

University of Bolton

Financial Statements 2011-12

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Operating and Financial Review 2011-12

Context

The University's financial performance in 2011-12 continued to be robust despite the reduction in Higher Education Funding Council for England (HEFCE) grant halfway through the University's financial year, and an increase in general inflation.

Taking into account the above and reflecting continued progress in terms of recruitment and despite the reduction in income from other services rendered, research and international student recruitment on and off campus, the University was able to record a surplus of £3,625,000 on a historical cost basis set against a forecast budget deficit of £1,874,000. This was achieved despite making provision for a voluntary severance programme in support of the University's Transformation and Repositioning strategy aimed at reconfiguring academic provision in readiness for the first intake of students under the new fee regime.

Repositioning and Transforming the University

The year has been characterised by a great deal of uncertainty in regard to the regulatory and financial regime within which universities would be operating from September 2012 onwards, together with a very mixed reaction by universities themselves as to how best to position themselves in relation to the uncertainty, first, and then to the details of the Government's policies as they became known. Though the broad outline of the changes the Government intended to make to the way in which universities were to be funded had been clear from the White Paper "Students at the Heart of the System", details were announced throughout the academic year 2011-12 in a way which made planning extremely difficult. In particular, the precise form of the Core and Margin bidding exercise for 2013-14 was made known only in late spring 2012, as was the nature of the information needed for the student Key Information Sets (KIS), due to be implemented in September 2012, and the ways in which it would be gathered.

As a result, the Core Curriculum Framework, the main driver of the Academic Review, designed in 2010-11, continued to be amended and adjusted as it was rolled out through the course of 2011-12. Nonetheless, the target which the University had set, of redesigning and revalidating all its undergraduate provision by the end of July 2011 was met, due in large measure to the hard work, commitment and determination of academic programme teams. The changes made to the programmes were, on the whole, less to do with subject-specific content (though clearly the review offered an opportunity to update and reinvigorate syllabuses) and more to do with delivery and the inclusion of University-wide themes. Consequently, the new programmes are simpler in structure, easier to timetable and more efficient to deliver. They also include content which will address the University's key themes of employability, internationalisation and sustainability. It is intended that the changes will greatly increase the attractiveness of the programmes, reduce attrition and improve employability. These revised programmes will be offered to undergraduate students from September 2012. 2012-13 will see a similar process applied to postgraduate provision.

The continuing tight control of the undergraduate, UK and EU student numbers each institution is allowed to recruit has made the recruitment of international students, which are not subject to these controls, of great strategic importance to the University. Unfortunately, the UK Border Agency's (UKBA) policies and procedures have made it increasingly difficult for UK Universities to recruit these students. Nonetheless, the University of Bolton has considerable experience of, and expertise in, transnational education - the delivery of programmes to international students in their home countries. A series of strategic planning meetings held throughout 2011 determined that the best way to enable this provision to grow whilst still maintaining the high standards and quality of provision which makes it attractive, was to separate the management, resourcing and, where necessary, the delivery of off campus programmes from that of those delivered at the University in Bolton. This would mean that dedicated delivery teams could focus on off campus programmes and programmes delivered on campus would not be disrupted by the off campus delivery. As a result, the University divided its academic programme delivery between two newly created units - the On Campus Division and the Off Campus Division, each headed by a Provost who reports directly to the Pro Vice Chancellor (Academic). The University itself retains the power to confer awards, guarantee standards and assure quality and it also maintains strategic control of the resources needed to ensure the continuing growth and development of both Divisions. The new Divisions came into existence in August 2011 and operated successfully throughout 2011-12.

Key Developments

Bolton One

Bolton One was delivered slightly ahead of schedule and the University moved in during February 2012. Following minor snagging, furnishing and the installation of equipment, programme teams moved in and were delivering teaching in the building from Easter of that year. Programmes in Sport and Health are based in Bolton One which also houses the University's Sports and Spinal Injuries Clinic, the Athlete Development Centre, a sports hall and a climbing wall. Bolton Council facilities, a gym and swimming pool, are also available for use by students and staff at low, or at specified times, no cost. There has already been an upturn in enquiries for programmes based in Bolton One and a significant improvement in conversion rates (ie the number of firm acceptances as a proportion of the number of applications). There is also very obvious scope for co-operation between the Bolton One partners themselves, in health education and research, community based health initiatives and sports development, some of which is already well established and some under discussion.

Progress on Research

The University's Research and Innovation Strategy focuses on the development of research capacity amongst its staff but also stresses the importance of knowledge transfer, applied research and consultancy. In 2011-12, the University established a new Research Institute – the Institute for Renewable Energies and Environmental Technologies (IREET). IREET is an offshoot of the long established Institute for Materials Research and Innovation (IMRI) where work on materials for energy generation and harvesting grew sufficiently – and was, given the current interest in the topic, of such obvious potential – that it had the critical mass for and merited the creation of a separate research institute.

The University has also made a number of new Professorial appointments in strategically important areas, including Law, Psychology and Digital Media. The intention is that they will lead on the development of strong research cultures in these areas but also stimulate research-informed teaching and new interdisciplinary programmes and research groups. Next year sees the data collection exercise for the Research Excellence Framework (REF) – the national assessment of the quality of research throughout the higher education system. The University is making preparations for this and in 2011-12 established a REF Management Group with representatives from the different disciplines in order to oversee and manage the submission which the University intends to make in 2014. The intention is to improve on the result of 2008's Research Assessment Exercise, in order to maximise research quality related (QR) government grant income and also to consolidate the University's reputation for world leading research in its areas of strength. The University already performs well in terms of QR income and, in 2011-12, saw that income increase by 2.5% when many other universities saw that income cut. The University's partnership in the Knowledge Centre for Materials Chemistry (KCMC) has proven highly beneficial through KCMC's ability to secure and manage industry grants and the decision, taken in 2012, to continue the partnership despite the loss of Regional Development Agency funding has been welcomed by the universities involved and also by industry. Funding by research councils has been maintained despite increasing competition and we also have been granted a number of knowledge transfer partnerships (KTPs), by means of which our graduate research students gain genuine on-the-job work experience and industry has access to the most current knowledge and skills available. The number of graduate research students has increased across the University and the completion rate continues to improve.

Public Benefit

The University explicitly demonstrates its public benefit and civic impact through a variety of activities:

- The University continues to offer educational and training opportunities to a wide range of students, but especially to students from under-represented groups and communities, a large proportion of them from Bolton and the North West. The most recent HESA Performance Indicators (2010-11) show that our student population is one of the most socially inclusive of any higher education institution in the country and fifty per cent of our students come from less than fifty miles from Bolton.
- The University is working closely with local partners to address issues of educational opportunity, civic regeneration, employability and sustainability. The University is part of the Bolton Vision Group – responsible for creating and delivering Bolton's Community Strategy – and has created together with Bolton College and Bolton Sixth Form College, the Bolton Education Zone and is a part of the New Economy, the Association of Greater Manchester Authorities whose aim is to create economic growth and prosperity for Greater Manchester. The opening of Bolton One, made possible by a unique three-way partnership between the University, Bolton Council and Royal Bolton NHS Foundation Trust, is also testament to the contribution made by the University to Bolton and the sub-region.
- The University continues to work in partnership with a variety of cultural and media organisations, including Bolton Museum, the National Media Museum (Bradford), the National Coal Mining Museum, the BBC in Media City and the Octagon Theatre.
- It also seeks to build on its work in access and widening participation through work with local voluntary agencies and charities such as Bolton at Home, Bury and Bolton Groundwork, Bolton Rotary Club and Bolton Lads and Girls Club designed to help create equality of opportunity, community cohesion and economic regeneration in Bolton and beyond.
- Bolton's research is characterised by its applied and user-focus and it continues to develop applied research and knowledge transfer initiatives in support of many Small and Medium-sized Enterprises (SMEs), business and industry, the NHS, the Further Education sector and community bodies.
- The new Bolton Core Curriculum Framework has built into all its programmes the requirement for developing awareness of internationalism and the bringing together of cultures through education and also to environmental sustainability and carbon reduction.

Many of these University activities are described in more detail below.

Public Engagement, Employer Responsiveness and Knowledge Transfer

In 2011 the University continued its strategy of supporting workforce development through the provision of professional development modules, focussed around the training and staff development needs of specific employment sectors. Over 1400 learners undertook Continuing Professional Development (CPD) modules, with the majority of these coming from the health sector. Other sectors supported in this way included education/training, construction and professional services. Project funding was utilised to enhance the skills of those within employment, develop sector specific CPD provision and to assist those facing redundancy to secure future employment.

The University of Bolton is also responsible for a number of projects, some funded by the European Union, which are designed to foster employability and to develop capacity in local SMEs through knowledge transfer.

The Graduate Employability Project initially supported over 300 students on a variety of programmes, such as CPD modules, postgraduate courses and careers advice and guidance support with the assistance of local businesses, both from the private and public sectors.

The Unite Project is aimed at providing business assistance to local SMEs, to help them to improve their business, safeguard jobs and create jobs. Graduates or final year undergraduates living in the North West were able to provide 150 hours of paid support, via the project, to local SMEs and have, thus far, assisted sixty nine local SMEs. This support has currently resulted in the creation of four new jobs and the safeguarding of nine more. In addition, eight businesses showed an improvement in their performance against the project criteria for business improvement.

The Enterprise Champions Project is aimed at supporting graduates and undergraduates in developing their aspirations to become self employed/entrepreneurs. The project uses local business experts as mentors, to help nurture and guide budding entrepreneurs to develop their business ideas into an income-generating business. To date this project has seen two new businesses started, employing three people, with a potential further seven businesses employing nine people in prospect.

Widening Participation and the Student Body

The results of our commitment to widening participation and promoting access are evident from our student profile. The most recent HESA Performance Indicators (2010-11) show that our student population is one of the most socially inclusive of any higher education institution in the country:

- 99.2% of our young full time undergraduate entrants come from state schools and colleges;
- 40.5% of our young full time undergraduate entrants are from National Statistics Socio-Economic Classification (NSSEC) classes 4-7;
- 21.7% of our young full time undergraduates come from low participation neighbourhoods;
- 47% of our undergraduate entrants are mature;
- 7.7% of our full-time undergraduate students were in receipt of Disabled Students' Allowance.

We have consistently exceeded our access and widening participation benchmark indicators. Our distinctive regional mission in providing access to higher education for under-represented groups is demonstrated by a number of additional characteristics of Bolton students:

- 51% of our UK students study part time;
- 23% of the UK domiciled students are drawn from Black and Minority Ethnic communities.

All of these factors indicate the extent to which the University serves a very diverse student community and offers educational opportunity to those groups under-represented in higher education, especially in the North West of England. It also endeavours to offer opportunities for higher education progression and continuing education for those in work and with vocational qualifications as well as academic qualifications.

The University's International Operations

The University continues to operate a campus in Ras Al Khaimah (RAK) and a new marketing strategy and business plan, focussed on the recruitment of local expatriates and their family members, has been implemented. There is a continuing exchange of staff and students which, it is hoped, will enhance provision both in Bolton and in RAK and will contribute to the development of a strong theme of internationalisation within the curriculum.

The RAK model continues to be carefully monitored and costed and it is a substantial part of the University's off campus collaborative provision which is one of the major means of diversifying the University's income streams at a time when income from home students based at Bolton is uncertain. Transnational programmes are currently operated by the University in Greece, China, Hong Kong, Vietnam, Malaysia, Mauritius, Oman, Malawi, Sri Lanka and Zambia, accounting for approximately £1.1m annually in terms of income and it is intended to grow this income stream over the next five years through planned strategic developments.

The creation of the Off Campus Division in September 2011 has enabled the University to bring together expertise in transnational education and to spread good practice in working collaboratively with partner organisations. It also permits a strategic overview of our international operations and, over the year, the full range of our partnerships has been reviewed and new partnerships have been added.

Addressing the Environmental Sustainability Agenda

The University Environmental Sustainability Group has continued to meet over 2011-12 and its focus has been on the following projects: promoting the efficient use of University resources; disposing of materials in a responsible manner; reducing waste; promoting recycling and reuse wherever possible; developing a purchasing policy that promotes sustainability and encourages suppliers to follow good practice; and managing the use of energy and water to reduce consumption. The Group worked closely with the Core Curriculum Group to ensure that sustainability was embedded within all programmes which the University provides, as one of the three "Bolton values" alongside employability and internationalisation. It will continue to monitor the effectiveness of this as the Core Curriculum is rolled out from September 2012. The University has established its own Carbon Management Plan (CMP) in line with the requirements of the Funding Council, who have set targets for Higher Education Institutions (HEIs) to reduce their carbon emissions by 43% by 2020. The University has 100% of the funding required to implement this plan and has identified over forty projects that will reduce the total carbon emissions of the University by 30% over the five-year duration of the project.

The Executive Board and the Board of Governors have oversight of the sustainability agenda through regular reports to both. Training events have also been held for the benefit of senior staff and Governors.

Financial

The University has reported a surplus of £3,625,000 (2011: £3,154,000) (on a historical cost basis) which is equal to 7.1% (2011: 6.2%) of our turnover in the year.

Operating Surplus

The operating surplus was £3,033,000 (2011:£2,541,000). The main variation from the previous year is:

More Significant Variations from 2010-11			
Head	Increase	Decrease	Reason (significant items only)
Other Operating Income		£1,276,000	Reduction in Other Services Rendered (non-research contracts)
Staff Costs		£996,000	Reduction due to staff leaving during the year

Liquidity

Operating performance has helped to maintain strong cash balances through the year.

The University's Financial Strategy sets a target of cash balances being maintained at, or higher than, 6% of turnover. This would equate to a value of 3,042,000 in 2011-12. This target was achieved during 2006-07 and has been maintained since then. During the year the cash balance was reduced to £16,730,000 as shown in the cash flow statement on page 20 of the Financial Statements.

Whilst there was a net outflow of cash in 2011-12 resulting from the University's investment in Bolton One, the University's cash balances remain ahead of the target set in the financial strategy.

Reserves

At 31 July 2012 the University's Income & Expenditure Account reserves amounted to £16,386,000 before the impact of FRS17. The volatile pension reserve fell to a £15,785,000 deficit bringing the retained reserves to a surplus of £601,000. This represents a worsening of £3,691,000 on the surplus of £4,292,000 reported in the previous year.

Borrowings

The University's current borrowings relate mostly to the finance leases in respect of the two Halls of Residence.

Sustainability

There have been several factors bearing upon 2012-13 recruitment nationally which will affect the higher education sector going forward. There are fewer undergraduate students; a significant reduction in international students; and a reduction in part time recruitment because of employers limiting staff training funds.

This has impacted on the University, which has put in place schemes to review its costs and redesign its business processes. The successful implementation of the scheme and business redesign should enable the University to re-invest and re-build for the future.

Going concern

Management has prepared forecasts of the University's budgets and cash-flows up to July 2014. These indicate that the University's cash balances will be sufficiently strong to meet the costs of change and to enable it rebuild for the future. After making appropriate enquiries, the Governing Body considers the University has access to resources to continue in operational existence for the foreseeable future. For this reason, they continue to adopt the going concern basis in preparing the financial statements.

Disclosure of Information to Auditors

The members of the Board of Governors who held office at the date of approval of the report confirm that, so far as they are each aware, there is no relevant audit information of which the University's auditors are unaware; and each member has taken all the steps that he or she ought to have taken to be aware of any relevant audit information and to establish that the University's auditors are aware of that information.

Signature

Ms M Neville-Rolfe CB

Position: Chair of the Board of Governors

Date: 13 November 2012

Members of the Board of Governors:

1 August 2011 to 31 July 2012

Name	Category	Sub-Committee Membership	Note
Ms M Neville-Rolfe CB BA LLD (Honoris Causa)	Independent	Resources Remuneration Nominations Ad Hoc	Chair of the Board
Rt Reverend N McCulloch MA Hon DL	Independent	Audit Nominations Remuneration Ad Hoc	Deputy Chair of the Board from 16 July 2012
Mr M Sheen BA PGCE FCA CTA	Independent	Audit Ad Hoc	Deputy Chair of Board (to 16 July 2012) Chair of Audit Committee
Mr N Myerson LLB Solicitor of the Supreme Court	Independent	Resources Remuneration Ad Hoc	Chair of Resources Committee
Mr S Conn FCA FIPA	Independent	Resources Nominations Ad Hoc	
Mr R Gould MA FCA CCMi	Independent	Resources Remuneration Ad Hoc	
Prof R Lewis BA MA BPhil PGCE MEd	Independent	Audit Ad Hoc	
Ms S Kay LLB Barrister	Independent	Audit Remuneration Nominations Ad Hoc	
Prof A Banerjee OBE JP DSc (Hons) FRCP	Independent	Resources Ad Hoc	
Mr P Horrocks	Independent	Resources Ad Hoc	To 26 January 2012
Mr A. Keating MBA HND Eng MIDGTE	Independent	Resources Ad Hoc	From 3 July 2012
HH W. Morris MA Cantab (Hons) LLD (Honoris Causa)	Independent	Audit Ad Hoc	From 3 July 2012
Dr G Holmes BSc MBA PGCE PhD FInstD	Vice Chancellor	Resources Nominations Remuneration	
Ms G Richards BA MEd	Statutory Co-opted	Audit	

Mr C Minta
BA MBA TCERT
AIOSh SIRSM

Academic Co-opted

Ms S Burkinshaw
MCIPD FHEA FSEDA MA
PGCE BA

Senate Member Nominations

Dr M Boneham
BA PGCE PhD

Senate Member

Mrs P Lonsdale
PGCE BA MBA

Support Staff Nominations
Co-opted

Mr S Aziz
BSc MSc

Student Elected Member

Ms S Begum

Students' Union President

To 1 May 2012

Principal Advisers to the University

Bankers

Co-operative Bank plc, PO Box 101, 1 Balloon Street, Manchester, M60 4EP

Solicitors

DLA Piper LLP, India Buildings, Water Street, Liverpool, L2 0NH

Eversheds LLP, Eversheds House, 70 Bridgewater Street, Manchester, M1 5ES

JMW Solicitors LLP, 1 Byrom Place, Spinningfields, Manchester, M3 3HG

External Auditors

Grant Thornton UK LLP, 4 Hardman Square, Spinningfields, Manchester, M3 3EB

Internal Audit

UNIAC, 101-105 Ormond Building, Lower Ormond Street, Manchester, M15 6BX

Statement of Corporate Governance and Internal Control

The purpose of this statement is to provide readers of the Financial Statements of the University of Bolton with information about its governance and legal structure. This summary outlines the manner in which the Governing Body, and through it the University being a body entrusted with both public and private funds, has fulfilled its duty to maintain the highest standards of Corporate Governance.

The Governing Body is committed to exhibiting best practice in all aspects of Corporate Governance and, throughout the period, has endeavoured to:

- Conduct its business in accordance with the seven principles identified by the Committee on Standards in Public Life, namely selflessness, integrity, objectivity, accountability, openness, honesty and leadership.
- Comply with the voluntary Governance Code of Practice as set out in the Committee of University Chairs' Guide (2009/14) and including adoption of a Statement of Primary Responsibilities.
- Comply with the relevant provisions set out in section 1 of the Combined Code of Corporate Governance (June 2010) issued by the Financial Reporting Council in so far as they apply to the Higher Education sector.
- Comply with the Higher Education Funding Council for England's Financial Memorandum.

Governance and Legal Structure

The University is an independent corporation, established as a Higher Education Corporation under the terms of the Education Reform Act 1988, and awarded university title in 2005 by Privy Council consent. The University's objectives, powers and framework of governance are set out in its Statutory Instrument and Articles of Government as approved by the Privy Council.

The University is an exempt charity and must comply with the terms of the Charities Act 2011. Its charitable trustees who served at any time during the financial year and until the date the Financial Statements are formally approved are those members of the Governing Body listed on pages 7 and 8. The University is satisfied that it has had due regard for the Charity Commission's guidance on public benefit and that required statements appear elsewhere in these Financial Statements.

The Governing Body holds itself responsible for the strategic direction, the educational character and mission, all financial and property matters and staffing policies of the University. Academic stewardship is undertaken by the University's Senate, of which the Vice Chancellor is Chair, and the responsibilities of this are set out in the University's Articles of Government. Overall accountability for academic matters, in particular academic quality, lies with the Governing Body.

The Governing Body

The Board of Governors comprises up to 19 members (since July 2012), including the Vice Chancellor, and has a majority of independent members, who are external and independent of the University. It meets at least four times each financial year. Two of these meetings are designated as training days and include a formal Board meeting as well as a less formal training session to brief members on current and relevant issues.

The Governing Body has established the following sub-committees to assist it to take its work forward:

- Audit Committee
- Resources Committee
- Nominations Committee
- Remuneration Committee
- Ad hoc Appointments Committee

All of these sub-committees are formally constituted with terms of reference approved and regularly reviewed by the Governing Body. They comprise mainly independent members of the Governing Body, one of whom is the Chair. The Remuneration Committee is a decision making body and determines the remuneration of the designated senior post holders, including the Vice Chancellor, the Pro Vice Chancellor (Academic) and the University Registrar and Secretary who is also Clerk to the Governors. Ad-hoc Board of Governors' working groups are occasionally established to consider project and risk based oversight tasks.

It is the Governing Body's responsibility to bring independent judgement to bear on issues of strategy, performance, resources and standards of conduct. The Governing Body has delegated to the Vice Chancellor (as Head and Accountable Officer of the Institution) responsibility for the organisation, direction and management of the University and leadership of its staff.

All Governors have access to the Clerk to the Governing Body, who is appointed to act as Secretary to the Board and is responsible for the Governance function. The appointment and removal of the Clerk are matters for the Governing Body as a whole.

The Governing Body has a strong and independent non-executive element and no individual or group dominates its decision making process. The Governing Body considers that each of its non-executive members is independent of management and free from any business or other relationship which could materially interfere with the exercise of their independent judgement. All Governors are required to exercise their responsibilities in the interests of the institution as a whole rather than as the representative of any constituency.

The University maintains and makes publicly available a register of interests of all members of the Board of Governors, and has established procedures should a conflict of interest arise. There is a clear division of responsibility in that the roles of the Chair of the Board and Vice Chancellor are separate.

The following processes have been established:

- The Board of Governors formally meets at least four times throughout the financial year.
- Formal agendas, papers and reports are supplied to Governors in a timely manner, prior to Board and sub-committee meetings. Relevant briefings are also circulated on an ad-hoc basis as required.
- In addition to the above formal meetings, members participate in regular training sessions. In 2011-12, members attended two training sessions on 15 November 2011 and 1 May 2012. Topics covered included – discussions and presentations on the University Corporate Model Proposal; Bolton One; the Off Campus Division, and the On Campus Division.
- The Board of Governors (and its sub-committees) receives detailed reports, including the annual report from the Audit Committee and reports from senior managers on key activities and projects, as itemised on the relevant agenda.
- The Board of Governors takes responsibility for overseeing risk management, as stated in the Risk Management Policy and has determined and approved a Risk Appetite Statement for inclusion therein. The Audit Committee reports to the Board of Governors on aspects of risk management and the risk register is regularly presented to the Board of Governors. The Executive and the Senior Management Team takes operational responsibility for risk management within the University.
- Board members have been actively engaged in all the Board's sub-committees and pro-actively involved in ad-hoc Board of Governors' working groups when established by the Governing Body.

Attendance at meetings of the Boards of Governors by individual members for the period 1 August 2011 - 31 July 2012 has been recorded as follows:-

Ms M Neville-Rolfe	4 of 4
Mr M Sheen	4 of 4
Mr N Myerson	3 of 4
Mr S Conn	2 of 4
Mr R Gould	4 of 4
Ms S Kay	4 of 4
Bishop N McCulloch	3 of 4
Prof R Lewis	4 of 4
Mr P Horrocks	0 of 1
Prof A Banerjee	4 of 4
Mr A. Keating	1 of 1
HH W. Morris	1 of 1
Dr G Holmes	4 of 4
Ms G Richards	3 of 4
Mr C Minta	4 of 4
Dr M Boneham	3 of 4
Ms S Burkinshaw	4 of 4
Mrs P Lonsdale	4 of 4
Mr S Aziz	1 of 4
Ms S Begum	0 of 3

Audit Committee

The Audit Committee formally meets at least three times throughout the financial year, with the University's external and internal auditors invited to attend at all meetings. This sub-committee of the Board considers detailed reports together with recommendations for the improvement of the University's systems of internal control and management's responses and implementation plans. It also receives and considers reports from the Higher Education Funding Council for England as they affect the University's business and monitors adherence to the regulatory requirements. Whilst senior executives attend meetings of the committee as necessary, they are not committee members. The Chair of the Board of Governors is also precluded from membership.

At least once each financial year, the committee meets the University's external and internal auditors without any officers present for independent discussions. Risk management (including the risk register) is a standing item on every agenda and the committee annually considers for recommendation to the Board the University's Risk Appetite Statement.

The Audit Committee presented its annual report for the year ended 31 July 2012, and including any significant issues up to the date of the report, to the Governing Body on 13 November 2012. Therein the committee confirmed its opinion that based upon the work performed during the year and on the information presented to it, the institution's risk management, control and governance arrangements are adequate and effective and arrangements are in place to promote economy, efficiency and effectiveness (value for money). The committee's overall opinion had been informed by its opinion on the management control and quality assurance of data provided to HEFCE, HESA and other public bodies, which is that those arrangements are effective.

Internal Control

The Governing Body is responsible for the University's system of internal control and for reviewing its effectiveness. The system of internal control is based on an ongoing process designed to identify risks to the achievement of policies, aims and objectives, to evaluate the nature and extent of those risks and to manage them effectively and economically. Such a system is designed to manage rather than eliminate the risk of failure to achieve business objectives and can only provide reasonable and not absolute assurance against material misstatement or loss.

The Governing Body has reviewed the key risks to which the University is exposed together with the operating, financial and compliance controls that have been implemented to mitigate those risks. The Governing Body is of the view that there is an ongoing process for identifying, evaluating and managing the University's significant risks, that it has been in place for the year ended 31 July 2012 and up to the date of approval of the annual report and accounts and that it is regularly reviewed by the Board of Governors.

The University has a Senior Management Team (which includes the senior executives) of 29 individuals that comprises academic and support managers who are responsible for ensuring that risk management is embedded within all of the University's activities. The Senior Management Team receives reports setting out key performance and risk indicators and considers possible control issues brought to their attention by early warning mechanisms which are embedded within the operational units and reinforced by risk awareness training. Risk prioritisation is based upon impact and likelihood. Key strategic risks to the institution are brought out of the general risk register into a separate section so they can be more easily monitored with cross references to the more detailed Business Risks and Corporate Objectives. The Senior Management Team is actively involved in risk identification, prioritisation, evaluation and management review of its effectiveness, the information from these discussions being reported to the Audit Committee and the Board of Governors by the senior executives.

The Governing Body's review of the effectiveness of the system of internal control is informed by the work of the University's internal auditor, Uniac, which observes and complies with the requirements of the HEFCE Audit Code of Practice, HM Treasury Government Internal Auditing Standards and International Standards for the Professional Practice of Internal Auditing. In its annual opinion for 2011-12, Uniac concluded that at the financial year ending 31 July 2012 the University's risk management framework, corporate governance, internal controls (although some reviews have identified areas for improvement), and arrangements for securing value for money were all operating effectively.

Signature

Ms M Neville-Rolfe CB

Position: Chair of the Board of Governors

Date: 13 November 2012

Responsibilities of the Board of Governors

In accordance with the Education Reform Act 1988 the Board of Governors is responsible for the administration and management of the University's affairs, including an effective system of internal control, and is required to present audited Financial Statements for each financial year which include a statement on corporate governance and internal control.

Working through its established sub-committees, the Board of Governors is responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the University and to enable it to ensure that the Financial Statements comply with the Education Reform Act 1988 (as amended by the Further and Higher Education Act 1992), the 2007 Statement of Recommended Practice: Accounting for Further and Higher Education and other relevant standards. In addition, within the terms and conditions of Financial Memorandum agreed between the Higher Education Funding Council for England and the University's Board of Governors, the Board of Governors, through its Accountable Officer, is required to prepare Financial Statements for each financial year. Under those terms and conditions, the Board of Governors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs and of the surplus or deficit of the University for that year. In preparing these Financial Statements, the Board of Governors has ensured that:

- Suitable accounting policies are selected and applied consistently;
- Judgements and estimates are made that are reasonable and prudent;
- Applicable accounting standards have been followed, subject to any material departures disclosed and explained in the Financial Statements; and
- Financial statements are prepared on the going concern basis unless it is inappropriate to presume that the University will continue in operation. The Board of Governors is satisfied that it has adequate resources to continue in operation for the foreseeable future: for this reason the going concern basis continues to be adopted in the preparation of the Financial Statements.

The Board of Governors has taken reasonable steps to:

- Ensure that funds from the Higher Education Funding Council for England, the Teaching Agency and the Chief Executive of Skills Funding are used only for the purposes for which they have been given and in accordance with the Financial Memorandum with the Funding Council, the funding agreement with the Teaching Agency and the Chief Executive of Skills Funding Agency and any other conditions which the Funding Councils may from time to time prescribe;
- Ensure that there are appropriate financial and management controls in place to safeguard public funds and funds from other sources;
- Safeguard the assets of the University and prevent and detect fraud; and
- Secure the economic, efficient and effective management of the University's resources and expenditure.

Signature

Ms M Neville-Rolfe CB

Position: Chair of the Board of Governors

Date: 13 November 2012

Independent auditor's report to the Governing Body of the University of Bolton

We have audited the Financial Statements of the University of Bolton ('the University') for the year ended 31 July 2012 which comprise the statement of principal accounting policies, the income and expenditure account, the statement of historical cost surpluses and deficits, the balance sheet, the cash flow statement, the statement of total recognised surpluses and deficits 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) and the 2007 Statement of Recommended Practice: Accounting for Further and Higher Education.

This report is made solely to the Governing Body, in accordance with paragraph 13(2) of the University's Articles of Government and section 124B (3) of the Education and Reform Act 1988. Our audit work has been undertaken so that we might state to the University's members and trustees 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 charitable company and its members and trustees as a body, for our audit work, for this report, or for the opinions we have formed.

Respective responsibilities of trustees and auditor

As explained more fully in the Responsibilities of the Board of Governors set out on page 13, the Governing Body is responsible for the preparation of the Financial Statements and for being satisfied that they give a true and fair view.

We have been appointed auditor under the Education and Reform Act 1988 and report in accordance with that Act. Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's (APB's) Ethical Standards for Auditors.

We also report to you whether income from funding councils, 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. In addition, we report to you whether, in all material respects, income has been applied in accordance with the statutes and, where appropriate, the Financial Memorandum with the Higher Education Funding Council for England ('the Funding Council'), the Teaching Agency and the Chief Executive of Skills Funding.

We read the Operating and Financial Review and the Corporate Governance Statement and consider the implications for our report if we become aware of any apparent misstatements within them or material inconsistencies with the Financial Statements. We are not required to consider whether the statement of internal control (included as part of the Corporate Governance Statement) covers all risks and controls, or to form an opinion on the effectiveness of the institution's corporate governance procedures or its risk and control procedures.

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.

Opinion on Financial Statements

In our opinion the Financial Statements:

- give a true and fair view of the state of the University's affairs as at 31 July 2012 and of the incoming resources and application of resources, including its income and expenditure, for the year then ended; and
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice and the 2007 Statement of Recommended Practice: Accounting for Further and Higher Education.

Opinion on other matters

In all material respects:

- income from the Funding Council, the Teaching Agency, the Chief Executive of Skills Funding, grants and income for specific purposes and from other restricted funds administered by the University during the year ended 31 July 2012 have been applied for the purposes for which they were received; and
- income during the year ended 31 July 2012 has been applied in accordance with the University's statutes and, where appropriate, with the Financial Memorandum with the Funding Council, the funding agreement with the Teaching Agency and the funding agreement with the Chief Executive of Skills Funding.

Grant Thornton UK LLP
Statutory Auditor, Chartered Accountants
Manchester

Statement of Principal Accounting Policies

a) Accounting Convention

The Financial Statements have been prepared under the historical cost convention, as modified by the revaluation of certain land and buildings, and in accordance with both the 2007 Statement of Recommended Practice: Accounting for Further and Higher Education (SORP) and applicable Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

b) Going Concern

Based on information and knowledge available to the Board of Governors it has reasonable expectation that the University will continue in operational existence for the foreseeable future. For this reason the Board of Governors continues to adopt the going concern basis for preparing the accounts.

c) Scope of the Accounts

The University has three subsidiary companies, Bolton Institute Enterprises Limited, The University of Bolton Enterprises Company Limited, and Blu U Thefutureversity Limited, all of which are dormant. The three subsidiaries are not material to the group and therefore the University has elected not to prepare consolidated accounts.

d) Tangible Fixed Assets

(i) Land and Buildings

Land and buildings inherited from Bolton MBC and buildings acquired since incorporation are stated in the balance sheet at valuation as at 31 July 2009 on the basis of depreciated replacement cost, with the exception of Holts Mill and the Chadwick site which were valued on a market value basis.

The estate was last subject to a full formal valuation in July 2009. In accordance with the terms of FRS15 this became subject to an interim review by an independent valuer in 2012; this review showed no material change to the estate's value.

Bolton One (acquired February 2012) has been recognised at the value of the premium paid for the lease, with its useful economic life being set at 25 years in accordance with the lease's primary period.

Apart from Bolton One, the depreciation charged (Note 11) is based upon the economic lives of the buildings as determined by the valuation made as at 31 July 2009, and these range between 5 and 50 years.

Freehold land is not depreciated. Freehold buildings will be depreciated over their expected useful economic life to the University of up to 50 years. The University has a policy of depreciating major adaptations to buildings over the period of their useful economic life of up to 50 years.

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 life of the related asset on a basis consistent with the depreciation policy.

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

Assets whilst in the course of construction are not depreciated.

(ii) Equipment

On 1 April 1989 the University acquired unrestricted title to all assets then in use. Because accurate inventories were not available, valuation of transferred equipment for balance sheet purposes had been agreed with the auditor on the basis of one half of insured value, which has now been fully depreciated. Purchases greater than £10,000 since 1 April 1989 have been capitalised at purchase price and will be written down over the period indicated as follows: -

Equipment	Economic Life (Years)
Equipment acquired after 1 August 1998	3
Telephone Equipment	5
Halls of Residence Furniture	10

e) Income Recognition

(i) Funding Council Grants

HEFCE grant income is accounted for in accordance with the purpose of the grant. Recurrent and other revenue grants are credited directly to the Income and Expenditure Account. Grants, which are applied to acquire tangible fixed assets, are credited to the Income and Expenditure account over the estimated useful life of the assets to which they relate. Grants received from HEFCE, which are attributable to future years, are included in creditors as deferred income.

(ii) Other Grants

Certain grants are received for specific purposes. Income from continuing research grants and contracts has been included in the financial statements to the extent that it is due.

(iii) Tuition Fees

Fee income is credited to the Income and Expenditure Account in the period in which it is earned. Where the amount of the tuition fee is reduced, by a discount for alumni for example, income receivable is shown net of the discount. Bursaries and scholarships are accounted for gross as expenditure and are not deducted from income.

(iv) Other Income

Other income arising from the sale of goods and services is credited to the Income and Expenditure Account when goods or services are supplied to the customer or when the terms of the contract have been satisfied.

f) Taxation

The University is an exempt charity within the meaning of Schedule 3 of the Charities Act 2011 (formerly Schedule 2 of the Charities Act 1993) and as such is a charity within the meaning of Para 1 of Schedule 6 to the Finance Act 2010. Accordingly, the University is potentially exempt from taxation in respect of income or capital gains received within categories covered by sections 478-488 of the Corporation Tax Act 2010 (CTA 2010) (formerly enacted in Section 505 of the Income and Corporation Taxes Act 1988 (ICTA)) or Section 256 of the Taxation of Chargeable Gains Act 1992 to the extent that such income or gains are applied to exclusively charitable purposes.

Both subsidiary companies are liable to Corporation Tax and Value Added Tax in the same way as any other commercial organisation.

The University's principal activities are exempt from Value Added Tax, but certain ancillary supplies and services are liable to Value Added Tax at various rates. Expenditure includes irrecoverable Value Added Tax charged by suppliers to the University.

g) Restructuring and Early Retirement Costs

Costs of voluntary restructuring and early retirement are provided for in full from the date applications are formally approved.

h) Cash Flows and Liquid Resources

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

i) Leases

Fixed assets held under finance leases and the related lease obligations are recorded in the Balance Sheet at the fair value of the leased asset at the inception of the lease. The excess of lease payments over recorded lease obligations are treated as finance charges, which are amortised over each term to give a constant charge on the remaining balance of the obligations.

j) Foreign Currency

Transactions denominated in foreign currencies are recorded at the rate of exchange ruling at the date of the transaction. Monetary assets and liabilities in foreign currencies are translated into sterling at year-end rates. The resulting exchange differences are transferred to the Income and Expenditure Account.

k) Pension Schemes

The pension schemes for the University's staff are the Teachers' Pension Scheme (TPS), the Greater Manchester Pension Fund (GMPF), and the Universities' Superannuation Scheme (USS). The schemes are defined benefit schemes which are externally funded and contracted out of the State Earnings-Related Pension Scheme. The TPS is valued every five years by the Government Actuary, the GMPF every three years by the actuaries using the retained age method, and the USS every three years by the actuary using the projected unit method.

In the cases of the TPS and USS, since it is not possible to identify the University's share of the underlying assets and liabilities FRS17 requires that these schemes are accounted for as defined contribution schemes, with contributions recognised in the year they are paid. In the case of the GMPF the University's share is identifiable and hence FRS17 is fully applicable; accordingly, its share in the scheme is fully incorporated in the accounts.

Contributions are paid by the University at the rate specified by the actuary. Pension costs are assessed on the latest actuarial valuation of the schemes and are accounted for on the basis of charging the cost of providing pensions over the period during which the University benefits from the employee's services. Variations from regular cost are spread over the expected average remaining lifetime of members of the schemes after making allowances for future withdrawals.

The University's provision for enhancing pensions was last revalued at 31 July 2012. All movements on this provision are recognised in the Income and Expenditure account.

l) Repairs and Maintenance

In accordance with FRS12 all maintenance costs are charged to the Income and Expenditure Account as incurred.

m) Research and Development

Costs of Research and Development are charged to the Income and Expenditure Account in the year in which they are incurred.

n) Donations and Endowments

Where charitable donations are to be retained for the benefit of the University as specified by the donors these are accounted for as endowments. There are two main types :

Restricted expendable endowments where the donor has specified a particular objective other than the purchase or construction of fixed assets, and the University can convert the donated sum into income.

Restricted permanent endowments where the donor has specified that the fund is to be permanently invested to generate an income stream to be applied to a particular objective.

o) Provisions

Provisions are recognised when the University has a present legal or constructive obligation as a result of 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.

**Income and Expenditure Account
for the Year ended 31 July 2012**

	Note	2011-12 £000	2010-11 £000
Income			
Funding Council Grants	1	23,630	23,115
Academic Fees and Support Grants	2	20,979	20,522
Research Grants and Contracts	3	2,024	2,140
Other Operating Income	4	3,798	5,074
Endowment Income and Interest Receivable	5	273	223
Total Income		<u>50,704</u>	<u>51,074</u>
Expenditure			
Staff Costs	6	26,975	27,971
Staff Costs – Restructuring	6	1,054	620
Other Operating Expenses	9	16,580	16,915
Depreciation	11	2,399	2,165
Interest payable	10	663	862
Total Expenditure		<u>47,671</u>	<u>48,533</u>
Surplus After Depreciation of Assets at Valuation		<u>3,033</u>	<u>2,541</u>
Statement of Historical Cost Surpluses and Deficits for the Year ended 31 July 2012			
Surplus After Depreciation of Assets at Valuation		3,033	2,541
Difference between Historical Cost Depreciation Charge and the Actual Depreciation Charge for the Year Calculated on the Revalued Amount	21	592	613
Historical Cost Surplus		<u>3,625</u>	<u>3,154</u>

The Income and Expenditure of the University relates wholly to continuing operations.

The notes on pages 22 to 40 form part of the Financial Statements.

**Balance Sheet
as at 31 July 2012**

	Note	University 2011-12 £000	University 2010-11 £000
Fixed Assets			
Tangible Assets	11	54,887	48,563
Endowment Asset Investments	13	275	259
Current Assets			
Debtors	14	2,641	3,910
Cash at Bank and in Hand		<u>16,730</u>	<u>19,640</u>
		19,371	23,550
Creditors: Amounts Falling Due Within One Year			
Net Current Assets	15	<u>13,299</u>	<u>15,574</u>
		<u>6,072</u>	<u>7,976</u>
Total Assets Less Current Liabilities		61,234	56,798
Creditors: Amounts Falling Due After One Year			
Provisions for Liabilities and Charges	16	7,913	6,476
Net Assets excluding pension liability	17	<u>3,624</u>	<u>3,230</u>
Net Pension Liability	29	<u>(15,785)</u>	<u>(8,310)</u>
Total Net Assets		<u>33,912</u>	<u>38,782</u>
Represented by:			
Deferred Capital Grants	18	15,151	15,754
Endowments Specific Reserves	19	275	259
Income and Expenditure Account	21	16,386	12,602
Pension Reserve	29	<u>(15,785)</u>	<u>(8,310)</u>
Income and Expenditure Account		601	4,292
Revaluation Reserve	20	<u>17,885</u>	<u>18,477</u>
Total Reserves		<u>18,486</u>	<u>22,769</u>
Total Funds		<u>33,912</u>	<u>38,782</u>

The notes on pages 22 to 40 form part of the Financial Statements.

The Financial Statements were approved by the Board of Governors on 13 November 2012 and signed on its behalf by:

Ms M Neville-Rolfe CB, Chair of the Board of Governors

Dr G Holmes, Vice Chancellor

**Cash Flow Statement
for the Year to 31 July 2012**

	Note	2011-12 £000	2010-11 £000
Net Cash Inflow from Operating Activities	24	3,519	4,646
Returns from Investments and Servicing of Finance	25	(293)	(360)
Capital Expenditure and Financial Investment	26	<u>(8,563)</u>	<u>(226)</u>
Cash (Outflow)/Inflow before use of Liquid Resources and Financing		(5,337)	4,060
Financing	27	<u>2,427</u>	<u>(483)</u>
(Decrease)/Increase in Cash	28	<u>(2,910)</u>	<u>3,577</u>

Reconciliation of Net Cash Flow to Movement in Net Funds

	Note	2011-12 £000	2010-11 £000
(Decrease)/Increase in Cash in the Period		(2,910)	3,577
Repayable Grant Received	27	(3,000)	0
Repayment of Debt	27	<u>573</u>	<u>483</u>
Change in Net Funds		(5,337)	4,060
Net Funds at 1 August		13,470	<u>9,410</u>
Net Funds at 31 July	28	<u>8,133</u>	<u>13,470</u>

The notes on pages 22 to 40 form part of the Financial Statements.

Statement of Recognised Surpluses and Deficits for the Year to 31 July 2012

	Note	2011-12 £000	2010-11 £000
Surplus after Depreciation of Assets at Valuation		3,033	2,541
Endowment Income	19	16	59
Actuarial (Loss) / Gain in respect of Pension Scheme	29	(7,316)	3,382
Total Recognised (Losses) / Gains Since Last Report		<u>(4,267)</u>	<u>5,982</u>
Reconciliation			
Opening Reserves and Endowments		23,028	17,046
Total Recognised (Losses) / Gains relating to the Year		<u>(4,267)</u>	<u>5,982</u>
Closing Reserves and Endowments		<u>18,761</u>	<u>23,028</u>

The notes on pages 22 to 40 form part of the Financial Statements.

Notes to the Accounts

	HEFCE £000	2011-12 FE Provision £000	Total £000	2010-11 Total £000
1. Funding Council Grants				
Recurrent Grant				
Teaching	19,051	227	19,278	21,026
Research	668	0	668	724
Other	<u>177</u>	<u>0</u>	<u>177</u>	<u>611</u>
Total Recurrent Grants	19,896	227	20,123	22,361
Specific Grants				
ECIF	0	0	0	40
Bolton One	3,000	0	3,000	126
Other	<u>50</u>	<u>0</u>	<u>50</u>	<u>37</u>
Total Specific Grants	<u>3,050</u>	<u>0</u>	<u>3,050</u>	<u>203</u>
Releases of Deferred Capital Grants (Note 18)				
	<u>457</u>	<u>0</u>	<u>457</u>	<u>551</u>
	<u>23,403</u>	<u>227</u>	<u>23,630</u>	<u>23,115</u>

2. Academic Fees and Support Grants

Fees paid by or on behalf of Individual Students	2011-12 £000	2010-11 £000
Full-time home and EU students	13,760	11,874
Full-time international students	4,025	5,318
Part-time students	2,195	2,344
Education contracts	760	685
Further education students	112	87
Other fees and grants	<u>127</u>	<u>214</u>
	<u>20,979</u>	<u>20,522</u>

3. Research Grants and Contracts

	2011-12 £000	2010-11 £000
Research Councils and Charities	257	339
Industry and Commerce	227	363
Governmental	1,540	1,438
	<u>2,024</u>	<u>2,140</u>

4. Other Operating Income

	2011-12 £000	2010-11 £000
Residences, Catering and Conferences	2,283	2,249
Other Income	1,369	2,632
Releases from Deferred Capital Grants (Note 18)	146	193
	<u>3,798</u>	<u>5,074</u>

5. Endowment and Investment Income

	2011-12 £000	2010-11 £000
Income from expendable endowments and donations	23	20
Income from short-term investments	<u>250</u>	<u>203</u>
	<u>273</u>	<u>223</u>

6. Staff Costs

	2011-12 £000	2010-11 £000
Staff Costs		
Wages and Salaries	21,948	22,803
Social Security Costs	1,812	1,845
Other Pension Costs (including FRS17 adjustment Note 29)	<u>3,010</u>	<u>3,098</u>
	26,770	27,746
Contribution to Pension Provision (Note 17)	<u>205</u>	<u>225</u>
Total Staff Costs	<u>26,975</u>	<u>27,971</u>
Restructuring Costs	<u>1,054</u>	<u>620</u>
	<u>28,029</u>	<u>28,591</u>
Analysis of Staff by Major Category		
	2011-12 FTE	2010-11 FTE
Academic	254	275
Support	277	281
Management and Specialist	<u>30</u>	<u>29</u>
	<u>561</u>	<u>585</u>

The staff numbers exclude temporary and casual staff because the information is not available to convert them to full-time equivalents.

7. Higher Paid Staff Emoluments

The number of staff, including the Vice Chancellor, who received emoluments, excluding pension contributions and payments for compensation for loss of office under the University's restructuring scheme, in the following ranges was:

	2011-12 No.	2010-11 No.
£100,000 - £109,999	0	0
£110,000 - £119,999	0	0
£120,000 - £129,999	0	0
£130,000 - £139,999	0	0
£140,000 - £149,999	0	0
£150,000 - £159,999	0	0
£160,000 - £169,999	0	0
£170,000 - £179,999	0	0
£180,000 - £189,999	0	1
£190,000 - £199,999	0	0
£200,000 - £209,999	0	0
£210,000 - £219,999	0	0
£220,000 - £229,999	1	0

8. Emoluments of the Vice Chancellor and of the Board of Governors

Vice Chancellor	2011-12 £	2010-11 £
Salary	187,100	181,600
One-off Non-Consolidated Conditional Retention Payment	40,000	0
Benefits in kind (healthcare)	2,700	2,600
Employer's Pension Contribution to Teachers' Pension Scheme	<u>26,400</u>	<u>25,600</u>
Total Emoluments	<u>256,200</u>	<u>209,800</u>

The pension contributions in respect of the Vice Chancellor are employer's contributions to the Teachers' Pension Scheme and are paid at the same rate as other academic staff.

The members of the Governing Body do not receive any remuneration in respect of their roles.

9. Other Operating Expenses

	2011-12	2010-11
	£000	£000
Academic Departments	6,753	6,735
Academic Services	1,556	1,193
Administration and Central Services	3,733	4,216
Premises	2,602	2,230
Residences and Catering	1,217	1,546
Research Grants and Contracts	591	678
Other Expenditure	<u>128</u>	<u>317</u>
	<u>16,580</u>	<u>16,915</u>
Other Operating Expenses include:-		
External Auditor's Remuneration in respect of the Audit of the Financial Statements	36	35
External Auditor's Remuneration in respect of Non-Audit Services – Corporation Tax Compliance	7	7
Operating Lease Rentals Other	64	39
		<u> </u>

The operating leases expire during 2013-14, commitments remaining under them are £64,000 in 2012-12, and £17,000 in 2013-14.

Included within Other Operating Expenses for 2010-11 was £260,000 in respect of an impairment to the carrying value of Holt's Mill prior to its proposed demolition.

10. Interest Payable

	2011-12	2010-11
	£000	£000
Loans repayable within five years	38	32
Finance Leases	504	557
Pension Finance Interest (Note 29)	121	273
	<u>663</u>	<u>862</u>

11. Tangible Assets

	Land & Buildings Freehold £000	Land & Buildings Leased £000	Equipment £000	Leased Equipment £000	Total £000
Cost or Valuation					
At 1 August 2011 - Valuation	8,982	4,356	0	0	13,338
- Cost	<u>30,964</u>	<u>7,514</u>	<u>14,136</u>	<u>599</u>	<u>53,213</u>
At 1 August 2011	39,946	11,870	14,136	599	66,551
Additions at Cost	0	8,682	41	0	8,723
At 31 July 2012	<u>39,946</u>	<u>20,552</u>	<u>14,177</u>	<u>599</u>	<u>75,274</u>
Depreciation					
At 1 August 2011	2,672	832	13,885	599	17,988
Charge for Year	1,439	768	192	0	2,399
At 31 July 2012	<u>4,111</u>	<u>1,600</u>	<u>14,077</u>	<u>599</u>	<u>20,387</u>
Net Book Value					
At 31 July 2012	35,835	18,952	<u>100</u>	<u>0</u>	<u>54,887</u>
At 1 August 2011	<u>37,274</u>	<u>11,038</u>	<u>251</u>	<u>0</u>	<u>48,563</u>
Financed by Capital Grant	15,151	0	0	0	15,151
Finance Lease	0	5,522	0	0	5,522
Other	<u>20,684</u>	<u>13,430</u>	<u>100</u>	<u>0</u>	<u>34,214</u>
	<u>35,835</u>	<u>18,952</u>	<u>100</u>	<u>0</u>	<u>54,887</u>

Included within land and buildings is land valued at £6,409,250 (freehold) and £1,490,000 (leased) which is not depreciated.

Bolton One (acquired February 2012) has been recognised at the value of the premium due for the lease, with its useful economic life being set at 25 years. A full year's depreciation was charged in 2011-12.

An impairment charge in 2010-11 of £260,000 was in recognition of the impairment to the carrying value of Holt's Mill prior to its proposed demolition.

The University's land and buildings were valued at 31 July 2009 by Eddisons Chartered Surveyors, an external firm of professional valuers. The valuation was prepared on a depreciated replacement cost basis with the exception of Holt's Mill and the Chadwick site which were valued on a market value basis since the University does not actively use these properties.

In accordance with the terms of FRS15 this valuation was assessed on the depreciated replacement cost basis by an independent valuer, Nolan Redshaw Ltd, on 28 September 2012. This assessment was in accordance with RICS Valuation – Professional Standards, Global and UK Edition (March 2012). The review showed no material change to the estate's value and has therefore not been reflected in these financial statements.

12. Investments

The University owns 100 £1 ordinary shares in Bolton Institute Enterprises Limited, 1 £1 ordinary share in The University of Bolton Enterprises Company Ltd and 1 £1 ordinary share in Blu U Thefutureversity Ltd. These are wholly owned subsidiaries of the University.

Bolton Institute Enterprises Limited holds 30,000 £1 ordinary shares valued at £1,456, in c-Lect Medical Ltd representing 25% of the issued share capital.

13. Endowment Asset Investments

	2011-12	2010-11
	£000	£000
Balance at 1 August	259	200
Increase in cash balances	<u>16</u>	<u>59</u>
Balance at 31 July	<u>275</u>	<u>259</u>
Bank Balances	<u>275</u>	<u>259</u>
Total Endowment Asset Investments	<u>275</u>	<u>259</u>

14. Debtors

	2011-12	2010-11
	£000	£000
Debtors	2,232	2,969
Prepayments	290	531
Government Grant	<u>119</u>	<u>410</u>
	<u>2,641</u>	<u>3,910</u>

15. Creditors Amounts falling due within one Year

	2011-12 £000	2010-11 £000
Mortgages and Unsecured Loans (Note 22)	50	50
Obligations Under Finance Leases (Note 22)	634	518
Payments Received on Account	2,538	2,798
Creditors	5,653	6,178
Social Security & Other Taxation Payable	607	939
Accruals and Deferred Income	870	695
Government Grants	<u>2,947</u>	<u>4,396</u>
	<u>13,299</u>	<u>15,574</u>

16. Creditors Amounts falling due after more than one year

	2011-12 £000	2010-11 £000
Mortgages secured on residential and other properties repayable by 2013 (Note 22)	25	75
Obligations Under Finance Leases (Note 22)	4,888	5,527
Government Grant (Note 22)	<u>3,000</u>	<u>874</u>
	<u>7,913</u>	<u>6,476</u>

The mortgage is a loan secured upon Chadwick Campus, repayable by equal instalments of principal of £50,000 pa and at an effective annual interest rate of 7¼ %.

The finance leases are payable by rental payments (covering principal and interest), and both expire in June 2018.

The rentals on the Hollins residence escalate at 3%pa; the effective annual interest rate is 7.35%.

The rentals on the Orlando residence are variable, based on the 3 month London Inter Bank Offered Rate (LIBOR).

The HEFCE grant, made under its Strategic Development Fund programme, is in respect of the acquisition of Bolton One and is repayable between August 2013 and July 2016.

17. Provisions for Liabilities and Charges

	Restructuring £000	Pension £000	Total £000
Balance at 1 August	486	2,744	3,230
Utilised in Year	(921)	(182)	(1,103)
Increases to Provision	<u>1,292</u>	<u>205</u>	<u>1,497</u>
At 31 July	<u>857</u>	<u>2,767</u>	<u>3,624</u>

The enhanced pension provision relates to pension enhancements awarded in previous years to staff who have already left the University's employment.

The principal assumptions used in determining the provision are as follows: -

	2011-12	2010-11
Net Interest Rate	2.00%	2.00%

The restructuring provision relates to committed payments under the University's ongoing restructuring programme, from which the University cannot reasonably withdraw at the balance sheet date.

18. Deferred Capital Grants

	HEFCE £000	Other £000	Total £000
Balance at 1 August			
Buildings	12,833	2,881	15,714
Equipment	<u>0</u>	<u>40</u>	<u>40</u>
	<u>12,833</u>	<u>2,921</u>	<u>15,754</u>
Cash Received and Receivable			
Buildings	0	0	0
Equipment	<u>0</u>	<u>0</u>	<u>0</u>
	<u>0</u>	<u>0</u>	<u>0</u>
Released to Income and Expenditure – Depreciation			
Buildings (Notes 1 and 4)	457	106	563
Equipment (Notes 1 and 4)	<u>0</u>	<u>40</u>	<u>40</u>
	<u>457</u>	<u>146</u>	<u>603</u>
Balance at 31 July			
Buildings	12,376	2,775	15,151
Equipment	<u>0</u>	<u>0</u>	<u>0</u>
Total	<u>12,376</u>	<u>2,775</u>	<u>15,151</u>

The value of the interest retained by HEFCE is £17,155,554 (2010-11 £13,191,222).

19. Specific Endowments

	Restricted Expendable £000	Restricted Permanent £000	Total £000
Balance at 1 August			
Capital	118	38	156
Accumulated Income	<u>50</u>	<u>53</u>	<u>103</u>
	168	91	259
New Endowments	40	0	40
Income for Year	1	1	2
Expenditure for Year	<u>(24)</u>	<u>(2)</u>	<u>(26)</u>
	<u>17</u>	<u>(1)</u>	<u>16</u>
At 31 July	<u>185</u>	<u>90</u>	<u>275</u>
Represented by:			
Capital Value	136	38	174
Accumulated Income	<u>49</u>	<u>52</u>	<u>101</u>
	<u>185</u>	<u>90</u>	<u>275</u>

20. Revaluation Reserve

	2011-12 £000	2010-11 £000
Balance at 1 August	18,477	19,090
Released in Year (Depreciation)	<u>(592)</u>	<u>(613)</u>
Balance at 31 July	<u>17,885</u>	<u>18,477</u>

21. Income and Expenditure Account

	2011-12 £000	2010-11 £000
Balance at 1 August	4,292	(2,244)
Surplus after Depreciation of Assets at Valuation	3,033	2,541
Release from Revaluation Reserve (Note 20)	<u>592</u>	<u>613</u>
Historical Cost Surplus	3,625	3,154
Actuarial (Loss) / Gain in respect of Pensions (Note 29)	(7,316)	3,382
Balance at 31 July	<u>601</u>	<u>4,292</u>
Balance Represented by:		
Income and Expenditure Reserve	16,386	12,602
Pension Reserve	(15,785)	(8,310)
Balance at 31 July	<u>601</u>	<u>4,292</u>

22. Financing Obligations

	Loan	Lease	Repayable Grant	Total	Total
	2011-12	2011-12	2011-12	2011-12	2010-11
	£000	£000	£000	£000	£000
Financing Obligations fall due as follows:					
Between two and five years	25	3,641	3,000	6,666	3,210
Over five years	<u>0</u>	<u>1,247</u>	<u>0</u>	<u>1,247</u>	<u>2,392</u>
Total over one year (Note 16)	25	4,888	3,000	7,913	5,602
Within one year (Note 15)	<u>50</u>	<u>634</u>	<u>0</u>	<u>684</u>	<u>568</u>
	<u>75</u>	<u>5,522</u>	<u>3,000</u>	<u>8,597</u>	<u>6,170</u>

Rentals due on the Orlando Residences Lease are geared to 3 month LIBOR, the amount included here is based upon the assumption that this rate remains at that prevailing as at 31 July 2012.

23. Capital Commitments

	2011-12	2010-11
	£000	£000
Committed Contracts at 31 July	0	8,701
Authorised but not contracted at 31 July	<u>0</u>	<u>0</u>
	<u>0</u>	<u>8,701</u>

24. Reconciliation of Operating Surplus to Net Cash From Operating Activities

	2011-12	2010-11
	£000	£000
Surplus before Tax	3,033	2,541
Depreciation (Note 11)	2,399	2,165
Deferred Capital Grants Released to Income (Note 18)	(603)	(744)
Investment Income (Note 5)	(273)	(223)
Impairment of Fixed Asset	0	260
Interest Payable (Note 10)	542	589
Pension Cost less Contributions payable (Note 29)	159	339
Decrease in Debtors	1,269	166
(Decrease) in Creditors	(3,401)	(742)
Increase in Provisions	<u>394</u>	<u>295</u>
Net Cash Inflow from Operating Activities	<u>3,519</u>	<u>4,646</u>

25. Returns on Investments and Servicing of Finance

	2011-12	2010-11
	£000	£000
Net Income from Endowments	(1)	26
Income from Short Term Investments	250	203
Interest Paid	(38)	(32)
Leasing Finance Charge	<u>(504)</u>	<u>(557)</u>
	<u>(293)</u>	<u>(360)</u>

26. Capital Expenditure and Financial Investment

	2011-12	2010-11
	£000	£000
Tangible Assets Acquired (other than leased equipment)	(8,587)	(281)
Endowment Asset Investments Acquired	<u>(16)</u>	<u>(59)</u>
Total Fixed and Endowment asset Investments Acquired	(8,603)	(340)
Proceeds from the sale of assets	0	0
New Endowments Received	40	53
Deferred Capital Grants Received	<u>0</u>	<u>61</u>
	<u>(8,563)</u>	<u>(226)</u>

27. Analysis of Changes in Financing During the Year

	Mortgages and Loans £000	Finance Leases £000	Repayable Grant £000	Total £000
Balance at 1 August 2010	175	6,478	0	6,653
Capital Repayments	<u>(50)</u>	<u>(433)</u>	<u>0</u>	<u>(483)</u>
Balance at 31 July 2011	125	6,045	0	6,170
Repayable Grant Received	0	0	3,000	3,000
Capital Repayments	<u>(50)</u>	<u>(523)</u>	<u>0</u>	<u>(573)</u>
Change in Financing 2011-12	<u>(50)</u>	<u>(523)</u>	<u>3,000</u>	<u>2,427</u>
Balance at 31 July 2012	<u>75</u>	<u>5,522</u>	<u>3,000</u>	<u>8,597</u>

28. Analysis of Changes in Net Funds

	At 1 August 2011 £000	Cash Flows £000	At 31 July 2012 £000
Cash at Bank and in hand	19,640	(2,910)	16,730
Debt due within one year	(568)	(116)	(684)
Debt due after one year	<u>(5,602)</u>	<u>(2,311)</u>	<u>(7,913)</u>
	<u>13,470</u>	<u>(5,337)</u>	<u>8,133</u>

29. Pension Schemes

The two principal pension schemes for the University are the Teachers' Pension Scheme (TPS) and the Greater Manchester Pension Fund (GMPF). There is also a small number of staff belonging to the Universities Superannuation Scheme (USS).

The total pension cost for the University was:

	2011-12 £000	2010-11 £000
TPS Contributions Paid	1,669	1,755
GMPF Charge to the Income and Expenditure Account	1,236	1,235
USS Contributions paid	<u>105</u>	<u>108</u>
Total Pension Cost (Note 6)	<u>3,010</u>	<u>3,098</u>

Outstanding Pension Contributions at 31 July 0 0

The assumptions and other data relevant to the determination of the contribution levels of the scheme are:

	TPS	GMPF	USS
Investment Returns per annum	6.5%	4.7%	6.4%
Salary Scale increase per annum	5.0%	4.0%	4.3%
Pension increase per annum	3.5%	2.2%	3.3%
Market Value of Assets at date of last valuation	£162,650M	£37M	£28,843M
MFR proportion of members' accrued benefits covered by the actuarial value of the assets.	98.88%	70%	103%

29. Pension Schemes (Continued)

Teachers' Pension Scheme

The TPS is an unfunded defined benefit scheme. Contributions on a "pay-as-you-go" basis are credited to the Exchequer under arrangements governed by the Superannuation Act 1972. A notional asset value is ascribed to the scheme for the purpose of determining contribution rates.

The pension cost is normally assessed no less than every four years in accordance with the advice of the Government Actuary. The assumptions and other data that have the most significant effect on the determination of the contribution levels are stated in the table above.

Following the implementation of Teachers' Pension (Employers' Supplementary Contributions) Regulations 2000 the Government Actuary carried out a further review on the level of employer contributions. For the period from 1 August 2011 to 31 July 2012 the employer contribution was 14.1%. The employees' rate was 6.4% until March 2012 and thereafter on a banded scale (according to salary) between 7.6% - 8.0%. An appropriate provision in respect of unfunded pensioners' benefits is included in provisions.

Under the definitions set out in FRS 17, the TPS is a multi-employer defined benefit pension scheme. The University is unable to identify its share of the underlying assets and liabilities of the scheme. Accordingly the University has taken advantage of the exception in FRS17 and has accounted for its contributions as if it were a defined contribution scheme.

Universities Superannuation Scheme

USS is an unfunded defined benefit scheme. The scheme is valued every three years by professionally qualified independent actuaries using the projected unit method, the rates of contribution payable being determined by the trustees on the advice of the actuaries. In the intervening years, the USS actuary reviews the progress of the USS scheme.

The contribution rate payable by the University to USS is 16% of pensionable salaries. The actuary of USS has confirmed that it is appropriate to take the pensions costs in the University's accounts to be equal to the actual contributions paid during the year. In particular, the contribution rate recommended following the 2005 valuation has regard to the surplus disclosed, the benefit improvements introduced subsequent to the valuation and the need to spread surplus in a prudent manner over the future working lifetime of current scheme members.

Under the definitions set out by FRS 17, the USS is a multi-employer defined benefit pension scheme. The University is unable to identify its share of the underlying assets and liabilities of the scheme. Accordingly, the University has taken advantage of the exemption in FRS 17 and has accounted for its contributions as if it were a defined contribution scheme.

Greater Manchester Pension Fund

The GMPF is a funded defined benefit scheme. The scheme is valued every three years by professionally qualified independent actuaries using the projected unit method, the rates of contribution payable being determined by the trustees on the advice of the actuaries. In the intervening years, the GMPF actuary reviews the progress of the GMPF scheme.

For GMPF, the actuary has indicated that the resources of the scheme are likely, in the normal course of events, to meet the liabilities as they fall due at the level specified by the GMPF Regulations. The contribution payable by the employer was 16.5% of pensionable salaries to March 2012, rising to 17.9% from April 2012. For subsequent years the rate will remain at 17.9%.

29 Pension Schemes (Continued)

Under the definitions set out in FRS 17, the GMPF is a multi-employer defined benefit pension scheme. The actuary of the scheme has identified the University's share of its assets and liabilities as at 31 July 2012.

The pension scheme assets are held in a separate trustee-administered fund to meet long-term pension liabilities to past and present employees. The trustees of the fund are required to act in the best interests of the fund's beneficiaries. The appointment of trustees to the fund is determined by the scheme's trust documentation. The trustees are responsible for setting the investment strategy for the scheme after consultation with professional advisers.

The material assumptions used by the actuary at 31 July 2012 were:

	2011-12	2010-11
Rate of Increase in Pension	2.2%	2.7%
Rate of Increase in Salaries	4.0%	4.5%
Discount Rate	4.1%	5.3%
Inflation Assumption	2.9%	3.7%

The Current mortality assumptions include sufficient allowance for future improvements in mortality rates. The assumed average life expectancies at age 65 are:

	Males Years	Females Years
Mortality Assumptions		
Current Pensioners	20.1	22.9
Future Pensioners	22.5	25.0

The assets in the GMPF Scheme and the expected rate of return were:

Scheme Assets	Long Term Return		Long Term Return		Long Term Return	
	Expected 2011-12 %	Value at 2011-12 £000	Expected 2010-11 %	Value at 2010-11 £000	Expected 2009-10 %	Value at 2009-10 £000
Equities	5.5	24,269	7.0	24,159	7.3	21,378
Bonds	3.3	7,721	4.6	6,750	4.8	4,647
Property	3.7	1,838	5.1	1,776	5.3	1,859
Cash	2.8	<u>2,941</u>	4.0	<u>2,842</u>	4.4	<u>3,098</u>
		<u>36,769</u>		<u>35,527</u>		<u>30,982</u>

29. Pension Schemes (Continued)

The following amounts at 31 July 2012 were measured in accordance with the requirements of FRS17.

Analysis of the Amount shown in the Balance Sheet

	2011-12	2010-11
	£000	£000
University's estimated asset share	36,769	35,527
Present value of scheme liabilities	(52,554)	(43,837)
Deficit in Scheme – Net Pension Liability	<u>(15,785)</u>	<u>(8,310)</u>

Analysis of the Amount charged to income and expenditure

	2011-12	2010-11
	£000	£000
Current Service Cost	1,245	1,244
Contributions in respect of Unfunded Benefits	(9)	(9)
Past Service Costs	0	0
Adjustment to Pension Costs (Note 6)	<u>1,236</u>	<u>1,235</u>

Analysis of the Amount charged to other interest paid

	2011-12	2010-11
	£000	£000
Expected return on pension scheme assets	(2,212)	(2,024)
Interest on Scheme Liabilities	<u>2,333</u>	<u>2,297</u>
Adjustment to other interest payable (Note 10)	<u>121</u>	<u>273</u>

Analysis of Amounts Recognised in Statement of Total Recognised Surpluses and Deficits

	2011-12	2010-11
	£000	£000
Actual Return less Expected Return on Pension Scheme Assets	(1,281)	2,137
Actuarial (Losses) / Gains on liabilities	(6,035)	1,245
Past Service Gains	0	0
	<u>(7,316)</u>	<u>3,382</u>

29. Pension Schemes (Continued)

Analysis of Movements in the present value of the scheme liabilities

	2011-12 £000	2010-11 £000
Opening Defined Benefit Obligation	43,837	42,335
Current Service Cost	1,245	1,244
Interest Cost	2,333	2,297
Contributions by members	461	471
Actuarial Losses / (Gains)	6,035	(1,245)
Estimated Unfunded Benefits Paid	(9)	(9)
Estimated benefits Paid	<u>(1,348)</u>	<u>(1,256)</u>
	<u>52,554</u>	<u>43,837</u>

Analysis of Movements in the market value of the scheme assets

	2011-12 £000	2010-11 £000
Opening Market Value of the Scheme Assets	35,527	30,982
Expected Return on Assets	2,212	2,024
Contributions by members	461	471
Contributions by University	1,198	1,169
Contributions in respect of Unfunded Benefits	9	9
Actuarial (Losses) / Gains	(1,281)	2,137
Estimated benefits Paid	<u>(1,357)</u>	<u>(1,265)</u>
	<u>36,769</u>	<u>35,527</u>

History of Experience Gains and Losses

	2011-12 £000	2010-11 £000	2009-10 £000	2008-09 £000	2007-08 £000
Difference between the expected and actual return on assets	(1,281)	2,137	2,399	(2,333)	(5,504)
Value of Assets	36,769	35,527	30,982	26,123	25,887
Percentage of Assets	(3.5%)	6.0%	7.7%	(8.9%)	(21.3%)
Experience Gains/(Losses) on Liabilities	(485)	(616)	8	(4)	1,850
Total Present Value of liabilities	52,554	43,387	42,335	39,126	31,907
Percentage of the Total Present Value of Liabilities	(1.0%)	(1.4%)	0.0%	0.0%	5.8%
Actuarial Gains/(Losses) Recognised in STRGL	(7,316)	3,382	2,505	(6,714)	(2,199)
Total Present Value Liabilities	52,554	43,387	42,335	39,126	31,907
Percentage of the Total Present Value of Liabilities	(13.9%)	7.8%	5.9%	(17.2%)	(6.9%)

30. Access Funds and Mature Bursaries

	2011-12	2010-11
	£000	£000
Balance at 1 August	26	59
Funding Council Grant	277	291
Interest Earned	<u>2</u>	<u>2</u>
	279	293
Disbursed to Students	(252)	(315)
Audit Fees	(1)	(1)
Administration Costs	<u>(10)</u>	<u>(10)</u>
	(263)	(326)
Balance at 31 July	<u>42</u>	<u>26</u>

Funding council grants are available solely for students, the University acts as paying agent. The grants and related disbursements are therefore excluded from the Income and Expenditure Account.

31. Other Funds for which the University acts as Paying Agent

	2011-12	2010-11
	£000	£000
Balance at 1 August	77	222
Funds Received in Year	240	995
Disbursements in the Year	(279)	(1,107)
Administration Costs	<u>(8)</u>	<u>(33)</u>
	(287)	(1,140)
Balance at 31 July	<u>30</u>	<u>77</u>

The University acts as paying agent for bursaries under the Postgraduate Certificate in Education and Sure Start Schemes.

32. Payment relating to Academic Partnerships

	2011-12	2010-11
	£000	£000
Receipts in respect of University Academic Partners	273	408
Disbursements made to University Academic Partners	<u>(273)</u>	<u>(408)</u>
	<u>0</u>	<u>0</u>

Where the University acts as paying agents in respect of contracts with other Higher Education Institutions, transactions are excluded from the Income and Expenditure Account.

33. Related Party Transactions

Due to the nature of the University's operations and the composition of the Board, members of which are drawn from local organisations, it is inevitable that transactions take place with organisations in which a member of the Board may have an interest. All transactions involving organisations in which a member of the Board may have an interest are declared and conducted at arm's length, in accordance with the University's Financial Regulations and normal procurement procedures.

The University maintains a Register of Interests and if a potential conflict of interest arises, the member of the Board would withdraw from a meeting of the Board of Governors.

The President of the Students' Union is also a member of the Board of Governors. Payments to the Students' Union totalled £198,000 (grant) and £170 (other transactions) (2010-11, £211,192 and £1,364 respectively). There were no amounts due to the Students' Union at 31 July 2012 (2010-11, nil).

There are no other related party transactions that would require disclosure under Financial Reporting Standard 8 "Related Party Transactions".

34. Board of Governors' Expenses

No member of the Board of Governors received any remuneration in their capacity as a member. However, sundry expenses incurred are reimbursed; these totalled £1,398 during 2011-12 (£1,368 in 2010-11).

35. Contingent Liability

The University received £3,000,000 repayable grant from HEFCE towards the development of Bolton One. The repayment is contingent on the sale of the Chadwick Campus at a price above £3,000,000; with any repayment of grant being confined to a half share (up to a maximum of £3,000,000) of the surplus over £3,000,000. The asset is held on the Balance Sheet at a value of £2,450,000 and it is considered unlikely that any realisation would attain the trigger threshold, accordingly, the £3,000,000 has been recognised as income in the year.

There are no other contingent liabilities. (2010-11: None).