

*Financial Statements
for the
Year ending
31 July 2013*

CONTENTS

	<i>Page</i>
TREASURER'S REPORT	1-3
CORPORATE GOVERNANCE.....	4
PUBLIC BENEFIT STATEMENT	5-7
RESPONSIBILITIES OF THE UNIVERSITY'S COUNCIL	8
INDEPENDENT AUDITORS' REPORT	9-10
STATEMENT OF PRINCIPAL ACCOUNTING POLICIES.....	11-14
INCOME AND EXPENDITURE ACCOUNT	15
NOTE OF HISTORICAL COST SURPLUSES AND DEFICITS.....	15
BALANCE SHEET	16
STATEMENT OF TOTAL RECOGNISED GAINS AND LOSSES	17
CASH FLOW STATEMENT	18
NOTES TO THE FINANCIAL STATEMENTS	19-45

TREASURER'S REPORT

Results for the Year

The summarised income and expenditure account for the year ended 31 July 2013, together with comparative figures for 2011/12 are shown as follows:

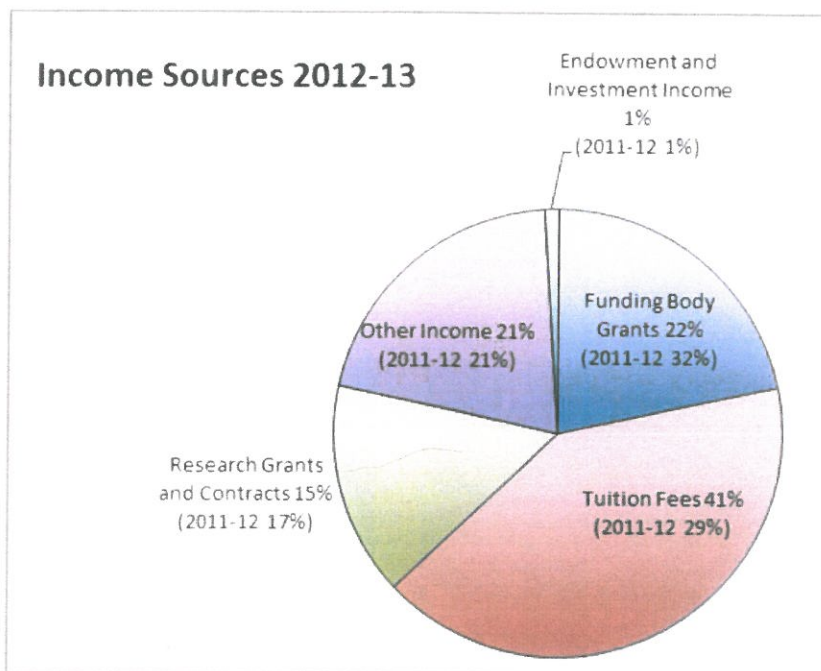
	2012/13 £'000	2011/12 £'000
Income	119,224	120,392
Expenditure	119,025	119,769
Surplus on Continuing Operations after Depreciation of Assets	199	623
Transfer to Accumulated Income within Endowment Funds	(127)	(116)
Surplus retained within General Reserves	72	507
Historical Cost Surplus	2,188	2,613

The reported historical cost surplus is £2.2m and the surplus for the year retained within general reserves was marginally above breakeven at £72K. Even in the context of unprecedented uncertainty and volatility in the external environment, both for the Higher Education Sector and the economy more broadly this operating position is significantly below the University's medium and long term financial return objectives.

Income

Total underlying income on recurring activities has stayed broadly in line with the prior year at £119.2m. The reduction of c £1M being as a result of accommodation bursary costs netted off income in 2012/13.

Funding Council grants for recurrent funding decreased by £10.8m (37.6%), however this was more than outweighed by the increases in tuition fees.

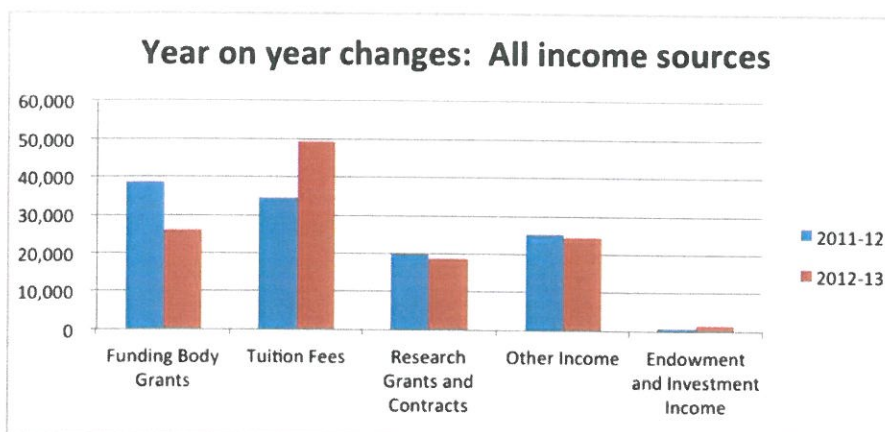


Tuition Fees from full-time home and EU students increased by £13.5m, reflecting the first year of the £9K fee regime.

One of the University's key strategic aims is the growth of International Students both from the development of strong relationships with selected overseas institutions alongside open market recruitment. 2012/13 saw growth in tuition fees from full-time international students of £1.8m.

Research Income for the year was £18.4m, a decrease of £1.5m from the prior year at the same time as the University is seeing a decline in the recovery levels on research grant activities. The impact of an increasingly competitive market for this stream of funding will require careful monitoring and as a key strategic growth area will need to be a key focus in planning round discussions in the coming year.

TREASURER'S REPORT (continued)



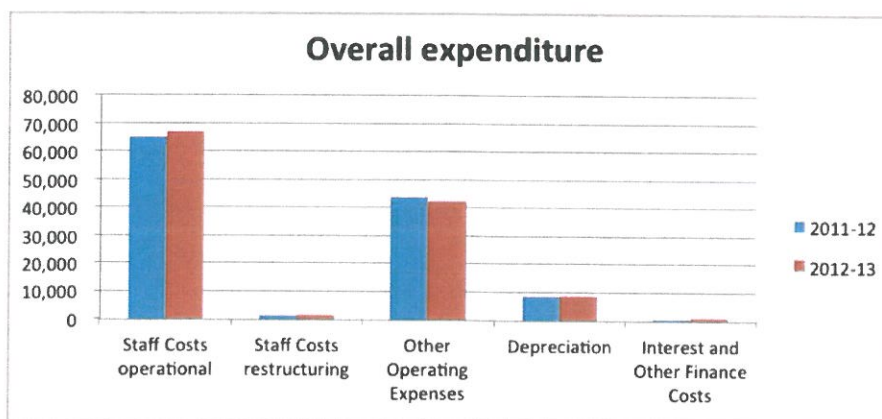
Bequests and Donations

During the year the University received a bequest of £580K from Dr Owen Price and will be used to provide scholarship aid for Welsh students in IBERS (Rural Studies).

Expenditure

Total expenditure on recurring activities has decreased by 0.6% (£744K).

Staff costs (excluding restructuring) increased by £2m (3%). This was in part due to investment in staff as part of the strategy in the run up to the 2014 Research Excellence Framework.



Investment Performance

The administration of our endowment investments continues much as before. In overall terms, the portfolio total return was 10.4%. This is the return on total endowment assets not just those held with external managers.

This was a year in which the FTSE All Share Index returned 24.3% and the World ex UK Index returned 25.6%. The IPD UK monthly Property index returned 4.7%. The blended rate being approximately 16%.

Our holding of corporate bonds outperformed the appropriate index by returning 5.7% (gross of fees) compared with 4.5%. Our two absolute return funds returned 8.7% and 6.0% respectively, consistent with producing a steady, lower volatility sequence of returns.

During the year all the active equity funds were sold and the money reinvested in index-tracking UK and Overseas equity funds, and some of the UK allocation was switched to Overseas, to produce a more diversified portfolio.

TREASURER'S REPORT (continued)

Pensions

Like many organisations pensions remain a significant liability and risk.

As set out in note 25, the Aberystwyth University Pension and Assurance Scheme (AUPAS) is a defined benefit scheme and assets and liabilities are re-measured each year by its actuaries. The Pension deficit for AUPAS (as measured by Financial Reporting Standard 17) decreased from £24.3m to £17.6m. This included an actuarial gain recognised in the statement of total recognised gains and losses of £7m.

The University has engaged with Mercer over the past twelve months, to assess the various options the University could elect to use in order to ensure that risk exposure in relation to AUPAS is reduced. The University is expecting to begin a consultation exercise shortly.

The Universities Superannuation Scheme (USS) is a multi-employer scheme and its assets and liabilities do not currently appear within these Financial Statements. The University's exposure to a share of the USS deficit is real. Future changes in Financial Reporting Standards will mean that the University will need to create a liability if we have committed to contribute to a deficit recovery plan. This could potentially be a large and volatile new liability. These new standards are mandatory for accounting periods commencing on or after 1 January 2015 and will impact every university with members in USS.

Balance Sheet

Overall net assets have increased from £161.4m to £174.6m. An already strong balance sheet has been strengthened further. This is in part due to the reduction in pensions deficit but also due to the increase in cash of £12m.

It is pleasing to report a significant increase in cash generation throughout the year, which is due in part to the effective collection of debt. The Finance Department is to be congratulated on this achievement during the year. The level of cash held at the year-end now matches the sector norm.

During the year £6.6m was capitalised. This included c£2.7m of equipment in IBERS funded by BBSRC, £1m of professional fees in relation to the Penglais New Residences Project and £678k being initial costs of the Llanbadarn Centre Refurbishment.

31st July 2013 saw financial close of the Penglais New Residences Project. Construction has commenced on site with delivery of 800 rooms by September 2014 and the remaining 200 by December 2014. Total construction costs are £45m.

Outlook

Council approved five year financial forecasts including income and expenditure balance sheet, capital investment, cash flow and liquidity in June 2013. In order to ensure its long-term financial sustainability there is a need to grow the level of annual surpluses to a level approximating 5% of total income. The University is actively seeking to diversify its income base and will launch a new international strategy in 2013/14. A new University Estates Strategy and five year financial forecasts demonstrate the University's commitment to a programme of investment both in the academic and residential estate. The University is planning a major investment in the estate of in the region £140m.

Looking to the future, the University will actively seek to reduce risk and volatility throughout its operations, but especially in its Farms operations, pension arrangements and research contributions.

It will be imperative that the University attracts the required numbers and quality of students in the new funding regime. In addition, the University will seek innovative ways of increasing third sector income in order to generate headroom for future investment. In terms of expenditure, a systemic review of the cost base will be undertaken in order to reduce costs to enable the University to be fit-for-purpose in the ever more competitive environment within which it operates.

There are challenging times ahead for the University but despite the shortfall in student recruitment in 2013/14 the University is confident of successfully making progress against its strategic targets. I conclude by recording my appreciation for the work of Peter Curran, Director of Finance, the members of staff of the Finance Department, and the Finance and Strategy Committee during 2012-13.

Dr Timothy Brain, OBE QPM BA PhD FRSA CCMl
Treasurer
13 December 2013



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 2013 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, representative and co-opted members, including both independent and academic persons. The majority of Council members are non-executive, and 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 sub-committees on the day to day operations of its business and of its subsidiary companies.

During the 2012 – 2013 academic year, the Council met on 7 occasions. However, much of its detailed work is initially handled by several sub-committees, including a Finance and Strategy Committee, a Professional Development and Staffing Committee, a Remuneration Committee, a Nominations Committee and an Audit and Risk Committee. All of these sub-committees are formally constituted, each with its own terms of reference and with a proportion of members from the independent membership of Council. The decisions of these sub-committees are reported to the Council.

The Audit and Risk 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. The Committee also receives and considers reports from the Higher Education Funding Council for Wales as they affect the University's business, and monitor adherence with the regulatory requirements. The Audit and Risk Committee also reviews the University's annual financial statements together with the accounting policies. In addition they may be required to investigate instances of non-compliance with legislation and other regulations.

Whilst senior executives attend meetings of the Audit and Risk 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 has established a 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, and with appropriate reports and recommendations presented to the Council, via the Audit and Risk Committee.

PUBLIC BENEFIT STATEMENT

Aberystwyth University is a Registered Charity (No 1145141) in accordance with the terms of the Charities Act 2011. 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 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 and 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 café and public lectures – Aberystwyth University supports public engagement with research through its Science Café and Research Café series and public lectures, all of which are open to the public and attract a programme of world-renowned speakers. Our researchers also work closely with schools, seeking to inspire and encourage a new generation of future researchers

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 courses in art and creative writing and confidence building personal skills workshops. 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, Science Circuit talks to schools and colleges and after school art classes

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 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. 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 provides a cultural facility that is open 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. 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, and participate 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. We hold regular community events such as the Bioblitz, which invited the Community to a range of nature-talks and workshops on campus, and Access all Areas, through which we showcased the work of our academic departments in a day-long programme of family-focussed activities.

PUBLIC BENEFIT STATEMENT (continued)

Investing in our future: growing our resources and investing in our environment to deliver on our strategic priorities, ensuring Aberystwyth'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 coastlines 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 the supreme governing body of the University, 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 Aberystwyth University's Council and the Higher Education Funding Council for Wales, 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 also has responsibility for the maintenance and integrity of the financial statements which are published on the University's website. It should 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 as well as 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

We have audited the group and University financial statements (the "financial statements") of Aberystwyth University for the year ended 31 July 2013 which comprise the Income and Expenditure Account, the University Balance Sheet, the Cash Flow Statement, the Statement of Total Recognised Gains and Losses, the Accounting Policies 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 institution. 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 University's Council, 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 2013 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.

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 and hall fees is recognised in the period for which it is received and included all fees chargeable to students or their sponsors. Where the amount of tuition or hall fee is waived or reduced, income receivable is shown net of the discount. This represents an amendment of accounting policy from 2011/12 as fee income was previously stated gross before deductions for waivers. Bursaries and Scholarships are accounted for as a cost within expenditure. If the majority of students receive a bursary or scholarship it will be treated as a fee waiver and netted off against income.
- 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

- 5.1 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.
- 5.2 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

- 6.1 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

- 7.1 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

- 9.1 The University is a registered charity in accordance with the Charities Act 2006 (now the Charities Act 2011). 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.
- 9.2 All subsidiary companies are liable to Corporation tax and Value Added Tax in the same way as any other commercial organisation.
- 9.3 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,
- 9.4 Provision is made for deferred taxation in respect of subsidiary companies using the liability method.

10 PENSION ARRANGEMENTS

- 10.1 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.
- 10.2 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.
- 10.3 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

- 11.1 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.
- 11.2 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

- 12.1 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.
- 12.2 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

- 13.1 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

- 14.1 The cost of accommodation bursaries is now disclosed as a reduction to income rather than as expenditure.
- 14.2 Capital Grants that have been utilised to fund expenditure on work in progress are now disclosed within Deferred Capital Grants rather than within creditors.

INCOME AND EXPENDITURE ACCOUNT for the year ended 31 July 2013

INCOME	Note	2013 £'000	2012 £'000
Funding Body Grants	1	25,808	38,667
Tuition Fees	2	49,191	34,389
Research Grants and Contracts	3	18,422	19,942
Other Income	4	24,569	26,502
Endowment and Investment Income	5	1,234	892
Total Income		<u>119,224</u>	<u>120,392</u>
EXPENDITURE			
Staff Costs - Operational	6	66,959	64,995
- Restructuring	6	1,022	1,024
Other Operating Expenses	8	42,008	45,081
Depreciation	8	8,352	8,428
Interest and Other Finance Costs	7	684	241
Total Expenditure	8	<u>119,025</u>	<u>119,769</u>
Surplus/(Deficit) on Continuing Operations after Depreciation of Assets and Before and After Tax		199	623
Surplus transferred to Accumulated Income within Endowment Funds		(127)	(116)
Surplus/(Deficit) retained within General Reserves	17	<u>72</u>	<u>507</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 2013

		2013 £'000	2012 £'000
Surplus/(Deficit) on Continuing Operations after Depreciation of Assets, Disposal of Assets and Before and After Tax		199	623
Difference between an Historical Cost Depreciation Charge and the Actual Depreciation Charge for the Year Calculated on the Revalued Amount	18	1,989	1,990
HISTORICAL COST SURPLUS AFTER TAX		<u>2,188</u>	<u>2,613</u>

BALANCE SHEET as at 31 July 2013

	Note	2013 £'000	2012 £'000
FIXED ASSETS			
Tangible Assets	9	151,144	152,914
Investments		115	166
ENDOWMENT ASSETS	10	41,662	37,968
CURRENT ASSETS			
Stocks		2,089	2,158
Debtors: Due within one year	11	16,939	20,371
Debtors: Due after more than one year	11	104	156
Total Debtors		17,043	20,527
Investments - Cash Deposits		177	11,216
Cash at Bank and in Hand		22,291	5,012
		<u>41,600</u>	<u>38,913</u>
CURRENT LIABILITIES			
Creditors: Amounts falling due within one year	12	(31,950)	(27,256)
Bank Overdraft		0	(5,839)
		<u>(31,950)</u>	<u>(33,095)</u>
NET CURRENT ASSETS		<u>9,650</u>	<u>5,818</u>
TOTAL ASSETS LESS CURRENT LIABILITIES			
Creditors: Amounts falling due after more than one year	13	(9,502)	(10,181)
Provisions for liabilities and charges	14	(949)	(949)
NET ASSETS EXCLUDING PENSIONS LIABILITY		192,120	185,736
PENSIONS LIABILITY	25	(17,556)	(24,336)
NET ASSETS INCLUDING PENSIONS LIABILITY		<u>174,564</u>	<u>161,400</u>
DEFERRED CAPITAL GRANTS			
ENDOWMENTS	15	54,656	52,240
Expendable	16	609	62
Permanent	16	41,053	37,906
		<u>41,662</u>	<u>37,968</u>
RESERVES			
General Reserves excluding Pension Reserve		53,869	51,606
Pension Reserve	25	(17,556)	(24,336)
General Reserves including Pension Reserve	17	36,313	27,270
Revaluation Reserve	18	41,933	43,922
		<u>78,246</u>	<u>71,192</u>
TOTAL		<u>174,564</u>	<u>161,400</u>

The financial statements on pages 11 to 45 were approved by Council on 13 December 2013 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 2013

	Note	2013 £'000	2012 £'000
Surplus on Continuing Operations after Depreciation of Assets, Disposal of Assets and Tax		199	623
Prior Year Adjustment:			
Prior year adjustment in respect of Endowments		0	(1,699)
Appreciation of Endowment Investments	16	2,983	411
New Endowments	16	584	379
Actuarial Gain/(Loss) on Pension Schemes	25	6,982	(6,240)
TOTAL RECOGNISED GAINS FOR THE YEAR		<u>10,748</u>	<u>(6,526)</u>
Reconciliation:			
Opening Reserves and Endowments as previously reported		109,160	
Recognised Gains for the Year		<u>10,748</u>	
Closing Reserves and Endowments		<u>119,908</u>	

CASH FLOW STATEMENT for the year ended 31 July 2013

	Note	2013 £'000	2012 £'000
Net Cash Inflow from Operating Activities	21	12,631	2,831
Returns on Investments and Servicing of Finance	22	1,234	892
Capital Expenditure and Financial Investment	23	(2,015)	(6,563)
Cash Inflow/(Outflow) before Use of Liquid Resources and Financing		11,850	(2,840)
Management of Liquid Resources	24	11,039	(845)
Increase/(Decrease) in Cash	24	22,889	(3,685)

RECONCILIATION OF NET CASH FLOW TO MOVEMENT IN NET FUNDS

		2013 £'000	2012 £'000
Increase/(Decrease) in Cash in the Year	24	22,889	(3,685)
Cash Flow from Liquid Resources	24	(11,039)	845
Change in Net Funds		11,850	(2,840)
Net Funds at 1 August		19,231	22,071
Net Funds at 31 July	24	31,081	19,231

NOTES TO THE FINANCIAL STATEMENTS

	2013	2012
	£'000	£'000
1) FUNDING BODY GRANTS		
Higher Education Funding Council for Wales		
Recurrent Grant	18,008	28,876
Specific Grants	3,614	6,985
Deferred Capital Grants Released in Year		
Buildings (Note 15)	981	981
Equipment (Note 15)	883	984
Welsh Government Department for Education and Skills	418	841
Other	1,904	
	<u>25,808</u>	<u>38,667</u>
2) TUITION FEES		
Full-time Home and EU Students	40,942	27,453
Full-time International Students	6,764	4,958
Part-time Students	686	1,075
Short Course and Other Fees	799	903
	<u>49,191</u>	<u>34,389</u>
3) RESEARCH GRANTS AND CONTRACTS		
Research Councils and Charities	8,858	9,786
Industry and Commerce	1,233	1,827
Governmental	8,184	8,201
Other Grants and Contracts	147	128
	<u>18,422</u>	<u>19,942</u>
Research grants and contracts include £407,000 of released Deferred Capital Grant released in year.		
4) OTHER INCOME		
Residences, Catering and Conferences (Note 27)	8,320	9,464
Other Services Rendered	4,615	3,611
Arts Centre (Note 28)	3,971	3,800
Farms	1,555	2,134
Released from Deferred Capital Grants (Note 15)	1,668	2,028
Other Income	4,440	5,465
	<u>24,569</u>	<u>26,502</u>
The cost of accommodation bursaries is now disclosed as a reduction to income rather than as expenditure.		
Accommodation bursary costs totalling £0.9m have been netted off income in 2012-13. Accommodation bursary costs of £1.2m were shown as expenditure in 2011-12. If the same presentation was used in 2011-12 as for 2012-13, the 2011-12 total University income would therefore have been £119.2m.		
5) ENDOWMENT AND INVESTMENT INCOME		
Other Income from Endowments (Note 16)	929	574
Income from Short-term Investments	305	318
	<u>1,234</u>	<u>892</u>

NOTES TO THE FINANCIAL STATEMENTS (continued)

	2013	2012
	£'000	£'000
6) STAFF COSTS		
Staff Costs - Operational		
Wages and Salaries	54,251	52,781
Social Security Costs	4,086	4,003
Other Pension Costs (Note 25)	8,622	8,211
Total Staff Costs (Note 8)	66,959	64,995
Staff Costs - Restructuring:		
Payments made during the year	1,022	1,024
Emoluments of the Vice-Chancellor		
Salary	228	208
Pension Contributions	24	22
	252	230

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

	2013	2012
	<u>Number</u>	<u>Number</u>
£100,000-£109,999	1	1
£110,000-£119,999	1	0
£120,000-£129,999	2	1
£130,000-£139,999	1	1
£140,000-£149,999	1	0
£200,000-£209,999	0	2
£220,000-£229,999	0	1
£250,000-£259,999	1	0

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:

	2013	2012
	<u>Number</u>	(RESTATED) <u>Number</u>
Academic Teaching and Research	655	641
Technical, Administrative and Support	935	909
	1,590	1,550

The 2011-12 figure has been restated to show the average Full Time equivalent number of Employees throughout the year rather than the position at the year end.

	2013	2012
	£'000	£'000
7) INTEREST AND OTHER FINANCE COSTS		
Net charge on Pension Scheme (Note 25)	684	241

NOTES TO THE FINANCIAL STATEMENTS (continued)

8) ANALYSIS OF TOTAL EXPENDITURE BY ACTIVITY

	Staff Costs			Other Operating Expenses	Interest Payable	2013 Total	2012 Total
	Operat- ional	Restruct- uring	Depre- ciation				
	£'000	£'000	£'000	£'000	£'000	£'000	£'000
Academic Departments	31,634	8	1,486	6,131	0	39,259	39,501
Farms	650	0	157	1,416	0	2,223	3,068
Academic Services	4,669	0	49	3,160	0	7,878	7,061
Research Grants and Contracts	8,675	0	408	6,061	0	15,144	14,582
Residences, Catering and Conferences (Note 27)	3,811	0	230	3,439	0	7,480	8,360
Premises	3,330	0	5,451	4,449	0	13,230	13,808
General Education Expenditure	2,237	5	52	9,455	0	11,749	12,662
Administration	6,186	0	127	1,879	0	8,192	7,958
Student and Staff Facilities and Amenities	2,448	0	65	435	0	2,948	2,855
Other Services Rendered	1,684	0	42	2,606	0	4,332	2,629
Arts Centre (Note 28)	1,770	0	285	1,965	0	4,020	3,823
Auditors' Remuneration	0	0	0	50	0	50	61
FRS 17 Adjustment to Pension Costs	(482)	0	0	0	684	202	(507)
Other Expenses	347	1,009	0	962	0	2,318	3,908
	<u>66,959</u>	<u>1,022</u>	<u>8,352</u>	<u>42,008</u>	<u>684</u>	<u>119,025</u>	<u>119,769</u>

Expenditure on farms is now separately presented. It was previously shown within Academic departments. The cost of accommodation bursaries is now disclosed as a reduction to income rather than as expenditure.

Other Expenses include remuneration paid to the University's External Auditors for non audit services amounting to £35,892 (2011/12: £55,200). These fees were for the following services:

Audit related services:

Audit of specific grants and audit of funding data: £22,092 (2011/12: £35,400)

Tax services:

Preparation of corporation tax computations: £13,800 (2011/12: £19,800)

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 (2011/12: 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 (2011/12: Nil).

The total expenses paid to or on behalf of 9 Council members was £14,101 (2011/12: £12,300 to 9 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 £'000	Total £'000
	Freehold £'000	Long Leasehold £'000	Work in Progress £'000	Operational £'000	Work in Progress £'000	Software		
COST OR VALUATION								
At 1 August 2012								
Valuation	130,489	2,981	0	0	0	0	1,347	134,817
Cost	72,065	354	3,424	36,278	1,822	326	0	114,269
Additions at Cost	177	259	2,215	3,443	488	0	0	6,582
Completed construction	441	815	(1,256)	510	(510)	0	0	0
At 31 July 2013	<u>203,172</u>	<u>4,409</u>	<u>4,383</u>	<u>40,231</u>	<u>1,800</u>	<u>326</u>	<u>1,347</u>	<u>255,668</u>
Valuation	130,489	2,981	0	0	0	0	1,347	134,817
Cost	72,683	1,428	4,383	40,231	1,800	326	0	120,851
	<u>203,172</u>	<u>4,409</u>	<u>4,383</u>	<u>40,231</u>	<u>1,800</u>	<u>326</u>	<u>1,347</u>	<u>255,668</u>
DEPRECIATION								
At 1 August 2012								
	64,374	487	0	31,246	0	65	0	96,172
Charge for the Year	5,692	110	0	2,485	0	65	0	8,352
At 31 July 2013	<u>70,066</u>	<u>597</u>	<u>0</u>	<u>33,731</u>	<u>0</u>	<u>130</u>	<u>0</u>	<u>104,524</u>
NET BOOK VALUE								
At 31 July 2013								
	<u>133,106</u>	<u>3,812</u>	<u>4,383</u>	<u>6,500</u>	<u>1,800</u>	<u>196</u>	<u>1,347</u>	<u>151,144</u>
At 1 August 2012								
	<u>138,180</u>	<u>2,848</u>	<u>3,424</u>	<u>5,032</u>	<u>1,822</u>	<u>261</u>	<u>1,347</u>	<u>152,914</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)

	2013	2012
	£'000	£'000
10) ENDOWMENT ASSETS		
Balance at 1 August	37,968	37,062
Additions to Investments	584	379
Appreciation on Revaluation (Note 16)	2,983	411
Increase in Revenue Balances	127	116
Balance at 31 July	<u>41,662</u>	<u>37,968</u>
Represented by:		
Fixed Interest Stocks	5,856	5,831
Equities	23,115	19,423
Property Unit Trust	1,341	1,080
Bank Balances	581	1,074
Total Investments	<u>30,893</u>	<u>27,408</u>
Land and Property	2,654	2,654
Revenue Balances	<u>8,115</u>	<u>7,907</u>
	<u>41,662</u>	<u>37,969</u>
11) DEBTORS		
Amounts falling due within one year:		
Trade and Other Debtors	9,064	9,798
Research Balances	6,045	8,543
Prepayments and Accrued Income	1,830	2,030
	<u>16,939</u>	<u>20,371</u>
Amounts falling due after more than one year:		
Loan to Guild of Students	<u>104</u>	<u>156</u>
12) CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR		
Unsecured Loans	45	39
Payments Received on Account	1,994	660
Trade and Other Creditors	2,682	10,598
Social Security and Other Taxation Payments	2,900	998
Research Grant Balances	10,915	4,430
Deferred Income from Student Village Lease	679	679
Accruals and other Deferred Income	12,735	9,852
	<u>31,950</u>	<u>27,256</u>

Capital Grants that have been utilised to fund expenditure on work in progress are now shown within Deferred Capital Grants. They were previously shown within Creditors.

NOTES TO THE FINANCIAL STATEMENTS (continued)

	2013 £'000	2012 £'000
13) ACCRUALS AND DEFERRED INCOME		
Deferred Income from Student Village Lease	9,502	10,181
	9,502	10,181

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.

14) PROVISIONS FOR LIABILITIES AND CHARGES		£'000
At 1 August 2012		949
Income and Expenditure Account		-
At 31 July 2013		949

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

NOTES TO THE FINANCIAL STATEMENTS (continued)

15) DEFERRED CAPITAL GRANTS	Funding Council £'000	Other Grants £'000	Total £'000
At 1 August 2012			
Buildings	21,499	27,234	48,733
Equipment	2,000	1,507	3,507
Total	<u>23,499</u>	<u>28,741</u>	<u>52,240</u>
Transferred from Creditors			
Buildings	0	615	615
Equipment	0	1,757	1,757
Total	<u>0</u>	<u>2,372</u>	<u>2,372</u>
Cash Received			
Buildings	445	16	461
Equipment	182	3,340	3,522
Total	<u>627</u>	<u>3,356</u>	<u>3,983</u>
Released to Income and Expenditure Account			
Buildings (Note 1)	981	993	1,974
Equipment (Note 1)	883	1,082	1,965
Total	<u>1,864</u>	<u>2,075</u>	<u>3,939</u>
At 31 July 2013			
Buildings	20,963	26,872	47,835
Equipment	1,299	5,522	6,821
Total	<u>22,262</u>	<u>32,394</u>	<u>54,656</u>

Of the £2,075k released to Income and Expenditure in relation to Other Grants, £1,668k is shown within Other Income and £407k within Research Grants.

Capital Grants that have been utilised to fund expenditure on work in progress are now shown within Deferred Capital Grants. They were previously shown within Creditors.

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 2012	19,630	18,276	37,906	62	37,968
New Endowments		4	4	580	584
Transfer		(44)	(44)	44	0
Investment Income	466	482	948	3	951
Expenditure	(457)	(276)	(733)	(91)	(824)
	9	206	215	(88)	127
Increase in Market Value of Investments	1,472	1,500	2,972	11	2,983
At 31 July 2013	<u>21,111</u>	<u>19,942</u>	<u>41,053</u>	<u>609</u>	<u>41,662</u>

17) MOVEMENT ON GENERAL RESERVES	2013 £'000	2012 £'000
At 1 August	27,270	31,013
Surplus/(Deficit) on Continuing Operations before transfer from Revaluation Reserve	72	507
Prior Year Adjustment		
Transfer from Revaluation Reserve (Note 18)	1,989	1,990
Actuarial Gain/(Loss) on Pension Scheme Liability (Note 25)	6,982	(6,240)
At 31 July	<u>36,313</u>	<u>27,270</u>

18) REVALUATION RESERVE	2013 £'000	2012 £'000
At 1 August	43,922	45,912
Transfer from Revaluation Reserve to Other Reserves in respect of:		
Depreciation on Revalued Assets	(1,989)	(1,990)
At 31 July	<u>41,933</u>	<u>43,922</u>

NOTES TO THE FINANCIAL STATEMENTS (continued)

	2013 £'000	2012 £'000
19) COMMITMENTS		
i) Capital Commitments: contracted at 31 July	46,467	-
ii) Annual commitments under non-cancellable operating leases on Land and Buildings which expire after five years	321	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 £4,704,051 (2011/12 debtor £4,237,524).

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 £36 (2011/12 £37,000). Additionally the University has provided the company with a loan. £18,896 (2011/12 £126,748) of this loan 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. This company ceased trading in 2012/13. During the year, Aberystwyth University paid See 3D Ltd £2,000 (2012: £8,800) as a result of arm's length 3rd party contracts.

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	
	2013 £'000	2012 £'000	2013 £'000	2012 £'000
Summarised Profit and Loss Account				
Turnover	264	303	36	166
Interest Receivable		0		0
Expenditure	(213)	(263)	(64)	(180)
Taxation		0		0
Profit/(Loss) for the year after taxation	51	40	(28)	(14)
Summarised Balance Sheet				
Fixed Assets	0	0	0	0
Net Current Assets/(Liabilities)	69	18	0	95
Net Assets/(Liabilities)	69	18	0	95
Capital and Reserves	69	18	0	95

NOTES TO THE FINANCIAL STATEMENTS (continued)

20) RELATED PARTIES (continued)

ABERYSTWYTH GUILD OF STUDENTS

The Guild of Students is a separate entity funded by the University by the provision of a grant. It is administered by elected student officers for the benefit of students.

The University's grant to the Guild of Students amounted to £549,810 (2011/12 £626,772).

The Guild occupies premises owned by the University for which no rent is charged and receives payroll services from the University for which no fee is charged. The University has provided the Guild with a loan facility of £760,000 of which £104,000 (2011/12 £156,000) was outstanding at the year end to finance the extension to the Guild's building. The loan is interest free and is repayable between 2013 and 2014. £52,000 was written off in 2012-13.

21)	RECONCILIATION OF THE OPERATING SURPLUS TO THE NET CASH FLOW FROM OPERATING ACTIVITIES	2013 £'000	2012 £'000
	Surplus/(Deficit) on Continuing Operations after Depreciation of Assets and Tax Depreciation	199	623
	Deferred Capital Grants Released to Income	8,352	8,428
	Investment Income	(3,939)	(3,993)
	Interest Payable	(1,234)	(892)
	Pension Costs less Contributions Payable	684	241
	Decrease in Stocks	(482)	(748)
	Decrease in Debtors	69	299
	Increase in Endowment Debtors	3,484	2,707
	Decrease in Investments	(940)	(28)
	Increase in Creditors, Accruals and Deferred Income	51	(51)
	Net Cash Inflow/(Outflow) from Operating Activities	6,387	(3,755)
		12,631	2,831
22)	RETURNS ON INVESTMENT AND SERVICING OF FINANCE	2013 £'000	2012 £'000
	Income from Endowments	929	574
	Other Interest Receivable (Note 5)	305	318
	Net Cash Inflow from Returns on Investments and Servicing of Finance	1,234	892
23)	CAPITAL EXPENDITURE AND FINANCIAL INVESTMENT	2013 £'000	2012 £'000
	Payments to acquire Fixed Assets	(6,582)	(14,254)
	Deferred Capital Grants Received (Note 15)	3,983	7,312
	Endowments Received (Note 16)	584	379
	Net Cash Outflow from Capital Expenditure and Financial Investment	(2,015)	(6,563)

NOTES TO THE FINANCIAL STATEMENTS (continued)

24) ANALYSIS OF CHANGES IN NET FUNDS	At 1 August 2012 £'000	Cash Flows £'000	At 31 July 2013 £'000
Cash at Bank and Cash in Hand	5,012	17,279	22,291
Endowments Cash included in Endowments			
Revenue Balances	8,842	(229)	8,613
Bank Overdraft	(5,839)	5,839	0
	<u>8,015</u>	<u>22,889</u>	<u>30,904</u>
Current Asset Investments	11,216	(11,039)	177
Total	<u><u>19,231</u></u>	<u><u>11,850</u></u>	<u><u>31,081</u></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:

	2013 £'000	2012 £'000
USS contributions paid	5,810	5,558
AUPAS charge to the Income & Expenditure Account	2,787	2,603
DPF charge to the Income & Expenditure Account	25	50
	<u><u>8,622</u></u>	<u><u>8,211</u></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 (S2P). 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 2013 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 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).

NOTES TO THE FINANCIAL STATEMENTS (continued)

25) PENSION SCHEMES (continued)

THE UNIVERSITIES SUPERANNUATION SCHEME (continued)

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 2014. 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 2014 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.

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.

NOTES TO THE FINANCIAL STATEMENTS (continued)

25) PENSION SCHEMES (continued)

THE UNIVERSITIES SUPERANNUATION SCHEME (continued)

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.

The actuary has estimated that the funding level as at 31 March 2013 under the scheme specific funding regime had fallen from 92% to 77%. This estimate is based on the results from the valuation at 31 March 2011 allowing primarily for investment returns and changes to market conditions. These are sighted as the two most significant factors affecting the funding positions which have been taken into account for the 31 March 2013 estimation.

On the FRS17 basis, using an AA bond discount rate of 4.2% per annum based on spot yields, the actuary calculated that the funding level at 31 March 2013 was 68%. An estimate of the funding level measured on a historic gilts basis at that date was approximately 55%.

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

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

NOTES TO THE FINANCIAL STATEMENTS (continued)

25) PENSION SCHEMES (continued)

SUMMARY OF FINANCIAL REPORTING STANDARD 17 ADJUSTMENTS TO THE FINANCIAL STATEMENTS

	AU Scheme 2013 £'000	Dyfed Scheme 2013 £'000	Total 2013 £'000	AU Scheme 2012 £'000	Dyfed Scheme 2012 £'000	Total 2012 £'000
Analysis of amounts recognised on the balance sheet						
Total market value of assets	77,419	4,088	81,507	64,171	3,591	67,762
Present value of scheme liabilities	(93,989)	(5,074)	(99,063)	(87,045)	(5,053)	(92,098)
Net pension liability	<u>(16,570)</u>	<u>(986)</u>	<u>(17,556)</u>	<u>(22,874)</u>	<u>(1,462)</u>	<u>(24,336)</u>
Analysis of amounts charged to staff costs within the operating surplus/(deficit):						
Current service cost	(2,681)	(25)	(2,706)	(2,555)	(44)	(2,599)
Past service cost	(106)	0	(106)	(48)	(6)	(54)
Total operating charge	<u>(2,787)</u>	<u>(25)</u>	<u>(2,812)</u>	<u>(2,603)</u>	<u>(50)</u>	<u>(2,653)</u>
Analysis of the amount charged to interest payable:						
Expected return on pension scheme assets	3,194	198	3,392	4,034	214	4,248
Interest on pension scheme liabilities	(3,887)	(189)	(4,076)	(4,259)	(230)	(4,489)
Pension finance cost	<u>(693)</u>	<u>9</u>	<u>(684)</u>	<u>(225)</u>	<u>(16)</u>	<u>(241)</u>
Analysis of amounts recognised in statement of total recognised gains and losses:						
Actual return less expected return on pension scheme assets	10,622	444	11,066	(2,514)	(154)	(2,668)
Experience gains on liabilities	0	0	0	0	0	0
Actuarial gain on acquisition	0	0	0	0	0	0
Changes in assumptions	(4,084)	0	(4,084)	(3,167)	(405)	(3,572)
Total actuarial (loss)/gain recognised	<u>6,538</u>	<u>444</u>	<u>6,982</u>	<u>(5,681)</u>	<u>(559)</u>	<u>(6,240)</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:

	2013 £'000	2012 £'000
Rate of increase in salaries	3.35%	2.75%
Rate of increase in pensions to 31 July 2003	2.55%	2.25%
Rate of increase in pensions from 1 August 2003 to 31 July 2006	2.55%	2.25%
Rate of increase in pensions from 1 August 2006	2.50%	2.25%
Discount rate	4.65%	4.50%
Rate of retail price inflation	3.35%	2.75%
Rate of consumer price inflation	2.55%	2.25%

Weighted average assumptions used to determine net pension cost:

Rate of increase in salaries	2.75%	3.45%
Discount rate	4.50%	5.30%
Expected long-term return on Scheme assets	5.00%	6.40%

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 2013:

	2013		2012	
	Male	Female	Male	Female
Member age 65 retiring today	21.1	23.5	20.8	23.0
Member age 45 retiring in 20 years	23.2	25.8	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 2013	Value at 31 July 2013 £'000	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 2010 £'000
Equities	5.5%	54,585	5.5%	41,608	6.9%	41,802
Index Linked Bonds	2.2%	-	2.2%	6,611	3.6%	6,317
Corporate Bonds	3.6%	15,941	3.6%	8,572	5.0%	7,282
Cash and Net Current Assets	2.2%	(404)	2.2%	296	3.6%	1,129
Property	5.5%	7,297	5.5%	7,084	6.9%	6,864
Total Market Value of Assets		77,419		64,171		63,394

Analysis of the amount shown in the balance sheet:

	2013 £'000	2012 £'000
Market Value of Assets	77,419	64,171
Present Value of Scheme Liabilities	(93,989)	(87,045)
Deficit in the Scheme - Net Pension Liability	(16,570)	(22,874)

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

	2013	2012
Current service cost	(2,681)	(2,555)
Past service cost	(106)	(48)
Total operating charge	(2,787)	(2,603)

Analysis of the amount charged to interest payable:

	2013	2012
Expected return on pension scheme assets	3,194	4,034
Interest on pension scheme liabilities	(3,887)	(4,259)
Pension finance cost	(693)	(225)

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

	2013	2012
Actual return less expected return on pension scheme assets	10,622	(2,514)
Experience gains and losses arising on scheme liabilities	0	0
Actuarial gain on acquisition	0	0
Changes in assumptions	(4,084)	(3,167)
Total actuarial gain/(loss) recognised	6,538	(5,681)

NOTES TO THE FINANCIAL STATEMENTS (continued)

25) PENSION SCHEMES (continued)

ABERYSTWYTH UNIVERSITY PENSION AND ASSURANCE SCHEME (continued)

	2013 £'000	2012 £'000
Movement in deficit during the year:		
Deficit in scheme at beginning of year	(22,874)	(17,699)
Movement in year:		
Current service cost	(2,681)	(2,555)
Contributions	3,246	3,334
Past service costs	0	(48)
Amendments	(106)	0
Net interest on liabilities	(693)	(225)
Actuarial gain/(loss)	6,538	(5,681)
Deficit in scheme at end of year	<u>(16,570)</u>	<u>(22,874)</u>
Analysis of the movement in the present value of the scheme liabilities:	2013 £'000	2012 £'000
At beginning of the year	87,045	81,093
Current service cost	2,681	2,555
Interest cost	3,887	4,259
Contributions by scheme participants	51	56
Past service costs	0	48
Amendments	106	0
Actuarial (gains)/losses	4,084	3,167
Benefits paid	(3,865)	(4,133)
At end of year	<u>93,989</u>	<u>87,045</u>
Analysis of the movement in the market value of the scheme assets:	2013 £'000	2012 £'000
At beginning of the year	64,171	63,394
Expected return on scheme assets	3,194	4,034
Actuarial gains	10,622	(2,514)
Contributions by the employer	3,246	3,334
Contributions by scheme participants	51	56
Benefits paid	(3,865)	(4,133)
	<u>77,419</u>	<u>64,171</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:

	2013	2012	2011	2010	2009
Difference between expected and actual return on scheme assets:					
amount (£000)	10,622	(2,514)	3,073	5,202	(8,000)
percentage of scheme assets	1%	4%	5%	9%	17%
Experience gains on scheme liabilities:					
amount (£000)	-	-	2,093	73	975
percentage of scheme liabilities	0%	0%	3%	0%	1%
Total amount recognised in statement of total recognised gains and losses:					
amount (£000)	6,538	(5,681)	4,127	(786)	(3,971)
percentage of scheme liabilities	0%	7%	5%	1%	6%

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 2013 by a qualified independent actuary.

The major assumptions used by the actuary were:

	2013	2012
Rate of increase in salaries	3.95%	3.75%
Rate of increase in pensions in payment	2.20%	2.0%
Discount rate	4.00%	3.8%
Rate of consumer price inflation	2.20%	2.0%

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

The assumed life expectations on retirement were as at 31 July 2013:

	2013		2012	
	Male	Female	Male	Female
Member age 65 retiring today	24.2	27.0	22.3	24.9
Member age 45 retiring in 20 years	22.4	25.0	24.1	26.9

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 2013	Value at 31 July 2013 £'000	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
Equities	7.00%	2,906	7.00%	2,485	7.00%	2,553
Government Bonds	3.30%	405	2.50%	402	3.90%	425
Other Bonds	4.30%	417	3.40%	388	4.90%	462
Property	5.70%	311	6.00%	266	6.00%	220
Cash and Net Current Assets	0.50%	49	0.50%	50	0.50%	67
Market Value of Assets		4,088		3,591		3,727

Analysis of the amount shown in the balance sheet:

	2013 £'000	2012 £'000
Market Value of Assets	4,088	3,591
Present Value of Scheme Liabilities	(5,074)	(5,053)
Deficit in the Scheme - Net Pension Liability	(986)	(1,462)

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

Current service cost	(25)	(44)
Past service cost	0	(6)
Total operating charge	(25)	(50)

Analysis of the amount charged to interest payable:

Expected return on pension scheme assets	198	214
Interest on pension scheme liabilities	(189)	(230)
Pension finance cost	9	(16)

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

Actual return less expected return on pension scheme assets	444	(154)
Experience gains and losses on liabilities	0	0
Changes in assumptions	0	(405)
Total actuarial (loss)/gain recognised	444	(559)

NOTES TO THE FINANCIAL STATEMENTS (continued)

25) PENSION SCHEMES (continued)

THE DYFED PENSION FUND (continued)

Movement in deficit during the year:

	2013	2012
	£'000	£'000
Deficit in scheme at beginning of year		
Movement in year:	(1,462)	(904)
Current service cost	(25)	(44)
Past Service Cost	0	(6)
Contributions	48	67
Net interest on liabilities	9	(16)
Actuarial gain/(loss)	444	(559)
Deficit in scheme at end of year	(986)	(1,462)

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

At beginning of the year	5,053	4,631
Current service cost	25	44
Past service cost	0	6
Interest cost	189	230
Contributions by scheme participants	6	14
Actuarial gains	0	405
Benefits paid	(199)	(277)
At end of year	5,074	5,053

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

At beginning of the year	3,591	3,727
Expected return on scheme assets	198	214
Actuarial gains/(losses)	444	(154)
Contributions by the employer	48	67
Contributions by scheme participants	6	14
Benefits paid	(199)	(277)
At end of year	4,088	3,591

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

	2013	2012	2011	2010	2009
Difference between expected and actual return on scheme assets:					
amount (£000)	444	(154)	428	239	(375)
percentage of scheme assets	11%	4%	12%	8%	13%
Experience gains and losses on scheme liabilities:					
amount (£000)	0	0	0	0	0
percentage of scheme liabilities	0%	0%	0%	0%	0%
Total amount recognised in statement of total recognised gains and losses:					
amount (£000)	444	(559)	95	307	(49)
percentage of scheme liabilities	9%	11%	2%	7%	1%

The University expects to contribute 46.8% of members' total pensionable salaries to its pension scheme in 2013/14.

NOTES TO THE FINANCIAL STATEMENTS (continued)

	2013 £'000	2012 £'000
26) FINANCIAL CONTINGENCY FUND		
Funding Council Grants	164	149
Interest Earned	1	0
	165	149
Disbursements to Students	(138)	(121)
Fund Running Costs	(5)	(4)
Returned to the Welsh Government	(20)	(9)
Balance Unspent at 1 August	15	0
Balance Unspent at 31 July	17	15

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.

27) RESIDENCES AND CATERING OPERATIONS, HALLS AND RENTED PROPERTIES
INCOME AND EXPENDITURE ACCOUNT
for the year ended 31 July 2013

	2013 £'000	2012 £'000
INCOME		
Students Fees net of Accommodation Bursaries	5,155	6,001
Conferences and Events	597	593
Hospitality	2,178	2,620
Other Income	886	876
Internal Adjustment	(496)	(626)
	8,320	9,464
EXPENDITURE		
Central Salaries and Wages	435	480
Hospitality Salaries and Wages	1,207	1,211
Residential Salaries and Wages	2,030	1,889
Hospitality Provisions	927	1,020
Fuel, Light and Water	970	817
Furniture and Equipment	126	387
Interior Repairs and Maintenance including Refurbishment	529	1,459
Internal Charges	445	444
Central Operational Expenses	701	614
Residential Operational Expenses	406	593
Internal Adjustment	(496)	(626)
Penglais Farms	200	72
	7,480	8,360
Surplus for the Year	840	1,104

The note has been amended to show the internal transfers that were excluded from income and expenditure. The prior year figures have been presented in the same manner.

In 2012-13, the cost of accommodation bursaries is shown as a reduction to income rather than as expenditure. In 2011-12, accommodation bursaries were £1,173,000.

NOTES TO THE FINANCIAL STATEMENTS (continued)

28) ABERYSTWYTH ARTS CENTRE INCOME AND EXPENDITURE ACCOUNT
for the year ended 31 July 2013

	2013 £'000	2012 £'000
INCOME		
Arts Programme	1,470	1,413
Trading Sales	1,789	1,784
Grants		
Arts Council for Wales	652	616
Ceredigion County Council	67	67
Aberystwyth Town Council	0	0
Mid Wales Circuit	16	16
Film Council	22	20
Other Income	68	68
Excluding Internal transfers	(113)	(184)
	3,971	3,800
EXPENDITURE		
Arts Programme	2,099	1,937
Trading	1,464	1,498
Administration, Services and Marketing	672	680
Other Central Expenditure	145	139
Excluding Internal transfers	(113)	(184)
Included under General Educational Expenditure in the General University Income and Expenditure Account	(247)	(247)
	4,020	3,823
Deficit for the Year	(49)	(23)

The prior figures have been amended to disclose the internal transfers that were excluded from income and expenditure. The total income and expenditure has not been restated.

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 2013 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)

	2013	2012
	£	£
UNRESTRICTED FUNDS		
Sir D Owen Evans Bequest	534,339	481,927
General Endowment Fund	648,613	584,993
Rendel Fund	163,497	147,460
J B Willans Bequest	230,674	208,048
Trefloyne Fund	2,172,479	1,959,386
Centenary Appeal Fund	385,682	347,851
Tithe and Welsh Church Fund	4,949,896	4,464,373
Gogerddan Estate	1,714,876	1,546,668
Mary Myfanwy Williams Fund	320,003	288,615
Dr William Thomas Fund	1,229,168	1,108,602
Dr J Gareth Thomas Fund	310,076	279,661
Thomas Watcyn Evans Fellowship	804,581	725,662
Blaenllynant Fund	1,539,209	1,388,232
RESTRICTED FUNDS		
Mrs Foster Watson Memorial Fund	3,835	3,459
Colonial History Endowment Fund	161,956	146,070
Gregynog Gift Fund	1,317,071	1,187,882
Wilson Chair of International Politics	1,316,769	1,187,611
Extra Mural Fund	67,562	60,935
Davies Llandinam Fund	211,110	190,403
D Alban Davies Fund	958,056	864,082
Corporation of Aberystwyth Annuity	622	561
Gwobr Eisteddfod Aberystwyth	2,247	2,026
Aberystwyth Papers Fund	56,497	50,955
Andre Barbier Prize	15,225	13,731
Lillian Mary Bowman Fund	18,178	16,395
Brereton Scholarship	18,212	16,426
Robert Bryan Music Scholarship	23,967	21,616
Bunford Prize	3,311	2,986
Mary Burlington Legacy	6,263	5,649
Mrs Clarke Scholarship	61,628	55,583
Charles Clements Prize	4,222	3,808
Travel Scholarships	35,426	31,951
Cranogwen Scholarship	25,150	22,683
Cynddelw Welsh Prize	8,881	8,010
Elizabeth Anne Davies Scholarship	16,865	15,211
Dr John Davies Scholarship	33,267	30,004
Miss Margaret Davies Prize	4,173	3,763
Miss S A Davies Scholarship	54,377	49,043

NOTES TO THE FINANCIAL STATEMENTS (continued)

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

RESTRICTED FUNDS (continued)	2013 £	2012 £
Thomas Davies Scholarship	58,560	52,816
T Maelgwyn Davies Memorial Fund	17,196	15,509
Elizabeth Davies Brynteifi Fund	34,061	30,720
G and D Edmunds Scholarship	112,104	101,108
Thomas C Edwards Scholarship	55,615	50,160
T E Ellis Prize	1,886	1,701
J D Evans Scholarship	27,382	24,696
D and M.Evans Prize	18,879	17,027
Ellis Eyton Exhibition	7,122	6,423
G and J Fairgrieve Fund	12,955	11,685
John Francis Scholarship	42,715	38,525
Lady Gladstone of Hawarden Scholarship	6,662	6,008
R A Griffiths Scholarship	28,051	25,299
Gwobr y Gyngres Geltaidd	5,397	4,868
Joseph Hamwee Prize	3,384	3,052
John Hughes Scholarship	87,226	78,671
Hugh James Memorial Scholarship	36,872	33,255
David Jenkins Music Scholarship	28,378	25,595
J R Johnson Memorial Scholarship	27,813	25,085
Sir Alfred Jones Scholarship	117,694	106,150
Edward Jones Scholarship	19,095	17,222
Sir Henry Jones Prize	3,621	3,266
Dr Tom Jones Scholarship	16,007	14,437
Professor Thomas Jones Prize	2,376	2,143
Dr W Idris Jones Fellowship	129,953	117,206
Keeling Entrance Scholarship	13,765	12,415
Keeling Research Scholarship	32,313	29,143
T A Levi Law Prize	4,928	4,444
Alun Lewis Memorial History Prize	2,843	2,564
Dr E A Lewis Research Scholarship	77,035	69,479
R J R Loxdale Legacy Fund	6,035	5,443
Thomas Lewis Scholarship	136,994	123,557
Gwobr Eisteddfod Machynlleth	3,691	3,329
Marshall Memorial Fund	15,867	14,310
Mold Eisteddfod Scholarship	13,271	11,969
Miss J Elizabeth Morris Prize	4,922	4,439
Museum Endowment Fund	64,792	58,437
Richard Davies Mynyddog Scholarship	17,503	15,786
Maths Honours Prize	28,528	25,729

NOTES TO THE FINANCIAL STATEMENTS (continued)

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

RESTRICTED FUNDS (continued)	2013 £	2012 £
Matthews Chemistry Prize	1,235	1,114
Organ Fund	21,484	19,377
Pritchard Scholarship	31,663	28,557
Heather Meredydd Parry Prize	15,437	13,923
W B Pennington Memorial Fund	21,802	19,664
Rendel Memorial Fund	33,198	29,942
J Foulks Roberts Scholarship	43,302	39,055
Dr R D Roberts Scholarship	330,874	298,420
R and A Roberts Scholarship	55,673	50,212
T Roberts of Portland Scholarship	8,517	7,682
Rudler Exhibition	12,815	11,558
Rudler Geological Fund	1,658	1,495
RT F D Roberts Bequest	9,667	8,719
Thomas Stephens Scholarship	20,487	18,478
L E Sulston Memorial Prize	1,117	1,007
Dr David Thomas Scholarship	46,709	42,128
D Morgan Thomas of Caterham Scholarship	111,336	100,415
Sir Garrod Thomas Fellowship	207,091	186,778
J J Thomas of Kendal Scholarship	165,879	149,608
J Thomas Scholarship	36,093	32,552
Lewis Thomas Scholarship	68,295	61,596
Dr W Thomas Prize	4,882	4,403
Mrs Elizabeth Thomas Prize	4,645	4,189
Frances Williams Art Prize	14,606	13,173
Sir John Williams Bequest Fund	987,260	890,422
Miss E E Willis Prize	3,914	3,530
The Calcott Prize	61,798	55,736
Meurig James Fund	4,220	3,806
T Redvers Llewellyn Prize	6,616	5,967
Dorothy Wilson Prize	8,869	7,999
Staff Emergency Fund	190,930	172,202
Sir D Hughes Parry Fund	246,579	222,393
Sir Ben Bowen Thomas Fund	50,627	45,661
Chapel Fund	35,070	31,630
Rhiannon Picton Prize	2,365	2,133
Meurig Williams Prize	1,564	1,411
Emrys Watkin Prize	2,969	2,678
Simon T Thorpe Prize	3,616	3,262
T E Nicholas Prize	10,536	9,502

NOTES TO THE FINANCIAL STATEMENTS (continued)

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

RESTRICTED FUNDS (continued)	2013 £	2012 £
Catherine Lewis Trust	909,259	820,072
Llewelfryn Davies Fund	32,386	29,209
T and E Maelgwyn Davies Prize	6,296	5,678
Walford Davies Fund	5,816	5,246
Ian Parrott Prize	1,692	1,526
Ernest J Gooding Fund	346,295	312,328
E E Pritchard Prize	2,999	2,705
W C Bradley Geomorphology Prize	820	740
Sarah Jane Cross Memorial Prize	1,033	932
Enid Lewis Fund	232,323	209,535
Anne Elizabeth Lewis Prize	3,134	2,826
Lawrence Wild Prize	2,160	1,948
Margaret E Pryde Prize	720	649
Dr Arthur Luther Trott Fund	183,700	165,681
Louis De-Burgh Prize	2,238	2,019
Margaret and Elwyn Davies Fund	12,558	11,326
Alun G Davies Prize in History	4,954	4,468
David Williams Memorial Prize	596	538
V C Morton Prize	9,850	8,883
The Rhys Lovelock Prize	8,050	7,260
Lady Amy Parry Williams Fund	8,938	8,062
Sidney Herbert Memorial Fund	37,361	33,696
Rhiannon Davies Prize	2,873	2,591
I L Gowan Prize	3,833	3,457
Evan James Williams Memorial Fund	5,942	5,359
Alun R Edwards Memorial Fund	16,027	14,455
Leslie Patrick Scholarship	4,748	4,282
Thomas and Elizabeth Evans Irish Prize Fund	7,298	6,583
O L Davies Prize in Statistics	2,850	2,571
Cambria Mathematics Fund	8,675	7,824
Jones Pierce Memorial Lecture Fund	10,328	9,315
Pembrokeshire Fund	29,172	26,311
Elizabeth Richards Scholarship	19,341	17,444
Professor J Taylor Prize	781	704
Evan Morgan Scholarship Fund	994,093	896,585
Reverend Wynford Thomas Prize	235	212
Kathane Thomas Prize	268	242
Torbet Prize	2,791	2,517
Edward Hamer Scholarship	17,802	16,056

NOTES TO THE FINANCIAL STATEMENTS (continued)

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

RESTRICTED FUNDS (continued)	2013 £	2012 £
M L M Reeves Prize	11,576	10,441
Sir Thomas Parry Williams Fund	9,968	8,990
Jane Morgan Prize	2,222	2,004
Paul Metcalfe Prize	18,937	17,079
MANWEB Energy Prize	2,331	2,103
Barrie N Davies Prize in Economics	4,498	4,057
Professor G L Rees Prize	4,512	4,070
H Daniels American Study Prize	3,852	3,474
Professor P N Mathur Prize	1,112	1,003
E G Bowen Memorial Fund	8,092	7,298
Glaxo Book Prize	583	526
Hudson Williams Prize	10,995	9,916
Dr & Mrs E E Edwards Research Fund	67,228	60,634
Bessie Jones Bequest	38,633	34,844
T Muthuswami Ayer Prize	1,670	1,507
Sir William Mars-Jones Prize	9,384	8,463
Professor Norman Twiddy Memorial Prize	1,790	1,614
Professor Lance Thomas Prize	3,916	3,532
Dewi & Ann Williams Scholarship	21,080	19,012
Evan Bolle-Jones Scholarship	17,633	15,903
Postgraduate Fund	100,596	90,729
Open Scholarship Fund	239,778	216,259
Michael MccGwire Prize	6,788	6,122
Lady Enid Parry Fund	3,432	3,095
Clay Jones Scholarship	14,479	13,059
Bryn Terfel Scholarship	34,725	31,319
Dr Glyn Rowlands Scholarship	29,389	39,639
125th Anniversary Appeal	54,227	47,571
Dr Owen Price Scholarship	37,894	34,177
Music Bursaries	19,596	17,674
Miss R M Creed Bequest	3,663	3,304
Colin Phillips Prize in Labour Law	2,046	1,846
Colin Easthope Award in Mathematics	24,254	21,875
T D and C M Adams Scholarship	95,824	86,425
Faculty Prize	6,248	5,635
Professor Caerwyn and Mrs Gwen Williams Scholarship	37,609	33,920
Mrs Ann Doreen Price Travel Scholarship	75,128	67,759
R M Davies Research Prize	144,922	130,707
Gwyneth Evans Scholarship	15,712	14,171

NOTES TO THE FINANCIAL STATEMENTS (continued)

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

RESTRICTED FUNDS (continued)	2013 £	2012 £
Endowment Campaign	312,049	281,441
Elvira M K Lewis Bequest	429,372	387,256
Rhiannon Powell Memorial Fund	25,430	21,808
Elizabeth Helen and Eric Thomas Edwards Fund	243,307	219,442
Sir Goronwy H Daniel Prize	3,454	3,115
David Butler Scholarship	16,489	14,872
Captain Marsden Fund	31,475	28,387
Sir Granville Beynon Prize	4,061	3,663
Mervin Williams Prize	2,729	2,461
Handel Evans Trust	379,264	342,063
Dorothy Skeel Meyler Fund	31,538	28,445
B E Lee Davies Fund	12,780	11,526
Sydney Orford Fund	47,692	43,014
David Davies Prize in Human Resource Management	2,852	2,572
J D R and Gwyneth Thomas Fund	28,483	24,335
T G Lloyd Fund		60,449
Catrin Prys Jones Prize	7,487	6,752
Mike Jones Memorial Prize	20,144	18,168
Fergus Johnston Scholarship	803,044	724,149
Tessa Sidey Print Acquisition Fund	147,555	131,834
Dr Owen Price Expendable Scholarship	579,527	
TOTAL ENDOWMENT FUNDS INVESTMENTS	30,892,141	27,407,714