaching and laboratory spaces to ensure that staff and students have access to high quality, flexible spaces.

Combining planned routine refurbishment programmes alongside strategic investment will reduce our reactive maintenance and energy costs in the long term, ensuring that the estate is both financially and environmentally more sustainable for the future.

Expenditure of £14 million was incurred on buildings and equipment which was financed through a combination of capital grants and cash balances. The major projects completed during the year were the two new IBERS buildings at Penglais and Gogerddan, the refurbishment of Penbryn 5 to provide space for two academic departments and Rosser G, a new student accommodation block.

A provision is still being held in the accounts of £949k whilst negotiations with HMRC are on-going in respect of VAT liabilities relating to farm trading activities. It is hoped that there will be agreement soon and the University is optimistic about being able to release part of the provision in 2012/13.

TREASURER'S REPORT (continued)

Investment Performance

The administration and management of our endowment investments continues much as before. In overall terms, the portfolio total return was 3.5%.

This was a year in which the FTSE All Share Index returned 0.4%. One of our three UK equity funds exceeded this benchmark by achieving a return of 5.3%, whilst the other two with returns of -2.3% and -4.4% fell below the benchmark.

Our holding of corporate bonds underperformed the appropriate index – 6.8% compared with 10.5%. Our holding in property outperformed its index – 5.1% compared with 4.3%.

During the 2010/11 financial year money was shifted from two of the pooled funds in overseas and UK equities to two absolute return funds. This was done in the belief that in times of economic downturn especially, such funds are able to produce positive returns through their use of hedging and wider derivatives. Since then all the active equity funds have been sold and the money reinvested in index-tracking UK and Overseas equity funds. This has been done to address the volatility from individual managers' returns.

In 2011/12 the portfolio produced an income of £574K which is below our agreed target of £650K (Note 22).

Pensions

The pension deficit for Aberystwyth University Pension and Assurance Scheme (as measured by Financial Reporting Standard 17) increased from £17.7 million to £22.9 million. A deficit of this magnitude is a significant threat to long term sustainability. To mitigate this the University is reviewing the provision of pension benefits.

The University is currently working with its pension advisors in order to model potential changes in benefits to the scheme to ensure that the current liability is reduced and that costs can be controlled. The University wants to ensure that it provides a scheme that is affordable and sustainable for the long term and also that is attractive to staff.

Outlook

There have been very significant changes to the funding environment, the undergraduate fees regime and a strategic reallocation of numbers. Changes have already started to take place in the autumn of 2012. Anticipation and active management of risk is key to our strategy and financial sustainability.

A wholesale reconfiguration of academic departments is being undertaken by the University, reducing the number of budgetary units from 17 to 7. Alongside this there is continued review of the administrative support units, aiming to streamline our administrative processes. The University also continues to seek out areas where it can selectively disinvest in activities so that resources can be refocused to areas of need. The outcome will be a more effective and efficient institution, better equipped to generate financial surpluses in the future.

We remain well positioned for the challenges ahead but not complacent. The support of a clear Strategic Plan and supporting Financial Strategy will enable Aberystwyth to achieve its aim of becoming a leading UK institution, making an impact globally.

These accounts represent my first report following my appointment as Treasurer in January 2012. I would like to record my appreciation of Richard Morgan, my predecessor as Treasurer, for his stewardship of this office, and to the Interim Director of Finance, Head of Financial Services and the financial team for their work during the last academic year. I look forward to Mr Peter Curran taking appointment as Director of Finance in early 2013.

Dr Timothy Brain, OBE QPM BA Phd FRSA CCMi
Treasurer
6 November 2012

CORPORATE GOVERNANCE AND INTERNAL CONTROL

The University is committed to best practice in all aspects of corporate governance. This summary describes the manner in which the University has applied the principles set out in Section 1 of the Combined Code on Corporate Governance issued by the London Stock Exchange in June 1998. Its purpose is to help the reader of the financial statements to understand how the principles have been applied.

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

The University's Council is of the view that there is an ongoing process for identifying, evaluating and managing the university's significant risks, that it has been in place for the year ended 31 July 2012 and up to the date of approval of the annual report and financial statements, that it is regularly reviewed by the University's Council and that it accords with the internal control guidance for directors on the Combined Code as amended by the British Universities Finance Directors Group.

In accordance with the requirements of its Statutes, the University's Council comprises a number of ex officio, appointed, elected and co-opted lay and academic persons, the majority of whom are non-executive. The role of the Chairman of the Council is separated from the role of the University's Chief Executive, the Vice-Chancellor. The powers of the Council are set out in the Statutes of the University; by custom and under the Financial Memorandum with the Higher Education Funding Council for Wales, the Council holds to itself, inter alia, responsibility for the ongoing strategic direction of the University, approval of major developments and the receipt of regular minutes from its Committees on the day to day operations of its business and of its subsidiary companies.

The Council meets at least four times a year. Much of its detailed work is initially handled by several Committees, including a Finance and Strategy Committee, a Remuneration Committee, a Nominations Committee and an Audit Committee. All of these Committees are formally constituted with terms of reference and with members from the lay members of Council. The decisions of these Committees are reported to the Council.

The Audit Committee is responsible for meeting with the External Auditors to discuss audit findings, and with the Internal Auditors to consider detailed internal audit reports and recommendations for the improvement of the University's systems of internal control, together with management's responses and implementation plans. They also receive and consider reports from the Higher Education Funding Council for Wales as they affect the University's business and monitor adherence with the regulatory requirements. They review the University's annual financial statements together with the accounting policies. Whilst senior executives attend meetings of the Audit Committee as necessary, they are not members of the Committee, and the Committee may meet with the Auditors on their own for independent discussions.

The University's Council has established the Risk Management Committee which has set up a formal process for identifying, evaluating and managing significant risks faced by the University. This involves formally identifying the types of risks the University faces, prioritising them in terms of potential impact and likelihood of occurrence, and identifying means of mitigating the risks. The risks and associated controls are monitored on an ongoing basis with regular updates provided to the Risk Management Committee. The Committee meets twice a year and has prepared a corporate risk management register which is updated annually.

PUBLIC BENEFIT STATEMENT

Aberystwyth University is a registered charity and the registered number is 1145141. In setting and reviewing the University's objectives and activities, the University Council has due regard for the Charity Commission's general guidance on public benefit and supplementary guidance for charities established for educational purposes.

The activities through which the University delivers benefit to the public in accordance with its charitable objectives are in the advancement of learning by teaching and research and by giving special attention to the educational needs of Wales, having regard to the Welsh language and culture, economic development and social traditions of Wales.

Since 1872 the University has promoted excellence in research and teaching under its motto 'Nid byd, byd heb wybodaeth - A world without knowledge is no world at all'. It is our firm belief that the student experience should develop a passion for academic enquiry, learning and personal development which is both lifelong and life-changing. We value innovation and excellence in research in all fields and disciplines and we encourage an inter-disciplinary approach to seek solutions to global issues. We seek to break down barriers to education and work closely with the community to widen access to our provision.

Strategic Aims

The University's strategic aims are set out in its Strategic Plan for 2012-2017 which can be found at www.aber.ac.uk/en/strategicplan. These are set out below, together with an assessment of the public benefit which stems from the University's commitment to these:

Creating Opportunities - breaking down barriers to access, supporting students and staff to succeed and grow, embedding employability across our curriculum and promoting experiences that allow our students to test and develop their skills, valuing people and maximising their potential, reflecting social responsibility in all we do.

Bursaries - Aberystwyth University has a comprehensive range of valuable Bursaries, Entrance Scholarships and Awards which are open to students who are normally resident in the UK and the EU and provides a structure of financial support to ensure that students of all backgrounds can enjoy the benefits of Higher Education. A number of international excellence scholarships are also available. We work in close partnership with our student body, responding to feedback to ensure that the support packages we offer, including our bursary provision, respond to changing student needs.

Support for students and equal opportunities - Aberystwyth University provides a range of support for students to assist them in making the most of their time at University. This includes counselling and financial advice services, accessibility advice and support targeted at specific student groups including international students and students from a care background. We are committed to ensuring that Aberystwyth University is a welcoming space for staff and students of all backgrounds and we work with a range of organisations, including Stonewall, the Buttle Trust UK, Athena SWAN and the Welsh Language Commissioner to promote diversity and equal opportunity for all staff and students.

Widening participation - we believe that anyone who has the capacity to benefit from a university education should be enabled to do so. Our innovative approach to widening access includes projects aimed at raising school leaver aspirations, the flagship of which is our Summer University. Through this we offer a residential intensive Higher Education experience to students at risk of under performing, to encourage them to recognise their own potential. Other initiatives include the Expanding Horizons scheme through which local school pupils in year 11 can access weekly revision sessions in Maths and English and a week long residential Easter school, and the Taste of University Life initiative aimed at students in years 8 to 13, enabling them to visit and be introduced to University life.

Research with excellence that makes an impact : building on our research successes to make a difference by addressing global challenges and providing a way of understanding the future through the past.

Supporting research that addresses world issues - At Aberystwyth University we are proud to be conducting research that addresses the major challenges society faces. We continue to make an impact in the fight against famine, climate change, loss of biodiversity and disease. Collaborations between Aberystwyth University and researchers in Africa and India are leading to breakthroughs in the fight against famine, with the development of climate resistant crops. We actively contribute to international debates on global issues that affect us all, such as security, communications, cultural identity, literatures, histories and places.

PUBLIC BENEFIT STATEMENT (continued)

Public engagement with research through our science cafe and public lectures - Aberystwyth University supports public engagement with research through its Science Cafe series and public lectures, both of which are open to the public and comprise a programme of world-renowned speakers.

Teaching that inspires : enhancing our recognised world class student experience through investment in quality infrastructure and an excellent portfolio which emphasises employability and lifelong skills, equipping our students.

Lifelong learning and community learning - Aberystwyth University supports a range of projects for learning in the community. An extensive portfolio of part-time courses are offered in art, creative writing, ecology, food and nutrition, humanities, information technology, childhood studies and modern foreign languages. Many of these can be combined on study schemes which lead to a Certificate of Higher Education. In addition, a range of day events are held in local community centres, including events to celebrate International Women's Day and day course in art, creative writing and a 'Positive Path' programme of personal skills development. Work with local schools includes involvement with National Science and Engineering Week, through which local children can engage with the research being carried out by our academic staff and postgraduates, after school art classes and the 'Campus Kids' week long residential campus experience aimed at year 5 and 6 pupils from Communities First areas.

Engaging the world : building our international reputation, attracting students and staff from across the globe and working in collaboration with internationally - recognised partners.

Raising the international profile of West Wales - Aberystwyth University is a thriving international community, welcoming staff and students from over 90 countries worldwide and working in partnership with institutions, businesses and organisations across the world. The esteem in which Aberystwyth University is held by international students is proven by our repeated success in the International Student Barometer survey of student satisfaction. This, together with our engagement with international research projects and conferences contributes to our work to raise the international profile of West Wales and encourage the world to see West Wales as a destination of choice for study and for business.

Promoting the Welsh language - Aberystwyth University is fully aware of its special responsibility for furthering Welsh-medium education and is proud to have a branch of the Coleg Cymraeg Cenedlaethol established at Aberystwyth University. The presence of the Coleg will support our work in enriching our Welsh-medium provision and will also assist us in our commitment to the propagation of the cultural life of Wales.

Community work with a global reach – Our Arts Centre aims to provide a cultural facility that is welcoming to everyone. As part of this the centre runs one of the largest community arts programmes in Wales, encouraging people to get involved in stage, dance, the spoken and written word and the visual arts. The programme attracts c.100,000 attendees per year. The Centre itself attracts over 700,000 visitors annually and is a focus for professional and amateur performances and exhibitions in the locality. It hosts a truly international programme of performances and an annual Chinese New Year festival, run by the community. As well as providing performance and rehearsal space for local amateur groups, the Centre brings world-class professional performances to Wales, including participating in the New York Metropolitan, Bolshoi Ballet and National Theatre Live streaming events. Through the Arts Centre we are able to provide a cultural hub for the area where people can enjoy the best that world theatre, cinema and visual arts have to offer, whilst participating in the arts themselves through a broad range of classes, day courses and practitioner groups.

Working in partnership : collaborating with other universities, with the local community and Further Education, with employers and businesses and with our alumni, working in collaboration with internationally- recognised partners.

Community links and impact on the region - We work closely with a number of local partners, including the National Library of Wales, Coleg Ceredigion, local schools and community groups. We encourage our students to take all opportunities to work and volunteer with local groups and services and estimate that our students make an annual contribution of over 17,000 hours of volunteering in the local area. We acknowledge our responsibility to the community in which we are based and are committed to strengthening our local links, recognizing the important contribution we make to the sustainability and wealth creation of our region. Through the CADARN Skills Centre in collaboration with HEIs across the region we help to provide a range of continuing professional development courses.

PUBLIC BENEFIT STATEMENT (continued)

Investing in our future : growing our resources and investing in our environment to deliver on our strategic priorities, ensuring Aberystwyth University's future sustainability and growth.

Impact on local economy – We are the largest employer in the region and a major source of wealth creation. We are also an important customer for many of the region's businesses and we are committed to sustainable procurement which often uses local suppliers. We provide a range of services to local businesses including consultancy services, CPD courses, technology for business and business events through the Business Network and Skills Centre events.

Impact on local environment – We are fortunate to be located on a campus which overlooks one of the most beautiful coastline in the world and which is home to a wealth of plant and animal wildlife. Aberystwyth lies in the transition area of the Dyfi Biosphere, home to three Special Areas of Conservation and seven sites of Special Scientific Interest. We have set ourselves the challenge of 'greening' the University, improving our waste and water management, reducing our carbon footprint, embedding sustainability within the curriculum and supporting research into environmental issues which have an impact on the world, such as food and water security, flood risk and biodiversity.

RESPONSIBILITIES OF THE UNIVERSITY'S COUNCIL

In accordance with the University's Charter of Incorporation, the Council is responsible for the administration and management of the affairs of the University and is required to present audited financial statements for each financial year.

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

The Council is also responsible for the maintenance and integrity of the financial statements published on the University's website. It should also be noted that legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

In preparing the financial statements, the Council 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;
- financial statements are prepared on the going concern basis unless it is inappropriate to presume that the University will continue in operation. The Council is satisfied that the University has adequate resources to continue in operation for the foreseeable future: for this reason the going concern basis continues to be adopted in the preparation of the financial statements.

The Council has taken reasonable steps to:

- ensure that funds from the Higher Education Funding Council for Wales are used only for the purposes for which they have been given and in accordance with the Financial Memorandum with the Funding Council and any other conditions which the Funding Council may from time to time prescribe;
- ensure that there are appropriate financial and management controls in place to safeguard public funds and funds from other sources;
- safeguard the assets of the University and prevent and detect fraud and other irregularities;
- secure the economical, efficient and effective management of the University's resources and expenditure.

INDEPENDENT AUDITORS' REPORT TO THE COUNCIL OF ABERYSTWYTH UNIVERSITY

KPMG LLP
3 Assembly Square
Britannia Quay
Cardiff
CF10 4AX
United Kingdom

We have audited the University financial statements (the "financial statements") of Aberystwyth University for the year ended 31 July 2012 which comprise the Income and Expenditure Account, the University Balance Sheet, the Cash Flow Statement, the Statement of Total Recognised Gains and Losses 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 Council, in accordance with the Charters and Statutes of the University. Our audit work has been undertaken so that we might state to the Council those matters we are required to state to it in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Council for our audit work, for this report, or for the opinions we have formed.

Respective responsibilities of the Council and Auditor

As explained more fully in the Statement of Responsibilities of the Council Statement on page 8 the Council is responsible for the preparation of financial statements which give a true and fair view. Our responsibility is to audit, and express an opinion, on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors.

Scope of the audit of the financial statements

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

Opinion on financial statements

In our opinion the financial statements:

- give a true and fair view of the state of the affairs of the University as at 31 July 2012 and of the University's income and expenditure, recognised gains and losses and cash flows for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the Statement of Recommended Practice – Accounting for Further and Higher Education.

INDEPENDENT AUDITORS' REPORT (continued)

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

In our opinion, in all material respects:

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

Matters on which we are required to report by exception

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

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

T Rees

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

STATEMENT OF PRINCIPAL ACCOUNTING POLICIES

1 BASIS OF PREPARATION

- 1.1 The financial statements have been prepared under the historical cost convention, as modified by the revaluation of land and buildings, and in accordance with both the Statement of Recommended Practice: Accounting for Further and Higher Education (SORP), applicable Accounting Standards and the Accounts Direction issued by HEFCW.
- 1.2 Consolidated financial statements incorporating the University's subsidiary companies, Abertec Ltd, See3D Ltd and Khaydor Ltd have not been prepared because the results and assets and liabilities of these companies are not considered to be material.
- 1.3 The financial statements do not include those of the Aberystwyth Guild of Students in which the University has no proprietary financial interest and no control or significant influence over policy decisions.
- 1.4 The financial statements have been prepared on a going concern basis.

2 RECOGNITION OF INCOME

- 2.1 Income from Research Grants and Contracts and other restricted sources is included to the extent of the completion of the contract or service concerned. This is generally equivalent to the expenditure incurred during the year, together with related contributions towards overhead costs.
- 2.2 Income from tuition fees is recognised in the period for which it is received and includes all fees chargeable to students or their sponsors. The costs of any fees waived by the University are included as expenditure. Bursaries and Scholarships are accounted for as a cost within expenditure.
- 2.3 Charitable Donations are recognised in the accounts when the charitable donation has been received or if, before receipt, there is sufficient evidence to provide the necessary certainty that the donation will be received and the value of the incoming resources can be measured with sufficient reliability.
- 2.4 Where charitable donations are to be retained for the benefit of the institution as specified by the donors, these are accounted for as endowments. There are three main types:
 - (i) Unrestricted Permanent Endowments - the donor has specified that the fund is to be permanently invested to generate an income stream for the general benefit of the University.
 - (ii) Restricted Permanent Endowments - the donor has specified that the fund is to be permanently invested to generate an income stream to be applied to a particular objective.
 - (iii) Restricted Expendable Endowments - the donor has specified a particular objective other than the purchase or construction of tangible fixed assets, and the institution can convert the donated sum into income.

Where the donors wishes are unclear or unknown relating to donations received prior to 1 August 2007 the donations have continued to be accounted for as Permanent Endowments in accordance with the accounting practice adopted when the funds were established.

- 2.5 Recurrent grants from the Funding Councils are recognised in the period in which they are receivable.
- 2.6 Non-recurrent grants from the Funding Councils or other bodies received in respect of acquisition or construction of fixed assets are treated as deferred capital grants and amortised in line with depreciation over the life of the assets. Non-recurrent grants for specific purposes are recognised as they are expended, any unexpended elements are treated as deferred income.
- 2.7 All income from short-term deposits is credited to the income and expenditure account in the period which it is earned.

STATEMENT OF PRINCIPAL ACCOUNTING POLICIES (continued)

3 LAND AND BUILDINGS

- 3.1 The University's freehold and leasehold property was revalued on a depreciated replacement value basis as at 31 July 1994. Under the provisions of FRS 15 these assets continue to be carried at the 1994 valuation. Subsequent additions are held at cost.

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

Capitalised buildings are depreciated over their useful economic life according to their constituent parts as follows:

Long term e.g. foundations & structure	40 to 60 years
Medium Term e.g. services	10 to 30 years
Short Term e.g. internal fittings	5 to 10 years

These rates have been implemented for all new buildings with effect from 1st August 2011.

Prior to 1st August 2011 buildings were depreciated over 40 years on a straight line basis from the date of valuation or subsequent acquisition.

Major replacement and refurbishment work is capitalised if the work creates or enhances an existing asset, or improves or substantially overhauls an asset. The costs of refurbishments are capitalised and depreciated over varying periods of up to a maximum of 15 years.

- 3.2 Where buildings are acquired with the aid of specific grants they are capitalised and depreciated as above. The related grants are treated as deferred capital grants and released to income over the expected useful life of the buildings.
- 3.3 No depreciation is charged on assets in the course of construction, which are accounted for at cost.

4 EQUIPMENT

- 4.1 Equipment costing less than £10,000 per individual item is written off in the year of acquisition. All other equipment is capitalised.
- 4.2 Capitalised equipment is stated at cost and depreciated on a straight line basis over its expected useful life of five years other than equipment acquired for specific research projects which is depreciated over the life of the project (generally three years).
- 4.3 Where equipment is acquired with the aid of specific grants it is capitalised and depreciated as above. The related grants are treated as deferred capital grants and released to income over the expected useful life of the equipment.

5 HERITAGE ASSETS

Heritage assets represent paintings, works of art and ceramics held by the University. They are held and maintained principally for their contribution to knowledge and culture. Those items valued at over £10,000 have been capitalised and recognised at the cost or value of acquisition, where such a cost or valuation is reasonably obtainable. Heritage assets are not depreciated since their long economic life and high residual value mean that any depreciation would not be material.

Any costs incurred relating to the restoration or conservation of these assets is included in the Income and Expenditure Account in the year in which it is incurred.

STATEMENT OF PRINCIPAL ACCOUNTING POLICIES (continued)

6 MAINTENANCE OF PREMISES

The University has a rolling maintenance plan which is reviewed on an annual basis. The cost of routine corrective maintenance is charged to the Income and Expenditure Account.

7 STOCKS

Stocks, with the exception of farm stocks, are stated at the lower of cost and net realisable value. Farm stocks are included on the basis of a professional market valuation. Stocks held in teaching and service departments, other than Maintenance and Printing Stores, are not included.

8 INVESTMENTS

8.1 Fixed Asset Investments are included in the financial statements at cost less any provision for impairment.

8.2 Endowment Asset Investments are included in the financial statements at their market value. Endowment Asset Property was revalued on a depreciated replacement value basis as at 31 July 1994.

9 TAXATION

The University is an exempt charity within the meaning of schedule 2 of the Charities Act 1993 and as such is a charity within the meaning of para 1 of Schedule 6 to the Finance Act 2010. Accordingly the University is potentially exempt from taxation in respect of income or capital gains received within categories covered by sections 478-488 of the Corporation Tax Act 2010 (CTA 2010) (formerly enacted in section 505 of the Income and Corporation Taxes Act 1998 (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. Provision is made for deferred taxation in respect of subsidiary companies using the liability method.

10 PENSION ARRANGEMENTS

The University participates in three separate Pension Schemes; the Universities Superannuation Scheme, the Dyfed Pension Fund, and the Aberystwyth University Pension and Assurance Scheme. The latter Schemes provide benefits for those staff who are not eligible for membership of USS. The Schemes are defined benefit Schemes which are contracted out of the State Second Pension. The Funds are valued every three years by professionally qualified independent actuaries, the rates of contribution payable being determined by the trustees on the advice of the actuaries. In the intervening years, the actuaries review the progress of the Schemes. Pension costs are assessed in accordance with the advice of the actuaries, based on the latest actuarial valuations of the Schemes.

The University is unable to identify its share of the underlying assets and liabilities of the Universities Superannuation 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 University has fully adopted accounting standard FRS 17 "Retirement Benefits" for the Dyfed Pension Fund and the Aberystwyth University Pension and Assurance Scheme.

STATEMENT OF PRINCIPAL ACCOUNTING POLICIES (continued)

11 PROVISIONS AND CONTINGENT LIABILITIES

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

Contingent liabilities are disclosed by way of a note, when the definition of a provision is not met and includes three scenarios: possible rather than present obligation; a possible rather than a probable outflow of economic benefits; an inability to measure the economic outflow.

12 CASH FLOWS AND LIQUID RESOURCES

Cash flows comprise increases or decreases in cash. Cash includes cash in hand, deposits repayable on demand and overdrafts. Deposits are repayable on demand if they are in practice available within 24 hours without penalty. No investments, however liquid, are included as cash.

Liquid resources comprise assets held as a readily disposable store of value. They include term deposits, government securities and loan stock held as part of the University's treasury management activities. They exclude any such assets held as Endowment Assets Investments.

13 LEASES

All leases are operating leases and the rental charges are taken to the profit and loss account on a straight line basis over the life of the lease.

14 CHANGES IN ACCOUNTING POLICY AND PRIOR YEAR ADJUSTMENT

The 31 July 2011 income and expenditure account has been restated to correct reserves balances in respect of Endowment Assets sales in 2010/11. The effect on the comparative year is as follows:

- To restate the amount retained within general reserves by £1.6 million. This results in the net assets at 31 July 2011 being reduced by £1.6 million being bank overdraft increasing by £1.6m to reflect the sale proceeds due to the endowment fund.

A restated movement in general reserves is included in note 17.

INCOME AND EXPENDITURE ACCOUNT for the year ended 31 July 2012

		2012	RESTATED 2011
		£'000	£'000
INCOME	Note		
Funding Body Grants	1	38,667	41,666
Tuition Fees	2	34,389	31,059
Research Grants and Contracts	3	19,942	19,824
Other Income	4	26,502	23,328
Endowment and Investment Income	5	892	2,676
Total Income		<u>120,392</u>	<u>118,553</u>
EXPENDITURE			
Staff Costs - Operational	6	64,995	63,852
- Restructuring	6	1,024	960
Other Operating Expenses	8	45,081	44,609
Depreciation	8	8,428	7,529
Interest and Other Finance Costs	7	241	546
Total Expenditure	8	<u>119,769</u>	<u>117,496</u>
Surplus on Continuing Operations after Depreciation of Assets and Before and After Tax		623	1,057
Surplus transferred to Accumulated Income within Endowment Funds		(116)	(2,035)
Surplus/(Deficit) retained within General Reserves	17	<u>507</u>	<u>(978)</u>

The Income and Expenditure Account is in respect of continuing activities.

NOTE OF HISTORICAL COST SURPLUSES AND DEFICITS for the year ended 31 July 2012

		2012	2011
		£'000	£'000
Surplus on Continuing Operations after Depreciation of Assets, Disposal of Assets and Before and After Tax		623	1,057
Difference between an Historical Cost Depreciation Charge and the Actual Depreciation Charge for the Year Calculated on the Revalued Amount	18	1,990	1,989
Release of Property Revaluation Gains of Previous Years	18	-	-
HISTORICAL COST SURPLUS AFTER TAX		<u>2,613</u>	<u>3,046</u>

BALANCE SHEET as at 31 July 2012

		2012	RESTATED 2011
	Note	£'000	£'000
FIXED ASSETS			
Tangible Assets	9	152,914	147,088
Investments		166	115
ENDOWMENT ASSETS			
	10	37,968	37,062
CURRENT ASSETS			
Stocks		2,158	2,457
Debtors: Due within one year	11	20,371	23,079
Debtors: Due after more than one year	11	156	156
Total Debtors		20,527	23,235
Investments - Cash Deposits		11,216	10,371
Cash at Bank and in Hand		5,012	9,823
		<u>38,913</u>	<u>45,886</u>
CURRENT LIABILITIES			
Creditors: Amounts falling due within one year	12	(27,256)	(30,333)
Bank Overdraft		(5,839)	(6,499)
		<u>(33,095)</u>	<u>(36,832)</u>
NET CURRENT ASSETS			
		<u>5,818</u>	<u>9,054</u>
TOTAL ASSETS LESS CURRENT LIABILITIES			
Creditors: Amounts falling due after more than one year	13	(10,181)	(10,859)
Provisions for liabilities and charges	14	(949)	(949)
NET ASSETS EXCLUDING PENSIONS LIABILITY			
		185,736	181,511
PENSIONS LIABILITY			
	25	(24,336)	(18,603)
NET ASSETS INCLUDING PENSIONS LIABILITY			
		<u>161,400</u>	<u>162,908</u>
DEFERRED CAPITAL GRANTS			
	15	52,240	48,921
ENDOWMENTS			
Expendable	16	62	60
Permanent	16	37,906	37,002
		<u>37,968</u>	<u>37,062</u>
RESERVES			
General Reserves excluding Pension Reserve		51,606	49,616
Pension Reserve	25	(24,336)	(18,603)
General Reserves including Pension Reserve	17	27,270	31,013
Revaluation Reserve	18	43,922	45,912
		<u>71,192</u>	<u>76,925</u>
TOTAL			
		<u>161,400</u>	<u>162,908</u>

The financial statements on pages 9 to 44 were approved by Council on 10 December 2012 and signed on its behalf by:

Dr Timothy Brain, Treasurer

Professor April McMahon, Vice Chancellor

STATEMENT OF TOTAL RECOGNISED GAINS AND LOSSES for the year ended 31 July 2012

	Note	2012 £'000	2011 £'000
Surplus on Continuing Operations after Depreciation of Assets, Disposal of Assets and Tax		623	1,057
Prior Year Adjustment:			
Unrealised Surplus on Heritage Assets	9	0	1,347
Adjustment in respect of Endowment Asset sales		(1,699)	
Appreciation of Endowment Investments	16	411	4,162
New Endowments	16	379	488
Actuarial Gain/(Loss) on Pension Schemes	25	(6,240)	4,222
TOTAL RECOGNISED GAINS/(LOSSES) FOR THE YEAR		<u>(6,526)</u>	<u>11,276</u>
Reconciliation:			
Opening Reserves and Endowments as previously reported		115,686	
Prior Year Adjustment in Respect of Endowment Assets		(1,699)	
Other Recognised Losses for the Year		(4,827)	
Total Recognised Losses for the Year		<u>(6,526)</u>	
Closing Reserves and Endowments		<u>109,160</u>	

CASH FLOW STATEMENT for the year ended 31 July 2012

		2012	RESTATED 2011
	Note	£'000	£'000
Net Cash Inflow from Operating Activities	21	2,831	6,139
Returns on Investments and Servicing of Finance	22	892	1,037
Capital Expenditure and Financial Investment	23	(6,563)	(3,688)
Cash Inflow/(Outflow) before Use of Liquid Resources and Financing		(2,840)	3,488
Management of Liquid Resources	24	(845)	5,415
(Decrease)/Increase in Cash	24	(3,685)	8,903

RECONCILIATION OF NET CASH FLOW TO MOVEMENT IN NET FUNDS

		2012	RESTATED 2011
		£'000	£'000
(Decrease)/Increase in Cash in the Year	24	(3,685)	8,903
Cash Flow from Liquid Resources	24	845	(5,415)
Change in Net Funds		(2,840)	3,488
Net Funds at 1 August		22,071	18,583
Net Funds at 31 July	24	19,231	22,071

NOTES TO THE FINANCIAL STATEMENTS

	2012 £'000	2011 £'000
1) FUNDING BODY GRANTS		
Higher Education Funding Council for Wales		
Recurrent Grant	28,876	31,245
Specific Grants	6,985	7,731
Deferred Capital Grants Released in Year		
Buildings (Note 15)	981	600
Equipment (Note 15)	984	1,245
Welsh Assembly Government Department of Children, Education, Lifelong Learning and Skills	841	845
	<u>38,667</u>	<u>41,666</u>
2) TUITION FEES		
Full-time Home and EU Students	27,453	24,697
Full-time International Students	4,958	4,369
Part-time Students	1,075	1,332
Short Course and Other Fees	903	661
	<u>34,389</u>	<u>31,059</u>
3) RESEARCH GRANTS AND CONTRACTS		
Research Councils and Charities	9,786	10,462
Industry and Commerce	1,827	1,227
Governmental	8,201	7,177
Other Grants and Contracts	128	958
	<u>19,942</u>	<u>19,824</u>
4) OTHER INCOME		
Residences, Catering and Conferences (Note 27)	9,464	8,440
Other Services Rendered	3,611	3,083
Arts Centre (Note 28)	3,800	4,238
Farms	2,134	1,933
Released from Deferred Capital Grants (Note 15)	2,028	1,657
Other Income	5,465	3,977
	<u>26,502</u>	<u>23,328</u>
5) ENDOWMENT AND INVESTMENT INCOME		
Surplus on Sale of Assets	0	1,639
Other Income from Endowments (Note 16)	574	720
Income from Short-term Investments	318	317
	<u>892</u>	<u>2,676</u>

NOTES TO THE FINANCIAL STATEMENTS (continued)

	2012	2011
	£'000	£'000
6) STAFF COSTS		
Staff Costs - Operational		
Wages and Salaries	52,781	51,766
Social Security Costs	4,003	3,982
Other Pension Costs (Note 25)	8,211	8,104
Total Staff Costs (Note 8)	<u>64,995</u>	<u>63,852</u>
Staff Costs - Restructuring:		
Payments made during the year	<u>1,024</u>	960
Emoluments of the Vice-Chancellor		
Salary	208	195
Pension Contributions	22	31
	<u>230</u>	<u>226</u>

The number of staff, including the Vice-Chancellor, who received emoluments in the following ranges was:

	2012	2011
	<u>Number</u>	<u>Number</u>
£100,000-£109,999	1	4
£120,000-£129,999	1	1
£130,000-£139,999	1	1
£200,000-£209,999	2	0
£220,000-£229,999	1	1

The emoluments of the Vice-Chancellor and other higher paid staff include employer's pension contributions to the Universities Superannuation Scheme which are paid at the same rate as for other academic and related staff.

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

	2012	2011
	<u>Number</u>	<u>Number</u>
Academic Teaching and Research	561	618
Technical, Administrative and Support	1,082	1,059
	<u>1,643</u>	<u>1,677</u>
7) INTEREST AND OTHER FINANCE COSTS		
Net charge on Pension Scheme (Note 25)	<u>241</u>	<u>546</u>

NOTES TO THE FINANCIAL STATEMENTS (continued)

8) ANALYSIS OF TOTAL EXPENDITURE BY ACTIVITY

	Staff Costs			Other Operating Expenses	Interest Payable	2012 Total	2011 Total
	Operat- ional	Restruct- uring	Depre- ciation				
	£'000	£'000	£'000	£'000	£'000	£'000	£'000
Academic Departments	32,510	1	1,447	8,611	0	42,569	42,799
Academic Services	4,375	0	83	2,603	0	7,061	7,897
Research Grants and Contracts	7,737	1	705	6,139	0	14,582	13,033
Residences, Catering and Conferences (Note 27)	3,522	0	230	4,608	0	8,360	7,849
Premises	3,738	0	5,411	4,659	0	13,808	13,223
General Education Expenditure	2,515	4	51	10,092	0	12,662	12,127
Administration	5,950	5	138	1,865	0	7,958	6,931
Student and Staff Facilities and Amenities	2,255	0	56	544	0	2,855	3,337
Other Services Rendered	1,049	0	3	1,577	0	2,629	2,578
Arts Centre (Note 28)	1,769	0	200	1,854	0	3,823	4,387
Auditors' Remuneration	0	0	0	61	0	61	30
FRS 17 Adjustment to Pension Costs	(748)	0	0	0	241	(507)	0
Other Expenses	323	1,013	104	2,468	0	3,908	3,305
	64,995	1,024	8,428	45,081	241	119,769	117,496

Other Expenses include remuneration paid to the University's External Auditors for non audit services amounting to £55,200 (2010/11: £25,500). These fees were for the following services:

Audit related services:

Audit of specific grants and audit of funding data: £35,400 (2010/11: £11,500)

Tax services:

Preparation of corporation tax computations: £19,800 (2010/11: £14,000)

Payments to Members of the University's Council:

No member of Council has received any remuneration from the University for acting as a member of Council during the year (2010/11: NIL). Members of the University staff appointed to the Council do not receive any additional remuneration in respect of their membership of the Council.

No member of Council has received payment for other services provided to the University, other than under a contract of employment for members of Council who are also University employees, during the year (2010/11: Nil).

The total expenses paid to or on behalf of 9 Council members was £12,300 (2010/11: £11,400 to 10 Council members). This represents travel and subsistence expenses incurred in attending Council and other meetings in their official capacity.

NOTES TO THE FINANCIAL STATEMENTS (continued)

9) TANGIBLE FIXED ASSETS

	Land and Buildings		Equipment	Heritage Assets	Total
	Freehold £'000	Long Leasehold £'000			
COST OR VALUATION					
At 1 August 2012					
Valuation	130,489	2,981	0	1,347	134,817
Cost	63,075	0	36,940	0	100,015
Additions at Cost	12,768	0	1,486	0	14,254
At 31 July 2012	<u>206,332</u>	<u>2,981</u>	<u>38,426</u>	<u>1,347</u>	<u>249,086</u>
Valuation	130,489	2,981	0	1,347	134,817
Cost	<u>75,843</u>	<u>0</u>	<u>38,426</u>	<u>0</u>	<u>114,269</u>
	<u>206,332</u>	<u>2,981</u>	<u>38,426</u>	<u>1,347</u>	<u>249,086</u>
DEPRECIATION					
At 1 August 2011	58,689	413	28,642	0	87,744
Charge for the Year	5,685	74	2,669	0	8,428
At 31 July 2012	<u>63,374</u>	<u>487</u>	<u>31,311</u>	<u>0</u>	<u>96,172</u>
NET BOOK VALUE					
At 31 July 2012	<u>141,958</u>	<u>2,494</u>	<u>7,115</u>	<u>1,347</u>	<u>152,914</u>
At 1 August 2011	<u>134,875</u>	<u>2,568</u>	<u>8,298</u>	<u>1,347</u>	<u>147,088</u>

University property was valued as at 31 July 1994 on a depreciated replacement value basis by the Buildings Officer, Mr P. S. Robinson FRICS, except where market value for existing use was available, in which case that value has been used. Property transferred from the Welsh Agricultural College was valued on the same basis as at 1 March 1995.

Land and Buildings acquired from IGER were valued on the same basis by Mr J. H. Jones FRICS, an independent external valuer, in accordance with the RICS appraisal and evaluation manual. The lease of the leasehold property acquired from IGER extends to 31 March 2015 with an option to renew for a further term of seven years.

Heritage Assets refer to the University's Fine Art Collection which was valued in March 2011 by Webb Valuations Fine Art Ltd.

NOTES TO THE FINANCIAL STATEMENTS (continued)

	2012	2011
	£'000	£'000
10) ENDOWMENT ASSETS		
Balance at 1 August	37,062	32,077
Additions to Investments	379	488
Appreciation on Revaluation (Note 16)	411	4,162
Increase in Revenue Balances	116	335
Balance at 31 July	<u>37,968</u>	<u>37,062</u>
Represented by:		
Fixed Interest Stocks	5,831	5,544
Equities	19,423	19,353
Property Unit Trust	1,080	1,074
Bank Balances	1,074	646
Total Investments (Note 30)	<u>27,408</u>	<u>26,617</u>
Land and Property	2,654	2,654
Revenue Balances	7,907	7,791
	<u>37,969</u>	<u>37,062</u>
11) DEBTORS		
Amounts falling due within one year:		
Trade and Other Debtors	9,798	9,642
Research Balances	8,543	7,603
Prepayments and Accrued Income	2,071	5,532
Icelandic Bank Deposits	-	302
	<u>20,371</u>	<u>23,079</u>
Amounts falling due after more than one year:		
Loan to Guild of Students	<u>156</u>	<u>156</u>
12) CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR		
Unsecured Loans	39	39
Payments Received on Account	660	754
Trade and Other Creditors	10,598	7,852
Social Security and Other Taxation Payments	998	1,424
Research Grant Balances	4,430	1,228
Deferred Income from Student Village Lease	679	679
Accruals and other Deferred Income	9,852	18,357
	<u>27,256</u>	<u>30,333</u>

NOTES TO THE FINANCIAL STATEMENTS (continued)

	2012 £'000	2011 £'000
13) ACCRUALS AND DEFERRED INCOME		
Deferred Income from Student Village Lease	10,181	10,859
	10,181	10,859

The Deferred Income from the Student Village Lease relates to the consideration received on the 25 year lease of student accommodation to Tai Cartrefi Cyf.

Under the terms of the arrangement, the properties have been leased to Tai Cartrefi Cyf for a period of 25 years for total consideration of £16.9 million. In return, Tai Cartrefi Cyf is guaranteed an income stream from the letting of the properties for the duration of the lease.

A number of factors within the arrangement result in the University retaining some of the risks and rewards of ownership of the properties throughout the period of the lease. The University retains the freehold to the properties which are the subject of the lease, and at the end of the 25 year agreement they revert back to the University for £nil consideration.

The £16.9 million consideration received by the University has been treated as deferred income and is being released to the income and expenditure account on a straight line basis over the period of the lease.

		£'000
14) PROVISIONS FOR LIABILITIES AND CHARGES		
At 1 August 2011		949
Income and Expenditure Account		-
At 31 July 2012		949

The provision relates to the University's best estimate of liabilities in respect of farm trading activities including VAT liabilities to HMRC

	Funding Council £'000	Other Grants £'000	Total £'000
15) DEFERRED CAPITAL GRANTS			
At 1 August 2011			
Buildings	16,520	28,011	44,531
Equipment	2,729	1,661	4,390
Total	19,249	29,672	48,921
Cash Received			
Buildings	5,960	200	6,160
Equipment	255	897	1,152
Total	6,215	1,097	7,312
Released to Income and Expenditure Account			
Buildings (Note 1)	981	977	1,958
Equipment (Note 1)	984	1,051	2,035
Total	1,965	2,028	3,993
At 31 July 2012			
Buildings	21,499	27,234	48,733
Equipment	2,000	1,507	3,507
Total	23,499	28,741	52,240

NOTES TO THE FINANCIAL STATEMENTS (continued)

16) ENDOWMENTS	Unrestricted Permanent £'000	Restricted Permanent £'000	Total Permanent £'000	Restricted Expendable £'000	Total £'000
At 1 August 2011	19,301	17,701	37,002	60	37,062
New Endowments		379	379		379
Investment Income	272	301	573	1	574
Expenditure	(145)	(313)	(458)		(458)
	127	12	115	1	116
 Increase in Market Value of Investments	 202	 208	 410	 1	 411
 At 31 July 2012	 <u>19,630</u>	 <u>18,276</u>	 <u>37,906</u>	 <u>62</u>	 <u>37,968</u>

17) MOVEMENT ON GENERAL RESERVES	2012 £'000	RESTATED 2011 £'000
At 1 August	31,013	25,779
Surplus on Continuing Operations before transfer from Revaluation Reserve	507	722
Prior Year Adjustment		(1,699)
Transfer from Revaluation Reserve (Note 18)	1,990	1,989
Actuarial (Loss)/Gain on Pension Scheme Liability (Note 25)	(6,240)	4,222
At 31 July	<u>27,270</u>	<u>31,013</u>
 18) REVALUATION RESERVE	 2012 £'000	 2011 £'000
At 1 August	45,912	47,901
Transfer from Revaluation Reserve to Other Reserves in respect of: Depreciation on Revalued Assets	(1,990)	(1,989)
At 31 July	<u>43,922</u>	<u>45,912</u>

NOTES TO THE FINANCIAL STATEMENTS (continued)

	2012 £'000	2011 £'000
19) COMMITMENTS		
i) Capital Commitments:		
contracted at 31 July	-	16,486
authorised but not contracted at 31 July	-	-
	-	16,486
ii) Annual commitments under non-cancellable operating leases on Land and Buildings which expire after five years	302	302

20) RELATED PARTIES

ABERYSTWYTH UNIVERSITY PENSION AND ASSURANCE SCHEME (AUPAS)

The University runs a payroll service on behalf of AUPAS for which no administrative cost recharges are made. Pensions are paid by the University on behalf of the scheme which are reimbursed on a periodic basis without any interest charges. The Pension Scheme debtor at the year end was £4,237,524 (2010/11 debtor £3,467,745).

SUBSIDIARY COMPANIES

Abertec Ltd

The University owns the whole of the issued share capital of Abertec Limited, a company registered in England and Wales, and performs research contract work on its behalf. The Abertec Limited debtor at year end was £37,000 (2010/11 £160,000). Additionally the University provided the company with a loan of £142,000 of which £126,748 was outstanding at the year end.

See3D Ltd

The University owns 75% of the issued share capital of See3D Limited, a company registered in England and Wales. During the year £Nil (2010/11 £Nil) rental income was received by the University from See3D Ltd and £Nil (2010/11 £Nil) was due to See3D Ltd at the year end.

Khaydor Ltd

The University owns 100% of Khaydor Ltd, a company registered in England and Wales. There are no related party transactions or balances requiring disclosure.

These companies' financial statements have not been consolidated with the University financial statements (Accounting Policy 1.2).

The results and net assets and liabilities are set out below:

	Abertec Ltd		See3D Ltd	
	2012 £'000	2011 £'000	2012 £'000	2011 £'000
Summarised Profit and Loss Account				
Turnover	303	233	166	186
Interest Receivable		0		0
Expenditure	(263)	(220)	(180)	(204)
Taxation		0		0
Profit/(Loss) for the year after taxation	40	13	(14)	(18)
Summarised Balance Sheet				
Fixed Assets		0	0	2
Net Current Assets/(Liabilities)	18	(22)	95	110
Net Assets/(Liabilities)	18	(22)	95	112
Capital and Reserves	18	(22)	95	112

NOTES TO THE FINANCIAL STATEMENTS (continued)

24) ANALYSIS OF CHANGES IN NET FUNDS	At 1 August 2011 £'000	Cash Flows £'000	At 31 July 2012 £'000
Cash at Bank and Cash in Hand	9,823	(4,811)	5,012
Endowments Cash included in Endowments Revenue Balances	8,376	466	8,842
Bank Overdraft	(6,499)	660	(5,839)
	<u>11,700</u>	<u>(3,685)</u>	<u>8,015</u>
Current Asset Investments	10,371	845	11,216
Total	<u>22,071</u>	<u>(2,840)</u>	<u>19,231</u>

25) PENSION SCHEMES

The University participates in three separate Pension Schemes; the Universities Superannuation Scheme (USS), the Dyfed Pension Fund (DPF), and the Aberystwyth University Pension and Assurance Scheme (AUPAS).

The total pension cost for the University was:

	2012 £'000	2011 £'000
USS contributions paid	5,558	5,562
AUPAS charge to the Income & Expenditure Account	2,603	2,485
DPF charge to the Income & Expenditure Account	50	57
	<u>8,211</u>	<u>8,104</u>

THE UNIVERSITIES SUPERANNUATION SCHEME

The institution participates in the Universities Superannuation Scheme (USS), a defined benefit scheme which is externally funded and contracted out of the State Second Pension. The assets of the scheme are held in a separate trustee-administered fund, Universities Superannuation Scheme Limited. 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 2011. This was the second valuation for USS under the scheme-specific funding regime introduced by the Pensions Act 2004, which requires schemes to adopt a statutory funding objective, which is to have sufficient and appropriate assets to cover their technical provisions. The actuary also carries out regular review 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 2012 are also included in this note.

The triennial valuation was carried out using the projected unit method. The assumptions which have had the most significant effect on the result of the valuation are those relating to the rate of return on investments (i.e. the valuation rate of interest), the rates of increase in salary and pensions and the assumed rate of mortality. The financial assumptions were derived from market yields prevailing at the valuation date. An "inflation risk premium" adjustment was also included

NOTES TO THE FINANCIAL STATEMENTS (continued)

25) PENSION SCHEMES (continued)

THE UNIVERSITIES SUPERANNUATION SCHEME (continued)

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 (Consumer Prices Index) which corresponds broadly to 2.75% for RPI (Retail Prices Index) per annum).

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

Standard mortality tables were used as follows:

Male members' mortality: S1NA YoB tables – No age rating.

Female members' mortality: S1NA YoB tables – Rated down 1 year.

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

Males(females) currently aged 65 23.7(25.6) years

Males(females) currently aged 45 25.5(27.6) years

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

The actuary also valued the scheme on a number of other bases as at the valuation date. On the scheme's historic gilts basis, using a valuation rate of interest in respect of past service liabilities of 4.4% per annum (the expected return on gilts) the funding level was approximately 68%. Under the Pension Protection Fund regulations introduced by the Pensions Act 2004 the Scheme was 93% funded; on a buy-out basis (ie assuming the Scheme had discontinued on the valuation date) the assets would have been approximately 57% of the amount necessary to secure all the USS benefits with an insurance company; and using the FRS 17 formula as if USS was a single employer scheme, using an AA bond discount rate of 5.5% per annum based on spot yields, the actuary estimated that the funding level at 31 March 2011 was 82%.

As part of this valuation, the trustees have determined, after consultation with the employers, a recovery plan to pay off the shortfall by 31 March 2021. The next formal triennial valuation is as at 31 March 2013. If experience up to that date is in line with the assumptions made for this current actuarial valuation and contributions are paid at the determined rates or amounts, the shortfall at 31 March 2013 is estimated to be £2.2 billion, equivalent to a funding level of 95%. The contribution rate will be reviewed as part of each valuation and may be reviewed more frequently.

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

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

NOTES TO THE FINANCIAL STATEMENTS (continued)

25) PENSION SCHEMES (continued)

THE UNIVERSITIES SUPERANNUATION SCHEME (continued)

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

Since the previous valuation as at 31 March 2008 there have been a number of changes to the benefits provided by the scheme although these became effective from October 2011. These include:

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

Normal pension age – was increased for future service and new entrants to 65.

Flexible Retirement options were introduced

Member contributions increased – contributions were uplifted to 7.5% p.a. and 6.5% p.a. for FS section members and CRB Section members respectively.

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

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

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

At 31 March 2012, USS had over 145,000 active members and the University had 912 active members participating in the scheme.

NOTES TO THE FINANCIAL STATEMENTS (continued)

25) PENSION SCHEMES (continued)

SUMMARY OF FINANCIAL REPORTING STANDARD 17 ADJUSTMENTS TO THE FINANCIAL STATEMENTS

	AU Scheme 2012 £'000	Dyfed Scheme 2012 £'000	Total 2012 £'000	AU Scheme 2011 £'000	Dyfed Scheme 2011 £'000	Total 2011 £'000
Analysis of amounts recognised on the balance sheet						
Total market value of assets	64,171	3,591	67,762	63,394	3,727	67,121
Present value of scheme liabilities	<u>(87,045)</u>	<u>(5,053)</u>	<u>(92,098)</u>	<u>(81,093)</u>	<u>(4,631)</u>	<u>(85,724)</u>
Net pension liability	<u>(22,874)</u>	<u>(1,462)</u>	<u>(24,336)</u>	<u>(17,699)</u>	<u>(904)</u>	<u>(18,603)</u>
Analysis of amounts charged to staff costs within the operating surplus/(deficit):						
Current service cost	(2,555)	(44)	(2,599)	(2,459)	(57)	(2,516)
Past service cost	<u>(48)</u>	<u>0</u>	<u>(48)</u>	<u>(26)</u>	<u>0</u>	<u>(26)</u>
Total operating charge	<u>(2,603)</u>	<u>(44)</u>	<u>(2,647)</u>	<u>(2,485)</u>	<u>(57)</u>	<u>(2,542)</u>
Analysis of the amount charged to interest payable:						
Expected return on pension scheme assets	4,034	214	4,248	3,780	193	3,973
Interest on pension scheme liabilities	<u>(4,259)</u>	<u>(230)</u>	<u>(4,489)</u>	<u>(4,294)</u>	<u>(225)</u>	<u>(4,519)</u>
Pension finance cost	<u>(225)</u>	<u>(16)</u>	<u>(241)</u>	<u>(514)</u>	<u>(32)</u>	<u>(546)</u>
Analysis of amounts recognised in statement of total recognised gains and losses:						
Actual return less expected return on pension scheme assets	(2,514)	(154)	(2,668)	3,073	428	3,501
Experience gains on liabilities	0	0	0	2,093	0	2,093
Actuarial gain on acquisition	0	0	0	0	0	0
Changes in assumptions	<u>(3,167)</u>	<u>(405)</u>	<u>(3,572)</u>	<u>(1,039)</u>	<u>(333)</u>	<u>(1,372)</u>
Total actuarial (loss)/gain recognised	<u>(5,681)</u>	<u>(559)</u>	<u>(6,240)</u>	<u>4,127</u>	<u>95</u>	<u>4,222</u>

ABERYSTWYTH UNIVERSITY PENSION AND ASSURANCE SCHEME

The University operates a defined benefit scheme in the United Kingdom. The last full actuarial valuation was carried out at 31 July 2011 by a qualified independent actuary.

The major assumptions used by the actuary were:

	2012 £'000	2011 £'000
Weighted average assumptions used to determine benefit obligations:		
Rate of increase in salaries	2.75%	3.45%
Rate of increase in pensions to 31 July 2003	2.25%	2.95%
Rate of increase in pensions from 1 August 2003 to 31 July 2006	2.25%	2.85%
Rate of increase in pensions from 1 August 2006	2.25%	2.40%
Discount rate	4.50%	5.30%
Rate of retail price inflation	2.75%	3.45%
Rate of consumer price inflation	2.25%	2.95%
Weighted average assumptions used to determine net pension cost:		
Rate of increase in salaries	3.45%	3.80%
Discount rate	5.30%	5.50%
Expected long-term return on Scheme assets	6.40%	6.70%

NOTES TO THE FINANCIAL STATEMENTS (continued)

25) PENSION SCHEMES (continued)

The current mortality assumptions include sufficient allowance for future improvements in mortality rates.

The assumed life expectations on retirement were as at 31 July 2011:

	2012		2011	
	Male	Female	Male	Female
Member age 65 retiring today	20.8	23.0	20.8	23.0
Member age 45 retiring in 20 years	23.0	25.4	23.0	25.4

The assets in the scheme and the expected rate of return were:

	Long term rate of return expected at 31 July 2012	Value at 31 July 2012 £'000	Long term rate of return expected at 31 July 2011	Value at 31 July 2011 £'000	Long term rate of return expected at 31 July 2010	Value at 31 July 2010 £'000
Equities	5.5%	41,608	6.9%	41,802	7.2%	36,235
Index Linked Bonds	2.2%	6,611	3.6%	6,317	3.9%	5,745
Corporate Bonds	3.6%	8,572	5.0%	7,282	5.1%	6,745
Cash and Net Current Assets	2.2%	296	3.6%	1,129	3.9%	1,158
Property	5.5%	7,084	6.9%	6,864	7.2%	6,400
Total Market Value of Assets		64,171		63,394		56,283

Analysis of the amount shown in the balance sheet:

	2012 £'000	2011 £'000
Market Value of Assets	64,171	63,394
Present Value of Scheme Liabilities	(87,045)	(81,093)
Deficit in the Scheme - Net Pension Liability	(22,874)	(17,699)

Analysis of amounts charged to staff costs within the operating deficit:

	2012	2011
Current service cost	(2,555)	2,459
Past service cost	(48)	26
Total operating charge	(2,603)	2,485

Analysis of the amount charged to interest payable:

	2012	2011
Expected return on pension scheme assets	4,034	3,780
Interest on pension scheme liabilities	(4,259)	(4,294)
Pension finance cost	(225)	(514)

Analysis of amounts recognised in statement of total recognised gains and losses:

	2012	2011
Actual return less expected return on pension scheme assets	(2,514)	3,073
Experience gains and losses arising on scheme liabilities		2,093
Actuarial gain on acquisition		0
Changes in assumptions	(3,167)	(1,039)
Total actuarial gain/(loss) recognised	(5,681)	4,127

NOTES TO THE FINANCIAL STATEMENTS (continued)

25) PENSION SCHEMES (continued)

ABERYSTWYTH UNIVERSITY PENSION AND ASSURANCE SCHEME (continued)

	2012 £'000	2011 £'000
Movement in deficit during the year:		
Deficit in scheme at beginning of year	(17,699)	(22,111)
Movement in year:		
Current service cost	(2,555)	(2,459)
Contributions	3,334	3,284
Past service costs	(48)	(26)
Net interest on liabilities	(225)	(514)
Actuarial (loss)/gain	(5,681)	4,127
Deficit in scheme at end of year	<u>(22,874)</u>	<u>(17,699)</u>
 Analysis of the movement in the present value of the scheme liabilities:		
At beginning of the year	81,093	78,394
Current service cost	2,555	2,459
Interest cost	4,259	4,294
Contributions by scheme participants	56	32
Past service costs	48	26
Actuarial (gains)/losses	3,167	(1,054)
Benefits paid	(4,133)	(3,058)
At end of year	<u>87,045</u>	<u>81,093</u>
 Analysis of the movement in the market value of the scheme assets:		
At beginning of the year	63,394	56,283
Expected return on scheme assets	4,034	3,780
Actuarial gains/(losses)	(2,514)	3,073
Contributions by the employer	3,334	3,284
Contributions by scheme participants	56	32
Benefits paid	(4,133)	(3,058)
	<u>64,171</u>	<u>63,394</u>

NOTES TO THE FINANCIAL STATEMENTS (continued)

25) PENSION SCHEMES (continued)

ABERYSTWYTH UNIVERSITY PENSION AND ASSURANCE SCHEME (continued)

History of experience gains and losses for the year ended 31 July:

	2012	2011	2010	2009	2008
Difference between expected and actual return on scheme assets:					
amount (£000)	(2,514)	3,073	5,202	(8,000)	(8,600)
percentage of scheme assets	4%	5%	9%	17%	17%
Experience gains on scheme liabilities:					
amount (£000)	-	2,093	73	975	160
percentage of scheme liabilities	0%	3%	0%	1%	0%
Total amount recognised in statement of total recognised gains and losses:					
amount (£000)	(5,681)	4,127	(786)	(3,971)	(3,035)
percentage of scheme liabilities	7%	5%	1%	6%	4%

The University expects to contribute 22.05% of members' total pensionable salaries to its pension scheme in 2012/13.

THE DYFED PENSION FUND

The University is an admitted member of the Dyfed Pension Fund which is a multi-employer Local Government Pension Scheme regulated by statute. The benefits of the scheme are determined nationally by regulation and meet the definition of a defined benefit scheme. The last full actuarial valuation was carried out at 31 March 2010 by a qualified independent actuary. An approximate actuarial valuation was carried out at 31 July 2012 by a qualified independent actuary.

The major assumptions used by the actuary were:

	2012	2011
Rate of increase in salaries	3.75%	4.55%
Rate of increase in pensions in payment	2.0%	2.80%
Discount rate	3.8%	5.10%
Rate of retail price Inflation	-	3.30%
Rate of consumer price inflation	2.0%	2.80%

The current mortality assumptions include sufficient allowance for future improvements in mortality rates.

The assumed life expectations on retirement were as at 31 July 2012:

	2012		2011	
	Male	Female	Male	Female
Member age 65 retiring today	22.3	24.9	21.9	24.5
Member age 45 retiring in 20 years	24.1	26.9	23.3	26.1

NOTES TO THE FINANCIAL STATEMENTS (continued)

25) PENSION SCHEMES (continued)

THE DYFED PENSION FUND (continued)

The assets attributable to the University members of the scheme and the expected rate of return were:

	Long term rate of return expected at 31 July 2012	Value at 31 July 2012 £'000	Long term rate of return expected at 31 July 2011	Value at 31 July 2011 £'000	Long term rate of return expected at 31 July 2010	Value at 31 July 2010 £'000
Equities	7.00%	2,485	7.00%	2,553	7.50%	2,117
Government Bonds	2.50%	402	3.90%	425	4.20%	429
Other Bonds	3.40%	388	4.90%	462	5.10%	414
Property	6.00%	266	6.00%	220	6.50%	88
Cash and Net Current Assets	0.50%	50	0.50%	67	0.50%	85
Market Value of Assets		3,591		3,727		3,133

	2012 £'000	2011 £'000
Analysis of the amount shown in the balance sheet:		
Market Value of Assets	3,591	3,727
Present Value of Scheme Liabilities	(5,053)	(4,631)
Deficit in the Scheme - Net Pension Liability	(1,462)	(904)
Analysis of amounts charged to staff costs within the operating deficit:		
Current service cost	(44)	(57)
Past service cost	(6)	0
Total operating charge	(50)	(57)
Analysis of the amount charged to interest payable:		
Expected return on pension scheme assets	214	193
Interest on pension scheme liabilities	(230)	(225)
Pension finance cost	(16)	(32)
Analysis of amounts recognised in statement of total recognised gains and losses:		
Actual return less expected return on pension scheme assets	(154)	428
Experience gains and losses on liabilities	0	0
Changes in assumptions	(405)	(333)
Total actuarial (loss)/gain recognised	(559)	95

NOTES TO THE FINANCIAL STATEMENTS (continued)

25) PENSION SCHEMES (continued)

THE DYFED PENSION FUND (continued)

	2012	2011
	£'000	£'000
Movement in deficit during the year:		
Deficit in scheme at beginning of year	(904)	(982)
Movement in year:		
Current service cost	(44)	(57)
Past Service Cost	(6)	-
Contributions	67	72
Net interest on liabilities	(16)	(32)
Actuarial gain/(loss)	(559)	95
Deficit in scheme at end of year	<u>(1,462)</u>	<u>(904)</u>

Analysis of the movement in the present value of the scheme liabilities:

At beginning of the year	4,631	4,115
Current service cost	44	57
Past service cost	6	-
Interest cost	230	225
Contributions by scheme participants	14	18
Actuarial gains	405	333
Benefits paid	(277)	(117)
At end of year	<u>5,053</u>	<u>4,631</u>

Analysis of the movement in the market value of the scheme assets:

At beginning of the year	3,727	3,133
Expected return on scheme assets	214	193
Actuarial gains/(losses)	(154)	428
Contributions by the employer	67	72
Contributions by scheme participants	14	18
Benefits paid	(277)	(117)
At end of year	<u>3,591</u>	<u>3,727</u>

History of experience gains and losses for the year ended 31 July:

	2012	2011	2010	2009	2008
Difference between expected and actual return on scheme assets:					
amount (£000)	(154)	428	239	(375)	(423)
percentage of scheme assets	4%	12%	8%	13%	13%
Experience gains and losses on scheme liabilities:					
amount (£000)	0	0	0	0	196
percentage of scheme liabilities	0%	0%	0%	0%	5%
Total amount recognised in statement of total recognised gains and losses:					
amount (£000)	(559)	95	307	(49)	(540)
percentage of scheme liabilities	11%	2%	7%	1%	13%

The University expects to contribute 46.8% of members' total pensionable salaries to its pension scheme in 2012/13.

NOTES TO THE FINANCIAL STATEMENTS (continued)

	2012	2011
	£'000	£'000
26) FINANCIAL CONTINGENCY FUND		
Funding Council Grants	149	147
Interest Earned	0	0
	149	147
Disbursements to Students	(121)	(167)
Fund Running Costs	(4)	(5)
Returned to the Welsh Government	(9)	-
Balance Unspent at 1 August	0	25
Balance Unspent at 31 July	15	0

Funding Council grants received are available solely for students. The University acts only as paying agent.

The grants and related disbursements are therefore excluded from the Income and Expenditure Account.

NOTES TO THE FINANCIAL STATEMENTS (continued)

27) RESIDENCES AND CATERING OPERATIONS, HALLS AND RENTED PROPERTIES
INCOME AND EXPENDITURE ACCOUNT
for the year ended 31 July 2012

	2012	2011
	£'000	£'000
INCOME		
Students Fees	6,001	5,317
Conferences and Events	473	581
Hospitality	2,114	1,897
Other Income	876	645
	9,464	8,440
EXPENDITURE		
Central Salaries and Wages	423	359
Hospitality & Accommodation Office Salaries and Wages	1,211	1,171
Residential Salaries and Wages	1,888	1,965
Hospitality Expenses	100	86
Hospitality Provisions	514	730
Fuel, Light and Water	817	584
Furniture and Equipment	387	383
Interior Repairs and Maintenance including Refurbishment	1,532	1,400
Support Service Costs	444	145
Central Operational Expenses	523	255
Residential Operational Expenses	521	771
	8,360	7,849
Surplus for the Year	1,104	591

NOTES TO THE FINANCIAL STATEMENTS (continued)

28) ABERYSTWYTH ARTS CENTRE INCOME AND EXPENDITURE ACCOUNT
for the year ended 31 July 2012

	2012 £'000	2011 £'000
INCOME		
Arts Programme	1,382	1,657
Trading Sales	1,691	1,776
Grants		
Arts Council for Wales	616	641
Arts Outside Cardiff	-	-
Community Arts Development	-	-
Ceredigion County Council	67	68
Aberystwyth Town Council	0	1
Mid Wales Circuit	16	16
Film Council	21	24
Other Income	7	55
	<u>3,800</u>	<u>4,238</u>
EXPENDITURE		
Arts Programme	1,946	2,295
Trading	1,397	1,519
Administration, Services and Marketing	688	711
Other Central Expenditure	39	109
Included under General Educational Expenditure in the General University Income and Expenditure Account	(247)	(247)
	<u>3,823</u>	<u>4,387</u>
Deficit for the Year	<u>(23)</u>	<u>(149)</u>

29) ABERYSTWYTH CHALLENGE FUND

In April 1999, the University established the Aberystwyth Challenge Fund, a venture capital fund which acts as a source of seed investment to commercialise scientific research carried out at the University and at the former Institute of Grassland and Environmental Research (which was acquired by the University during the year ended 31 July 2008). The investors in the Fund are the University, the Department of Trade and Industry, the Wellcome Trust and the Gatsby Foundation.

The Fund is administered by an independent Management Board consisting of 4 members, 3 of whom are independent of the University.

The Fund's total capital at 31 July 2012 was £1.5 million, comprising capital contributions from investors, of which £500,000 has been contributed by the University. The income and expenditure, assets and liabilities of the Fund are included within these financial statements.

NOTES TO THE FINANCIAL STATEMENTS (continued)

30) MARKET VALUE OF ENDOWMENT FUNDS INVESTMENTS (Excluding Land and Buildings)

	2012 £	2011 £
UNRESTRICTED FUNDS		
Sir D Owen Evans Bequest	481,927	474,732
General Endowment Fund	584,993	576,259
Rendel Fund	147,460	145,258
J B Willans Bequest	208,048	204,942
Trefloyne Fund	1,959,386	1,930,135
Centenary Appeal Fund	347,851	342,658
Tithe and Welsh Church Fund	4,464,373	4,397,725
Gogerddan Estate	1,546,668	1,523,578
Mary Myfanwy Williams Fund	288,615	284,306
Dr William Thomas Fund	1,108,602	1,092,052
Dr J Gareth Thomas Fund	279,661	275,486
Thomas Watcyn Evans Fellowship	725,662	714,828
Blaenllynant Fund	1,388,232	1,367,507
RESTRICTED FUNDS		
Mrs Foster Watson Memorial Fund	3,459	3,407
Colonial History Endowment Fund	146,070	143,889
Gregynog Gift Fund	1,187,882	1,170,149
Wilson Chair of International Politics	1,187,611	1,169,881
Extra Mural Fund	60,935	60,025
Davies Llandinam Fund	190,403	187,560
D Alban Davies Fund	864,082	851,183
Corporation of Aberystwyth Annuity	561	553
Gwobr Eisteddfod Aberystwyth	2,026	1,996
Aberystwyth Papers Fund	50,955	50,194
Andre Barbier Prize	13,731	13,526
Lillian Mary Bowman Fund	16,395	16,150
Brereton Scholarship	16,426	16,181
Robert Bryan Music Scholarship	21,616	21,294
Bunford Prize	2,986	2,941
Mary Burlington Legacy	5,649	5,565
Mrs Clarke Scholarship	55,583	54,753
Charles Clements Prize	3,808	3,751
Travel Scholarships	31,951	31,474
Cranogwen Scholarship	22,683	22,345
Cynddelw Welsh Prize	8,010	7,891
Elizabeth Anne Davies Scholarship	15,211	14,983
Dr John Davies Scholarship	30,004	29,556
Miss Margaret Davies Prize	3,763	3,707
Miss S A Davies Scholarship	49,043	48,311
Thomas Davies Scholarship	52,816	52,028
T Maelgwyn Davies Memorial Fund	15,509	15,278
Elizabeth Davies Brynteifi Fund	30,720	30,261

NOTES TO THE FINANCIAL STATEMENTS (continued)

30) MARKET VALUE OF ENDOWMENT FUNDS INVESTMENTS (continued) (Excluding Land and Buildings)

RESTRICTED FUNDS (continued)	2012 £	2011 £
G and D Edmunds Scholarship	101,108	99,599
Thomas C Edwards Scholarship	50,160	49,411
T E Ellis Prize	1,701	1,676
J D Evans Scholarship	24,696	24,327
D and M Evans Prize	17,027	16,773
Ellis Eyton Exhibition	6,423	6,328
G and J Fairgrieve Fund	11,685	11,510
John Francis Scholarship	38,525	37,950
Lady Gladstone of Hawarden Scholarship	6,008	5,919
R A Griffiths Scholarship	25,299	24,922
Gwobr y Gyngres Geltaidd	4,868	4,795
Joseph Hamwee Prize	3,052	3,006
John Hughes Scholarship	78,671	77,496
Hugh James Memorial Scholarship	33,255	32,759
David Jenkins Music Scholarship	25,595	25,213
J R Johnson Memorial Scholarship	25,085	24,710
Sir Alfred Jones Scholarship	106,150	104,565
Edward Jones Scholarship	17,222	16,965
Sir Henry Jones Prize	3,266	3,217
Dr Tom Jones Scholarship	14,437	14,222
Professor Thomas Jones Prize	2,143	2,111
Dr W Idris Jones Fellowship	117,206	115,456
Keeling Entrance Scholarship	12,415	12,229
Keeling Research Scholarship	29,143	28,708
T A Levi Law Prize	4,444	4,378
Alun Lewis Memorial History Prize	2,564	2,526
Dr E A Lewis Research Scholarship	69,479	68,441
R J R Loxdale Legacy Fund	5,443	5,361
Thomas Lewis Scholarship	123,557	121,712
Gwobr Eisteddfod Machynlleth	3,329	3,280
Marshall Memorial Fund	14,310	14,097
Mold Eisteddfod Scholarship	11,969	11,790
Miss J Elizabeth Morris Prize	4,439	4,373
Museum Endowment Fund	58,437	57,564
Richard Davies Mynyddog Scholarship	15,786	15,550
Maths Honours Prize	25,729	25,345
Matthews Chemistry Prize	1,114	1,097
Organ Fund	19,377	19,088
Pritchard Scholarship	28,557	28,131
Heather Meredydd Parry Prize	13,923	13,715
W B Pennington Memorial Fund	19,664	19,370
Rendel Memorial Fund	29,942	29,495
J Foulks Roberts Scholarship	39,055	38,472

NOTES TO THE FINANCIAL STATEMENTS (continued)

30) MARKET VALUE OF ENDOWMENT FUNDS INVESTMENTS (continued) (Excluding Land and Buildings)

RESTRICTED FUNDS (continued)	2012 £	2011 £
Dr R D Roberts Scholarship	298,420	293,964
R and A Roberts Scholarship	50,212	49,463
T Roberts of Portland Scholarship	7,682	7,567
Rudler Exhibition	11,558	11,385
Rudler Geological Fund	1,495	1,473
R T F D Roberts Bequest	8,719	8,589
Thomas Stephens Scholarship	18,478	18,202
L E Sulston Memorial Prize	1,007	992
Dr David Thomas Scholarship	42,128	41,499
D Morgan Thomas of Caterham Scholarship	100,415	98,916
Sir Garrod Thomas Fellowship	186,778	183,990
J J Thomas of Kendal Scholarship	149,608	147,375
J Thomas Scholarship	32,552	32,066
Lewis Thomas Scholarship	61,596	60,676
Dr W Thomas Prize	4,403	4,337
Mrs Elizabeth Thomas Prize	4,189	4,127
Frances Williams Art Prize	13,173	12,977
Sir John Williams Bequest Fund	890,422	877,129
Miss E E Willis Prize	3,530	3,478
The Calcott Prize	55,736	54,904
Meurig James Fund	3,806	3,749
T Redvers Llewellyn Prize	5,967	5,878
Dorothy Wilson Prize	7,999	7,880
Staff Emergency Fund	172,202	169,631
Sir D Hughes Parry Fund	222,393	219,073
Sir Ben Bowen Thomas Fund	45,661	44,979
Chapel Fund	31,630	31,158
Rhiannon Picton Prize	2,133	2,101
Meurig Williams Prize	1,411	1,390
Emrys Watkin Prize	2,678	2,638
Simon T Thorpe Prize	3,262	3,213
T E Nicholas Prize	9,502	9,360
Catherine Lewis Trust	820,072	807,829
Llewelfryn Davies Fund	29,209	28,773
T and E Maelgwyn Davies Prize	5,678	5,593
Walford Davies Fund	5,246	5,168
Ian Parrott Prize	1,526	1,503
Ernest J. Gooding Fund	312,328	307,665
E E Pritchard Prize	2,705	2,665
W C Bradley Geomorphology Prize	740	729
Sarah Jane Cross Memorial Prize	932	918
Enid Lewis Fund	209,535	206,407
Anne Elizabeth Lewis Prize	2,826	2,784

NOTES TO THE FINANCIAL STATEMENTS (continued)

30) MARKET VALUE OF ENDOWMENT FUNDS INVESTMENTS (continued) (Excluding Land and Buildings)

RESTRICTED FUNDS (continued)	2012 £	2011 £
Lawrence Wild Prize	1,948	1,919
Margaret E Pryde Prize	649	640
Dr Arthur Luther Trott Fund	165,681	163,208
Louis De-Burgh Prize	2,019	1,988
Margaret and Elwyn Davies Fund	11,326	11,157
Alun G Davies Prize in History	4,468	4,401
David Williams Memorial Prize	538	530
V C Morton Prize	8,883	8,751
The Rhys Lovelock Prize	7,260	7,152
Lady Amy Parry Williams Fund	8,062	7,941
Sidney Herbert Memorial Fund	33,696	33,193
Rhiannon Davies Prize	2,591	2,553
I L Gowan Prize	3,457	3,405
Evan James Williams Memorial Fund	5,359	5,279
Alun R Edwards Memorial Fund	14,455	14,239
Leslie Patrick Scholarship	4,282	4,218
Thomas and Elizabeth Evans Irish Prize Fund	6,583	6,484
O L Davies Prize in Statistics	2,571	2,532
Cambria Mathematics Fund	7,824	7,707
Jones Pierce Memorial Lecture Fund	9,315	9,176
Pembrokeshire Fund	26,311	25,918
Elizabeth Richards Scholarship	17,444	17,183
Professor J Taylor Prize	704	694
Evan Morgan Scholarship Fund	896,585	883,200
Reverend Wynford Thomas Prize	212	209
Kathane Thomas Prize	242	238
Torbet Prize	2,517	2,479
Edward Hamer Scholarship	16,056	15,816
M L M Reeves Prize	10,441	10,285
Sir Thomas Parry Williams Fund	8,990	8,856
Jane Morgan Prize	2,004	1,974
Paul Metcalfe Prize	17,079	16,824
MANWEB Energy Prize	2,103	2,071
Barrie N Davies Prize in Economics	4,057	3,996
Professor G L Rees Prize	4,070	4,009
H Daniels American Study Prize	3,474	3,422
Professor P N Mathur Prize	1,003	988
E G Bowen Memorial Fund	7,298	7,189
Glaxo Book Prize	526	518
Hudson Williams Prize	9,916	9,768
Dr & Mrs E E Edwards Research Fund	60,634	59,729
Bessie Jones Bequest	34,844	34,324
T Muthuswami Ayer Prize	1,507	1,484

NOTES TO THE FINANCIAL STATEMENTS (continued)

30) MARKET VALUE OF ENDOWMENT FUNDS INVESTMENTS (continued) (Excluding Land and Buildings)

RESTRICTED FUNDS (continued)	2012 £	2011 £
Sir William Mars-Jones Prize	8,463	8,337
Professor Norman Twiddy Memorial Prize	1,614	1,590
Professor Lance Thomas Prize	3,532	3,479
Dewi & Ann Williams Scholarship	19,012	18,729
Evan Bolle-Jones Scholarship	15,903	15,666
Postgraduate Fund	90,729	89,374
Open Scholarship Fund	216,259	213,031
Michael MccGwire Prize	6,122	6,030
Lady Enid Parry Fund	3,095	3,049
Clay Jones Scholarship	13,059	12,864
Bryn Terfel Scholarship	31,319	30,851
Dr Glyn Rowlands Scholarship	39,639	39,047
125th Anniversary Appeal	47,571	44,968
Dr Owen Price Scholarship	34,177	33,667
Music Bursaries	17,674	17,410
Miss R M Creed Bequest	3,304	3,254
Colin Phillips Prize in Labour Law	1,846	1,818
Colin Easthope Award in Mathematics	21,875	21,548
T D and C M Adams Scholarship	86,425	85,135
Faculty Prize	5,635	5,551
Professor Caerwyn and Mrs Gwen Williams Scholarship	33,920	33,414
Mrs Ann Doreen Price Travel Scholarship	67,759	66,747
R M Davies Research Prize	130,707	128,756
Gwyneth Evans Scholarship	14,171	13,959
Endowment Campaign	281,441	277,240
Elvira M K Lewis Bequest	387,256	381,475
Rhiannon Powell Memorial Fund	21,808	20,839
Elizabeth Helen and Eric Thomas Edwards Fund	219,442	216,166
Sir Goronwy H Daniel Prize	3,115	3,069
David Butler Scholarship	14,872	14,650
Captain Marsden Fund	28,387	27,964
Sir Granville Beynon Prize	3,663	3,608
Mervin Williams Prize	2,461	2,425
Handel Evans Trust	342,063	336,956
Dorothy Skeel Meyler Fund	28,445	28,020
B E Lee Davies Fund	11,526	11,354
Sydney Orford Fund	43,014	42,372
David Davies Prize in Human Resource Management	2,572	2,534
J D R and Gwyneth Thomas Fund	24,335	12,646
T G Lloyd Fund	60,449	59,546
Catrin Prys Jones Prize	6,752	6,651
Mike Jones Memorial Prize	18,168	17,897
Fergus Johnston Scholarship	724,149	475,376
Tessa Sidey Print Acquisition Fund	131,834	
TOTAL ENDOWMENT FUNDS INVESTMENTS	27,407,714	26,616,852