



The University of Chichester

Annual Report

For the year ended 31 July 2011

Registered Company No 4740553
A company limited by guarantee without share capital
Registered in England

Approved by the Board of Governors: 29 November 2011

University of Chichester

Annual report for the year ended 31 July 2011

	Pages
Directors, Governors and Advisers	1
Governors' report	3
Corporate governance	14
Independent Auditors' report	24
Consolidated income and expenditure account	26
Consolidated note of historical cost surpluses and deficits	27
Consolidated statement of total recognised gains and loss	27
Balance sheets	28
Consolidated cash flow statement	29
Notes to the accounts	30

University of Chichester

Directors, Governors and Advisers

Mr D C Jenkins	(Chair of Governors)	
The Lord Bishop of Chichester:	the Right Reverend Dr J Hind	
Mr R E Abbott		(Appointed 1 January 2011)
Mr S Baeza		(Appointed 1 January 2011)
Professor C Behagg		
Dr M R Boniface		(Resigned 31 December 2010)
Mrs Helen Bray		(Appointed 1 January 2011)
Mr C Brownlee		(Resigned 31 December 2010)
Canon Dr A W Cane		
Mr P E Croucher		(Resigned 31 December 2010)
Mr C J Dicks		(Appointed 1 January 2011)
Ms C Douglas		(Appointed 1 November 2011)
Mrs M Eva OBE		
Mr R C G Fortin		
Mr J S Frampton		
Dr B J Francombe		(Resigned 31 December 2010)
Miss J A Gilliver		
Miss A Gooderson		(Appointed 6 July 2011, resigned 31 October 2011)
Mrs R Hammond		(Resigned 31 December 2010)
Mr R Hornby		(Appointed 1 January 2011)
Mr D Longmore		
Mr J M Macgregor CVO		
Mr B McCarthy		(Resigned 5 July 2011)
Mr G Muvuti		
Mrs N V Nageon de Lestang		(Appointed 1 January 2011)
Dr A Naylor		(Appointed 5 April 2011)
Mr R G Smith		(Appointed 1 January 2011)
Mr J N Stapleton		
Mr N C Taunt		
Mrs K Vagg		
Mrs K Velasco		(Resigned 31 December 2010)
Dr A White OBE		(Resigned 31 December 2010)
Mr W Yardley		

University of Chichester

**Clerk to the Governors
and Secretary**

Mrs I J Cherrett

Principal Address

University of Chichester
Bishop Otter Campus
College Lane
Chichester
West Sussex
PO19 6PE

Bankers

National Westminster Bank plc
60 High Street
Bognor Regis
West Sussex
PO21 1SL

Solicitors

Eversheds LLP
One Wood Street
London
EC2V 7WS

Auditors

BDO LLP
Emerald House
East Street
Epsom
Surrey
KT17 1HS

University of Chichester

Governors' report for the year ended 31 July 2011

Objectives and Activities

The principal objectives of the University are concerned with the provision of higher education, research, and consultancy. To support these objectives, the University undertakes other activities, including the provision of accommodation, catering and conference services.

The University's vision is as follows:

The University of Chichester aims to be a socially responsible university that is recognised internationally, significant nationally, important regionally and vital locally – not only in teaching and student experience, but also in research and in its diverse communities and the public, private and voluntary sectors. We aspire to be excellent in everything we do and in the services we offer

The University of Chichester was incorporated on 22 April 2003 as a private company limited by guarantee (Company Number 4740553). On 1 August 2003 the Company took over the activities formerly undertaken by a registered charitable trust, with the consequence that all assets, liabilities and activities of the registered charitable trust were transferred to the private limited company. All activities are continuing under the Articles of Association of the company. The Company has been granted exempt charity status by the Privy Council.

The roots of the University lie in the merger in 1977 of the Bishop Otter College (founded 1840) with the Bognor Regis Training College (founded 1946), both of which were established to provide teacher education. University title was awarded by the Privy Council on 12 October 2005.

Scope of the Financial Statements

The Financial Statements comprise the consolidated results for the University and its subsidiary undertaking, Chichester Enterprises Limited. The principal business activity of Chichester Enterprises Limited is the provision of conference and catering services and the provision of consultancy services. Chichester Enterprises Limited transfers the whole of any taxable profits to the University.

Operating and Financial Review

The Financial Statements and supporting notes for this financial period comply with the Statement of Recommended Practice: Accounting for Further and Higher Education Institutions, the relevant Companies Acts and other applicable accounting standards and Higher Education Funding Council for England (HEFCE) Accounts Directions.

For the year ended 31st July 2011, the University is reporting a surplus of £3,428k (2010: £2,241k) on continuing operations after depreciation of assets at valuation and disposal of assets and before tax.

Consolidated Income and Expenditure Account

The University's consolidated results for the years ended 31 July 2011 and 31 July 2010 are summarised in the following table:

	Year to 31 July 2011 £'000	Year to 31 July 2010 £'000
Total income	40,620	37,538
Total expenditure	37,192	35,297
	-----	-----
Surplus after depreciation of assets at valuation and before tax	3,428 =====	2,241 =====
Historical cost surplus	3,515 =====	2,305 =====

University of Chichester

Governors' report for the year ended 31 July 2011 (continued)

Consolidated Income and Expenditure Account (continued)

The University's total income increased by 8% to £40.6m compared with £37.5m in 2009-10. Within this figure, income from Funding Council grants increased by 3%, which accounts for 45% (2009-10: 48%) of the total. Whilst the Training and Development Agency (TDA) funding remained almost static overall, HEFCE grants included a 2.7% reduction in teaching grant and an 11% cut to research funding. However, HEFCE non formula funding increased by £916k due to a number of one-off payments in particular relating to the Strategic Development Fund and the South East Coastal Communities Project.

Tuition fees rose by £1.6m as a result of 328 additional full time home students and an increase of 13 (29%) overseas students together with a 2% increase in fee levels.

Income from residences, catering and conferences increased by 7.5% to £4,423k, as a result of a 5% price increase and almost 100% accommodation occupancy levels compared with 89% in the previous year. Other income, which includes academic consultancy, continuing professional development and other sources such as car parking, field trips and performances increased by £630k to £2,655k, including £318k received from SEEDA and West Sussex County Council relating to the Bognor Regis campus re-development. Income from research contracts decreased from £183k to £108k, as 2009-10 saw the completion of four projects. Current year income is dominated by two projects, one relating to the teaching of maths and the second being a watersports project sponsored by Butlins and Arun District Council.

Total expenditure increased by 5.4% from £35.3m to £37.2m, with staff costs continuing to be 58% of the total. Staff numbers, averaged over the year, increased by 25 posts, twelve in teaching and student facing support, ten in Estates where savings have been achieved through changing to in-house provision and three in central support teams. The combination of increased numbers and the 0.4% pay rise in the year caused staff costs to increase by £1.3m to £21.7m.

Other operating expenditure increased from £12.8m to £13.5m (5.5%), including a £66k increase in bursaries paid to students, £216k higher payments to schools and travel costs in support of student placements, £188k restructuring costs, £112k increased lease costs of personal computers and printers and £91k Portakabin hire at the Bognor Regis campus.

The interest payable reduced from £710k in 2009-10 to £474k, largely as a result of a reduced FRS17 loss on the Local Government Pension Scheme.

The company made no political or charitable donations in the year.

Consolidated Balance Sheet

The net book value of tangible assets of the University increased by £4.6m to £48.7m. The strategic project to refurbish the Dome completed in the year and the building of a new Learning Resources Centre (LRC) at the Bognor Regis campus is progressing well and is due for completion in the winter 2011/12.

The net current asset position as at 31st July 2011 of £7.3m was £2.8m higher than that as at 31st July 2010, due primarily to cash balances increasing to £12.5m.

Deferred capital grants of £4.4m were received in the year, £3.7m from HEFCE and £0.7m from SEEDA, in respect of the refurbishment of the Dome and the new Learning Resources Centre at Bognor Regis.

The FRS17 pension scheme liability continues to be impacted by financial market turbulence, but as at 31 July 2011, there has been an actuarial revaluation gain of £3.992m. The result is that the FRS17 pension liability has decreased by £3.8m to £2.5m as at 31st July 2011.

Overall, the University's total assets grew by £11.5m to £46.7m and the University's discretionary reserves (including the pension liability) grew by £7.5m to £19.7m.

University of Chichester

Governors' report for the year ended 31 July 2011 (continued)

Cash Flow and Treasury Management

The surplus arising from the operating activities outlined above resulted in an increase in the level of cash and short term investments of £3.1m to £12.5m. Of this, £2.3m was held in investment accounts and the balance within an interest bearing account with our bankers, into which all surplus cash is swept overnight. These investments are managed in line with the University's Treasury Management Policy, which ensures that working capital and investments are assessed in the context of future revenue and capital plans and the need to ensure that sufficient funds are available to meet commitments on a day to day basis. Within the parameters of the Treasury Management Policy, judgement is used to ensure that the University's cash and investments are not exposed to excessive risk.

Payment of Creditors

The University endeavours to abide by payment terms agreed with suppliers. However, as it is the University's policy to negotiate the most favourable terms for all transactions, there are no uniform terms for payment of creditors.

Capital Projects

Capital commitments as of 31st July 2011 (note 30) were £2,541k (2009-10: £350k). This related to building work of the LRC at the Bognor Regis campus of £2,277k and £264k relating to the refurbishment of student accommodation at the Bishop Otter Campus.

Employees

The University is committed to achieving the most appropriate culture and environment in which staff, students and visitors understand and embrace the principles of equality and diversity and where employees are engaged and feel positive about their role in the University.

Human Resources policies and procedures are intended to promote equality of opportunity in all areas of employment, and the University actively seeks to recruit from all sections of the local and wider community, to reflect its diversity. To support the equality agenda, the University has in place an Equality Scheme, equality policies and objectives and produces an annual report that not only addresses statutory responsibilities under the Equality Act 2010 and Public Sector duties, but supports the University's core values, which include respect for the individual, equality and the encouragement of diversity. Accredited with the disability symbol, the University is also a member of the Stonewall Diversity Champions Programme. Further information about the Equality Scheme, Policies and Annual Report can be found on the University web-site.

The employee relations framework encourages staff to respond positively to changes that enhance organisational effectiveness and provide quality services. In line with this approach, the University recognises appropriate trade unions and has established a Joint Consultative Group, involving academic and professional support staff unions, that meets on a regular basis and takes into account changes in legislation, national and local agreements and the general employment market,. This Group provides an effective means of communication and enables discussion to take place about issues of concern to both management and unions.

The remuneration systems and conditions of service support the national framework agreement in relation to pay and conditions. The University's Reward Strategy and negotiated framework agreement is regularly reviewed by the Joint Consultative Group.

To promote involvement in the governance of the University, staff representatives are elected by their colleagues to serve as members of the Board of Governors and the Academic Board and its committees. All staff have access to the minutes of the Board of Governors, except where these are considered to be of a confidential nature.

University of Chichester

Governors' report for the year ended 31 July 2011 (continued)

Students

The University recognises the importance of ensuring that the views of students are taken into account when critical decisions that impact on their education and overall experience during their academic career are made, and consequently there are a number of mechanisms in place to facilitate communications with students, including the use of e-mail and the internet, programme and module evaluations, representation on Programme Boards and a Student Forum with senior University management. A sabbatical officer from the Students' Union sits ex-officio on the Board of Governors of the University, and three representatives of the Union are members of the Academic Board.

Performance Indicators

The data for comparison purposes relates to the previous three University financial years, where available. The University's position in comparison with the sector as a whole is also shown where these figures are publicly available.

Students

The University aims to ensure that its students leave higher education with the skills that they need for their future careers. This is measured by the number of students who are employed in graduate level jobs. This data is available from May each year, and therefore the latest figures refer to students who graduated in 2009-10.

	<i>2007-08 data</i>	<i>2008-09 data</i>	<i>2009-10 Target</i>	2009-10 Actual	<i>2010-11 Target</i>	<i>2011-12 Target</i>
Chichester	56.9%	53.1%	n/a	51.0%		
Sector	56.4%	53.1%	n/a	54.5%		
Sector ranking	<i>85th</i>	<i>86th</i>	82nd	115th	<i>79th</i>	<i>75th</i>

The proportion of graduates in graduate level jobs has declined at Chichester as economic conditions have worsened and as the proportion of graduates being newly Qualified Teachers has declined from 26.5% in 2009 to 23.3% in 2010. Overall this goes against the trend for the sector as a whole and the University has implemented initiatives intended to address this issue.

The National Student Survey is an independent assessment of the views of final year students on their academic experience at University. It has become generally accepted as one measure of the quality of the student experience. The survey includes many different statistics, but the one we have chosen is the percentage of students who indicated a positive response to the question "Overall, I am satisfied with the quality of my course".

Overall target: To be in the top 25% of higher education institutions

<i>2008 Survey</i>	<i>2009 Survey</i>	<i>2010 Survey</i>	<i>2011 Survey: Target</i>	2011 Survey: Actual	<i>2012 Survey: Target</i>	<i>2013 Survey: Target</i>
87%	88%	83%	86%	87%	86%	86%

Note: 2012 and 2013 targets quoted are indicative based on the percentage required to be in the top 25% of higher education institutions in the 2010 survey. The figure required to meet this target will change from year to year.

University of Chichester

Governors' report for the year ended 31 July 2010 (continued)

Performance Indicators (continued)

Staff

The University recognises that the staff are the most important resource in an academic institution and are key to the quality of the experience that students receive and to the reputation of the University amongst its peers. The performance indicators used by the University to measure this are the proportion of academics with higher degrees. The following is based on information recorded on the University's HR system and reported to the Higher Education Statistics Agency on an annual basis.

	2007-08 data	2008-09 data	2009-10 data	2010-11 Target	2010-11 Actual	2011-12 Target	2012-13 Target
Chichester	70%	70%	76%	75%	78%	75%	75%

Estates

The improvement of the estate remains a key corporate objective for the University. The overall quality of University buildings is measured by the proportion of Gross Internal Area (GIA) that has a functionality classified as satisfactory or above.

	2006-07 data	2007-08 data	2008-09 data	2009-10 Target	2009-10 Actual	2010-11 Target	2012-13 Target
<i>Non-residential</i>							
Chichester	96%	96%	96%	96%	100%	96%	96%
Sector	95%	95%	97%	n/a	97%		
<i>Residential</i>							
Chichester	100%	100%	98%	100%	100%	100%	100%
Sector	96%	96%	97%		84%		

During 2010-11, the University developed a new long-term maintenance plan, including a full condition survey undertaken by external consultants. The condition of the buildings was found to be less satisfactory than previously reported. As a result, the University has increased its long-term maintenance budget to £2m pa from 2011-12.

Financial

The gearing ratio gives an indication of the affordability of the level of debt that the University holds, and is used by HEFCE as a measure of the sustainability of the University.

	2007-08 data	2008-09 data	2009-10 data	2010-11 Target	2010-11 Actual	2011-12 Target	2012-13 Target
Chichester	0.4:1	0.4:1	0.4:1	0.3:1	0.3:1	0.3:1	0.3:1
Sector	0.4:1	0.4:1	0.5:1	n/a			

In terms of the University's liquidity (taking a broad definition of liquidity to include short term deposits redeemable at a maximum of a week's notice), the performance measure used is net liquidity days:

Overall target: 60 net liquidity days in light of the economic environment

	2007-08 data	2008-09 data	2009-10 data	2010-11 Target	2010-11 Actual	2011-12 Target	2012-13 Target
Chichester	99	64	101	60	127	60	60
Sector	83	88	97	n/a			

University of Chichester

Governors' report for the year ended 31 July 2011 (continued)

Performance Indicators (continued)

Environmental

The University is committed to taking action to reduce its carbon footprint and monitors its Notional Energy Emissions (kg CO₂) per square metre (Gross Internal Area) for the University Estate (residential and non-residential).

	<i>2007-08 data</i>	<i>2008-09 data</i>	2009-10 Actual	<i>2010-11 Target</i>	<i>2011-12 Target</i>	<i>2012-13 Target</i>
Chichester	73	75	68	66	64	62
Sector	79	94	95			

Corporate Governance and Risk Management

The University is committed to exhibiting best practice in all aspects of corporate governance. It endeavours to conduct its business in accordance with the principles identified by the Committee on Standards in Public Life and with the Committee of University Chairs' Guide for Members of Governing Bodies of Universities and Colleges.

The corporate governance information on pages 14 to 23 details the work that has been ongoing throughout the year, which reflects the risk-based approach in assessing control systems. Governors regularly review the major risks to which the University is exposed. These reviews cover business, operational, compliance, quality and reputation issues in addition to financial risks. The Board of Governors believes that its processes for identifying, evaluating and managing the University's risks during the year are adequate.

Awareness of Relevant Audit Information

Each Governor has taken all the steps that he or she ought to have taken to make themselves aware of any information needed by the University's auditors for the purposes of their audit and to establish that the auditors are aware of that information. None of the Governors is aware of any relevant audit information of which the auditors are unaware.

Public Benefit

As an exempt charity, the trustees have had regard to the guidance published by the Charity Commission with regards to demonstrating the public benefit provided by the University. This section details how the University has met the requirements of the Charity Commission in this respect.

From the University's Articles of Association, the object of the University of Chichester is "the establishment, conduct and development of a University for the advancement of the higher and further education of men and women". As such, the principal charitable aim that the University meets under the 1993 Charities Act is the advancement of education.

Access to the University is on the basis of academic ability and not the ability to pay fees. Under the terms of its Access Agreement with the Office of Fair Access (OFFA), the University provides bursaries to students on the basis of need. The amount put aside for these bursaries is not capped – every student who meets the criteria as detailed on the University's website will receive the bursary to which they are entitled. In 2010-11 the University distributed £1,819,010 in bursaries to students.

University of Chichester

Governors' report for the year ended 31 July 2011 (continued)

Public Benefit (continued)

In the year, the University has supported the recruitment of students from deprived and under-represented groups through the AimHigher project, work with schools across West Sussex through the University's Widening Participation team and through progression agreements with nineteen Further Education Colleges.

The University is the educational partner in four West Sussex academies, and plays a significant governance role in six other academies and trust schools, as well as actively supporting many other schools in meeting changing government requirements. This includes providing staff, often at a senior level, as governors and trustees, as well as curriculum support and development and training for school staff.

Following the cessation of Aimhigher in July 2011 and the introduction of the new Student Finance Scheme, there has been a significant re-modelling of the University's outreach activity: the catchment area has been increased to include all of West Sussex and south east Hampshire including Portsmouth and the Isle of Wight and access and outreach work will be undertaken in more than 50 schools and colleges through the University's Learner Progression Framework.

The University's commitment to engaging with young people within West Sussex extends to providing access to pitches and changing facilities for a local football club, Predators FC. Working with the club, unused sporting facilities on the University's Bognor Regis campus were brought back into use for the community. Predators FC is non-selective, offering girls and boys access to football coaching and practice on the basis of their enthusiasm rather than their ability. This supports improvements in the health and wellbeing of schoolchildren in the Bognor Regis area. In addition to this initiative, staff from the Physical Education department work with schools in tackling childhood obesity and cardiac risk in the young, and support members of the public considered to be at risk of diabetes through referral from their doctors.

Away from sporting activities, staff within Fine Art run Junior Art Schools in collaboration with a local community arts group, the Unity Arts Trust and those within the Music Department run a Junior Music Academy to attract local children to these areas of the arts. With the support of the Arts Council South East, the University runs a programme of performance events in the ShowRoom theatre, as well as other lectures, performances, conferences and academic events that are open to the general public. Where possible, public lectures are recorded and made available through the University's website.

In support of the need for the economic regeneration of the West Sussex coastal strip, the University is investing in its School of Enterprise, Management and Leadership with the support of the Higher Education Funding Council for England (HEFCE), the South East of England Development Agency (SEEDA), West Sussex County Council and Arun District Council. This will provide business and management education for businesses across West Sussex, with a particular focus on the coastal strip, in addition to the provision of new business incubator facilities.

Students are given the opportunity to volunteer to support a range of local charities and events through the Volunteering Service run by Student Support Services. This allows the University's students to engage with their local community, as well as to learn vital skills that they may be able to put into use when they have left the institution.

The University's governors, who are directors of the University company, are not paid for their time (with the exception of staff governors who receive remuneration for their substantive employment but not for their role as governors) but receive reasonable expenses paid in line with the University's published expenses policy.

University of Chichester

Governors' report for the year ended 31 July 2011 (continued)

Risk and sustainability

Changes to funding for the higher education sector

The publication of the Higher Education White Paper in June 2011 confirmed that there will be significant reductions in government funding for teaching and research activities across the sector, with a transfer of the burden of the cost of teaching from state to student. The result will be that students will be charged significantly higher fees, although these will be funded in the first instance through loans that will have to be repaid once a student is earning above a threshold salary.

The complete removal of HEFCE core funding for arts, humanities and social sciences programmes will result in a very significant fall in government income for this institution and the University has decided to set its tuition fees at £8,500 pa for home full-time undergraduates. After taking into account bursaries and fee waivers for widening participation students, the average fee charged is expected to be approximately £7,500. It is estimated that 96% of our teaching income currently provided by HEFCE will be lost, to be replaced by fees paid by students. The risk to income has now shifted to one of demand for the courses balanced by how much students are prepared to accumulate long term debt to pay for this.

The Education White Paper published in November 2010 indicated changes to the role of teacher training within universities, however the legislation to confirm these changes is still awaited. The University expects to maintain the majority of its current teacher training activities in the short to medium term.

The University's strategy envisages modest growth in international students to bring the institution more in line with its peer group. A failure to achieve international student recruitment targets because of changes in the international political or economic environment or as a result of a failure to deliver planned increases in international recruitment capacity is a key risk that is being addressed by the University. The internationalisation strategy includes partnership work with other organisations who can demonstrate a successful track record in this area and through raising our profile in key markets.

Against this backdrop of significant threats and new risks, the University believes that it has some important advantages and strengths. These include the strong student satisfaction results over a long period of time, the intellectual capital of our academic and professional service staff, the adaptability of a relatively small organisation to take advantage of new opportunities as they arise, and recent strong financial performance. The University will continue to identify efficiencies and areas where costs can be reduced to free up funds for investment in the institution's strategy or to reduce overall expenditure. The University has also instigated an explicit policy of building up cash balances to provide some protection against sudden cuts in income, to allow it space to make necessary changes in a strategic way, and to provide funds to invest in making any changes necessary for it to adapt to the new realities.

The University's Strategic Plan places students and their needs at the heart of the operations of the institution, and continues to enable the University to meet the challenges provided by the expected changes to the higher education market.

In the long term, the changes to student funding highlighted above will impact on the risk associated with recruitment, particularly the recruitment of students from low participation neighbourhoods. In setting tuition fees and the bursary policy, the University assessed the risk to recruitment against the overall income generated.

University of Chichester

Governors' report for the year ended 31 July 2011 (continued)

Risk and sustainability (continued)

Other income diversification

Diversifying the income base of the University by raising the level of income from research, consultancy and other services rendered is another key objective of the University's strategy. However, economic conditions and the level of competition from universities and other private and public sector providers means that meeting this objective will be challenging. The risk is reduced by selective investment in key posts in order to maximise the opportunities available to the University, support and training for staff, and through the use of a costing and pricing methodology that is intended to ensure that the financial implications of bids and contracts can be identified.

Expenditure pressures

The risks outlined above refer mostly to risks to the income of the University; however, the cost base of higher education remains under pressure. Staff costs will continue to be carefully controlled and only essential posts filled. The University intends to continue to implement national pay awards, but recognises that this and future pension contribution commitments represent risks of significant future cost increases. It may be that these are not sustainable in the long term without improvements in efficiencies.

Lord Hutton's review of public sector pensions would indicate that, in the short to medium term, cost pressures on employer contributions may reduce. However, there will be a possibility of industrial action and higher employee contributions will have a negative impact on staff morale.

As mentioned above, the new long-term maintenance plan will increase the ongoing estates costs in order to ensure that the campus provides facilities which are fit for purpose. Energy costs which have been fixed for the previous three years, are now rising although this will be mitigated somewhat by improving the environmental performance.

Future outlook

As indicated above, the recruitment of sufficient full time undergraduate students at an average fee of £7,500 from September 2012 onwards is fundamental to the University's long term sustainability. The University's focus therefore has been on preparing for this significant change in the higher education market.

The Board of Governors recognises the very significant risks that this change creates. It is uncharted territory for higher education in the United Kingdom, and therefore it cannot be certain how the market will react. However, the Board believes that the University has some key strengths that will help mitigate these risks and secure its long term future.

The University has set a headline fee of £8,500 and an average fee of £7,500, with the consequence that it expects to return 61% of the additional income to be generated from the higher fees to students. This is one of the highest levels of investment in supporting students from disadvantaged backgrounds in the country, which it is expected will help protect the University's core 'widening participation' market.

The University's National Student Survey results, programme completion rates and student achievement indicators remain strong, indicating the high levels of satisfaction and success experienced by current students which it is expected will support the recruitment of higher fee paying students. It is recognised that graduate employment figures have fallen in the economic recession and this is being addressed through a variety of initiatives to ensure that the University's graduates have the appropriate skills that employers need.

University of Chichester

Governors' report for the year ended 31 July 2011 (continued)

Future outlook (continued)

The University has a robust set of financial projections based on an average fee of £7,500. These projections allow for a fall in recruitment of 10% in September 2012 and 5% in 2013 and 2014 (from current levels). A higher level of under-recruitment could be accommodated in 2012 without significant changes to the University's operations or cost base. The University has also undertaken a scenario planning exercise that included the impact of lower levels of recruitment in future years. Whilst a reduction in the core number of students at the University would be challenging, there is a range of actions that could be introduced to offset this reduction to protect the overall experience that students receive.

The University has reviewed its Strategic Plan against the changes in the higher education sector over the past year, and believes that it remains robust. The needs, aspirations and overall experience received by our students are at the centre of the University's strategy and this is more essential than ever under the new environment. The strategy also focuses on the needs of our community and key stakeholders, and the role that the University can continue to play in the social, educational and economic regeneration of West Sussex, particularly focussing on the coastal strip and deprived rural hinterland.

In order to support these objectives, the University has completed the refurbishment of the Dome, a Grade 1 listed building, as a home for the University's School of Enterprise, Management and Leadership. The School will work with local businesses in support of the economic regeneration of the local area, as well as leading the roll-out of enterprise education across the University. 'Hatchery' and 'incubator' units are also available for new businesses, available to graduates, staff or local entrepreneurs to support the early stages and growth of small companies.

The second major capital project on the Bognor Regis campus is the construction of a new Learning Resources Centre to replace the current library, IT suite and Student Services space. This new building will open in January 2012 and will enhance the student experience by providing modern facilities for learning and a central function for all student support activity. In a world where students will be asked to contribute significantly more towards the costs of their education, albeit financed by a loan, these much improved facilities will be a crucial element to the maintenance and enhancement of the experience that the University offers its students.

Future planned capital projects include investment in Sport facilities and the Learning Resources Centre at Chichester. The Board of Governors is committed to ensuring that appropriate investment is made in the University's infrastructure to support the organisation's strategic objectives.

Appointment of Auditors

A resolution to re-appoint BDO LLP for the year ending 31st July 2012 will be proposed at the Annual General Meeting.


University of Chichester

Governors' report for the year ended 31 July 2011 (continued)

Conclusion

The surplus reported for the year ended 31st July 2011 is welcome, given the significant changes within the environment in which the University is operating. It is a sign of the continuing financial strength of the University and the cash reserves so generated will support both the University's capital programme and provide a cushion against future financial uncertainty.

There are clearly significant risks facing the higher education sector, and the Board of Governors recognises these risks and the impact that these may have on the University. First indications of the possible impact of these changes will come when recruitment for September 2012 is known. The University is monitoring a number of different indicators in order to ensure that any impact is recognised and any mitigating action required is taken promptly. However, there will also be new opportunities as a result of the changes in the sector. The University has significant strengths and plays a critical role in bringing the benefits of higher education to the communities of Bognor Regis and Chichester in particular and the county of West Sussex more generally. These aims remain central to the University strategy and are not impacted by changing government policy.



29.11.11

D C Jenkins
Chair of Governors

Corporate Governance of the University of Chichester

Constitution

The University is a company limited by guarantee and members of the Board of Governors are legally Directors of the Company. The directors of the University's subsidiary company, Chichester Enterprises Limited, are ultimately accountable to the Board of Governors of the University and therefore the following provisions for Corporate Governance apply to both the University and its subsidiary.

The University endeavours to conduct its business in accordance with the seven principles identified by the Committee on Standards in Public Life, and with guidance provided by the Committee of University Chairs (CUC), including the Governance Code of Practice contained within the 'Guide for Members of Higher Education Governing Bodies in the UK'.

Although established as a company limited by guarantee, the University is also an exempt charity under the Charities Acts. For the purposes of the Charities Act 2006, the Higher Education Funding Council for England acts as the principal regulator for English higher education institutions (including the University) on behalf of the Charity Commission.

This Corporate Governance Statement and associated statements including the Statement of Internal Control was effective for the period 1 August 2010 to 31 July 2011 and up to the date of the approval of the financial statements.

Principles of University Governance

In September 2010, the Board of Governors formally reviewed its compliance with the CUC Governance Code of Practice issued in November 2004, and affirmed its commitment to the Code.

The Board of Governors has adopted the following Statement of Primary Responsibilities:

1. To approve the mission and strategic vision of the University, the long-term academic and business plans and key performance indicators and to ensure that these meet the interests of students, staff, governors, the local and regional communities and others who have an interest in the success of the institution.
2. To delegate authority to the Vice-Chancellor, as Chief Executive, for the academic, corporate, financial, estates and personnel management of the University. The Board is also responsible for the establishment and regular review of all policies, procedures and limits within such management functions as shall be undertaken by and under the authority of the Vice-Chancellor.
3. To ensure the establishment and monitoring of systems of control and accountability, including financial and operational controls and risk assessment, and procedures for handling internal grievances and for managing conflicts of interest.
4. To ensure processes are in place to monitor and evaluate the performance and effectiveness of the University of Chichester against the plans and approved key performance indicators, which will be, where possible and appropriate, benchmarked against other comparable institutions.
5. To establish processes to monitor and evaluate the performance and effectiveness of the governing body.
6. To conduct its business in accordance with best practice in higher education corporate governance and with the principles of public life drawn up by the Committee on Standards in Public Life.
7. To safeguard the good name and values of the University of Chichester.
8. To appoint the Vice-Chancellor as Chief Executive, and to put in place suitable arrangements for monitoring his/her performance.

Corporate Governance of the University of Chichester (continued)

Principles of University Governance (continued)

9. To appoint a Secretary to the Board of Governors and to ensure that, if the person appointed has managerial responsibilities in the University, there is an appropriate separation in the lines of accountability.
10. To appoint a Principal Chaplain in accordance with the University's status as a Denominational institution of the Church of England under section 66 (4)(a) of the Further and Higher Education Act 1992.
11. To employ all staff in the institution and to be responsible for establishing the human resources strategy.
12. To be responsible for the financial and business affairs of the institution, to ensure that proper books of account are kept, to approve the annual budget and financial statements, and to manage the University's assets, property and estate.
13. To ensure that systems are in place for meeting all the institution's legal obligations, including those arising from contracts and other legal commitments made in the name of the University.
14. To make such provision as it thinks fit for the general welfare of students, in consultation with the University's Academic Board.
15. To appoint such Trustees as it may think fit for any property, legacy, endowment, bequest or gift in support of the work and welfare of the University of Chichester.
16. To ensure that the constitution of the University of Chichester is followed at all times and that appropriate advice is available to enable this to happen.

Governors' Code of Conduct

To reinforce the importance of the Seven Principles of Public Life and the way in which Governors are expected to perform their role, the Board adopted a new Code of Conduct in June 2010, which is as follows:

1. Introduction

Members of the Board of Governors are appointed to serve as:

- a. Trustees as the University is an exempt Charity, regulated by the Higher Education Funding Council for England, as Principal Regulator on behalf of the Charity Commission and therefore have responsibilities under charity law; and
- b. as Directors of the University, which is a private company limited by guarantee, Company number 4740553, and therefore have responsibilities under company law.

Definitions

For the purposes of this Code, the term 'Governor' also covers the terms 'Trustee' and 'Director'. The term 'University' also covers the terms 'Charity' and 'Company'. Each Governor is asked to agree to abide by this Code of Conduct by signing the following declaration accordingly.

Irrespective of the way in which a member of the Board of Governors is appointed, for example by nomination, election or through a recruitment exercise, all members of the Board of Governors are expected to abide by this Code of Conduct.

Corporate Governance of the University of Chichester (continued)

Governors' Code of Conduct (continued)

2. Purpose of the Code

The Code aims to define the standards expected of the Board of Governors in order to ensure that:

- The organisation is effective, open and accountable;
- The highest standards of integrity and stewardship are achieved; and
- The working relationship with any staff and advisers is productive and supportive.

3. Code of Conduct

3.1 Selflessness

Governors have a general duty to act with probity and prudence in the best interest of the charity as a whole. They should not act in order to gain financial or other benefits for themselves, their family, their friends, or the organisation they come from.

3.2 Integrity

Members of the Board of Governors should conduct themselves in a manner which does not damage or undermine the reputation of the organisation or its staff. More specifically they:

- should not place themselves under any financial or other obligation to outside individuals or organisations that might seek to influence them in the performance of their role;
- must avoid actual impropriety and any appearance of improper behaviour;
- should avoid accepting gifts and hospitality that might reasonably be thought to influence their judgement, and any gift or hospitality received in any connection to the University over the value of £50.00 should be declared to the Board.

3.3 Objectivity

In carrying out their role, including making appointments, awarding contracts, recommending individuals for rewards and benefits, or transacting other business, the Governors should ensure that decisions are made solely on merit.

In arriving at decisions in areas where they do not have expertise themselves, the Governors should consider appropriate professional advice.

3.4 Accountability

The Governors:

- have a duty to comply with constitutional and legal requirements and to adhere to best practice in such a way as to preserve confidence in the University;
- are accountable to the University's members and other stakeholders for their decisions, the effectiveness of the Board, and the performance of the organisation.

3.5 Openness

The Governors should ensure that confidential information and material, including material about individuals, is handled in accordance with due care; so that it remains confidential.

In addition, they should be as open as possible about their decisions and the actions that they take. As far as possible, they should give reasons for their decisions and restrict information only when the wider interest clearly demands.

Corporate Governance of the University of Chichester (continued)

Governors' Code of Conduct (continued)

3.6 Honesty

The Governors have a duty to avoid any conflict of interest so far as is reasonably practicable. In particular, they must make known any interest in any matter under discussion which:

- creates either a real danger of bias (that is, the interest affects him/her, or a member of his/her family, or friends, or organisation, more than the generality affected by the decision), or,
- which might reasonably cause others to think it could influence the decision.

He/she should declare the nature of the interest and withdraw from the room and not participate in discussion and decision making, unless the remaining Governors agree otherwise.

3.7 Leadership

The Governors must:

- promote and support the principles of leadership by example;
- strive to attend all meetings regularly, ensuring they prepare for and contribute appropriately and effectively and avoid dominating the contributions of others;
- bring a fair and open minded view to all discussions of the Board, maintaining a respectful balance between speaking and listening, treating different views with respect, and ensuring that all decisions are made in the charity's best interests;
- respect the authority of the Chair of the Board, and the chair of any meeting;
- having given delegated authority to any of their number or to any staff, be careful - individually and collectively - not to undermine it by word or action;
- accept and respect the difference in roles between the Board and staff, ensuring that the honorary officers, the Board and staff work effectively and cohesively for the benefit of the organisation, and develop a mutually supportive and loyal relationship;
- respect the roles of staff, and of management arrangements in the staff team, avoiding any actions that might undermine such arrangements;
- abide by any equal opportunities, diversity, health and safety, bullying and harassment policies and any other policies agreed by the Board;
- maintain respectful, collegial and courteous relationships with contacts established in the Board member role;
- when speaking or writing as a Board member, ensure comments reflect current organisational policy even when they might be at variance with personal views;
- when speaking privately strive to uphold the reputation of the University and those who work in it.

4. Breaches of the Code

In cases where there is a concern that a Governor has breached this Code, the matter will be reviewed by the Chair and another Governor, or two Governors appointed by the Chair, who will make a recommendation to the Board. (If a concern has been raised about the Chair, the review will be undertaken by the Vice-Chair and another Governor.)

The Board will decide whether to discuss the recommendation in closed session. Any sanctions will be determined by the Board, up to and including requiring the Governor concerned to resign from the Board. The Governor will accept the decision of the Board in such cases.

Corporate Governance of the University of Chichester (continued)

Governors' Code of Conduct (continued)

5. Governor's Declaration

I declare that:

- I am over 18.
- I am not an undischarged bankrupt.
- I have not previously been removed from trusteeship of a charity by a Court or the Charity Commission.
- I am not under a disqualification order under the Company Directors' Disqualification Act 1986.
- I am, in the light of the above, not disqualified by section 72 of the Charities Act 1993 as amended by the Charities Act 2006 from acting as a charity trustee.
- I undertake to fulfil my responsibilities and duties as a Governor of the charity in good faith and in accordance with the law and within the University's objects, mission and values.
- I do not have any financial or other interests in conflict with those of the University (either in person or through family or friends or business connections) except those that I have formally notified in a conflict of interest statement.
- I will make known any interest in any matter under discussion which creates either a real danger of bias (that is the interest affects me, or a member of my family, or friends, or organisation, more than the generality affected by the decision); or which might reasonably cause others to think it could influence the decision, and withdraw from the room and not participate in discussion or decision making, unless the remaining Governors agree otherwise.
- I will abide by this Code of Conduct for Governors of the University.
- In the event of my breaching this Code, I am prepared to accept sanction as determined by the Board.

6. Effectiveness Review

The Board completed an Effectiveness Review in September 2010 to assess how Governors fulfil their responsibilities against the Committee of University Chairs Governance Code of Practice and against the Statement of Primary Responsibilities. The Board concluded that it was meeting both the Code and the Statement but identified some areas for development that have been addressed. With five new lay Governors and two new Staff Governors appointed in January 2011, the Board followed up the 2010 review with a 'light touch' survey. The responses have provided the basis of individual discussions between the Chair and members of the Board. The outcome of these sessions will lead to an action plan where appropriate.

Composition of the Board of Governors

The University's Board of Governors consists of at least nineteen and a maximum of twenty-five members and comprises lay persons and staff and students appointed according to the Articles of Association, the majority of whom are non-executive and independent. The membership includes the Vice-Chancellor as an *ex officio* member. No lay members of the Board are remunerated for the work they undertake for the University, although expenses may be paid for attendance at Board meetings.

The Chair and Vice-Chair of the Board of Governors, and the chairs of the sub-committees of the Board may only be appointed from within the non-executive members.

The Clerk to the Governors (who is also Company Secretary) is appointed under the Articles of Association to act as Secretary to the Board and its Committees. All Governors have access to the advice and services of the Clerk to the Governors and can seek independent advice should they wish to do so.

Corporate Governance of the University of Chichester (continued)

Composition of the Board of Governors (continued)

The Board normally meets three times a year, with additional meetings if appropriate. In undertaking its duties, the Board receives the advice and recommendations of its Committees, including the Strategy and Resources Committee, Audit Committee, Nominations and Effectiveness Committee, and Remuneration Committee. Decisions and recommendations of these Committees are formally reported to the Board as provided within the Articles of Association, the terms of reference of the Committees and the Financial Regulations of the University.

All members of the Board of Governors, co-opted members of its Committees and senior officers who are members of the Senior Management Team or who hold senior positions in Finance are required to maintain entries on a Register of Interests. In addition, members may not be present at any discussion in which they have a direct or indirect financial interest.

In addition to being directors of the University company, members of the Board of Governors are also the trustees of the exempt charity. The list of directors/trustees contained on page 1 of this report is a complete list of those who have served during the 2010-11 financial year and the 2011-12 year until the date of formal approval of the financial statements by the Board of Governors.

Governors' Audit Committee

The Governors' Audit Committee met four times in 2010-11, in accordance with its terms of reference.

On behalf of the Board, the Governors' Audit Committee considers reports, recommendations and reviews on the effectiveness of the University's arrangements for value for money, risk management, internal control and governance. Where improvements are identified, the Committee monitors the implementation of agreed actions. The Committee presents an Annual Report to the Board of Governors, including an opinion on the adequacy of the University's processes for securing value-for-money, for the management of risk, for promoting good governance, for ensuring adequate internal controls are in operation and in accordance with the Funding Council's requirements on data assurance.

The Governors' Audit Committee also considers reports and updates from the Higher Education Funding Council for England (HEFCE) as they affect the University's business and monitors adherence to the regulatory requirements.

The Governors' Audit Committee is cognisant of its specific reporting responsibilities on data quality, and during 2010-11 has received regular reports on data quality matters and actions being taken for the continual improvement of systems and processes for the recording and reporting of student numbers.

The Board of Governors appointed KPMG LLP to provide the internal audit service, after a comprehensive tender exercise completed in 2009-10. The Committee agreed the programme of reviews for 2010-11 with KPMG and this was approved by the Board on 30 November 2010. External auditors are appointed in accordance with the requirements of HEFCE.

Governors' Strategy and Resources Committee

The Governors' Strategy & Resources Committee met eight times during 2010-11. It received reports concerning finance, estates, health, safety and sustainability, IT, employment and human resource issues, with the exception of the employment and salaries of those who form the 'Designated Staff' in the Articles of Association. These are the Vice-Chancellor, the Pro Vice-Chancellor, the Chief Operating Officer, the Executive Dean, the University Secretary and the Principal Chaplain. The Board of Governors determines the total emoluments of these designated staff on the advice of the Governors' Remuneration Committee.

The Strategy and Resources Committee reviews the annual financial statements together with the accounting policies, and recommends the annual budget and financial forecasts to the Board for approval. It also receives reports on the progress of major capital projects at each meeting.

Corporate Governance of the University of Chichester (continued)

Governors' Strategy and Resources Committee (continued)

The Board receives the minutes of the Governors' Strategy and Resources Committee together with the financial monitoring reports reviewed.

Nominations and Effectiveness Committee

The Nominations and Effectiveness Committee is responsible for recommending the appointment and extension of terms of office of individual governors to the Board. In performing these duties, the Committee identifies the skills required on the Board, assesses the expertise of governors so that any gaps can be addressed with each recruitment cycle. In 2010-11, the Nominations and Effectiveness Committee carried out a full recruitment exercise for six new lay Governors; the Board recognises the need to ensure that the membership of the Board is reflective of, and relates to, the multiple strands of contemporary society. Governor appointments are therefore advertised widely to ensure that vacancies are filled with the highest calibre of person.

Responsibilities of the Vice-Chancellor

The Vice-Chancellor is the Chief Executive of the University and has responsibility to the Board of Governors for the organisation, direction and management of the institution. Under the terms of the formal Financial Memorandum between the University and the Higher Education Funding Council for England, the Vice-Chancellor is the Accountable Officer, who can be summoned to appear before the Public Accounts Committee and is held accountable for the quality of data included in returns to HEFCE and other agencies.

Following the resignation of the Vice-Chancellor in January 2010, the Board appointed the Deputy Vice-Chancellor as Chief Executive and Accountable Officer from 1 March 2010 and as Acting Vice-Chancellor from 1 September 2010. The Board established a Search Committee to carry out the recruitment of the Vice-Chancellor, in accordance with the requirements of the Articles of Association, including national advertisement, and guidance from the Committee of University Chairs. The Board formally approved the Search Committee's recommendation on 22 December 2010 and the Acting Vice-Chancellor was appointed to the substantive post with effect from 1 January 2011.

The Vice-Chancellor is supported in performing his duties by the University Executive (Chief Executive's Team) which meets weekly, and by the Strategy, Risks and Projects Group, which meets at least quarterly. Ultimately, however, responsibility for executive management rests with the Vice-Chancellor.

Academic Board

The Academic Board is chaired by the Vice-Chancellor, and comprises twenty-four members, half of whom are individuals with primarily executive and managerial responsibilities with the remainder being elected non-executive staff or students.

Subject to the Articles, the overall responsibility of the Board of Governors and the responsibilities of the Vice-Chancellor, the Academic Board is responsible for:

- issues relating to research, scholarship, teaching and courses at the University, including criteria for the admission of students;
- the appointment and removal of internal and external examiners;
- policies and procedures for the assessment and examination of students;
- the content of the curriculum;
- academic standards and the validation and review of courses;
- procedures for the award of qualifications and honorary academic titles;
- the procedures for the expulsion of students for academic reasons;
- advice relating to development of academic activities and resources required.

Corporate Governance of the University of Chichester (continued)

Statement of Internal Control

The Board of Governors is responsible for maintaining a sound system of internal control which supports the achievement of policies, aims and objectives, whilst safeguarding the public and other funds and assets for which it is responsible.

The key elements of this system of internal financial control, which is designed to discharge the responsibilities set out above, include the following:

- clear definition of the responsibilities and delegated authority of heads of academic and administrative groups;
- a medium and short term planning process, supplemented by detailed annual income and expenditure and capital budgets;
- regular reviews of performance and quarterly reviews of financial performance and updates of forecasts for the current financial year;
- comprehensive Financial Regulations, reviewed annually;
- clearly defined requirements for the approval and control of expenditure, with significant investment decisions being subjected to detailed appraisal and review;
- a professional audit service from KPMG LLP, whose responsibilities cover the entire internal control systems of the institution.

The system of internal control is supplemented by a process to identify the principal risks, including governance, management, quality, reputational and financial risks, to the achievement of the University's policies, aims and objectives; to evaluate the nature and extent of those risks; and to manage them efficiently, effectively and economically. To this end, the University has developed and approved a Risk Management Policy. However, the process is designed to manage rather than eliminate the risk of failure to achieve these objectives; it can therefore only provide reasonable and not absolute assurance of effectiveness.

As the governing body, the Board of Governors has responsibility for the University's risk management process. For this purpose, the Governors' Audit Committee oversees and provides assurance on the operation of the framework.

The Board of Governors is committed to the continuous development of a comprehensive process for identifying, evaluating and managing the University's significant risks. The risk management process is co-ordinated by the Strategy, Risk and Projects Group on behalf of Chief Executive's Team; the Group ensures that Academic and Professional Service departments review their risk registers and compiles the Critical Risk Register for the University. A report from the Risk Management Group was reviewed by the Governors' Audit Committee in November 2010, March 2011 and from the Strategy, Risk and Projects Group in June 2011, and by the Governors' Strategy and Resources Committee and the Board of Governors during June 2011.

Each risk identified on the risk registers has a nominated 'owner' who is responsible for ensuring that adequate controls are in place and/or mitigating action taken, and for regularly reviewing changes to probability or impact.

Risk management is also embedded within the corporate planning and decision-making processes of the University, with all significant projects and associated business cases expected to demonstrate that risks and appropriate controls or mitigating actions have been recognised. If approved, the implementation of

Corporate Governance of the University of Chichester (continued)

Statement of Internal Control (continued)

the mitigating action is then embedded into the normal risk management processes of the University. The process of identifying and managing risks is an ongoing process throughout the financial year.

The Board of Governors receives assurance on the effectiveness of the internal control systems through the minutes of the Governors' Audit Committee, which are presented by the Chair of the Committee to the meetings of the Board, through the work of the internal auditors and the senior managers within the organisation who have responsibility for the development and maintenance of the internal control framework, and through comments made by the external auditors in their management letter and other reports.

Statement of Responsibilities of the Board of Governors

The members of the Board, who are also the directors of the University of Chichester for the purposes of company law, are responsible for preparing the Annual Report and Financial Statements in accordance with the Companies Act 2006 and the Charities Act 2006, and for being satisfied that the financial statements give a true and fair view. The members of the Board are also responsible for preparing the financial statements in accordance with United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) and with the Statement of Recommended Practice – Accounting for Further and Higher Education.

Company law requires members of the Board 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 of income over expenditure of the University for that period. In preparing the financial statements, the members of the Board are required to:

- select suitable accounting policies and apply them consistently;
- make judgements and estimates that are reasonable and prudent;
- state whether applicable Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements; and
- prepare financial statements on the going concern basis, unless it is inappropriate to assume that the University will continue in operation.

The members of the Board are also required to give a report in the Financial Statements which includes the legal and administrative status of the University. The members of the Board are responsible for the keeping of adequate accounting records which disclose with reasonable accuracy, at any time, the financial position of the University, and which enable them to ensure that the financial statements are prepared in accordance with the Companies Act 2006, its Articles of Association, the Accounts Direction issued by the Higher Education Funding Council for England (HEFCE) and the Statement of Recommended Practice: Accounting for Further and Higher Education, as well as reflecting best practice in public sector corporate governance. They are also responsible for taking steps that are reasonably open to them in order to safeguard the assets of the University and to prevent and detect fraud and other irregularities.

Members of the Board are responsible for ensuring that funds from the Higher Education Funding Council for England are used only in accordance with the Financial Memorandum with the Funding Council and any other conditions that the Funding Council may prescribe from time to time. Members of the Board must ensure that there are appropriate financial and management controls in place in order to safeguard public and other funds and to ensure they are used properly. In addition, members of the Board are responsible for securing economical, efficient and effective management of the University's resources and expenditure, so that the benefits that should be derived from the application of public funds by the Funding Council are not put at risk. Members of the Board confirm that, so far as they are aware, there is no relevant audit information of which the University's auditors are unaware. They have taken all the steps that they ought to have taken as members of the Board in order to make themselves aware of any relevant audit information and to establish that the University's auditors are aware of that information.

Corporate Governance of the University of Chichester (continued)

Statement of Responsibilities of the Board of Governors (continued)

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

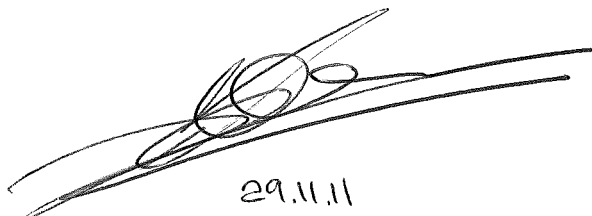
The Board of Governors is satisfied that the University has adequate resources to continue its operations for the foreseeable future and for this reason a 'going concern' basis has been adopted in the preparation of the financial statements which reflect:

- suitable accounting policies, selected and applied consistently;
- judgements and estimates that are reasonable and prudent; and
- applicable accounting standards, subject to disclosure and explanation in the financial statements of any material departures therefrom.

The Board of Governors has taken reasonable steps to:

- fulfil its responsibilities under the Articles and to ensure that funds from HEFCE and the Training and Development Agency for Schools (TDA) are used only for the purposes for which they have been granted and in accordance with the Financial Memorandum issued by the Funding Council and any other conditions which it may from time to time prescribe;
- ensure that appropriate financial and management controls are in place to safeguard public and other funds;
- 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.

Signed on behalf of the Board



29.11.11

Chair of Governors



29.11.11

Vice-Chancellor

Independent Auditors' report to the Governors of the University of Chichester

We have audited the financial statements of the University of Chichester for the 12 months ended 31 July 2011 which comprise the Consolidated Income and Expenditure Account, Consolidated Statement of Total Recognised Gains and Losses, the Balance Sheets for the Group and the University, the Consolidated Cash Flow Statement and the related notes. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

This report is made solely to the company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006 and section 124B of the Education Reform Act 1988. Our audit work has been undertaken so that we might state to the company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company and the company's members as a body, for our audit work, for this report, or for the opinions we have formed.

Respective Responsibilities of the University's Governing Body and Auditors

As explained more fully in the statement of responsibilities of the Board of Governors, the members of the Governing Body (who are also the directors of the charitable company for the purposes of company law) are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view.

Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law, regulatory requirements and International Standards on Auditing (UK and Ireland) and the Audit Code of Practice issued by the Higher Education Funding Council for England. Those standards require us to comply with the Auditing Practices Board's (APB's) Ethical Standards for Auditors.

Scope of the audit of the financial statements

A description of the scope of an audit of financial statements is provided on the APB's website at www.frc.org.uk/apb/scope/private.cfm.

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

Opinion on the financial statements

In our opinion:

- the financial statements give a true and fair view of the state of the Group's and the University's affairs as at 31 July 2011 and of the Group's surplus of income over expenditure for the 12 months then ended;
- the financial statements have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice and the Statement of Recommended Practice: "Accounting for Further and Higher Education Institutions";
- the financial statements have been prepared in accordance with the requirements of the Companies Act 2006 and the Education Reform Act 1988;
- income from the Higher Education Funding Council for England and the Training and Development Agency for Schools, grants and income for specific purposes and from other restricted funds administered by the University have been applied only for the purposes for which they were received; and
- income has been applied in accordance with the University's statutes and where appropriate with the applicable Financial Memorandum with the Higher Education Funding Council for England.

Independent Auditors' report to the Governors of the University of Chichester (continued)

Opinion on other matter prescribed by the Companies Act 2006

In our opinion, the information given in the Report of the Board of Governors for the financial year for which the financial statements are prepared is consistent with the financial statements.

Matters on which we are required to report by exception

We have nothing to report in respect of the following matters where the Companies Act 2006 requires us to report to you if, in our opinion:

- the parent University has not kept adequate accounting records, or returns adequate for our audit have not been received from branches not visited by us; or
- the parent University financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of Governors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.



James Aston, Senior Statutory Auditor

for and on behalf of BDO LLP, Statutory Auditor
Epsom
United Kingdom
Date: 30 November 2011

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

University of Chichester

Consolidated income and expenditure account for the year ended 31 July 2011

		31 July 2011	31 July 2010
	Notes	£'000	£'000
Income			
Funding body grants	2	18,447	17,860
Tuition fees and education contracts	3	14,869	13,284
Research grants and contracts	4	108	183
Other income	5	7,110	6,149
Endowment and investment income	6	86	62
Total income		40,620	37,538
Expenditure			
Staff costs	7	21,699	20,357
Other operating expenses	9	13,500	12,797
Depreciation	12	1,519	1,433
Interest payable	10	474	710
Total expenditure	8	37,192	35,297
Surplus on continuing operations after depreciation of assets at valuation and disposal of assets and before tax	11	3,428	2,241
Taxation		1	24
Surplus on continuing operations after depreciation of assets at valuation and disposal of assets and tax		3,427	2,217
Transfer from accumulated income within expendable endowments	21	4	4
Surplus for the year retained within general reserves		3,431	2,221

The consolidated Income and Expenditure Account of the University and its subsidiary relates wholly to continuing operations.

The notes on pages 30 to 48 form part of these financial statements.

Consolidated note of historical cost surpluses and deficits for the year ended 31 July 2011

	Notes	31 July 2011 £'000	31 July 2010 £'000
Surplus on continuing operations before tax		3,428	2,241
Difference between historical cost depreciation and the actual charge for the year calculated on the revalued amount	22	88	88
Historical cost surplus for the year before taxation		3,516	2,329
Historical cost surplus for the year after taxation		3,515	2,305

University of Chichester

Consolidated statement of total recognised gains and losses for the year ended 31 July 2011

	Notes	31 July 2011 £'000	31 July 2010 £'000
Surplus on continuing operations after depreciation of assets at valuation, disposal of assets and tax		3,427	2,217
New endowments	21	3	7
Actuarial gain in respect of pension scheme	29	3,992	1,443
Total recognised gains relating to the year		7,422	3,667
Reconciliation			
Opening reserves and endowments		27,011	23,344
Total recognised gains for the year		7,422	3,667
Closing reserves and endowments		34,433	27,011

The notes on pages 30 to 48 form part of these financial statements.

University of Chichester
(a company limited by guarantee)

Balance sheets as at 31 July 2011

	Notes	Group		University	
		31 July 2011 £'000	31 July 2010 £'000	31 July 2011 £'000	31 July 2010 £'000
Fixed assets					
Tangible assets	12	48,714	44,138	48,701	44,123
Investments	13	25	25	25	25
Total fixed assets		48,739	44,163	48,726	44,148
Endowment assets	14	26	27	26	27
Stock		44	35	44	35
Debtors	15	1,267	1,262	1,560	1,474
Short-term deposits		2,262	2,249	2,262	2,249
Cash at bank and in hand		10,199	7,141	9,812	6,903
Total current assets		13,772	10,687	13,678	10,661
Less: Creditors: amounts falling due within one year	16	(6,493)	(6,250)	(6,347)	(6,167)
Net current assets		7,279	4,437	7,331	4,494
Total assets less current liabilities		56,044	48,627	56,083	48,669
Less: Creditors: amounts falling due after more than one year	17	(6,299)	(6,563)	(6,299)	(6,563)
Less: Provisions for liabilities and charges	19	(566)	(584)	(566)	(584)
Total net assets excluding pension liability		49,179	41,480	49,218	41,522
Pension liability	29	(2,483)	(6,288)	(2,483)	(6,288)
TOTAL NET ASSETS INCLUDING PENSION LIABILITY		46,696	35,192	46,735	35,234
Deferred capital grants	20	12,263	8,181	12,263	8,181
Expendable endowments	21	26	27	26	27
Reserves	22				
Income and expenditure account excluding pension reserve		22,224	18,518	22,263	18,560
Pension reserve		(2,483)	(6,288)	(2,483)	(6,288)
Income and expenditure account including pension reserve		19,741	12,230	19,780	12,272
Revaluation reserve		14,666	14,754	14,666	14,754
Total reserves		34,407	26,984	34,446	27,026
TOTAL FUNDS		46,696	35,192	46,735	35,234

The notes on pages 30 to 48 form part of these financial statements.

The financial statements on pages 26 to 48 were approved for issue by the Board of Governors on 29 November 2011 and were signed on its behalf by:

Governor (Chair)

D. C. JENKINS

Vice-Chancellor

C. BEHAGG

University of Chichester

Consolidated cash flow statement for the year ended 31 July 2011

	Notes	31 July 2011 £'000	31 July 2010 £'000
Cash inflow from operating activities	23	4,335	4,289
Net returns on investments and servicing of finance	24	(259)	(267)
Taxation		(23)	0
Capital expenditure and financial investment	25	(732)	(412)
Management of liquid resources	26	(13)	(49)
Financing	27	(251)	(216)
Increase in cash in the year		3,057	3,345

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

	Notes	31 July 2011 £'000	31 July 2010 £'000
Increase in cash in the year	28	3,057	3,345
Cash outflow from liquid resources	26	13	49
Cash outflow from decrease in debt	27	251	216
Movement in net funds in the period		3,321	3,610
Net funds/(debt) at 1 August		2,613	(997)
Net funds at 31 July	28	5,934	2,613

University of Chichester

Notes to the accounts for the year ended 31 July 2011

1 Principal accounting policies

Basis of preparation

These financial statements have been prepared in accordance with the Statement of Recommended Practice (SORP): Accounting for Further and Higher Education 2007 and in accordance with applicable Accounting Standards. The University has taken advantage of the exemption in the Companies Act 2006 not to present its own income and expenditure account.

Basis of accounting

The financial statements are prepared in accordance with the historical cost convention modified by the revaluation of certain fixed assets.

Basis of consolidation

The consolidated financial statements include the University of Chichester and its subsidiary, Chichester Enterprises Limited. Chichester Enterprises Limited is a wholly owned subsidiary of the University of Chichester. The results of subsidiaries acquired or disposed of during the period are included in the consolidated income and expenditure account from the date of acquisition or up to the date of disposal. Intra-group sales and profits are eliminated fully on consolidation. In accordance with FRS 2, the activities of the Students' Union, students' bar and clubs and societies have not been consolidated because the University does not control those activities. All financial statements are made up to 31 July.

Recognition of income

Income from tuition fees is recognised in the period for which it is received and includes all the fees chargeable to students or their sponsors.

Income from grants, contracts and other services rendered is included to the extent of the completion of the contract or service rendered.

All income from short-term deposits and endowments is credited to the income and expenditure account in the period in which it is earned. Income from expendable endowments not expended in accordance with the restrictions of the endowment is transferred from the income and expenditure account to expendable endowments.

Income receivable from the Higher Education Funding Council for England (HEFCE) and the Training and Development Agency for Schools (TDA) is recognised in line with the latest estimates of grant receivable for an academic year. An adjustment to reflect the final grant allocation is processed in the subsequent financial year.

Pension schemes

Retirement benefits to employees of the University are provided by the Teachers' Pension Scheme (TPS) and the Local Government Pension Scheme (LGPS) - West Sussex County Council Pension Fund. These are defined benefit schemes, which are externally funded and contracted out of the State Second Pension (S2P).

Contributions to the schemes are charged to the income and expenditure account so as to spread the cost of pensions over employees' working lives with the University in such a way that the pension cost is a substantially level percentage of current and future pensionable payroll. The contributions are determined by qualified actuaries on the basis of triennial valuations using the projected unit method for the LGPS. For the TPS, not less than every four years, with a supporting interim valuation in between, the Government Actuary conducts a formal actuarial review of the TPS in order to specify the level of future contributions.

The assets of the LGPS are measured using closing market values. LGPS liabilities are measured using the projected unit method and discounted at the current rate of return on a high quality corporate bond of equivalent term and currency to the liability. The increase in the present value of the liabilities of the scheme expected to arise from employee service in the period is charged to the operating surplus. The expected return on the scheme's assets and the increase during the period of the present value of the scheme's liabilities arising from the passage of time are included in pension finance costs.

The difference between the fair value of the University's share of the assets held in the LGPS defined benefit pension scheme and the scheme's liabilities measured on an actuarial basis using the projected unit method are recognised in the University's balance sheet as a pension scheme asset or liability as appropriate. The carrying value of any resulting pension scheme asset is restricted to the extent that the University is able to recover the surplus through reduced contributions in the future or through refunds from the scheme. The pension scheme balance is recognised net of any related deferred tax balance.

Changes in the defined benefit pension scheme asset or liability arising from factors other than the cash contribution by the University are charged to the Income and Expenditure Account or the Statement of Total Recognised Gains and Losses in accordance with FRS 17.

University of Chichester

Notes to the accounts for the year ended 31 July 2011

1 Principal accounting policies (continued)

Tangible fixed assets

a) Land and buildings

(i) Bognor Regis College

As a consequence of the Education Reform Act 1988, the freehold interest in the land and buildings occupied by the University, previously held by the West Sussex County Council, was transferred to the University with effect from 1 April 1989. These were not valued prior to transfer.

On 31 July 1995, a valuation of the open market value for existing use was made by Grimley, a firm of international property advisers, using the depreciated replacement cost basis. In accordance with the requirements of the SORP, the property is recorded in the financial statements at this value, £7,700,000, as adjusted for subsequent disposals. It is the University's policy to recognise a related revaluation reserve in respect of this property.

(ii) Bishop Otter College

The land and buildings were leased at a peppercorn rent from the Bishop Otter Trustees under a lease which was granted in 1976 for a period of 999 years. Prior to 31 July 1995, no assessment had been made of the benefit to the University of the leased land and buildings.

On 31 July 1995, a valuation of the open market value for existing use was made by Grimley, a firm of international property advisers, using the depreciated replacement cost basis. In accordance with the requirements of the SORP, the property is recorded in the financial statements at this value, £13,400,000, as adjusted for subsequent disposals. It is the University's policy to recognise a related revaluation reserve in respect of this property.

On 31 July 2009, the University acquired the freehold of Bishop Otter College at a cost of £45,000 which is considered to be the open market value.

(iii) General

Buildings constructed since 31 July 1995 are included in the balance sheet at cost.

Freehold land is not depreciated. All buildings are depreciated over their expected useful economic life to the University, which is up to 50 years. Major equipment components included within new buildings are depreciated over their expected useful economic life, which is up to 20 years. The University has a policy of depreciating major adaptations to buildings over the period of their useful economic life, which is up to 20 years.

Buildings under construction are accounted for at cost, based on the value of architects' certificates and other direct costs incurred to 31 July. Buildings and adaptations in the course of construction are not depreciated until they are commissioned.

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

Finance costs which are directly attributable to the acquisition of land and the construction of buildings are not capitalised as part of the cost of those assets.

A review for impairment of a fixed asset is carried out if events or changes in circumstances indicate that the carrying amount of the fixed asset may not be recoverable.

On adoption of FRS 15, the University followed the transitional provision to retain the book value of land and buildings, which were revalued in July 1995, but not to adopt a policy of revaluations of these properties in the future. These values are retained subject to the requirement to test assets for impairment in accordance with FRS 11.

University of Chichester

Notes to the accounts for the year ended 31 July 2011

1 Principal accounting policies (continued)

Tangible Fixed Assets (continued)

b) Equipment

The following assets are capitalised:

All assets which are capable of being used for a period which exceeds one year and which:

- individually have a cost equal to or greater than £2,500; or
- collectively have a cost equal to or greater than £2,500, where the assets are functionally interdependent, they had broadly simultaneous purchase dates and are anticipated to have simultaneous disposal dates, and are under single managerial control; or
- form part of the initial equipping and setting up cost of a new building;
- form part of an I.T. network which collectively has a cost of more than £2,500.

Subject to the above, all furniture and equipment acquired since 1 April 1989 has been included at cost, together with any incidental costs of acquisition, less accumulated depreciation.

All assets are depreciated evenly over their useful economic life as follows:

Telephone system	7 years
Furniture, computers and general equipment	4 years

Where furniture and equipment are acquired with the aid of specific grants, it is capitalised and depreciated in accordance with the above policy, with the related grant being credited to a deferred capital grant account, and released to the income and expenditure account over the expected useful economic life of the related furniture or equipment.

c) Leased assets

Costs in respect of operating leases are charged on a straight-line basis over the lease term. Leasing agreements, which transfer to the University substantially all the benefits and risks of ownership of an asset, are treated as if the asset had been purchased outright. The assets are included in fixed assets and the capital elements of the leasing commitments are shown as obligations under finance leases. The lease rentals are treated as consisting of capital and interest elements.

The capital element is applied in order to reduce outstanding obligations and the interest element is charged to the income and expenditure account in proportion to the reducing capital element outstanding. Assets held under finance leases are depreciated over the shorter of the lease term or the useful economic lives of equivalent owned assets.

Investments

Investments held as fixed assets or endowment assets are stated at market value for listed investments or lower of cost or net realisable value for unlisted investments. Current asset investments, which may include listed investments, are stated at the lower of their cost and net realisable value.

Stocks

Stocks are stated at the lower of their cost and net realisable value. Where necessary, provision is made for obsolete, slow-moving and defective stocks.

Maintenance of premises

The cost of long-term and routine corrective maintenance is charged to the income and expenditure account in the period that it is incurred.

Foreign currency translation

Assets and liabilities denominated in foreign currencies are translated at the rates of exchange ruling at the end of the financial year, with all resulting exchange differences being taken to the income and expenditure account in the period in which they arise. Transactions denominated in foreign currencies are translated into sterling at the monthly average rate of exchange.

Taxation

The University is an exempt charity within the meaning of Schedule 2 of the Charities Act 1993 and as such is a charity within the meaning of section 506(1) of the Income and Corporation Taxes Act 1988 (ICTA 1988). Accordingly, the University is potentially exempt from taxation in respect of income or capital gains received within the categories covered by section 505 of ICTA 1988 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.

The University receives no similar exemption in respect of Value Added Tax.

Chichester Enterprises Limited is subject to UK corporation tax. The directors intend that any taxable profits in the company should be paid to the University, the parent entity, by means of a Gift Aid payment. Accordingly no provision for corporation tax payable is required for Chichester Enterprises Limited.

Liquid resources

Liquid resources comprise short-term deposits with recognised banks and building societies.

Provisions

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

University of Chichester

Notes to the accounts for the year ended 31 July 2011

2	Funding body grants	31 July 2011 £'000	31 July 2010 £'000
Higher Education Funding Council for England (HEFCE)			
Recurrent grant		11,189	11,495
Research grant		395	443
Non formula funding		1,181	265
Release of deferred capital grants:			
Buildings (note 20)		228	180
Equipment (note 20)		22	50
		<u>13,015</u>	<u>12,433</u>
Training and Development Agency for Schools (TDA)			
Recurrent grant		4,247	4,302
Other TDA funding		1,151	1,119
Release of deferred capital grants (note 20)		34	6
		<u>5,432</u>	<u>5,427</u>
		<u><u>18,447</u></u>	<u><u>17,860</u></u>
3	Tuition fees and education contracts	31 July 2011 £'000	31 July 2010 £'000
Full-time students fees		12,479	10,966
Full-time students charged overseas fees		828	657
Part-time students fees		880	1,075
Short course fees		682	586
		<u>14,869</u>	<u>13,284</u>
4	Research grants and contracts	31 July 2011 £'000	31 July 2010 £'000
Research grants and contracts		<u>108</u>	<u>183</u>
5	Other income	31 July 2011 £'000	31 July 2010 £'000
Residences, catering and conferences		4,423	4,114
Other income		2,655	2,025
Release of deferred capital grants (note 20)		32	10
		<u>7,110</u>	<u>6,149</u>
6	Endowment and investment income	31 July 2011 £'000	31 July 2010 £'000
Interest receivable on short-term deposits		85	61
Other interest receivable		1	1
		<u>86</u>	<u>62</u>

University of Chichester

Notes to the accounts for the year ended 31 July 2011

7	Staff costs	31 July 2011 £'000	31 July 2010 £'000
	Staff costs:		
	Salaries	18,032	16,938
	Social security costs	1,349	1,305
	Other pension costs including FRS 17 adjustments (note 29)	2,318	2,114
		21,699	20,357

	Emoluments of the Vice-Chancellor:	£	£
	Salary	145,000	162,500
	Pension contributions	19,975	25,458
		164,975	187,958

The University's pension contributions to Teachers' Pension Scheme (TPS) for the Vice-Chancellor are paid at the same rates as for the academic staff and in 2011 they amounted to £19,975 (2010 - USS £25,458). The Vice-Chancellor's accrued pension as at 31 July 2011 is £61,210 gross per annum (2010 - £54,738) and accrued tax-free lump sum total is £183,630 (2010 - £164,214).

Remuneration of other higher paid staff, excluding employers' pension contributions: £120,000 to £129,999	Number 0	Number 1
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Emoluments of the Chair of Governors:	£nil	£nil
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Total emoluments of governors:

The total emoluments of all governors in the year amounted to £338,301 (2010 - £395,254). These emoluments are in respect of the Vice-Chancellor and the staff governors. No other governors received remuneration. Employer pension contributions of the governors totalled £42,344 (2010 - £38,018), in respect of six governors, all of whom are accruing retirement benefits under defined benefit schemes.

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

	Number	Number
Teaching	188	180
Teaching support	23	25
Other support services	92	87
Administration and central services	125	120
Premises	33	23
	461	435

University of Chichester

Notes to the accounts for the year ended 31 July 2011

8 Analysis of total expenditure by activity

	31 July 2011 £'000	31 July 2010 £'000
Academic departments	15,599	15,013
Academic services	4,263	4,230
Administration and central services	8,293	7,463
Premises	3,303	3,582
Residences, catering and conferences	4,057	3,726
Research grants and contracts	61	67
Other expenses	1,616	1,216
	37,192	35,297

9 Other operating expenses

	31 July 2011 £'000	31 July 2010 £'000
Catering and conference	946	963
Chichester bursaries	1,819	1,753
Equipment and materials	2,026	2,111
Estates	1,793	1,805
Operating lease rentals - equipment	302	190
Partner colleges	656	622
Payments to schools	593	451
Students' Union grant	179	216
Travel and subsistence	838	764
Utilities	962	975
Other expenses	3,386	2,947
	13,500	12,797

Other expenses include:

External auditors' remuneration in respect of audit services	37	33
External auditors' remuneration in respect of non-audit services	16	3
Internal auditors' remuneration	15	48

Expenses paid to or on behalf of trustees in the year amounted to £4,426 (2010 - £821). It related to fifteen governors and was for travel and subsistence expenses.

10 Interest payable

	31 July 2011 £'000	31 July 2010 £'000
Loans repayable wholly or partly in more than five years	344	357
Net charge on pension scheme (note 29)	130	353
	474	710

11 Surplus on continuing operations for the year

	31 July 2011 £'000	31 July 2010 £'000
The surplus on continuing operations for the year is made up as follows:		
University of Chichester's surplus for the year	3,425	2,225
Profit generated by subsidiary undertaking for the year	3	16
	3,428	2,241

University of Chichester

Notes to the accounts for the year ended 31 July 2011

12 Tangible fixed assets

Group	Land and buildings	Adaptations	Furniture and equipment	Assets under Construction	Total
	£'000	£'000	£'000	£'000	£'000
Cost or valuation					
At 1 August 2010	41,503	7,155	3,649	447	52,754
Additions	-	1,780	859	3,456	6,095
Balance at 31 July 2011	41,503	8,935	4,508	3,903	58,849
Depreciation					
At 1 August 2010	3,787	2,158	2,671	-	8,616
Charge for year	621	427	471	-	1,519
Balance at 31 July 2011	4,408	2,585	3,142	-	10,135
Net book value at 31 July 2011	37,095	6,350	1,366	3,903	48,714
Net book value at 31 July 2010	37,716	4,997	978	447	44,138
Financed by capital grant	12,160	-	103	-	12,263
Other	24,935	6,350	1,263	3,903	36,451
Net book value at 31 July 2011	37,095	6,350	1,366	3,903	48,714
Analysis between cost and valuation:					
2011					
Cost	24,395	8,935	4,508	3,903	41,741
Valuation	17,108	-	-	-	17,108
Total	41,503	8,935	4,508	3,903	58,849
2010					
Cost	24,395	7,155	3,649	447	35,646
Valuation	17,108	-	-	-	17,108
Total	41,503	7,155	3,649	447	52,754

University of Chichester

Notes to the accounts for the year ended 31 July 2011

12 Tangible fixed assets (continued)

University	Land and buildings £'000	Adaptations £'000	Furniture and equipment £'000	Assets under Construction £'000	Total £'000
Cost or valuation					
At 1 August 2010	41,503	7,155	3,506	447	52,611
Additions	-	1,780	852	3,456	6,088
Balance at 31 July 2011	<u>41,503</u>	<u>8,935</u>	<u>4,358</u>	<u>3,903</u>	<u>58,699</u>
Depreciation					
At 1 August 2010	3,787	2,158	2,543	-	8,488
Charge for year	621	427	462	-	1,510
Balance at 31 July 2011	<u>4,408</u>	<u>2,585</u>	<u>3,005</u>	<u>-</u>	<u>9,998</u>
Net book value at 31 July 2011	<u>37,095</u>	<u>6,350</u>	<u>1,353</u>	<u>3,903</u>	<u>48,701</u>
Net book value at 31 July 2010	<u>37,716</u>	<u>4,997</u>	<u>963</u>	<u>447</u>	<u>44,123</u>
Financed by:					
- Capital grant	12,160	-	103	-	12,263
- Other	24,935	6,350	1,250	3,903	36,438
Net book value at 31 July 2011	<u>37,095</u>	<u>6,350</u>	<u>1,353</u>	<u>3,903</u>	<u>48,701</u>
Analysis between cost and valuation:					
2011					
Cost	24,395	8,935	4,358	3,903	41,591
Valuation	17,108	-	-	-	17,108
Total	<u>41,503</u>	<u>8,935</u>	<u>4,358</u>	<u>3,903</u>	<u>58,699</u>
2010					
Cost	24,395	7,155	3,506	447	35,503
Valuation	17,108	-	-	-	17,108
Total	<u>41,503</u>	<u>7,155</u>	<u>3,506</u>	<u>447</u>	<u>52,611</u>

Included within land and buildings is £13,687,105 relating to land (2010 - £13,687,105).

Land and buildings have been valued at open market value for existing use, adopting the Depreciated Replacement Cost basis of valuation. These valuations were made at 31 July 1995 by Grimley, a firm of international property advisers. The transitional rules set out in FRS 15 Tangible Fixed Assets were applied on implementing FRS 15. Accordingly, the asset values at implementation have been retained.

The University may be required, under the terms of the Financial Memorandum with HEFCE, to surrender a proportion of the sale proceeds of any land or buildings which have been wholly or partly financed by exchequer funds, should they be sold.

There were no fixed asset impairments in the year.

The cost of assets acquired for the purpose of leasing under finance leases was £nil (2010 - £15,705) and is not included within the figure for additions.

University of Chichester

Notes to the accounts for the year ended 31 July 2011

13 Investments

	Group 31 July 2011 £	Group 31 July 2010 £	University 31 July 2011 £	University 31 July 2010 £
Investments in subsidiary	-	-	2	2
Other investments	25,000	25,000	25,000	25,000
	<u>25,000</u>	<u>25,000</u>	<u>25,002</u>	<u>25,002</u>

During the year ended 31 July 2004, the University acquired 100% of the issued ordinary £1 shares of Chichester Enterprises Limited, a company incorporated in England and Wales. The principal business activity of Chichester Enterprises Limited is the provision of conference and catering services. The Net Assets and profit for Chichester Enterprises Limited were as follows:

	31 July 2011 £'000	31 July 2010 £'000
Net Assets	(39)	(42)
Profit on ordinary activities after taxation	<u>3</u>	<u>17</u>

The University owns 50 (5.5%) of the issued ordinary £1 shares of LeNSE Limited, at a cost of £25,000. There is no significant difference between the net book value and the market value.

14 Endowment asset investments

	Group 31 July 2011 £'000	Group 31 July 2010 £'000	University 31 July 2011 £'000	University 31 July 2010 £'000
Cash balances held for endowment funds	<u>26</u>	<u>27</u>	<u>26</u>	<u>27</u>

15 Debtors

	Group 31 July 2011 £'000	Group 31 July 2010 £'000	University 31 July 2011 £'000	University 31 July 2010 £'000
Fee debtors	438	609	438	609
Amount due from subsidiary	-	-	470	303
Other debtors	172	81	14	29
Prepayments and accrued income	652	556	633	517
Net investment in finance lease	5	16	5	16
	<u>1,267</u>	<u>1,262</u>	<u>1,560</u>	<u>1,474</u>

The net investment in finance lease relates to a bicycle lease agreement which the University initially entered into in October 2007 and has repeated to a total of eight schemes of which five are now complete. Employees lease bicycles from the University over an 18 month period. The total cost of the bicycles for the continuing schemes is £13,329, and the total rent income received in 2011 was £14,533.

University of Chichester

Notes to the accounts for the year ended 31 July 2011

16 Creditors: amounts falling due within one year

	Group 31 July 2011 £'000	Group 31 July 2010 £'000	University 31 July 2011 £'000	University 31 July 2010 £'000
Bank loans (note 18)	254	251	254	251
Expense creditors	836	1,030	793	1,028
Taxation, social security and pensions	688	635	688	635
Other creditors	1,417	2,554	1,394	2,510
Corporation tax payable	2	24	2	24
Accruals and deferred income	3,104	1,692	3,024	1,655
Tuition fees received in advance	192	64	192	64
	6,493	6,250	6,347	6,167

17 Creditors: amounts falling due after more than one year

	Group 31 July 2011 £'000	Group 31 July 2010 £'000	University 31 July 2011 £'000	University 31 July 2010 £'000
Bank loans (note 18)	6,199	6,453	6,199	6,453
HEFCE Access to Learning Fund	0	10	0	10
HEFCE Revolving Green Fund	100	100	100	100
	6,299	6,563	6,299	6,563

18 Borrowings

	Group 31 July 2011 £'000	Group 31 July 2010 £'000	University 31 July 2011 £'000	University 31 July 2010 £'000
Bank loans are repayable as follows:				
In one year or less	254	251	254	251
Between one and two years	260	254	260	254
Between two and five years	811	796	811	796
In five years or more	5,128	5,403	5,128	5,403
Total falling due after more than one year	6,199	6,453	6,199	6,453
	6,453	6,704	6,453	6,704

As at 31 July 2011, the University had two loans with the Allied Irish Bank as follows:

- a bank loan at a fixed rate of interest of 5.53 per cent per annum repayable by instalments falling due between 1 August 2006 and 31 July 2031 totalling £3,016,909 (2010 - £3,097,649). The loan is secured on a portion of the freehold land and buildings of the University.

- a bank loan at a fixed rate of interest of 4.93 per cent repayable by instalments falling due between 1 November 2006 and 31 October 2031 totalling £3,435,635 (2010 - £3,605,296). The loan is secured on a portion of the freehold land and buildings of the University. The rate of interest was fixed at 4.93 per cent in November 2008; prior to this, the loan had a variable rate of interest.

19 Provisions for liabilities and charges

	31 July 2011 £'000	31 July 2010 £'000
Enhanced pension cost: Group and University		
At 1 August	584	602
Utilised in the year	(40)	(41)
Transfer from income and expenditure account	22	23
At 31 July	566	584

The total pension cost for the year ended 31 July 2011 was £2,283,676 (2010 - £2,136,752) (note 29). This included an amount of £22,456 (2010 - £22,997) being notional interest in respect of enhanced pension entitlements for staff who have taken early retirement.

The provision for enhanced pension costs has been reviewed as at 31 July 2011 and updated using the PRC Actuarial Tables provided by the Teachers Pension Scheme; this has resulted in a transfer to the income and expenditure account of £32,544, reducing the pension cost for the year.

University of Chichester

Notes to the accounts for the year ended 31 July 2011

20 Deferred capital grants

Group and University	TDA £'000	HEFCE £'000	Other grants £'000	Total £'000
At 1 August 2010				
Buildings	-	6,808	1,297	8,105
Equipment	63	10	3	76
	<u>63</u>	<u>6,818</u>	<u>1,300</u>	<u>8,181</u>
Cash receivable				
Buildings	-	3,611	702	4,313
Equipment	(19)	101	3	85
	<u>(19)</u>	<u>3,712</u>	<u>705</u>	<u>4,398</u>
Released to income and expenditure account				
Buildings (Notes 2 and 5)	-	228	30	258
Equipment (Notes 2 and 5)	34	22	2	58
	<u>34</u>	<u>250</u>	<u>32</u>	<u>316</u>
Buildings	-	10,191	1,969	12,160
Equipment	10	89	4	103
At 31 July 2011	<u>10</u>	<u>10,280</u>	<u>1,973</u>	<u>12,263</u>

21 Endowments

Expendable funds: Group and University

	31 July 2011 £'000	31 July 2010 £'000
At 1 August	27	24
Additions	3	7
Expenditure for year	(4)	(4)
At 31 July	<u>26</u>	<u>27</u>
Representing		
Prize funds	8	9
Other funds	18	18
	<u>26</u>	<u>27</u>

University of Chichester

Notes to the accounts for the year ended 31 July 2011

22 Reserves

Income and expenditure account reserve

	Group 31 July 2011 £'000	Group 31 July 2010 £'000	University 31 July 2011 £'000	University 31 July 2010 £'000
At 1 August	12,230	8,478	12,272	8,537
Surplus retained for the year	3,431	2,221	3,428	2,204
Transfer from Revaluation Reserve	88	88	88	88
Pension surplus retained within reserves	3,992	1,443	3,992	1,443
At 31 July	19,741	12,230	19,780	12,272
Balance represented by				
Pension reserve	(2,483)	(6,288)	(2,483)	(6,288)
Income and expenditure account reserve excluding pension reserve	22,224	18,518	22,263	18,560
At 31 July	19,741	12,230	19,780	12,272

Pension reserve: Group and University

	31 July 2011 £'000	31 July 2010 £'000
At 1 August	(6,288)	(7,430)
Actuarial loss	(187)	(301)
Surplus retained within reserves	3,992	1,443
At 31 July	(2,483)	(6,288)

Revaluation reserve: Group and University

	31 July 2011 £'000	31 July 2010 £'000
At 1 August	14,754	14,842
Transfer to general reserve of amount equivalent to depreciation charged for the year	(88)	(88)
At 31 July	14,666	14,754

23 Reconciliation of consolidated operating surplus to net cash inflow from operating activities

	31 July 2011 £'000	31 July 2010 £'000
Surplus on continuing operations after depreciation of fixed assets at valuation	3,428	2,241
Depreciation (notes 1 and 12)	1,519	1,433
Deferred capital grants released to income (notes 2, 5 and 20)	(316)	(247)
Interest payable (note 10)	344	357
Pension costs less contributions payable (notes 7 and 29)	187	301
(Increase)/decrease in stock	(9)	6
(Increase)/decrease in debtors	(5)	303
Decrease in creditors	(709)	(25)
Decrease in provisions	(18)	(18)
Interest receivable (note 6)	(86)	(62)
Net cash inflow from operating activities	4,335	4,289

University of Chichester

Notes to the accounts for the year ended 31 July 2011

24 Returns on investments and servicing of finance

	31 July 2011 £'000	31 July 2010 £'000
Income from short term investments	85	89
Other interest received	1	1
Interest paid	(345)	(357)
Net cash outflow from returns on investments and servicing of finance	(259)	(267)

25 Capital expenditure and financial investment

	31 July 2011 £'000	31 July 2010 £'000
Payments made to acquire tangible fixed assets	(5,133)	(1,428)
Deferred capital grants received (note 20)	4,398	1,009
New endowments received	3	7
Net cash outflow from capital expenditure and financial investment	(732)	(412)

26 Management of liquid resources

	31 July 2011 £'000	31 July 2010 £'000
Placing of deposits	(13)	(49)
Net cash outflow from management of liquid resources	(13)	(49)

27 Financing

	31 July 2011 £'000	31 July 2010 £'000
Repayments of amounts borrowed	(251)	(246)
New amounts borrowed	-	30
Net cash outflow from financing	(251)	(216)

28 Analysis of changes in net funds

	At 1 August 2010 £'000	Cash flows £'000	Non-cash changes £'000	At 31 July 2011 £'000
Cash at bank and in hand:				
Endowment assets (note 14)	27	(1)	-	26
Other cash at bank and in hand	7,141	3,058	-	10,199
	<u>7,168</u>	<u>3,057</u>	<u>-</u>	<u>10,225</u>
Short-term investments	2,249	13	-	2,262
Debt due within one year	(251)	251	(254)	(254)
Debt due after one year	(6,553)	-	254	(6,299)
	<u>2,613</u>	<u>3,321</u>	<u>-</u>	<u>5,934</u>

University of Chichester

Notes to the accounts for the year ended 31 July 2011

29 Pension costs

The University's employees belong to two principal pension schemes, the Teachers' Pensions Scheme (TPS) and the Local Government Pension Scheme (LGPS). These are both defined benefit schemes.

The total pension cost for the year ended 31 July 2011 was £2,283,676 (2010 - £2,136,752), this included an amount of £22,456 (2010 - £22,997) being notional interest as referred to in note 19. The calculation of the cost of early retirement provisions charged to the Income and Expenditure account in the year of retirement is based on the total capital cost of providing enhanced pensions, based on the PRC Actuarial Tables provided by the Teachers' Pension Scheme.

Teachers' Pension Scheme

Under the definitions set out in Financial Reporting Standard 17 - Retirement benefits, the Teachers' Pension Scheme (TPS) is a multi-employer pension scheme. As the TPS is underwritten by central government and the University has no future obligation to make contributions to the scheme, this is effectively a defined contribution scheme in so far as it affects the University. As a result, contributions to this scheme are accounted for as if the scheme was a defined contribution scheme.

The University has set out below the information available on the Scheme and the implications for the University in terms of the anticipated contribution rates.

The employers' contribution rates for the University's academic staff were 14.1% of pensionable salaries from 1 August 2010 to 31 July 2011.

The Teachers' Pension Scheme is a statutory, contributory, unfunded, defined benefit scheme. The Regulations under which the TPS operates are the Teachers' Pensions regulations 1997, as amended. Contributions are credited to the Exchequer on a "pay as you go" basis under arrangements governed by the Superannuation Act 1972. A notional asset value is ascribed to the Scheme for the purposes of determining contribution rates.

The last valuation of the TPS related to the period 1 April 2001 to 31 March 2004. The Government Actuary's report of October 2006 revealed that the total liabilities of the Scheme (pensions currently in payment and the estimated cost of future benefits) amounted to £166,500 million. The value of the assets (estimated future contributions together with the proceeds from the notional investments held at the valuation date) was £163,240 million. The assumed real rate of return is 3.5% in excess of prices and 2% in excess of earnings. The rate of real earnings growth is assumed to be 1.5%. The assumed gross rate of return is 6.5%.

As from 1 January 2008, and as part of the cost-sharing agreement between employers' and teachers' representatives, the standard contribution has been assessed at 19.75%, plus a supplementary contribution rate of 0.75% (to balance assets and liabilities as required by the regulations within 15 years); a Standard Contribution Rate (SCR) of 20.5%. This translates into an employee contribution rate of 6.4% and employer contribution rate of 14.1% payable. The cost-sharing agreement has also introduced, effective for the first time from the 2008 valuation, a 14% cap on employer contributions payable.

The 2006 interim actuarial review, published in June 2007, did not recommend any changes to the SCR and concluded, as at 31 March 2006, and using the above assumptions, that the Scheme's total liabilities amounted to £176,600 million.

A copy of the Government Actuary's 2004 valuation report and 2006 interim valuation report can be found on the TeacherNet website at www.teachernet.gov.uk/pensions.

University of Chichester

Notes to the accounts for the year ended 31 July 2011

29 Pension costs (continued)

Local Government Pension Scheme (LGPS)

The Local Government Pension Scheme (LGPS) is a funded defined benefit scheme, with the assets held in separate trustee administered funds. The total contribution made for the year ended 31 July 2011 was £1,484,536 (2010 - £1,377,712) of which employer's contributions totalled £1,059,037 (2010 - £975,263) and employees' contributions totalled £425,499 (2010 - £402,450).

The employer's contribution rate for administrative and manual staff for the period 1 August 2010 to 31 March 2011 was 17.0%, for the period 1 April 2011 to 31 July 2011 the rate was 16.1% with an annual deficit repayment of £133,000 (1 April 2011 to 31 March 2012). The employer contributions expected to be paid into the scheme during the year ended 31 July 2012 is £1,087,000.

Financial Reporting Standard (FRS) 17 - Retirement benefits

The following information is based upon a full actuarial valuation of the Fund at 31 March 2010 updated to 31 July 2011 by a qualified independent actuary. The next formal valuation is due as at 31 March 2013.

The major assumptions used by the actuary were:

		2011	2010
		%	%
Salary increases		5.0	4.9
Pension increases		2.7	2.9
Discount rate		5.3	5.4
Expected return on assets	- Equities	7.0	7.3
	- Bonds	4.6	4.8
	- Properties	5.1	5.3
	- Cash	4.0	4.4

With regard to mortality assumptions life expectancy is based on the PFA92 and PMA92 tables, projected to year of birth, medium cohort and 1% per annum minimum improvements from 2010 for both prospective and current pensioners. Based on these assumptions, average future life expectancies at age 65 are summarised below:

	Male 31 July 2011	Male 31 July 2010	Female 31 July 2011	Female 31 July 2010
Current pensioners	22.7 years	22.7 years	24.2 years	26.1 years
Future pensioners	24.3 years	24.8 years	26.4 years	28.3 years

The University's share of assets in the fund were:

	Value at 31 July 2011 £'000	Proportion	Value at 31 July 2010 £'000	Proportion
Equities	16,185	75%	12,003	76%
Bonds	3,237	15%	2,369	15%
Property	1,511	7%	1,106	7%
Cash	647	3%	316	2%
Total market value of assets	21,580	100%	15,794	100%

University of Chichester

Notes to the accounts for the year ended 31 July 2011

29 Pension costs (continued)

Local Government Pension Scheme (continued)

The following amounts, at 31 July, were measured in accordance with the requirements of FRS 17:

Analysis of the amount shown in the balance sheet

	31 July 2011 £'000	31 July 2010 £'000
University of Chichester – Estimated asset share	21,580	15,794
University of Chichester – Present value of funded liabilities	(24,001)	(22,014)
University of Chichester – Present value of unfunded liabilities	(62)	(68)
University of Chichester – Net pension deficit	(2,483)	(6,288)

Analysis of amounts charged to staff costs in the income and expenditure account

	31 July 2011 £'000	31 July 2010 £'000
Employer service cost	(1,117)	(1,039)
Total operating charge	(1,117)	(1,039)

Analysis of the amount that is debited to other finance costs in the income and expenditure account

	31 July 2011 £'000	31 July 2010 £'000
Expected return on pension scheme assets	1,087	869
Interest on pension liabilities	(1,217)	(1,222)
Net loss on pension scheme	(130)	(353)

Analysis of the amount recognised in the statement of total recognised gains and losses (STRGL)

	31 July 2011 £'000	31 July 2010 £'000
Actual return less expected return on pension fund assets	3,802	1,414
Experience losses arising on the fund liabilities	(482)	5
Change in financial and demographic assumptions underlying the fund liabilities	672	(1,418)
Change in index used for future pension increases from RPI to CPI	-	1,442
Actuarial gain recognised in the statement of total recognised gains and losses (STRGL)	3,992	1,443

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

	31 July 2011 £'000	31 July 2010 £'000
Opening present value of the defined benefit obligation	(22,082)	(19,877)
Movement in the period:		
Current service cost	(1,117)	(1,039)
Interest cost	(1,217)	(1,222)
Contributions by members	(420)	(410)
Actuarial gain/(loss)	190	(1,413)
Change in index used for future pension increases from RPI to CPI	-	1,442
Estimated unfunded benefits paid	5	5
Estimated benefits paid	578	432
Closing present value of the defined benefit obligation	(24,063)	(22,082)

University of Chichester

Notes to the accounts for the year ended 31 July 2011

29 Pension costs (continued)

Local Government Pension Scheme (continued)

Analysis of the movement in the fair value of the scheme liabilities

	31 July 2011 £'000	31 July 2010 £'000
Opening fair value of Employer Assets	15,794	12,447
Movement in the period:		
Expected return on assets	1,087	869
Contributions by members	420	410
Contributions by the Employer	1,055	1,086
Contributions in respect of unfunded benefits	5	5
Actuarial gain	3,802	1,414
Estimated unfunded benefits paid	(5)	(5)
Estimated benefits paid	(578)	(432)
Closing fair value of Employer assets	21,580	15,794

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

	2011 £000	2010 £000	2009 £000	2008 £000	2007 £000
Defined benefit obligation	(24,063)	(22,082)	(19,877)	(15,722)	(14,337)
Plan assets	21,580	15,794	12,447	12,265	13,323
Deficit	(2,483)	(6,288)	(7,430)	(3,457)	(1,014)
Experience adjustments on plan liabilities	(482)	5	(3)	(391)	(2)
Experience adjustments on plan assets	3,802	1,414	(1,660)	(2,641)	349

30 Capital commitments

At 31 July 2011, the University had authorised and contracted for construction costs related to the Learning Resources Centre at Bognor Regis Campus and student accommodation building works at Bishop Otter Campus totalling £2,540,758. (2010 - £350,000).

31 Lease obligations

At 31 July, the University had annual operating lease commitments in respect of equipment for the financial year, on leases expiring:

	31 July 2011 £'000	31 July 2010 £'000
Within one year	40	27
Between one and five years	186	177
In five years or more	7	65
	233	269

University of Chichester

Notes to the accounts for the year ended 31 July 2011

32 Related party disclosures

Due to the nature of the University's operations and the composition of the Board of Governors (being drawn from local public and private sector organisations), it is inevitable that transactions will take place with organisations in which a member of the Board of Governors may have an interest. All transactions involving organisations in which a member of the Board of Governors may have an interest are conducted at arm's length and in accordance with the University's financial regulations and normal procurement procedures.

All Governors of the University are directors of the Company. No director had any interest in any contract during the year ended 31 July 2011 other than a contract of employment.

The University has taken advantage of the exemption allowed by Financial Reporting Standard 8, "Related Party Transactions", not to disclose any transactions with wholly owned entities that are included in the consolidated financial statements.

The following table of governors have interests in the below named businesses / organisations. The University of Chichester carries out business with these businesses / organisations as a part of its day to day business.

Governor	Relationship with Related Party	Name of Related Party	Description of the transactions	Expenditure for year ended 31 July 2011 with Related Party £	Amounts due to Related Party as at 31 July 2011 £
Professor C Behagg	Member	Central Sussex College	Hire of facilities	15,000	-
Mrs M Eva, OBE	Headteacher & Governor	Bourne Community College	GTP/PGCE/SAS payments	63,016	-
Mr R Fortin	Governor	Bourne Community College	GTP/PGCE/SAS payments	63,016	-
Canon Dr AW Cane	Chancellor	Chichester Cathedral	Carol service costs	2,154	-
	Trustee	George Bell Institute	Subscription	35	-
Mr R Hornby	Executive Director	West Sussex County Council	Various	59,573	96
Mrs NV Nageon de Lestang	Teacher & Governor	Fareham College	Placement payment	60	-
Mr B McCarthy	President	University of Chichester Students' Union	Grant/warden payments	194,632	-
Dr A Naylor	Director	The Quest Academy	PGCE payments	540	-
Mr JN Stapleton	Partner	Thomas Eggar LLP	Legal advice	14,740	-
Mr NC Taunt	Headteacher	Bishop Luffa CE School	GTP/PGCE/ supply cover payments	8,445	-
				<u>421,211</u>	<u>96</u>
Governor	Relationship with Related Party	Name of Related Party	Description of the transactions	Income for year ended 31 July 2011 with Related Party £	Amounts due from Related Party as at 31 July 2011 £
Mr B McCarthy	President	University of Chichester Students' Union	Payroll/ carpark vouchers/ printing	275,193	-
Mr R Hornby	Executive Director	West Sussex County Council	Educational services	365,793	33,582
				<u>640,986</u>	<u>33,582</u>

University of Chichester

Notes to the accounts for the year ended 31 July 2011

33 Members

The University of Chichester is a company limited by guarantee and therefore does not have share capital. The liability of members is limited to £1 each.

34 Amounts disbursed as agent

Access funds

	31 July 2011 £'000	31 July 2010 £'000
At 1 August	10	6
Funding Council grants	119	144
Interest earned	0	1
	<u>129</u>	<u>151</u>
Disbursed to students	(120)	(132)
Fee waivers	(6)	(6)
Administration costs	(3)	(3)
Balance unspent at 31 July	<u>0</u>	<u>10</u>

Funding Council grants are available solely to assist students; the University acts only as a paying agent. The grants and related disbursements are therefore excluded from the Income and Expenditure Account.

TDA graduate teacher programme

	31 July 2011 £'000	31 July 2010 £'000
At 1 August	35	74
Training and Development Agency grants received	695	716
Training and Development Agency grants refunded	(33)	(65)
	<u>697</u>	<u>725</u>
Disbursed to students	(683)	(684)
Administration costs	(6)	(6)
Balance unspent at 31 July	<u>8</u>	<u>35</u>

Training and Development Agency grants are available solely for students; the University acts only as a paying agent. The grants and related disbursements are therefore excluded from the Income and Expenditure Account.

TDA training bursaries

	31 July 2011 £'000	31 July 2010 £'000
At 1 August	127	10
Training and Development Agency grants received	1,512	1,546
Training and Development Agency grants refunded	(125)	(4)
	<u>1,514</u>	<u>1,552</u>
Disbursed to students	(1,275)	(1,395)
Administrative costs	(30)	(30)
Recovery of overpayments	3	-
Balance unspent at 31 July	<u>212</u>	<u>127</u>

Training and Development Agency grants are available solely for students; the University acts only as a paying agent. The grants and related disbursements are therefore excluded from the Income and Expenditure Account.

South East Coastal Communities

	31 July 2011 £'000	31 July 2010 £'000
At 1 August	97	-
HEFCE grants received	500	946
	<u>597</u>	<u>946</u>
Disbursed to partners	(560)	(849)
Balance unspent at 31 July	<u>37</u>	<u>97</u>

Grants relating to the South East Coastal Communities project are received from HEFCE on behalf of other local Universities and partners. The University acts only as a paying agent; the grants are therefore excluded from the Income and Expenditure Account.

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